

Israel Corporation Ltd.

2024 Annual Report

**This English Version of the Report is for the Convenience of the Reader.
The Hebrew Version of the Report is the Binding Version.**

**This Report does not constitute a Periodic Report
in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970**

Israel Corporation Ltd.

Report of the Board of Directors

For 2024

Israel Corporation Ltd.
Report of the Corporation's Board of Directors
For the Year Ended December 31, 2024

Israel Corporation Ltd. (hereinafter – “the Corporation”) is an Israeli-resident company that was incorporated in Israel, the securities of which are listed for trading on the Tel-Aviv Stock Exchange.

The Corporation operates through ICL Group Ltd. (hereinafter – “ICL”) and is involved in its management through directors serving on the Boards of Directors of ICL.

For details regarding the Corporation's strategy, which was determined by the Board of Directors in 2019, including making of new investments in accordance with guiding principles, along with continued maximization of the value of its investment in ICL – see Part D, Section 16 of the Annual Periodic Report. In addition, for details regarding investments made as part of the new business strategy, as stated – see Notes 7 and 9 to the consolidated financial statements.

This Directors' Report is submitted as part of the periodic report for 2024 and on the assumption that the reader is also in possession of the other parts of the said periodic report.

Various Events in the Corporation in the Year of the Report and Thereafter

- A. Subsequent to the date of the report, on March 27, 2025, the Corporation's Board of Directors decided to distribute a cash dividend to the shareholders, in the amount of about \$15 million. The effective date is April 9, 2025 and the payment date is April 21, 2025. For additional details – see the Immediate Report dated March 27, 2025 (Reference No.: 2025-01-021584).
- B. Subsequent to the date of the report, on March 5, 2025, the Corporation completed investment in and acquisition of shares from existing shareholders of Pordalim. In total, the Corporation invested about \$116 million, in exchange for about 29% of the shares of Pordalim (about 27.5% on a fully-diluted basis). Pordalim is a private company, incorporated in Israel, which is engaged in creating natural solutions for various industries. Its products include concentrates, flavors and fragrances, beverage bases and other natural functional ingredients. In addition, Pordalim is developing innovative activities focused on the emerging world of the dealcoholization of alcoholic beverages. For additional details – see Note 7 to the consolidated financial statements.
- C. Subsequent to the date of the report, on March 5, 2025, 24,297 options for shares of Pordalim were granted to the CEO, two officers and three additional employees of the Corporation. For additional details – see Note 17I to the consolidated financial statements.
- D. Further to that stated in Note 18B(1)(b) of the annual financial statements, on October 9, 2024, the District Court in Tel-Aviv rejected a request for a class action claim that was filed in March 2021 against the Corporation, ICL and the Corporation's controlling shareholder, involving contentions of an alleged violation of the Corporation's reporting obligations in connection with the significance of the royalties' arbitration in 2021.
- E. On July 17, 2024, S&P Maalot announced a reaffirmation of the rating of the Corporation at iIA+/stable with a stable rating outlook.
- F. On June 30, 2024, the Corporation acquired from its CEO 6,496 shares of ICL that derived from exercise of ICL options he held, in an aggregate amount of about NIS 105 thousand (Reference No.: 2024-01-066820).

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Various Events in the Corporation in the Year of the Report and Thereafter (Cont.)

- G. On May 13, 2024, the Securities Authority decided to extend the period for an offer of securities pursuant to a shelf prospectus of the Corporation up to May 19, 2025.
- H. On March 27, 2024, the Corporation's Board of Directors decided to distribute a cash dividend to the shareholders, in the amount of about \$37 million, this being pursuant to the approved dividend policy. The effective date was set as April 9, 2024 and the dividend was distributed on April 17, 2024. For additional details – see the Immediate Report, dated March 27, 2024 (Reference No.: 2024-01-033321).
- I. On November 16, 2023, the Corporation's Board of Directors approved a plan whereby the Corporation will repurchase its own shares. Execution of the plan began one trading day after publication of the Corporation's financial statements for the third quarter of 2023 and will run up to the earlier of: (1) acquisition of shares of the Corporation in the amount of \$33 million (where the cumulative cost will be determined based on the rate of exchange that is known on every acquisition date); or (2) March 31, 2024. Up to the end of the first quarter of 2024, the Corporation completed the plan and acquired a cumulative 132,243 ordinary shares of NIS 1 par value each, for a total amount of about \$33 million.
- J. On January 25, 2024, the Corporation's Board of Directors approved a grant of 10,811 options (non-marketable) that may be converted into 10,811 ordinary shares of NIS 1 par value of the Corporation to 8 employees including officers of the Corporation. For additional details – see Note 19B(1) to the consolidated financial statements.
- K. For details regarding the impacts of the war on the Corporation and ICL – see Note 1 to the consolidated financial statements and the ICL Section below.
- L. Data regarding the position of the Corporation's liabilities – see the Immediate Report regarding the position of the liabilities based on repayment dates published by the Corporation on March 27, 2025 (Reference No.: 2025-01-021619). The information presented therein is included in this report by means of reference.

For additional information regarding claims against the Corporation – see Note 18B(1) to the consolidated financial statements.

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For the Year Ended December 31, 2024

Financial Position and Results of Operations

	For the three-month period ended December 31		For the year ended December 31	
	2024	2023	2024	2023
	\$ millions			
Total sales	<u>1,601</u>	<u>1,690</u>	<u>6,841</u>	<u>7,536</u>
Net income attributable to the owners of the Corporation	<u>31</u>	<u>28</u>	<u>190</u>	<u>273</u>
Net income attributable to the owners of the Corporation				
ICL (including amortization of excess cost)	30	28	175	282
Financing, administrative and general expenses and other expenses of the Corporation's headquarters	2	1	–	(8)
Tax income (expenses) of the Corporation's headquarters	<u>(1)</u>	<u>(1)</u>	<u>15</u>	<u>(1)</u>
Net income attributable to the owners of the Corporation	<u>31</u>	<u>28</u>	<u>190</u>	<u>273</u>
Net income of main investee companies (based on 100%)				
Net income of ICL	<u>70</u>	<u>67</u>	<u>407</u>	<u>647</u>

	As at December 31	
	2024	2023
	\$ millions	
Financial position		
Total assets	12,490	12,891
Total current assets less total current liabilities	1,910	2,163
Total non-current assets	8,014	7,866
Total non-current liabilities	3,543	3,664
Balance of equity attributable to the owners of the Corporation	2,816	2,776

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For the Year Ended December 31, 2024

Financial Position and Results of Operations (Cont.)

Set forth below is the Condensed Consolidated Quarterly Statements of Income

	<u>1st Qtr. 2024</u>	<u>2nd Qtr. 2024</u>	<u>3rd Qtr. 2024</u>	<u>4th Qtr. 2024</u>	<u>Total for 2024</u>
	<u>\$ millions</u>	<u>\$ millions</u>	<u>\$ millions</u>	<u>\$ millions</u>	<u>\$ millions</u>
Sales	1,735	1,752	1,753	1,601	6,841
Cost of sales	1,179	1,185	1,159	1,066	4,589
Gross profit	556	567	594	535	2,252
Selling, administrative, R&D and other expenses / (income)	356	360	384	392	1,492
Operating income	200	207	210	143	760
Financing expenses, net	(34)	(31)	(37)	(28)	(130)
Group's share in income of associated companies	—	—	1	—	1
Income before taxes on income	166	176	174	115	631
Taxes on income	26	48	49	34	157
Net income for the year	140	128	125	81	474
Attributable to:					
The Corporation's owners	62	48	49	31	190
Non-controlling interests	78	80	76	50	284
Net income for the year	140	128	125	81	474

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SOURCES OF FINANCING AND LIQUIDITY OF THE CORPORATION AND THE HEADQUARTERS COMPANIES

As at the date of the Report, the total financial liabilities of the Corporation and of the wholly-owned and controlled headquarters companies (hereinafter – “the Headquarters Companies”) amounted to about \$733 million. The balance of the fair value of the currency and interest SWAP transactions economically increases the liabilities by about \$23 million.

As at the date of the report, the balance of the liquid assets of the Corporation and of the Headquarters Companies amounted to about \$882 million, of which about \$8 million thereof serves as collaterals for credit. Proximate to the signing date of the report, the amount of the cash deposited as security for credit and hedging transactions, is about \$10 million.

The net financial assets of the Corporation and of the Headquarters Companies as at the date of the report was about \$126 million, compared with a net balance of assets of about \$70 million as at as at December 31, 2023. As at the date of the report, the Headquarters Companies had net financial assets less accrued interest, in the amount of about \$1 million. Subsequent to the date of the report, on March 5, 2025, the Corporation acquired about 27.5% of the shares (fully-diluted) of Prodalim Investments Ltd., for a consideration of about \$116 million. For additional details – see Note 7 to the consolidated financial statements.

In the first quarter of 2024, the Corporation made a repurchase of Corporation shares, in the amount of about \$20 million and completed the repurchase plan, in the amount of about \$33 million, which was approved by the Corporation's Board of Directors. For additional details – see Note 20A to the consolidated financial statements.

In October 2024, the Corporation acquired 475 thousand shares of NOAP, for a consideration of about \$3.3 million. For additional details – see Note 9B to the consolidated financial statements.

In the period of the report, the Corporation repaid liabilities in the aggregate amount of about \$146 million, of which full and final early repayment of the debentures (Series 11), in the amount of about \$84 million, and partial repayment of the principal of the debentures (Series 12, 13 and 14) (net of hedging transactions), in the amount of about \$62 million. For details – see Note 14D(1) to the consolidated financial statements.

In the period of the report, the Corporation extended existing credit facilities, in the amount of \$260 million, for an additional period of one to three years from the signing date. For additional details – see Note 14E(1) to the consolidated financial statements.

Subsequent to the date of the report, in January 2025, the Corporation extended a loan agreement and an existing credit facility, in the aggregate amount of \$100 million for a period of an additional year from the signing date. The bank has a right to extend the period of the agreement for an additional two years after the end of the first year. For additional details – see Note 14D(1) to the consolidated financial statements. Subsequent to the date of the report, in February 2025, an additional credit facility, in the amount of 50 million, was extended for an additional year from the signing date.

As at the date of the report, the Corporation was in compliance with the financial covenants provided in its financing agreements. For additional details – see Note 14B(1) to the consolidated financial statements.

From time to time, the Corporation and the Headquarters Companies extend the repayment dates of long-term loans. As at the date of the report, the average duration of the balance of the loans and debentures of the Corporation and the Headquarters Companies is about 2.2 years.

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SOURCES OF FINANCING AND LIQUIDITY OF THE CORPORATION AND THE HEADQUARTERS COMPANIES (Cont.)

In the period of the report, the Corporation and the Headquarters Companies received dividends from ICL, in the amount of about \$110 million.

Regarding the Corporation's dividend distribution policy, the net cash flows from dividends received by the Corporation from its investee companies in respect of earnings in 2024 (including dividend amounts received subsequent to the date of the report) is in the amount of about \$106 million. For additional details – see Note 20E(1) to the consolidated financial statements.

Corporation's credit ratings

On July 17, 2024, S&P Maalot gave notice of reconfirmation of a rating of ilA+ with a stable rating outlook.

On July 4, 2023, S&P Maalot gave notice of a rating increase to ilA+ due to an improvement of the financial ratios with a stable rating outlook.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL):

Overview

ICL Group Ltd. (hereinafter – “ICL”) is a leading global specialty minerals company, which creates impactful solutions for humanity's sustainability challenges in the food, agriculture, and industrial markets. ICL leverages its unique bromine, potash, and phosphate resources, its global professional workforce, and its sustainability focused R&D and technological innovation capabilities, to drive ICL's growth across its end markets

ICL's operations are organized under four segments: Industrial Products (Bromine), Potash, Phosphate Solutions and Growing Solutions. ICL's principal assets include:

- Access to one of the world's richest, longest-life and lowest-cost sources of potash and bromine (the Dead Sea).
- A potash mine and processing facilities in Spain.
- Bromine compounds processing facilities in Israel, the Netherlands and China.
- A unique integrated phosphate value chain that extends from phosphate rock mines in Israel and in China to value-added downstream products produced in facilities located in Israel, Europe, the US, Brazil, Australia and China. ICL's specialty phosphates serve the food industry by providing texture and stability solutions to the meat, meat alternatives, poultry, sea food, dairy and bakery markets, as well as numerous other industrial markets, such as metal treatment, water treatment, oral care, carbonated drinks, asphalt modification, paints and coatings and more.
- Polysulphate® resources in the United Kingdom.
- Customized, highly effective specialty fertilizers that provide improved value to the grower, as well as essential nutrition for plant development, optimization of crop yields and reduced environmental impact.
- A focused and highly experienced team of technical experts that develop production processes, new applications, formulations and products for its agricultural and industrial markets.
- A strong crop nutrition sales and marketing infrastructure that optimizes distribution channels of commodity, specialty and semi-specialty fertilizers by leveraging its commercial excellence, global operational efficiency, region-specific knowledge, agronomic and R&D capabilities, logistical assets and customer relationships.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Overview (Cont.)

ICL's principal assets include: (Cont.)

- Research & Development and Innovation: ICL benefits from its proximity to Israel's global-leading high-tech and agri-tech eco-system, as well as its vast agronomy and chemistry knowledge that it has accumulated over decades. ICL's extensive global R&D infrastructure includes 24 R&D and Innovation centers around the world that employ about 300 highly experienced personnel who have obtained 707 patents of ICL in 218 patent families. ICL's R&D unit supports the development of new, innovative products, applications and formulations for each of its operating segments through internal research, employee ideation and collaborative research with third parties.
- An extensive global logistics and distribution network with operations in over 30 countries.

In the year ended December 31, 2024, ICL generated total sales of \$6,841 million, operating income of \$775 million, adjusted operating income of \$873 million, net income attributable to ICL's shareholders of \$407 million and adjusted net income attributable to ICL's shareholders of \$484 million.

Sales of the Industrial Products segment amounted to \$1,239 million and operating profit attributable to the segment amounted to \$224 million, sales of the Potash segment amounted to \$1,656 million and operating profit attributable to the segment amounted to \$250 million, sales of the Phosphate Solutions segment amounted to \$2,215 million and operating profit attributable to the segment amounted to \$358 million, and sales of the Innovative Ag Solutions segment amounted to \$1,950 million and operating profit attributable to the segment amounted to \$128 million.

Industrial Products – the Industrial Products segment produces bromine out of a solution as part of the potash production process in Sodom, Israel, as well as bromine-based compounds. Industrial Products uses most of the bromine it produces for self-production of bromine compounds at its production sites in Israel, the Netherlands and China. In addition, the Industrial Products segment produces several magnesia, calcium carbonate and salt products. Industrial Products is also engaged in the production and marketing of phosphorous-based products.

Potash – ICL's Potash segment produces and sells mainly potash, salts, magnesium, and electricity. Potash is produced in Israel and Spain using an evaporation process to extract potash from the Dead Sea at Sodom, Israel, and conventional mining from an underground mine in Spain. The segment also includes the production and sale of pure magnesium and magnesium alloys, as well as the production and sale of chlorine. In addition, the segment sells salt products produced at its potash site in Spain. The segment operates a power plant in Sodom that supplies electricity to the Israeli companies in the ICL Group (surplus electricity is sold to external customers) and steam to all facilities at the Sodom site.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Overview (Cont.)

Phosphate Solutions – the Phosphate Solutions Segment is based on a phosphate value chain which uses phosphate commodity products, such as phosphate rock and fertilizer-grade phosphoric acid (“green phosphoric acid”), to produce specialty products with higher added value. The Segment also produces and markets phosphate-based fertilizers. Phosphate rock is mined and processed from open pit mines, three of which are located in the Negev Desert in Israel and the fourth is in Yunnan province in China. The Phosphate Solutions Segment produces sulphuric acid, green phosphoric acid and phosphate fertilizers at its facilities in Israel and China.

The Segment manufactures white phosphoric acid by purifying green phosphoric acid. White phosphoric acid and green phosphoric acid are used to manufacture downstream products with high added value, such as, phosphate salts and acids for a wide range of food and industrial applications. Phosphate salts and acids are used in various industrial end markets, such as oral care, cleaning products, paints and coatings, energy storage solutions, water treatment, asphalt modification, construction, metal treatment and more. The Segment's products for the food industry include functional food ingredients and phosphate additives, which provide texture and stability solutions for processed meat, meat alternatives, poultry, seafood, dairy, beverage and baked goods. In addition, the Segment supplies white phosphoric acid to ICL's Growing Solutions Segment.

Growing Solutions – the Growing Solutions segment aims to achieve global leadership in specialty fertilization markets by enhancing its global positions in its core markets of specialty agriculture, ornamental horticulture, turf and landscaping, targeting high-growth markets such as Brazil, India and China, by leveraging its unique R&D capabilities, vast agronomic experience, global footprint, backward integration to potash and phosphate and chemistry know-how, as well as integrating and generating synergies from acquired businesses.

ICL is continuously working to expand its broad portfolio of specialty plant nutrition, plant stimulation and plant health solutions, which consists of enhanced efficiency and controlled release fertilizers (CRF), water soluble fertilizers (WSF), liquid fertilizers and straights (MKP/MAP/PeKacid) FertilizerpluS, soil and foliar micronutrients, secondary nutrients, bio-stimulants, soil conditioners, seed treatment products, and adjuvants.

The Growing Solutions segment develops, manufactures, markets and sells fertilizers that are based primarily on nitrogen, potash (potassium chloride) and phosphate. It produces water soluble specialty fertilizers in Belgium, liquid fertilizers and soluble fertilizers in Israel and Spain, and controlled-release fertilizers in the Netherlands and the United States FertilizerpluS; and secondary nutrients, bio-stimulants (growth stimulants), products for restoration and treatment of land, seed treatment products, and strengthening of plant resistance (adjuvants) manufactured in Brazil.

Additional activities – ICL's business activities include, among other things, ICL's innovative arm, that develops new products and services, as well as digital platforms and technological solutions for farmers and agronomists. This category includes Growers and Agmatix, innovative start-ups that are developing agricultural data processing and analysis capabilities for the future of agriculture. In alignment with ICL's efficiency plan, which includes a change of reporting responsibilities as of January 2024, the results of a non-phosphate related business were transferred from the Phosphate Solutions segment to Other Activities. Comparative figures have been restated to reflect the organizational change in the reportable segments. These activities are not presented as reportable segments as they do not meet required quantitative thresholds.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Main financial results of ICL

	10-12/2024		10-12/2023		1-12/2024		1-12/2023	
	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales	\$ millions	% of sales
Sales	1,601	—	1,690	—	6,841	—	7,536	—
Gross profit	535	33	560	33	2,256	33	2,671	35
Operating income	147	9	149	9	775	11	1,141	15
Adjusted operating income (1)	190	12	211	12	873	13	1,218	16
Net income attributable to ICL's shareholders	70	4	67	4	407	6	647	9
Adjusted net income to ICL's shareholders (1)	104	6	123	7	484	7	715	9
Diluted earnings per share (in dollars)	0.06	—	0.05	—	0.32	—	0.50	—
Adjusted diluted earnings per share (in dollars)	0.08	—	0.10	—	0.38	—	0.55	—
Adjusted EBITDA (2) (3)	347	22	357	21	1,469	21	1,754	23
Cash flows from operating activities (4)	452	—	452	—	1,468	—	1,710	—
Cash used for acquisition of property, plant and equipment and other assets	267	—	255	—	713	—	780	—

For 2025, ICL expects the specialties-driven segments' EBITDA to be between \$0.95 billion to \$1.15 billion. For Potash, ICL expects 2025 sales volumes to be between 4.5 million metric tons and 4.7 million metric tons (1A).

- (1) See table below of "adjustments to the operating income and the reported net income (non-GAAP)".
- (2) See table below of consolidated adjusted EBITDA.
- (3) In 2024, ICL's adjusted EBITDA was positively impacted by an immaterial accounting reclassification. For further information, see below in our Potash segment results.
- (4) Commencing from the second quarter of 2024, ICL management reclassified interest received as cash flows from investing activities and interest paid as cash flows from financing activities, instead of under cash provided by operating activities.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Financial data and measurements that are not in accordance with generally accepted accounting principles

ICL discloses in this section non-IFRS financial measures titled adjusted operating income, adjusted net income attributable to ICL's shareholders, diluted adjusted earnings per share, and adjusted EBITDA. ICL's management uses adjusted operating income, adjusted net income attributable to ICL's shareholders, diluted adjusted earnings per share, and adjusted EBITDA to facilitate operating performance comparisons from period to period. ICL calculates its adjusted operating income by adjusting its operating income to add certain items, as set forth in the reconciliation table under "Adjustments to reported operating, and net income (non-GAAP)" below. Certain of these items may recur. ICL calculates its adjusted net income attributable to ICL's shareholders by adjusting its net income attributable to ICL's shareholders to add certain items, as set forth in the reconciliation table under "Adjustments to reported operating, and net income (non-GAAP)" below, excluding the total tax impact of such adjustments. ICL calculates its diluted adjusted earnings per share by dividing adjusted net income by the weighted-average number of diluted ordinary shares outstanding. ICL's adjusted EBITDA is calculated as net income before financing expenses, net, taxes on income, share in earnings of equity-accounted investees, depreciation and amortization, and certain adjustments presented in the reconciliation table under "Consolidated adjusted EBITDA, and diluted adjusted Earnings Per Share for the periods of activity" below, which were adjusted for in calculating the adjusted operating income.

One should not view adjusted operating income, adjusted net income attributable to ICL's shareholders, diluted adjusted earnings per share or adjusted EBITDA as a substitute for operating income or net income attributable to ICL's shareholders determined in accordance with IFRS, and one should note that ICL's definitions of adjusted operating income, adjusted net income attributable to ICL's shareholders, diluted adjusted earnings per share, and adjusted EBITDA may differ from those used by other companies. Additionally, other companies may use other measures to evaluate their performance, which may reduce the usefulness of ICL's non-IFRS financial measures as tools for comparison. However, ICL believe adjusted operating income, adjusted net income attributable to ICL's shareholders, diluted adjusted earnings per share, and adjusted EBITDA provide useful information to both ICL's management, and investors by excluding certain items that management believes are not indicative of ICL's ongoing operations. ICL's management uses these non-IFRS measures to evaluate ICL's business strategies, and management performance. ICL believe that these non IFRS measures provide useful information to investors because they improve the comparability of ICL's financial results between periods and provide for greater transparency of key measures used to evaluate ICL's performance.

(1a) ICL only provides guidance on a non-GAAP basis. ICL does not provide a reconciliation of forward-looking adjusted EBITDA (non-GAAP) to GAAP net income (loss), due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, in particular because special items such as restructuring, litigation and other matters, used to calculate projected net income (loss) vary dramatically based on actual events, ICL is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income (loss) at this time. The amount of these deductions may be material and, therefore, could result in projected GAAP net income (loss) being materially less than projected adjusted EBITDA (non-GAAP). The guidance speaks only as of the date hereof. ICL undertakes no obligation to update any of these forward-looking statements to reflect events or circumstances after the date of this news release or to reflect actual outcomes, unless required by law.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Financial data and measurements that are not in accordance with generally accepted accounting principles (Cont.)

ICL provides guidance for Specialties-driven EBITDA, which includes Industrial Products, Growing Solutions and Phosphate Solutions, as the Phosphate Solutions business is now predominantly specialties-focused. For ICL's Potash business it provides sales volumes guidance. ICL believes this information provides greater transparency, as these new metrics are less impacted by fertilizer commodity prices, given the extreme volatility in recent years.

ICL presents a discussion in the period-to-period comparisons of the primary drivers of changes in ICL's results of operations. This discussion is based in part on the best estimates of ICL's management of the impact of the main trends in its businesses. ICL has based the following discussion on its financial statements. One should read the following discussion together with ICL's financial statements.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Financial data and measurements that are not in accordance with generally accepted accounting principles (Cont.)

Adjustments to reported operating and net income (Non-GAAP):

	<u>10-12/2024</u>	<u>10-12/2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$ millions</u>			
Operating income	<u>147</u>	<u>149</u>	<u>775</u>	<u>1,141</u>
Charges related to the security situation in Israel (1)	17	14	57	14
Impairment and write off of assets and provision for site closure (2)	20	34	35	49
Provision for early retirement (3)	4	16	4	16
Legal proceedings (4)	<u>2</u>	<u>(2)</u>	<u>2</u>	<u>(2)</u>
Total adjustments to operating income	<u>43</u>	<u>62</u>	<u>98</u>	<u>77</u>
Total adjusted operating income	<u>190</u>	<u>211</u>	<u>873</u>	<u>1,218</u>
Net income attributable to ICL's shareholders	70	67	407	647
Total adjustments to operating income	43	62	98	77
Total tax adjustments (5)	<u>(9)</u>	<u>(6)</u>	<u>(21)</u>	<u>(9)</u>
Total adjusted net income attributable to ICL's shareholders	<u>104</u>	<u>123</u>	<u>484</u>	<u>715</u>

- (1) For 2024 and 2023, reflects charges relating to the security situation in Israel.
- (2) For 2024, reflects mainly a write-off of assets resulting from the closure of small sites in Israel and Turkey, and an impairment of assets due to a regulatory decision that mandated the cessation of a certain project. For 2023, reflects mainly a write-off of assets related to restructuring at certain sites, including site closures and facility modifications, as part of ICL's global efficiency plan.
- (3) For 2024 and 2023, reflects provisions for early retirement, due to restructuring at certain sites, as part of ICL's global efficiency plan.
- (4) For 2024, reflects reimbursement of arbitration costs associated with a past Ethiopian potash project. For 2023, reflects a reversal of a legal provision.
- (5) For 2024 and 2023, reflects the tax impact of adjustments made to operating income.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Financial data and measurements that are not in accordance with generally accepted accounting principles (Cont.)

Calculation of the adjusted EBITDA was made as follows:

	<u>10-12/2024</u>	<u>10-12/2023</u>	<u>2024</u>	<u>2023</u>
	<u>\$ millions</u>			
Net income attributable to ICL's shareholders	<u>81</u>	<u>84</u>	<u>464</u>	<u>687</u>
Financing expenses, net	<u>33</u>	<u>33</u>	<u>140</u>	<u>168</u>
Taxes on income	<u>33</u>	<u>33</u>	<u>172</u>	<u>287</u>
Less: share in earnings of equity-accounted investees	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Operating income	<u>147</u>	<u>149</u>	<u>775</u>	<u>1,141</u>
Depreciation and amortization	<u>157</u>	<u>146</u>	<u>596</u>	<u>536</u>
Adjustments (1)	<u>43</u>	<u>62</u>	<u>98</u>	<u>77</u>
Total adjusted EBITDA (2)	<u>347</u>	<u>357</u>	<u>1,469</u>	<u>1,754</u>

(1) See "Adjustments to Reported Operating and Net income (non-GAAP)" above.

(2) In 2024, ICL's adjusted EBITDA was positively impacted by an immaterial accounting reclassification. For further information, see ICL's Potash segment results above.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Results of operations for October – December (Q4) of 2024:

	\$ millions			
	Sales	Expenses	Operating income	
Q4 2023 figures	1,690	(1,541)	149	
Total adjustments Q4 2023 *	—	(62)	(62)	
Adjusted Q4 2023 figures	1,690	(1,479)	211	
Quantity	26	(7)	19	↑
Price	(92)	—	(92)	↓
Exchange rates	(23)	22	(1)	↓
Raw materials	—	51	51	↑
Energy	—	(1)	(1)	↓
Transportation	—	11	11	↑
Operating and other expenses	—	(8)	(8)	↓
Adjusted Q4 2024 figures	1,601	(1,411)	190	
Total adjustments Q4 2024 *	—	(43)	(43)	
Q4 2024 figures	<u>1,601</u>	<u>(1,454)</u>	<u>147</u>	

* See “Adjustments to reported operating and net income (Non-GAAP)” above.

Quantity – the positive impact on operating income was primarily due to higher sales volumes of potash, magnesium, MAP used as a raw material for battery materials, and phosphate-based food additives. These were partially offset by lower sales volumes of specialty agriculture products.

Price – the negative impact on operating income was primarily related to a decrease of \$60 in the potash price (CIF) per ton year-over-year, as well as lower selling prices of white phosphoric acid (WPA) and phosphate-based food additives. These were partially offset by higher selling prices of specialty agriculture products and phosphate fertilizers.

Exchange rates – the unfavorable impact on operating income was mainly due to a negative impact on sales resulting from the depreciation of the average exchange rate of the Brazilian real against the US dollar, which slightly exceeded its positive impact on operational costs.

Raw materials – the positive impact on operating income was due to the lower cost of commodity fertilizers and raw materials used in the production of industrial solutions products, ammonia and nitrogen. This impact was partially offset by higher costs for sulphur.

Transportation – the positive impact on operating income resulted from lower inland and marine transportation costs.

Operating and other expenses – the negative impact on operating income was primarily related to higher maintenance and operational costs, which was partially offset by operational efficiencies, mainly in the Industrial Products segment.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Results of operations for January – December 2024:

	\$ millions			
	Sales	Expenses	Operating income	
YTD 2023 figures	7,536	(6,395)	1,141	
Total adjustments YTD 2023 *	<u>–</u>	<u>77</u>	<u>77</u>	
Adjusted YTD 2023 figures	7,536	(6,318)	1,218	
Quantity	412	(233)	179	↑
Price	(1,050)	–	(1,050)	↓
Exchange rates	(57)	104	47	↑
Raw materials	–	334	334	↑
Energy	–	29	29	↑
Transportation	–	1	1	↑
Operating and other expenses	<u>–</u>	<u>115</u>	<u>115</u>	↑
Adjusted YTD 2024 figures	6,841	(5,968)	873	
Total adjustments YTD 2024 *	<u>–</u>	<u>(98)</u>	<u>(98)</u>	
2024 YTD figures	<u>6,841</u>	<u>(6,066)</u>	<u>775</u>	

* See “Adjustments to reported operating and net income (Non-GAAP)” above.

Sales – ICL’s sales decreased by \$695 million compared to 2023. The decrease was due to a \$94 decrease in the potash price (CIF) per ton year-over-year, as well as a decrease in selling prices of bromine-based industrial solutions, bromine and phosphorous-based flame retardants, white phosphoric acid (WPA), phosphate-based food additives, salts, specialty agriculture products, as well as FertilizerpluS products. In addition, a decrease was recorded in sales volumes of clear brine fluids and fertilizers, together with the depreciation of the average exchange rate of the Brazilian real and the Chinese Yuan against the US dollar. This decrease was partially offset by higher sales volumes of bromine and phosphorous-based flame retardants, elemental bromine, magnesium, specialty agriculture products, turf and ornamental products, MAP used as raw material for energy storage solutions and salts, together with higher selling prices of phosphate fertilizers.

Cost of sales – the cost of sales decreased by \$280 million compared to 2023. The decrease was due to lower prices of commodity fertilizers, sulphur and caustic soda, as well as a depreciation of the average exchange rate of the Brazilian real, the Israeli shekel and the Chinese Yuan against the US dollar, as well as the positive impact of our hedging strategy on operational costs, together with decreased electricity and gas prices. The decrease was partially offset by higher sales volumes of bromine and phosphorous-based flame retardants, elemental bromine, magnesium, MAP used as raw material for energy storage solutions, salts, specialty agriculture products and turf and ornamental products.

Selling and marketing – the expenses increased by \$21 million compared to 2023, mainly due to higher labor costs, partially offset by the depreciation of the average exchange rate of the Brazilian real against the US dollar.

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Results of operations for January – December 2024: (Cont.)

General and administrative – the expenses decreased by \$1 million compared to 2023, mainly due to the depreciation of the average exchange rate of the Brazilian Real and the Israeli shekel against the US dollar, partially offset by higher labor costs.

Research and development – the expenses decreased by \$2 million compared to 2023, mainly due to lower labor costs.

Other expenses, net – other expenses, net, decreased by \$67 million compared to 2023. The decrease was primarily due to higher expenses in 2023 associated with asset write-offs and provisions for early retirement as part of restructuring efforts at specific sites.

Financing expenses, net

Net financing expenses for the year ended December 31, 2024, amounted to \$140 million compared to \$168 million in 2023, a decrease of \$28 million. This reduction is primarily due to a decrease of \$19 million in losses from net exchange rate differences and hedging transactions, as well as a decrease of \$12 million in interest expenses mainly due to a decrease in net debt.

Tax expenses

In 2024, ICL's reported tax expenses amounted to \$172 million, compared to \$287 million in 2023, reflecting an effective tax rate of 27% and 29%, respectively. The Company's relatively lower effective tax rate for 2024 reflected a lower surplus profit levy mainly due to a decrease in potash prices.

ICL operating segments

Trends impacting ICL's operating segments

Global politics, economics, conflicts, and environmental pressures have all impacted the markets in recent years. Following a significant price drop from their 2022-23 highs, fertilizer and commodity prices moderated throughout 2024. This price moderation has spurred a gradual increase in global consumption.

Global inflation continued to ease throughout 2024, following the previous year's contractionary monetary policies implemented by central banks. This allowed both the US Federal Reserve and the European Central Bank to begin transitioning towards a more accommodative stance, initiating interest rate reductions. However, despite this cooling trend, inflation persists above pre-pandemic levels in most markets, creating a challenging business environment where balancing rising wages and input costs remains a key concern. Furthermore, interest rates, while eased by some central banks, remain elevated, and the pressure on financing is compounded by high debt levels and persistent fiscal deficits.

Despite surprisingly resilient global growth in 2024, the world economy faces further challenges in 2025. Elevated geopolitical tensions, including those in the Middle East, risk disrupting energy markets and supply chains, potentially driving inflation higher and dampening economic activity. Financial markets have reacted to anticipated policy changes following the 2024 elections, and uncertainty surrounding economic policy, particularly in trade and government spending, has risen. In addition, persistent global trade frictions, weak Chinese demand, and a slowdown in Europe will create continued uncertainty for the global economy and commodity markets.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

ICL operating segments (Cont.)

The Industrial Products sector (Cont.)

Trends impacting the Industrial Products sector (Cont.)

The operations of ICL's Industrial Products segment are largely affected by levels of activity in the electronics, construction, automotive, oil drilling, furniture, pharmaceutical, agro, textile and water treatment markets.

In 2024, approximately 47% of the worldwide use of bromine was for flame retardants, about 20% was used for clear brine fluids and the remainder was used for intermediates, industrial uses, water treatment and other uses.

In the second half of 2022, the segment began to experience softer demand in most markets, mainly for its flame retardants. This trend continued throughout 2023 and 2024, mainly due to global economic dynamics and high inventory levels in the value chain.

Set forth below is a description of the main trends in the activities of the product lines:

Flame retardants:

2024 was characterized by low demand across all applications, resulting from soft demand in end markets including the electronics, building & construction, automotive and textile industries. The low demand in the end markets is mainly attributed to the economic situation in China and Europe which resulted in low consumption of consumer goods. Demand for ICL's phosphorus-based flame retardants was soft due to the global economic situation, and high Chinese capacity contributed to lower price levels.

In 2023, ICL, LXS and PCC jointly filed an anti-dumping claim with the European Commission against imports of tris(2-chloro-1-methylethyl) phosphate (TCPP) from China. In April 2024, the EU commission applied 60% duties for imported TCPP from China. In addition, during 2024 ICL filed an anti-dumping claim in the US for imported material from China.

The pressure of new regulations for plastic additives continues, however new growing global trends, like EV, automation and digitalization, as well as energy efficient buildings, are serving to increase demand for new flame retardants that comply with the new regulations.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

ICL operating segments (Cont.)

The Industrial Products sector (Cont.)

Trends impacting the Industrial Products sector (Cont.)

Set forth below is a description of the main trends in the activities of the product lines: (Cont.)

Industrial Solutions:

Elemental bromine: 2024 was characterized by soft demand for elemental bromine, especially for flame retardants and agro markets, due to global economic dynamics.

Agro-Pharma: demand in agro markets was low due to high inventories in end markets.

Industrial Services: strong demand was recorded for Mercury emissions control, supported by a shortage of natural gas that led to power plants in the US and Europe reverting to coal as an energy source. In addition, functional fluids experienced stable demand.

Clear brine fluids: the market experienced high demand in the Gulf of Mexico while the demand in the Eastern Hemisphere was significantly low due to the normal drilling operations cycle for the oil and gas drilling market. ICL continued to supply clear brine fluids to the United Arab Emirates directly from Israel.

Specialty minerals:

Magnesia and calcium products: 2024 was characterized by higher competition in most applications.

Solid MgCl₂: there was a moderate decrease in the use of MgCl₂ as a prime de-icer due to a mild winter.

Pure and packed KCl: since the end of 2022, the market has experienced an excess supply of KCl which has significantly increased competition. Consequently, we implemented a price reduction strategy in 2024 which enabled us to maintain our market share.

Results of operations – Industrial Products

	<u>10-12/2024</u>	<u>10-12/2023</u>	<u>1-12/2024</u>	<u>1-12/2023</u>
	<u>\$ millions</u>			
Total sales	<u>280</u>	<u>299</u>	<u>1,239</u>	<u>1,227</u>
Sales to external customers	<u>275</u>	<u>294</u>	<u>1,220</u>	<u>1,206</u>
Sales to internal customers	<u>5</u>	<u>5</u>	<u>19</u>	<u>21</u>
Segment income	<u>55</u>	<u>39</u>	<u>224</u>	<u>220</u>
Depreciation and amortization	<u>15</u>	<u>17</u>	<u>57</u>	<u>57</u>
Segment EBITDA	<u>70</u>	<u>56</u>	<u>281</u>	<u>277</u>
Current capital investments	<u>38</u>	<u>29</u>	<u>94</u>	<u>91</u>

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

ICL operating segments (Cont.)

The Industrial Products sector (Cont.)

Results of operations – Industrial Products (Cont.)

Results of the segment's operations for October – December (Q4) of 2024

	\$ millions			
	Sales	Expenses	Operating income	
Q4 2023 figures	299	(260)	39	
Quantity	(13)	10	(3)	↓
Price	(6)	–	(6)	↓
Exchange rate	–	–	–	↔
Raw materials	–	6	6	↑
Energy	–	2	2	↑
Transportation	–	(4)	(4)	↓
Operating and other expenses	–	21	21	↑
Q4 2024 figures	280	(225)	55	

Quantity – the negative impact on operating income was primarily related to a decrease in sales volumes of bromine-based flame retardants and clear brine fluids. This was partially offset by higher sales volumes of phosphorus-based flame retardants.

Price – the negative impact on operating income was primarily due to lower selling prices of bromine-based industrial solutions and bromine-based flame retardants.

Raw materials – the positive impact on operating income was mainly due to decreased costs of Bisphenol A (BPA).

Operating and other expenses – the positive impact on operating income was primarily related to operational efficiencies due to higher production.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

ICL Group Ltd. (Cont.)

ICL operating segments (Cont.)

Results of operations for January – December 2024 – Industrial Products

	\$ millions			
	Sales	Expenses	Operating income	
YTD 2023 figures	1,227	(1,007)	220	
Quantity	191	(114)	77	↑
Price	(177)	–	(177)	↓
Exchange rate	(2)	14	12	↑
Raw materials	–	14	14	↑
Energy	–	7	7	↑
Transportation	–	(1)	(1)	↓
Operating and other expenses	–	72	72	↑
YTD 2024 figures	<u>1,239</u>	<u>(1,015)</u>	<u>224</u>	

Quantity – the positive impact on operating income was primarily related to an increase in sales volumes of bromine and phosphorus-based flame retardants, elemental bromine and specialty minerals. This impact was partially offset by lower sales volumes of clear brine fluids and phosphorus-based industrial solutions.

Price – the negative impact on operating income was due to lower selling prices of bromine based industrial solution, bromine and phosphorus-based flame retardants and specialty minerals.

Exchange rate – the favorable impact on operating income was mainly due to the positive impact on operational costs resulting from the depreciation of the average exchange rate of the Israeli shekel against the US dollar.

Raw materials – the positive impact on operating income was mainly due to decreased costs of Bisphenol A (BPA).

Energy – the positive impact on operating income was due to lower prices of electricity and gas.

Operating and other expenses – the positive impact on operating income was primarily related to operational efficiencies due to higher production.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

The Potash segment

Trends impacting the Potash segment:

In 2024, average prices of corn, wheat, soy and rice decreased by 27%, 25.6%, 22.5% and 2.5%, respectively. Despite regional weather challenges, the 2023/24 crop cycle demonstrated strong performance in global commodity crop production. Favorable growing conditions supported soy and corn yields across the US, while Brazilian soy output exceeded 150 million metric tons for the second consecutive year. Additionally, wheat production in Russia and Ukraine remained stable year-over-year. In India, the monsoon rainfall in 2024 exceeded its long-term average, enhancing the outlook for the summer crop season.

Nevertheless, the WASDE report, published in February 2025, still indicates a decrease in the anticipated ratio of global grain stocks to annual consumption to 26.5% for the 2024/25 agriculture year, compared to 28.2% and 28.6% for the previous two agricultural years, respectively. This suggests that any disruption to production would have a significant impact on prices.

Global potash market – average prices and imports:

<u>Average price</u>		<u>2024</u>	<u>2023</u>	<u>Change versus 2023</u>
Granular potash – Brazil	CFR spot (\$ per ton)	299	392	(23.7%)
Granular potash – Northwest Europe	CIF spot/contract (€ per ton)	349	496	(29.6%)
Standard potash – Southeast Asia	CFR spot (\$ per ton)	294	381	(22.8%)
<u>Potash imports</u>				
To Brazil	Millions of tons	13.4	13.2	1.5%
To China	Millions of tons	12.6	11.7	7.7%
To India	Millions of tons	3.1	2.8	10.7%

Sources: CRU (Fertilizer Week Historical Price: December 2024), SIACESP (Brazil), United Port Services (Brazil), FAI (India), Chinese Customs and Global Trade Tracker (GTT).

In potash markets, spot prices declined by an additional 20-30% year-over-year across North and South America, Asia, and Europe. This decrease was driven by favorable supply and demand, as production and shipments in Canada and eastern Europe continued to experience year-over-year growth, while buyers maintained sufficient inventories in anticipation of their seasons.

In contract markets, similar trends were observed. An increase in Chinese inventories to 4 million tons in the first quarter of 2024 led to a delay in annual price negotiations. Once Chinese stock levels dropped below 3 million tons in July, a new contract was executed at \$273/mt. Shortly thereafter, an agreement was reached with India at an \$8 premium, which was subsequently adjusted to a range of \$283-285 /mt in the fourth quarter.

Magnesium trends

In 2024, demand in the aluminum market, in which magnesium is utilized as a strengthening element, as well as in the automotive sector, was relatively soft due to global economic uncertainty impacting end consumers.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

ICL Group Ltd. (Cont.)

The Potash segment (Cont.)

Results of operations – Potash

	<u>10–12/2024</u>	<u>10–12/2023</u>	<u>1–12/2024</u>	<u>1–12/2023</u>
	<u>\$ millions</u>			
Total sales	<u>422</u>	<u>474</u>	<u>1,656</u>	<u>2,182</u>
Sales of potash to external customers	<u>315</u>	<u>336</u>	<u>1,237</u>	<u>1,693</u>
Sales of potash to internal customers	<u>30</u>	<u>49</u>	<u>95</u>	<u>129</u>
Other and eliminations*	<u>77</u>	<u>89</u>	<u>324</u>	<u>360</u>
Gross profit	<u>162</u>	<u>231</u>	<u>650</u>	<u>1,171</u>
Segment income	<u>69</u>	<u>122</u>	<u>250</u>	<u>668</u>
Depreciation and amortization	<u>61</u>	<u>46</u>	<u>242</u>	<u>175</u>
Segment EBITDA**	<u>130</u>	<u>168</u>	<u>492</u>	<u>843</u>
Capital investments	<u>116</u>	<u>132</u>	<u>332</u>	<u>384</u>
Potash price (in dollars per ton)	<u>285</u>	<u>345</u>	<u>299</u>	<u>393</u>

* Primarily includes salt produced in Spain, metal magnesium-based products, chlorine and sales of surplus electricity produced by ICL's power plant at the Dead Sea in Israel.

** Following a nonmaterial accounting reclassification of certain assets, the Potash segment's EBITDA for Q4 2024 increased by \$16 million and for the full year of 2024 by \$65 million.

Potash – production and sales

	<u>10–12/2024</u>	<u>10–12/2023</u>	<u>1–12/2024</u>	<u>1–12/2023</u>
	<u>Tons, thousands</u>			
Production	<u>1,178</u>	<u>1,139</u>	<u>4,502</u>	<u>4,420</u>
Total sales (including internal sales)	<u>1,259</u>	<u>1,179</u>	<u>4,556</u>	<u>4,683</u>
Closing inventory	<u>229</u>	<u>284</u>	<u>229</u>	<u>284</u>

Fourth quarter 2024

Production – production was 39 thousand tons higher year-over-year, mainly due to higher production in Spain.

Sales – the quantity of potash sold was 80 thousand tons higher year-over-year, mainly due to higher sales volumes in India and Europe, partially offset by lower sales volumes in Brazil, the US and China.

Year 2024

Production – production was 82 thousand tons higher year-over-year, mainly due to operational improvements in Spain, which outweighed operational challenges and war-related issues at the Dead Sea.

Sales – the quantity of potash sold was 127 thousand tons lower year-over-year, mainly due to decreased sales volumes in China and Brazil, partially offset by higher sales volumes in Europe, India and the US.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

The Potash segment (Cont.)

Results of operations for October – December (Q4) of 2024

	\$ millions			
	Sales	Expenses	Operating income	
Q4 2023 figures	474	(352)	122	
Quantity	38	(19)	19	↑
Price	(90)	–	(90)	↓
Exchange rate	–	1	1	↑
Raw materials	–	(1)	(1)	↓
Energy	–	(3)	(3)	↓
Transportation	–	10	10	↑
Operating and other expenses	–	11	11	↑
Q4 2024 figures	<u>422</u>	<u>(353)</u>	<u>69</u>	

Quantity – the positive impact on operating income was primarily related to an increase in sales volumes of magnesium, as well as an increase in potash sales volumes in India and Europe, partially offset by lower potash sales volumes in Brazil, the US and China.

Price – the negative impact on operating income resulted primarily from a decrease of \$60 in the potash price (CIF) per ton, year-over-year.

Transportation – the positive impact on operating income was due to a decrease in inland costs and marine costs, primarily to Brazil and the US.

Operating and other expenses – the positive impact on operating income was primarily related to lower operational and maintenance costs.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

The Potash segment (Cont.)

Results of operations for January – December 2024

	\$ millions			
	Sales	Expenses	Operating income	
YTD 2023 figures	2,182	(1,514)	668	
Quantity	47	(30)	17	↑
Price	(576)	–	(576)	↓
Exchange rate	3	18	21	↑
Raw materials	–	2	2	↑
Energy	–	14	14	↑
Transportation	–	2	2	↑
Operating and other expenses	–	102	102	↑
YTD 2024 figures	<u>1,656</u>	<u>(1,406)</u>	<u>250</u>	

Quantity – the positive impact on operating income was primarily related to an increase in sales volumes of magnesium, as well as an increase in sales volumes of potash in Europe, India and the US, partially offset by lower sales volumes of potash in China and Brazil.

Price – the negative impact on operating income resulted primarily from a decrease of \$94 in the potash price (CIF) per ton, year-over-year.

Exchange rates – the favorable impact on operating income was mainly due to a positive impact on operational costs resulting from the depreciation of the average exchange rate of the Israeli shekel against the US dollar, as well as the positive impact on sales resulting mainly from the appreciation of the average exchange rate of the euro against the US dollar.

Energy – the positive impact on operating income was primarily due to decreased electricity and gas prices.

Operating and other expenses – the positive impact on operating income was primarily related to lower operational costs.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Phosphate Solutions

Trends impacting the Phosphate Solutions segment

Throughout 2024, phosphate fertilizers prices remained stable to firm, with the exception of a brief period of softness late in the first quarter and early in the second quarter when India attempted to reduce DAP subsidies. This trend was solidly supported by supply and demand fundamentals, as buyers were concerned over the international availability of Chinese product on one hand, and the limited DAP/MAP stocks in several key agricultural markets on the other hand. On average, key phosphate pricing benchmarks were 4% higher year-over-year.

In 2024, Chinese DAP averaged \$579/mt FOB, reflecting a \$22 increase year-over-year and a \$60 increase above the five-year average. International shipments of ammoniated phosphates were restricted in January and February, aimed at securing domestic supplies. This kept international markets tight, which resulted in high global prices. Since trade picked-up rapidly in the second and third quarters, sentiment and fundamentals have both improved. By the end of the third quarter, the benchmark had again rebounded above \$600/mt, driven by speculations over availability. These speculations were eventually confirmed, resulting in DAP FOB China ending the year at \$615/mt.

In the US, DAP FOB NOLA traded 3% higher year-over-year, as imports remained firm. Provisional data indicates that nearly 3 million mt of phosphate fertilizers were imported, the highest since 2018. This increase is attributed to several factors, including the need to replenish inventories following extensive destocking in 2023, strong farm-level demand, and significant operational challenges relating to storm and hurricane damage. Since the implementation of Countervailing Duties (CVDs) on Russian and Moroccan products in 2020, import volumes from both countries have sharply declined. Consequently, in 2024 a third of all processed phosphate originated from Saudi Arabia, with the remainder derived from Morocco, Mexico, Jordan, Israel, Egypt, Lebanon and others.

In Brazil, MAP prices increased by 8% year-over-year. During the first half of 2024, buyers faced challenges in securing sufficient MAP/NPS supplies, particularly from Morocco and Saudi Arabia, resulting in lower import volumes compared to 2023, as well as the five-year historical average. With domestic soy and corn production remaining robust in 2024, buyers were compelled not only to accept higher prices, but also to use large quantities of substitute products, such as Superphosphate.

The DAP market in India experienced significant volatility throughout 2024, primarily driven by government policy changes and supply-demand dynamics. Initially, reduced government subsidies weighed on first quarter imports, resulting in negative distribution margins. Subsequently, increased Chinese product availability decreased prices which began to recover as Chinese export inspections slowed. Market conditions ultimately necessitated higher Indian bids to secure supply from alternative markets, resulting in a significant price increase. These developments resulted in continued trading beyond the usual seasonal period, supporting prices, alongside a significant rise in Triple Super Phosphate (TSP) purchases from Morocco.

The Indian phosphoric acid price ranged between \$948/mt and \$1,060/mt P₂O₅ during 2024. Contracts are usually negotiated on a quarterly basis and tend to reflect developments in DAP/MAP prices. For the first quarter of 2025, the price was agreed at \$1,055/mt, reflecting a decrease in DAP prices in January.

In 2024, sulphur FOB Middle East averaged \$103/mt. Although the average was flat year-over-year, the prevailing trend throughout most of the year was upwards. Having begun 2024 below \$80/mt, tighter supply and firm demand in the second half of the year saw the benchmark end the year at \$165/mt.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Phosphate Solutions (Cont.)

Global phosphate commodities market – average prices:

<u>Average price</u>	<u>Dollar per ton</u>	<u>2024</u>	<u>2023</u>	<u>Change versus 2023</u>
DAP	CFR India Spot	587	569	3%
TSP	CFR Brazil Spot	465	434	7%
SSP	CPT Brazil inland P ₂ O ₅ Spot 18-20%	283	290	(2%)
Sulphur	Bulk FOB Adnoc monthly bulk contract	100	104	(4%)

Source: CRU (Fertilizer Week Historical Prices, January 2025).

In 2024, global phosphate specialties prices experienced high pressure due to overcapacity in the market resulting from new production capacities coming online as well as lower input costs. Furthermore, slow economic growth rates drove a highly competitive environment on market share and volumes. By the end of the year, food-grade white phosphoric acid began to stabilize within ranges comparable to those observed three years ago. Prices for industrial specialties and food products experienced a significant decrease during the year. The Battery Materials market in China experienced an upward trend in the beginning of the year, with demand stabilizing at elevated levels towards the year's end. Furthermore, ramp-up of Battery Materials production outside China provided further opportunities.

Results of operations – Phosphate Solutions

	<u>10–12/2024</u>	<u>10–12/2023</u>	<u>1–12/2024</u>	<u>1–12/2023</u>
	<u>\$ millions</u>			
Total sales	<u>507</u>	<u>515</u>	<u>2,215</u>	<u>2,350</u>
Sales to external customers	<u>475</u>	<u>474</u>	<u>2,049</u>	<u>2,141</u>
Sales to internal customers	<u>32</u>	<u>41</u>	<u>166</u>	<u>209</u>
Segment income	<u>81</u>	<u>85</u>	<u>358</u>	<u>350</u>
Depreciation and amortization	<u>51</u>	<u>54</u>	<u>191</u>	<u>207</u>
Segment EBITDA	<u>132</u>	<u>139</u>	<u>549</u>	<u>557</u>
Capital investments	<u>147</u>	<u>89</u>	<u>340</u>	<u>270</u>

- (1) In alignment with ICL's efficiency plan, which included a change of reporting responsibilities, as of January 2024, the results of a non-phosphate related business were allocated from the Phosphate Solutions segment to Other Activities. Comparative figures have been restated to reflect the organizational change in the reportable segments.
- (2) For Q4 2024, Phosphate Specialties accounted for \$309 million of segment sales, \$44 million of operating income, \$13 million of D&A and \$57 million of EBITDA, while Phosphate Commodities accounted for \$198 million of segment sales, \$37 million of operating income, \$38 million of D&A and represented \$75 million of EBITDA.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Phosphate Solutions (Cont.)

Results of operations for October – December (Q4) of 2024

	\$ millions			
	Sales	Expenses	Operating income	
Q4 2023 figures	515	(430)	85	
Quantity	15	(5)	10	↑
Price	(24)	–	(24)	↓
Exchange rate	1	3	4	↑
Raw materials	–	17	17	↑
Energy	–	1	1	↑
Transportation	–	6	6	↑
Operating and other expenses	–	(18)	(18)	↓
Q4 2024 figures	<u>507</u>	<u>(426)</u>	<u>81</u>	

Quantity – the positive impact on operating income was due to higher sales volumes of phosphate-based food additives and MAP used for battery materials, partially offset by lower sales volumes of phosphate fertilizers and white phosphoric acid (WPA).

Price – the negative impact on operating income was primarily due to lower selling prices of WPA, as well as phosphate-based food additives and salts, partially offset by higher phosphate fertilizer selling prices.

Raw materials – the positive impact on operating income was due to the lower costs of ammonia and potassium hydroxide (KOH), partially offset by the higher cost of sulphur.

Transportation – the positive impact on operating income was due to a decrease in marine and inland transportation costs.

Operating and other expenses – the negative impact on operating income was primarily related to higher maintenance and operational expenses.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Phosphate Solutions (Cont.)

Results of operations for January – December 2024

	\$ millions			
	Sales	Expenses	Operating income	
YTD 2023 figures	2,350	(2,000)	350	
Quantity	79	(25)	54	↑
Price	(208)	–	(208)	↓
Exchange rate	(6)	29	23	↑
Raw materials	–	129	129	↑
Energy	–	5	5	↑
Transportation	–	5	5	↑
YTD 2024 figures	<u>2,215</u>	<u>(1,857)</u>	<u>358</u>	

Quantity – the positive impact on operating income was due to higher sales volumes of MAP used for battery materials, salts and phosphate-based food additives. This was partially offset by lower sales volumes of phosphate fertilizers and white phosphoric acid (WPA).

Price – the negative impact on operating income primarily related to lower selling prices of WPA, phosphate-based food additives, salts and MAP used for battery materials. This was partially offset by higher selling prices of phosphate fertilizers.

Exchange rate – the favorable impact on operating income was mainly due to the positive impact on operational costs resulting from the depreciation of the average exchange rate of the Israeli shekel and the Chinese yuan against the US dollar, which exceeded the negative impact on sales resulting from the depreciation of the average exchange rate of the Chinese yuan against the US dollar.

Raw materials – the positive impact on operating income was due to lower costs of sulphur, caustic soda, potassium hydroxide (KOH) and ammonia.

Energy – the positive impact on operating income was due to decreased gas and electricity prices.

Transportation – the positive impact on operating income was due to a decrease in inland transportation costs.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Growing Solutions

Trends impacting the Growing Solutions segment

Growing Solutions segment operates within the agriculture and Turf & Ornamental markets. Traditional commodity producers continue to expand into the specialty fertilizers markets, offering specialized, higher value products. The acquisition and merger of small specialty fertilizer players by larger industry players represent another prominent global trend.

Specialty agricultural markets

The Specialty agriculture markets include all open field crops (rice, corn, potatoes, vegetables, fruits etc.), orchards, and greenhouses.

Our offerings for the specialty agriculture sector include eight main product groups: (1) soluble fertilizers, which include water-soluble straights (such as MKP, MAP and PeKacid), and water-soluble NPK (WSNPK); (2) Micronutrients; (3) controlled release fertilizers (CRF); (4) liquid NPKs; (5) seed treatment; (6) biostimulants; (7) adjuvants; and (8) soil conditioners.

The specialty agriculture markets are experiencing continuous growth, driven by global population increases, limited arable land and evolving regulations. New regulations at both local and national levels are imposing restrictions on fertilizer usage, promoting the adoption of efficient fertilizer application practices. Notable examples include China's nitrogen use restrictions and measures to control nitrogen leaching in several European countries. Demand is particularly strong in China, India, and Brazil, while Europe is witnessing more moderate growth. However, the growth of Controlled Release Fertilizers (CRF) in Europe is expected to be robust, supported by initiatives such as the Green Deal and Farm to Fork programs.

CRF markets are expanding globally, with significant growth observed in China, where both market demand and production capacity have notably increased, primarily led by companies like Kingenta and Moith. Additionally, the US market is experiencing growth, although the main capacity increase is concentrated in lower quality CRFs produced by companies such as Nutrien and Pursell. The CRF market in Brazil is experiencing rapid growth driven by the unique climate and poor soil quality in the region. Although trials have demonstrated the economic and environmental advantages of using CRF, broader adoption among growers is impeded by its price premium compared to traditional fertilizers.

In October 2024, the EU Commission published new biodegradability criteria for coating agents in Controlled Release Fertilizers (CRFs), effective from October 17, 2028. From this date, all CRFs marketed in the EU must meet these standards. The Company has already developed new types of controlled-release fertilizers known as eqo.x and eqo.s, innovative CRFs with biodegradable release technology, ensuring compliance with the new criteria.

During 2024, CRF market prices remained quite stable compared to 2023, mainly due to the relative price stability of raw materials. Notwithstanding the above, farmer sentiment is somewhat negative due to poor grain prices.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Growing Solutions (Cont.)

Trends impacting the Growing Solutions segment (Cont.)

Specialty agricultural markets (Cont.)

The soluble fertilizer market's competitive landscape is constantly evolving, with some commodity-oriented players enhancing their presence in specialty fertilizers. In China, government policy aimed at improving fertilizer application efficiency and reducing overall consumption have led to a significant increase in WSNPK blending supply. In India, the growing use of water-soluble fertilizers is driven by the widespread adoption of drip irrigation systems. WSNPK fertilizers are considered more efficient than traditional commodity fertilizers. Consequently, compound NPK producers are exploring new growth opportunities which also increases WSNPK supply.

The rising demand for specialty fertilizers in China is driven by the growth of high-value crops, which offer promising returns on investment. Additionally, significant changes in Chinese farming practices, including extreme weather fluctuations, diverse crop types, and a shrinking agricultural workforce, have led to increased adoption of drip irrigation. This trend is driving demand for specialty soluble fertilizers, making China the world's largest market for fertigation.

Turf and Ornamental Horticulture Markets:

Turf and Landscape

The segment's Turf and Landscape market business serves the professional turf (golf and sports fields) and the landscape and lawn markets.

At the end of 2023, dealers were reducing inventory levels and limiting their purchases. However, they began to build inventories at the beginning of 2024 in preparation for the key spring application season. In 2024, the professional turf market experienced increased demand compared to 2023, with growth observed across most product categories, particularly in the professional sport and golf sector. This growth was partially driven by an increase in the number of golfers in recent years, resulting in heightened maintenance activities and new applications. Although the fertilizer application season started late due to cold and wet conditions early in 2024, activity increased from mid-2024 onwards.

The landscape and lawn service market in Europe was impacted by consumer sentiment throughout 2024. Both high inflation rates during past years and increased general living costs resulted in reduced spending on gardening and landscaping services. In addition, due to a wet spring, activities were delayed, resulting in limited applications.

Ornamental Horticulture

The Ornamental Horticulture market includes container nursery growers, potted plants, and bedding plants (greenhouses).

During 2024, the ornamental horticulture market encountered a significant increase in demand, particularly in APAC, Europe and North America. This was driven by a positive outlook on consumer sales of green goods, resulting in higher potting activities. Inventories of inputs were low at the beginning of 2024 as distributors reduced their expensive inventories towards the end of 2023. To effectively serve the market in 2024, distributors increased their stock levels, which partially drove demand for specialty fertilizers. However, from August onwards, demand for green goods in garden centers and retail chains began to slow down, resulting in limited new potting activities.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Growing Solutions (Cont.)

Trends impacting the Growing Solutions segment (Cont.)

FertilizerpluS Markets

In 2024, demand for FertilizerpluS products, mainly for Polysulphate standard and Polysulphate granular, experienced a decrease compared to 2023 due to the overall downward trend in commodity prices, mainly potash, as well as a general market tendency for “just-in-time” purchasing practices. Conversely, downstream FertilizerpluS products, such as Polysulphate Premium and PotashpluS, experienced increased demand and showed strong performance compared to 2023.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Growing Solutions (Cont.)

Results of operations – Growing Solutions

	<u>10-12/2024</u>	<u>10-12/2023</u>	<u>1-12/2024</u>	<u>1-12/2023</u>
	<u>\$ millions</u>			
Total sales	<u>439</u>	<u>478</u>	<u>1,950</u>	<u>2,073</u>
Sales to external customers	<u>435</u>	<u>475</u>	<u>1,932</u>	<u>2,047</u>
Sales to internal customers	<u>4</u>	<u>3</u>	<u>18</u>	<u>26</u>
Segment income	<u>31</u>	<u>(5)</u>	<u>128</u>	<u>51</u>
Depreciation and amortization	<u>20</u>	<u>20</u>	<u>74</u>	<u>68</u>
Segment EBITDA	<u>51</u>	<u>15</u>	<u>202</u>	<u>119</u>
Capital investments	<u>44</u>	<u>36</u>	<u>98</u>	<u>92</u>

Results of operations for the October – December (Q4) of 2024

	<u>\$ millions</u>			
	<u>Sales</u>	<u>Expenses</u>	<u>Operating income</u>	
Q4 2023 figures	<u>478</u>	<u>(483)</u>	<u>(5)</u>	
Quantity	<u>(27)</u>	<u>20</u>	<u>(7)</u>	↓
Price	<u>10</u>	<u>–</u>	<u>10</u>	↑
Exchange rate	<u>(22)</u>	<u>18</u>	<u>(4)</u>	↓
Raw materials	<u>–</u>	<u>32</u>	<u>32</u>	↑
Operating and other expenses	<u>–</u>	<u>5</u>	<u>5</u>	↑
Q4 2024 figures	<u>439</u>	<u>(408)</u>	<u>31</u>	

Quantity – the negative impact on operating income was primarily related to lower sales volumes of specialty agriculture and FertilizerpluS products. This impact was partially offset by higher sales volumes of turf and ornamental products.

Price – the positive impact on operating income was due to higher selling prices of specialty agriculture products, mainly in the US and India.

Exchange rate – the unfavorable impact on operating income was due to the negative impact on sales resulting from the depreciation of the average exchange rate of the Brazilian real against the US dollar, which exceeded the positive impact from lower operational costs.

Raw materials – the positive impact on operating income was primarily related to lower costs for commodity fertilizers and nitrogen.

Operating and other expenses – the positive impact on operating income was primarily related to lower maintenance and operational costs.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Innovative Ag Solutions (Cont.)

Results of operations for January – December 2024 – Growing Solutions

	<u>\$ millions</u>			
	<u>Sales</u>	<u>Expenses</u>	<u>Operating income</u>	
YTD 2023 figures	2,073	(2,022)	51	
Quantity	79	(49)	30	↑
Price	(149)	–	(149)	↓
Exchange rate	(53)	44	(9)	↓
Raw materials	–	225	225	↑
Energy	–	5	5	↑
Transportation	–	(6)	(6)	↓
Operating and other expenses	–	(19)	(19)	↓
YTD 2024 figures	<u>1,950</u>	<u>(1,822)</u>	<u>128</u>	

Quantity – the positive impact on operating income was primarily related to higher sales volumes of turf and ornamental products and FertilizerpluS products, as well as specialty agriculture and products.

Price – the negative impact on operating income was due to lower selling prices of specialty agriculture and FertilizerpluS products, as well as turf and ornamental products.

Exchange rate – the unfavorable impact on operating income was due to the negative impact on sales resulted from the depreciation of the average exchange rate of the Brazilian real against the US dollar, which exceeded the positive impact on operational costs.

Raw materials – the positive impact on operating income was primarily related to lower costs of commodity fertilizers and potassium hydroxide (KOH).

Energy – the positive impact on operating income was primarily due to decreased electricity prices.

Transportation – the negative impact on operating income was due to an increase in marine and inland transportation costs.

Operating and other expenses – the negative impact on operating income was primarily related to higher maintenance and operational costs.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Financial position and sources of financing of ICL

As at December 31, 2024, ICL had a balance of \$442 million in cash, cash equivalents, short-term investments and deposits. In addition, ICL has unutilized long-term credit facilities of about \$1 billion and a securitization agreement in the amount of \$300 million, of which ICL has utilized approximately \$176 million of the facility.

Furthermore, ICL's net financial liabilities were \$1,851 million, including \$1,909 million in long-term debt (excluding current maturities) and \$384 million in short-term debt (including current maturities of long-term debt). The long-term debt consists of debentures totaling \$948 million together with loans from financial institutions and lease liabilities totaling \$961 million, while short-term debt consists of \$276 million in short-term loans from financial institutions and \$108 million in current maturities of debentures, loans and lease liabilities. For more information about the currencies in which ICL's liabilities are denominated and their interest rates, see Note 14 to the consolidated financial statements.

ICL aims to secure sources of financing for our operating activities and investments while diversifying the sources of financing among various financial instruments, and between local and international financing entities. ICL's sources of financing are short and long-term loans from banks (mainly international banks) and institutional entities in Israel, debentures issued to institutional investors in Israel and the United States, and securitization of customer receivables. ICL utilizes the various financing facilities according to our cash flow requirements, their respective costs and market conditions.

ICL believes that its sources of liquidity and capital resources, including working capital, are adequate for its current requirements and business operations and should be adequate to satisfy its anticipated working-capital requirements during the next twelve months, along with its capital expenditures and other current corporate needs.

Distributions of dividends to ICL from its subsidiaries and transfers of funds through certain countries may, under certain circumstances, result in the creation of tax liabilities. However, taxation on dividend distributions and funds transfers have not had, and are not expected to have, a material impact on ICL's ability to meet its cash obligations.

As of December 31, 2024, ICL had no material off-balance sheet arrangements, other than the amounts described in Note 18C(2) to consolidated financial statements.

ICL's primary contractual obligations consist of commitments to purchase raw materials and energy in the ordinary course as well as agreements to secure its gas supply needs. For information about ICL's contractual obligations, see Note 18C(2) to the consolidated financial statements.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Credit facilities

In April 2023, ICL entered into a Sustainability-Linked Revolving Credit Facility Agreement made between ICL Finance B.V. and a consortium of twelve international banks for a \$1,550 million credit facility.

In April 2024, all the banks agreed to extend the RCF agreement for an additional year which is now due to expire in April 2029. As of December 31, 2024, ICL had utilized about \$520 million of its \$1,550 million credit facility framework.

Securitization

The total amount of ICL's committed securitization facility framework is \$300 million with an additional \$100 million uncommitted. As of December 31, 2024, ICL had utilized approximately \$176 million of the facility's framework.

Debentures

In January 2024, ICL repaid \$145 million private placement bond, as scheduled.

In March 2024, ICL repaid NIS 392 million (about \$110 million) of its debentures (Series E), as scheduled.

In November 2024, ICL repaid \$184 million of its debentures (Series D), as scheduled.

In December 2024, ICL repaid NIS 15 million (about \$4 million) of its debentures (Series G), as scheduled.

Ratings and financial covenants

S&P

In July 2024, the S&P credit rating agency reaffirmed ICL's international credit rating and senior unsecured rating of 'BBB-'. In addition, the S&P Maalot credit rating agency reaffirmed ICL's credit rating of 'ilAA' with a stable rating outlook.

Fitch Ratings

In June 2024, Fitch Ratings reaffirmed ICL's long-term issuer default rating and senior unsecured rating at 'BBB-'. The outlook on the long-term issuer default rating is stable.

Financial covenants

For a description of material financial covenants in ICL's loan agreements and any potential risk relating to compliance with them, credit facilities, sale of receivables under securitization transaction and information on material loans and debentures outstanding as of December 31, 2024, see Note 14B(2) to the consolidated financial statements. As at December 31, 2024, ICL was in compliance with all the financial covenants.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

Sources and uses of cash

The following table details ICL's cash flows in the periods shown:

	<u>1-12/2024</u>	<u>1-12/2023</u>
	<u>Millions of dollars</u>	
Cash flows provided by operating activities	1,468	1,710
Cash flows used in investing activities	(694)	(853)
Cash flows used in financing activities	(846)	(837)

Operating activities

The net cash flows from operating activities decreased by \$242 million compared with last year, mainly due to a decline in the operating activities, which was partly offset by taxes on income.

Investing activities

Net cash used in investing activities decreased by \$159 million year-over-year mainly due to proceeds received from deposits and lower payments for property, plant and equipment. This decrease was partially offset by net cash paid for a business combination.

Financing activities

Net cash used in financing activities slightly increased year-over-year mainly due to changes in the credit facilities, which was partially offset by lower dividend payments.

Events in the period of the report

In October 2023, the Israeli government declared a state of war in response to attacks on its civilians in the south of the country, which escalated to other areas. The security situation has presented several challenges, including disruptions in supply chains and shipping routes, personnel shortages due to recurring rounds of mobilization for reserve duty, additional costs to protect ICL sites/assets, effects of reluctance to perform contractual obligations in Israel during hostilities, various bans and limitations on trade and cooperation with Israel related entities, and fluctuations in foreign currency exchange rates relative to the Israeli shekel. Additionally, regional tensions involving Houthis attacks and threats to commercial vessels have intensified, disrupting shipping routes and commercial shipping arrangements, leading to increased shipping costs.

ICL continues to take measures to ensure the safety of its employees and business partners, as well as the communities in which it operates. It has also implemented supportive measures to accommodate employees called for reserve duty, aiming to minimize any potential impact on its business, and to avoid disruptions to production activities at its facilities in Israel.

The security situation in the last year has not had a material impact on ICL's business results. However, as the developments related to the war, as well as its duration, are unpredictable, ICL is unable to estimate the extent of the war's potential impact on its future business and results. ICL continuously monitors the developments and will take all necessary actions to minimize any negative consequences to its operations and assets.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

ICL Group Ltd. (Cont.)

Declaration regarding “forward-looking” information

This ICL's section contains statements that constitute “forward-looking statements,” many of which can be identified by the use of forward-looking words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate”, “strive”, “forecast”, “targets” and “potential,” among others. ICL is relying on the safe harbor provided in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, in making such forward-looking statements.

Forward-looking statements appear in several places in this ICL's section and include, but are not limited to, statements regarding ICL's intent, belief or current expectations. Forward-looking statements are based on ICL's management's beliefs and assumptions and on information currently available to its management. Such statements are subject to risks and uncertainties, and the actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in “Item 3 – Key Information— D. Risk Factors” in this Annual Report. These risks and uncertainties include factors relating to:

Loss or impairment of business licenses or mineral extractions permits or concessions; volatility of supply and demand and the impact of competition; the difference between actual reserves and ICL's reserve estimates; natural disasters and cost of compliance with environmental regulatory legislative and licensing restrictions including laws and regulation related to, and physical impacts of climate change and greenhouse gas emissions; failure to “harvest” salt which could lead to accumulation of salt at the bottom of the evaporation Pond 5 in the Dead Sea; litigation, arbitration and regulatory proceedings; disruptions at ICL's seaport shipping facilities or regulatory restrictions affecting ICL's ability to export its products overseas; changes in exchange rates or prices compared to those ICL is currently experiencing; general market, political or economic conditions in the countries in which ICL operates; price increases or shortages with respect to ICL's principal raw materials; pandemics may create disruptions, impacting ICL's sales, operations, supply chain and customers; delays in termination of engagements with contractors and/or governmental obligations; the inflow of significant amounts of water into the Dead Sea which could adversely affect production at ICL's plants; labor disputes, slowdowns and strikes involving ICL's employees; pension and health insurance liabilities; changes to governmental incentive programs or tax benefits, creation of new fiscal or tax related legislation; and/or higher tax liabilities; changes in ICL's evaluations and estimates, which serve as a basis for the recognition and manner of measurement of assets and liabilities; failure to integrate or realize expected benefits from mergers and acquisitions, organizational restructuring and joint ventures; currency rate fluctuations; rising interest rates; government examinations or investigations; information technology systems or breaches of ICL's, or ICL's service providers', data security; failure to retain and/or recruit key personnel; inability to realize expected benefits from ICL's cost reduction program according to the expected timetable; inability to access capital markets on favorable terms; cyclicity of ICL's businesses; ICL is exposed to risks relating to its current and future activity in emerging markets; changes in demand for its fertilizer products due to a decline in agricultural product prices, lack of available credit, weather conditions, government policies or other factors beyond ICL's control; disruption of ICL's, or ICL's service providers', sales of ICL's magnesium products being affected by various factors that are not within ICL's control; ICL's ability to secure additional reserves to continue its phosphate mining operations at ICL Rotem; volatility or crises in the financial markets; hazards inherent to mining and chemical manufacturing; the failure to ensure the safety of ICL's workers and processes; exposure to third party and product liability claims; product recalls or other liability claims as a result of food safety and food-borne illness concerns; insufficiency of insurance coverage; war or acts of terror and/or political, economic and military instability in Israel and its region; including the current state of war declared in Israel and any resulting disruptions to ICL's supply and production chains; filing of class actions and derivative actions against ICL, its executives and Board members; closing of transactions, mergers and acquisitions; and other risk factors discussed under “Item 3 - Key Information— D. Risk Factors”.

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BRIEF SUMMARY OF THE FINANCIAL RESULTS OF ICL GROUP LTD. (ICL): (Cont.)

ICL Group Ltd. (Cont.)

Declaration regarding “forward-looking” information (Cont.)

Forward looking statements speak only as of the date they are made, and, except as otherwise required by law, ICL does not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements, targets or goals in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. Investors are cautioned to consider these risks and uncertainties and to not place undue reliance on such information. Forward-looking statements should not be read as a guarantee of future performance or results and are subject to risks and uncertainties, and the actual results may differ materially from those expressed or implied in the forward-looking statements.

In this Section, unless otherwise indicated or the context otherwise requires, all references to “ICL,” or similar terms refer to ICL Group Ltd., together with its consolidated subsidiaries. When reference is made to ICL’s “parent Company” or to “Israel Corporation,” the reference is to ICL’s controlling shareholder, Israel Corporation Ltd. Unless otherwise indicated or the context otherwise requires, references in this Section to “NIS” are to the legal currency of Israel, “US dollars”, “\$” or “dollars” are to United States dollars, “euro” or “€” are to the euro, the legal currency of certain countries of the EU, and “British pound” or “£” are to the legal currency of the UK. See “Item 4 - Information on ICL— A. History and Development of ICL”. ICL owns or has rights to trademarks or trade names that it uses in conjunction with the operation of its business. Solely for convenience, trademarks and trade names referred to in this Section may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that ICL will not assert, to the fullest extent of the law, its rights or the rights of the applicable licensor to these trademarks and trade names. In this Section, ICL also refers to product names, trademarks, and trade names that are the property of other companies. Each of the trademarks and trade names of other companies appearing in this Section belongs to its owners. ICL’s use or display of other companies’ product names, trademarks, or trade names is not intended to and does not imply a relationship with, or endorsement or sponsorship by ICL of, the product, trademark, ICL’s trade name owner, unless indicated otherwise.

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DEBENTURES

Information regarding debentures issued by Israel Corporation

Debenture series	Original issuance date	Par value on issuance date	Par value outstanding NIS millions	Balance per books	Accrued interest \$ millions	Stock market/ fair value	Interest rate	Date of payment of principal interest	Trustee
Series 12 Traded on the stock exchange	3/29/18	554	208	57	0.5	57	3.60%	2 unequal annual payments beginning 9/30/25 Semi-annual interest 9/30, 3/31	Hermatik
Series 13 Traded on the stock exchange	3/29/18	287	108	31	0.5	31	5.85%	2 unequal annual payments beginning 9/30/25 Semi-annual interest 9/30, 3/31	Hermatik
Series 14 Traded on the stock exchange	3/29/18 4/7/20 9/3/20	750 345 350	1,084	297	—	281	2.20%	4 unequal annual payments beginning 6/30/25 Semi-annual interest 6/30, 12/31	Hermatik
Series 15 Traded on the stock exchange	5/25/21	750	750	206	2	194	2.74%	6 unequal annual payments beginning 7/31/25 Semi-annual interest 1/31, 7/31	Hermatik

The debenture series 12, 14 and 15 are more than 5% of the Corporation's total liabilities on a separate basis and therefore they are material. All the debentures bear fixed interest.

The Corporation will be permitted, in its sole discretion, to make early repayment (in whole or in part) of the debentures (Series 12, 13, 14 and 15), at any time, however not before the passage of at least 60 days from the date of registration for trading on the stock exchange of the debentures – this being in accordance with and subject to the terms of the trust indentures covering the debentures.

The debentures (Series 12, 14 and 15) are not linked, and the debentures (Series 13) is linked to the exchange rate of the U.S. dollar based on a base rate of 3.491.

Israel Corporation Ltd.
Report of the Corporation's Board of Directors
For the Year Ended December 31, 2024

DEBENTURES (Cont.)

Information regarding debentures issued by Israel Corporation (Cont.)

The Corporation is in compliance with all the conditions of the debentures and the trust indentures. The Corporation was not required to take any action at all by the debenture trustees. For additional details regarding the debentures of the Corporation and of ICL – see Note 14 to the consolidated financial statements.

On February 19, 2023, the Corporation made full early repayment of the debentures (Series 10). For additional details – see Note 14D(1) to the consolidated financial statements.

On July 4, 2023, S&P Maalot announced a rating increase to ilA+ due to an improvement of the financial ratios, with a stable rating outlook. For additional details – see Note 14B(1) to the consolidated financial statements.

On May 31, 2024, the Corporation made full and final payment of the debentures (Series 11). For additional details – see Note 14D(1) to the consolidated financial statements.

On July 17, 2024, S&P Maalot announced a reconfirmation of the rating of ilA+ with a stable rating outlook.

All of the above-mentioned debentures are rated, as at the date of the Report, by S&P Maalot with a rating of ilA/stable+ (for additional details regarding the ratings' work – see the Immediate Report Reference No.: 2023-01-062608).

Details regarding trust companies

Hermatik Trust (1975) Ltd., 30 Sheshet Hayamim Blvd., Bnei Brak, Tel. 03–5544553.

Israel Corporation Ltd.
Report of the Corporation's Board of Directors
For the Year Ended December 31, 2024

For details regarding:

- A. Disclosure regarding the Internal Auditor.
- B. Definition of negligible transaction.
- C. Disclosure regarding the effectiveness of the internal control over the financial reporting and disclosure.
- D. Disclosure regarding the auditing CPAs.
- E. Disclosure regarding the Corporation's Board of Directors.
- F. Disclosure regarding the minimum number of directors having accounting and finance expertise (Regulation 10(B)(9)(a)).
- G. Disclosure regarding the rate of independent directors (Regulation 10(B)(9a)).
- H. Disclosure regarding the ethical code, Corporation policies and plans for internal enforcement.
- I. The social and community involvement of Israel Corporation.

See Part E attached hereto – Report on the Corporation's Governance and Effectiveness of the Internal Control.

Aviad Kaufman
Chairman of the Board of Directors

Yoav Doppelt
CEO

March 27, 2025

Israel Corporation Ltd.

Consolidated Financial Statements

As at December 31, 2024

Israel Corporation Ltd.
Consolidated Financial Statements as at December 31, 2024

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Somekh Chaikin
KPMG Millennium Tower
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Auditors' Report to the Shareholders of Israel Corporation Ltd.

We have audited the accompanying consolidated statements of financial position of Israel Corporation Ltd. (hereinafter – “the Corporation”), as at December 31, 2024 and 2023, and the consolidated statements of income, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for each of the three years in the period ended December 31, 2024. These financial statements are the responsibility of the Corporation's Board of Directors and its Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Israel, including standards prescribed by the Auditors' Regulations (Manner of Auditor's Performance), 1973. Such standards require that we plan and perform the audits to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Corporation's Board of Directors and by its Management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation and its subsidiaries as at December 31, 2024 and 2023, and their results of operations, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2024, in accordance with International Financial Reporting Standards (IFRS) and the provisions of the Securities Regulations (Annual Financial Statements), 2010.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the Corporation's Board of Directors and that based on our professional judgment was very significant in the audit of the consolidated financial statements for the current period. This matter includes, among other things, every matter that: (1) relates, or could relate, to accounts or disclosures that are material to the financial statements; and (2) involved our especially challenging, subjective, or complex judgment. This matter was responded to as part of our audit and formulation of our opinion on the entire consolidated financial statements. The communication of this matter below does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating this critical audit matter below, providing a separate opinion on this critical audit matter or on the accounts or disclosures to which it relates.

Somekh Chaikin, an Israeli partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.



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Useful life of the concession asset associated with Dead Sea Works Ltd. (DSW) a subsidiary of ICL

Why was this matter determined to be a critical audit matter

As discussed in Note 18D(1) to the Corporation's consolidated financial statements, the concession of Dead Sea Works Ltd. (DSW) will end on March 31, 2030. The consolidated financial statements were prepared based on the assumption of the management of ICL that it is more likely than not that DSW will continue to operate its long-lived assets for their remaining useful lives, which extend beyond the term of the current concession period, by obtaining the renewed concession or by operating the assets for an alternative concession holder.

We identified the evaluation of the useful lives of the long-lived assets associated with DSW's concession (hereinafter – "the Relevant Assets") as a critical audit matter. Specifically, challenging auditor judgment was required to evaluate ICL's determination that the useful lives of the Relevant Assets exceed the current concession period due to uncertainty relating to concession renewal and to effects from potential changes of the concession holder. Changes in the estimated useful lives of the Relevant Assets could have a significant effect on the depreciation expenses of these assets.

Audit procedures performed to address the critical audit matter

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of the internal controls related to determination of the useful lives of the long-lived assets associated with the with Dead Sea Works Ltd. concession. We evaluated ICL's estimate regarding the useful lives of the relevant assets by examining its analysis of potential alternatives of operating the assets for an alternative concession holder, as well as considering relevant publicly available information, such as, the Concession Law and the report released by the Israeli Ministry of Finance regarding the actions that the government may take towards the end of the concession period.

We have also audited, in accordance with Auditing Standard 911 (Israel) of the Institute of Certified Public Accountants in Israel "Audit of Internal Control Components over Financial Reporting" the Corporation's internal control components over financial reporting as at December 31, 2024, and our report, dated March 27, 2025, included an unqualified opinion with respect to effective maintenance of those components.

Somekh Chaikin
Certified Public Accountants (Isr.)

March 27, 2025

Somekh Chaikin, an Israeli partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



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**Report of the Auditors to the Shareholders of Israel Corporation Ltd. regarding
Audit of Internal Control Components over Financial Reporting
In accordance with Section 9B(c) of the Securities Regulations (Periodic and
Immediate Reports), 1970**

We have audited internal control components over financial reporting of Israel Corporation Ltd. and its subsidiaries (hereinafter – “the Corporation”) as at December 31, 2024. These control components were determined as explained in the following paragraph. The Corporation’s Board of Directors and Management are responsible for maintenance of effective internal control over financial reporting and for their evaluation of the effectiveness of internal control components over financial reporting attached to the Periodic Report for the above -mentioned date. Our responsibility is to express an opinion on internal control components over the Corporation’s financial reporting based on our audit.

Internal control components over financial reporting audited by us were determined in accordance with Auditing Standard 911 of the Institute of Certified Public Accountants in Israel “Audit of Internal Control over Financial Reporting” and its amendments (hereinafter – “Audit Standard (Israel) 911”). These components are: (1) entity level controls, including controls over the preparation and closure of the financial reporting process and general information-system technology controls; (2) controls over cash management; (3) controls over management of investments; and (4) controls over management of credit and hedging transactions (all of these will be referred to hereinafter as – “the Audited Control Components”).

We conducted our audit in accordance with Auditing Standard 911. Pursuant to this Standard we are required to plan and perform the audit with the goal of identifying the Audited Control Components and to obtain a reasonable level of certainty whether these control components were effectively maintained in all material respects. Our audit included gaining an understanding of the internal control over financial reporting, identification of the Audited Control Components, evaluation of the risk that a significant weakness exists in the Audited Control Components, and examination and evaluation of the effectiveness of the planning and operation of those control components based on the assessed risk. Our audit, with respect to those control components, also included performance of other procedures such as those we considered necessary under the circumstances. Our audit referred solely to the Audited Control Components, as opposed to internal control over the overall significant processes in connection with the financial reporting and, therefore, our opinion relates solely to the Audited Control Components. In addition, our audit did not refer to reciprocal impacts between the Audited Control Components and those not audited and, therefore, our opinion does not take into account these possible impacts. We believe our audit provides a reasonable basis for our opinion in the context described above.

Because of its inherent limitations, internal control over financial reporting as a whole, and internal control components in particular, may not prevent or detect misstatements. Also, projections of any current evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation effectively maintained, in all material respects, the Audited Control Components as at December 31, 2024.

Somekh Chaikin, an Israeli partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

We have also audited, in accordance with generally accepted auditing standards in Israel, the Corporation's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended on December 31, 2024 and our report, dated March 27, 2025, included an unqualified opinion on those financial statements.

Somekh Chaikin
Certified Public Accountants (Isr.)

March 27, 2025

Israel Corporation Ltd.
Consolidated Statements of Financial Position

		As at December 31	
		2024	2023
		\$ millions	
Note			
Current assets			
		618	537
		706	1,030
		1,260	1,376
	6	1,626	1,703
	5	266	379
		4,476	5,025
Non-current assets			
	9	53	50
	31	4	1
	27	143	152
	10	264	238
	11	6,491	6,360
	12	1,059	1,065
		8,014	7,866
		12,490	12,891

The accompanying notes are an integral part of the consolidated financial statements.

Israel Corporation Ltd.
Consolidated Statements of Financial Position

	Note	As at December 31	
		2024	2023
		\$ millions	
Current liabilities			
Credit from banks and others	14	604	1,053
Trade payables		1,002	912
Provisions	16	63	85
Other current liabilities, including derivative instruments	15	897	812
Total current liabilities		<u>2,566</u>	<u>2,862</u>
Non-current liabilities			
Debentures and long-term loans	14	2,422	2,512
Derivative instruments and other non-current liabilities		70	75
Provisions	16	230	224
Deferred tax liability	27	488	497
Provisions for long-term employee benefits	17	333	356
Total non-current liabilities		<u>3,543</u>	<u>3,664</u>
Total liabilities		<u>6,109</u>	<u>6,526</u>
Equity	20		
Share capital and premium		326	326
Capital reserves		(270)	(168)
Capital reserve in respect of transactions with controlling shareholder		190	190
Treasury shares		(33)	(13)
Retained earnings		2,603	2,441
Total equity attributable to the Corporation's shareholders		<u>2,816</u>	<u>2,776</u>
Non-controlling interests		<u>3,565</u>	<u>3,589</u>
Total equity		<u>6,381</u>	<u>6,365</u>
Total liabilities and equity		<u>12,490</u>	<u>12,891</u>

Aviad Kaufman
Chairman of the Board of
Directors

Yoav Doppelt
CEO

Sagi Kabla
CFO

Date of approval of the financial statements: March 27, 2025

The accompanying notes are an integral part of the consolidated financial statements.

This English Version of the Report is for the Convenience of the Reader. The Hebrew Version of the Report is the Binding Version.

Israel Corporation Ltd.
Consolidated Statements of Income

	Note	For the Year Ended December 31		
		2024	2023	2022
		\$ millions		
Revenues	21	6,841	7,536	10,015
Cost of sales	21	<u>4,589</u>	<u>4,869</u>	<u>4,988</u>
Gross profit		2,252	2,667	5,027
Research and development expenses	22	69	71	68
Selling, transport and marketing expenses	23	1,114	1,093	1,181
Administrative and general expenses	24	268	270	301
Other expenses	25	62	128	30
Other income	25	<u>(21)</u>	<u>(22)</u>	<u>(59)</u>
Operating income		<u>760</u>	<u>1,127</u>	<u>3,506</u>
Financing expenses	26	222	332	469
Financing income	26	<u>(92)</u>	<u>(166)</u>	<u>(293)</u>
Financing expenses, net		<u>130</u>	<u>166</u>	<u>176</u>
Share in income of equity-accounted investees		<u>1</u>	<u>1</u>	<u>1</u>
Income before taxes on income		631	962	3,331
Taxes on income	27	<u>157</u>	<u>287</u>	<u>1,167</u>
Income for the year from continuing operations		474	675	2,164
Income from discontinued operations		<u>—</u>	<u>—</u>	<u>50</u>
Income for the year		<u>474</u>	<u>675</u>	<u>2,214</u>
Attributable to:				
The Corporation's shareholders		190	273	953
Non-controlling interests		<u>284</u>	<u>402</u>	<u>1,261</u>
Income for the year		<u>474</u>	<u>675</u>	<u>2,214</u>
Income per share attributable to the Corporation's shareholders (in dollars):	28			
Basic earnings per share		<u>25.30</u>	<u>35.80</u>	<u>124.96</u>
Diluted earnings per share		<u>25.30</u>	<u>35.79</u>	<u>124.93</u>

The accompanying notes are an integral part of the consolidated financial statements.

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Israel Corporation Ltd.
Consolidated Statements of Comprehensive Income

	For the Year Ended December 31		
	2024	2023	2022
	\$ millions		
Income for the year	<u>474</u>	<u>675</u>	<u>2,214</u>
Items of other comprehensive income (loss) that will be recognized in future periods in the statement of income			
Foreign currency translation differences in respect of foreign activities	(247)	80	(146)
Net change in fair value of cash flow hedges transferred to the statement of income	18	86	185
Effective portion of the change in fair value of cash flow hedges	(9)	(65)	(203)
Group's share in other comprehensive income of equity-accounted investees	—	—	8
Group's share in other comprehensive loss of equity-accounted investees recorded to the statement of income	—	—	(19)
Taxes in respect of components of other comprehensive income (loss)	<u>(2)</u>	<u>(4)</u>	<u>4</u>
Total	<u>(240)</u>	<u>97</u>	<u>(171)</u>
Items of other comprehensive income (loss) that will not be recognized in future periods in the statement of income			
Actuarial gains, net, from defined benefit plans	33	33	83
Net change in investments measured at fair value through other comprehensive income	—	2	(28)
Net change in fair value of fair value hedge in respect of investments measured at fair value through other comprehensive income	—	—	7
Group's share in other comprehensive income of discontinued operations	—	—	2
Taxes in respect of components of other comprehensive income (loss)	<u>(8)</u>	<u>(8)</u>	<u>(12)</u>
Total	<u>25</u>	<u>27</u>	<u>52</u>
Total other comprehensive income (loss) for the year, net of tax	<u>(215)</u>	<u>124</u>	<u>(119)</u>
Total comprehensive income for the year	<u>259</u>	<u>799</u>	<u>2,095</u>
Attributable to:			
The Corporation's shareholders	99	333	894
Non-controlling interests	<u>160</u>	<u>466</u>	<u>1,201</u>
Total comprehensive income for the year	<u>259</u>	<u>799</u>	<u>2,095</u>

The accompanying notes are an integral part of the consolidated financial statements.

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Israel Corporation Ltd.
Consolidated Statements of Changes in Shareholders' Equity

	Attributable to the Corporation's shareholders							Non-controlling interests	Total capital
	Share capital and premium	Translation reserve for foreign activities	Capital reserves	Capital reserve for transactions with controlling shareholder	Treasury shares	Retained earnings	Total		
	\$ millions								
Balance at January 1, 2024	326	(225)	57	190	(13)	2,441	2,776	3,589	6,365
Share-based payments in a subsidiary	—	—	—	—	—	—	—	10	10
Dividend to holders of non-controlling interests in a subsidiary	—	—	—	—	—	—	—	(196)	(196)
Dividend to the equity holders	—	—	—	—	—	(37)	(37)	—	(37)
Issuance of shares of a subsidiary to holders of non-controlling interests	—	—	—	—	—	(2)	(2)	2	—
Treasury shares	—	—	—	—	(20)	—	(20)	—	(20)
Income for the year	—	—	—	—	—	190	190	284	474
Other comprehensive income (loss) for the year, net of tax	<u>—</u>	<u>(105)</u>	<u>3</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>(91)</u>	<u>(124)</u>	<u>(215)</u>
Balance at December 31, 2024	<u>326</u>	<u>(330)</u>	<u>60</u>	<u>190</u>	<u>(33)</u>	<u>2,603</u>	<u>2,816</u>	<u>3,565</u>	<u>6,381</u>

	Attributable to the Corporation's shareholders							Non-controlling interests	Total capital
	Share capital and premium	Translation reserve for foreign activities	Capital reserves	Capital reserve for transactions with controlling shareholder	Treasury shares	Retained earnings	Total		
	\$ millions								
Balance at January 1, 2023	326	(264)	47	190	—	2,157	2,456	3,396	5,852
Share-based payments in a subsidiary	—	—	—	—	—	—	—	7	7
Dividend to holders of non-controlling interests in a subsidiary	—	—	—	—	—	—	—	(280)	(280)
Treasury shares	—	—	—	—	(13)	—	(13)	—	(13)
Income for the year	—	—	—	—	—	273	273	402	675
Other comprehensive income for the year, net of tax	<u>—</u>	<u>39</u>	<u>10</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>60</u>	<u>64</u>	<u>124</u>
Balance at December 31, 2023	<u>326</u>	<u>(225)</u>	<u>57</u>	<u>190</u>	<u>(13)</u>	<u>2,441</u>	<u>2,776</u>	<u>3,589</u>	<u>6,365</u>

The accompanying notes are an integral part of the consolidated financial statements.

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Israel Corporation Ltd.
Consolidated Statements of Changes in Shareholders' Equity

	Attributable to the Corporation's shareholders					Non-controlling interests	Total capital
	Share capital and premium	Translation reserve for foreign activities	Capital reserves	Capital reserve for transactions with controlling shareholder	Retained earnings	Total	
	\$ millions						
Balance at January 1, 2022	326	(197)	75	190	1,144	1,538	2,747
Exercise of options for shares of the Corporation	*—	—	*—	—	—	—	—
Share-based payments in a subsidiary	—	—	—	—	—	—	13
Dividend to the equity holders	—	—	—	—	(80)	(80)	—
Dividend to holders of non-controlling interests in a subsidiary	—	—	—	—	—	—	(651)
Sale of shares of a subsidiary to holders of non-controlling interests	—	(5)	1	—	111	107	83
Issuance of shares of a subsidiary to holders of non-controlling interests	—	—	—	—	(3)	(3)	3
Income for the year	—	—	—	—	953	953	1,261
Other comprehensive income (loss) for the year, net of tax	—	(62)	(29)	—	32	(59)	(60)
Balance at December 31, 2022	<u>326</u>	<u>(264)</u>	<u>47</u>	<u>190</u>	<u>2,157</u>	<u>2,456</u>	<u>3,396</u>

* Less than NIS 1 million.

The accompanying notes are an integral part of the consolidated financial statements.

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Israel Corporation Ltd.
Consolidated Statements of Cash Flows

	For the Year Ended December 31		
	2024	2023	2022
	\$ millions		
Cash flows from operating activities			
Income for the year	474	675	2,214
Adjustments:			
Depreciation and amortization	600	540	503
Impairment loss	14	—	36
Financing expenses, net	107	144	278
Share in income of equity-accounted investees	(1)	(1)	(65)
Other	13	30	(37)
Change in provisions	(50)	(32)	(83)
Taxes on income	157	287	1,167
	<u>1,314</u>	<u>1,643</u>	<u>4,013</u>
Change in inventories	(7)	465	(527)
Change in trade receivables	26	252	(215)
Change in trade payables	104	(101)	(42)
Change in other receivables	39	26	(47)
Change in other payables	44	(210)	107
	<u>1,520</u>	<u>2,075</u>	<u>3,289</u>
Income taxes paid, net	(98)	(254)	(1,111)
Dividend received	<u>1</u>	<u>1</u>	<u>32</u>
Net cash provided by operating activities	<u>1,423</u>	<u>1,822</u>	<u>2,210</u>

The accompanying notes are an integral part of the consolidated financial statements.

Israel Corporation Ltd.
Consolidated Statements of Cash Flows

	For the Year Ended December 31		
	2024	2023	2022
	\$ millions		
Cash flows from investing activities			
Investment in long-term deposits, net	–	(7)	(35)
Proceeds from sale of businesses, net of transaction expenses	19	6	33
Business combinations net of cash acquired	(74)	–	(18)
Net proceeds from sale of shares of equity-accounted company	–	–	163
Short-term deposits and investments, net	320	(303)	(122)
Acquisition of property, plant and equipment and intangible assets	(713)	(780)	(747)
Proceeds from sale of other investments	–	64	–
Acquisition of other investments	(3)	(10)	–
Interest received	75	55	20
Proceeds from (payments for) transactions in derivatives not used for hedging, net	<u>33</u>	<u>(121)</u>	<u>(42)</u>
Net cash used in investing activities	<u>(343)</u>	<u>(1,096)</u>	<u>(748)</u>
Cash flows from financing activities			
Dividend paid to holders of non-controlling interests	(196)	(280)	(651)
Dividend paid to the equity holders	(37)	–	(78)
Treasury shares	(20)	(13)	–
Proceeds from sale of shares in subsidiary while maintaining control	–	–	220
Receipt of long-term loans	889	633	1,095
Repayment of long-term loans and debentures	(1,446)	(1,067)	(1,585)
Short-term credit from banks and others, net	(1)	(25)	(21)
Receipts from (payments for) transactions in derivatives used for hedging, net	(12)	(8)	21
Interest paid	<u>(156)</u>	<u>(171)</u>	<u>(163)</u>
Net cash used in financing activities	<u>(979)</u>	<u>(931)</u>	<u>(1,162)</u>
Increase (decrease) in cash and cash equivalents	101	(205)	300
Cash and cash equivalents at beginning of the year	537	762	508
Effect of exchange rate fluctuations on balances of cash and cash equivalents	<u>(20)</u>	<u>(20)</u>	<u>(46)</u>
Cash and cash equivalents at end of the year	<u>618</u>	<u>537</u>	<u>762</u>

The accompanying notes are an integral part of the consolidated financial statements.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 1 – Financial Reporting Principles and Accounting Policies

A. The Reporting Entity

Israel Corporation Ltd. (hereinafter – “the Corporation”) is an Israeli-resident corporation incorporated in Israel whose securities are listed for trading on the Tel-Aviv Stock Exchange. The Corporation’s registered office is located at 23 Aranha St., Tel-Aviv. The consolidated financial statements include those of the Corporation, its subsidiaries (hereinafter – “the Group”) along with the Group’s rights in associated companies.

For details regarding investments made as part of the Corporation’s strategic plan that was approved on November 18, 2019, – see Notes 7 and 9 below.

B. The Iron Swords war in Gaza

The Corporation

In October 2023, the Israeli government declared a state of war in response to attacks on its civilians in the south of Israel, which escalated to other areas. The security situation has presented several challenges, including disruptions in supply chains and shipping routes, personnel shortages due to recurring rounds of mobilization for reserve duty, additional costs to protect ICL sites/assets, effects of reluctance to perform contractual obligations in Israel during hostilities, various bans and limitations on trade and cooperation with Israel-related entities, and fluctuations in foreign currency exchange rates relative to the Israeli shekel. Additionally, regional tensions involving Houthis attacks and threats to commercial vessels have intensified, disrupting shipping routes and commercial shipping arrangements, leading to increased shipping costs.

The current events and the security escalation in Israel have not had a material impact on the Corporation’s business results. However, since the developments related to the war situation, as well as its duration, are unpredictable, the Corporation is unable to estimate the extent of the future potential impact of the war on the value of its assets, operating results and cash flows, or the other consequences that could relate to the financial report. The Corporation will track the developments relating to this matter and will examine, among other things, the possible impact on the value of its assets, operating results and cash flows, as well as the said impact on the assets, operating results and cash flows of the investee companies.

ICL

In October 2023, the Israeli government declared a state of war in response to attacks on its civilians in the south of Israel, which escalated to other areas. The security situation has presented several challenges, including disruptions in supply chains and shipping routes, personnel shortages due to recurring rounds of mobilization for reserve duty, additional costs to protect ICL sites/assets, effects of reluctance to perform contractual obligations in Israel during hostilities, various bans and limitations on trade and cooperation with Israel-related entities, and fluctuations in foreign currency exchange rates relative to the Israeli shekel. Additionally, regional tensions involving Houthis attacks and threats to commercial vessels have intensified, disrupting shipping routes and commercial shipping arrangements, leading to increased shipping costs.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 1 – Financial Reporting Principles and Accounting Policies (Cont.)

B. The Iron Swords war in Gaza (Cont.)

ICL (Cont.)

ICL continues to take measures to ensure the safety of its employees and business partners, as well as the communities in which it operates. It has also implemented supportive measures to accommodate employees called for reserve duty, aiming to minimize any potential impact on its business, and to avoid disruptions to production activities at its facilities in Israel.

The security situation in the last year has not had a material impact on ICL's business results. However, as the developments related to the war, as well as its duration, are unpredictable, ICL is unable to estimate the extent of the war's potential impact on its future business and results. ICL continuously monitors developments and will take all necessary actions to minimize any negative consequences to its operations and assets.

C. Definitions

In these financial statements –

1. The Corporation – Israel Corporation Ltd.
2. The Group – Israel Corporation Ltd. and its subsidiaries.
3. Subsidiaries – companies, including partnerships, the financial statements of which are fully consolidated with those of the Corporation, directly or indirectly.
4. Associated companies – companies or joint ventures that are not subsidiaries, over which the Corporation has significant influence with respect to their monetary and operating policies and the Corporation's investment therein is included based on the equity method of accounting. Significant influence is considered to exist when the rate of holdings is 20% or more, except where there are circumstances that contradict this assumption.
5. Related party – within the meaning thereof in International Accounting Standard 24 (2009) "Related Parties".
6. Interested party – within the meaning thereof in Paragraph (1) of the definition of an "interested party" in a corporation in Section 1 of the Securities Law, 1968.
7. Headquarters companies – companies wholly owned and controlled by the Corporation.
8. ICL – ICL Group Ltd. and its subsidiaries.
9. Bazan – Oil Refineries Ltd. and its subsidiaries.
10. OPC – OPC Energy Ltd. and its subsidiaries.
11. AKVA – AKVA Group ASA.
12. NOAP – Nordic Aqua Partners AS.
13. Prodalim – Prodalim Investments Ltd.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 2 – Basis of Preparation of the Financial Statements

A. Declaration of compliance with International Financial Reporting Standards

The consolidated financial statements were prepared by the Group in accordance with International Financial Reporting Standards (IFRS).

These financial statements were also prepared in accordance with the Securities Regulations (Preparation of Annual Financial Statements) 2010.

The consolidated financial statements were approved for publication by the Corporation's Board of Directors on March 27, 2025.

B. Functional currency and presentation currency

The details presented in the consolidated financial statements of the Corporation and of each of its subsidiaries are measured in accordance with the currency that represents the main economic environment in which each separate Group company operates (hereinafter – “the Functional Currency”). The consolidated financial statements are presented in U.S. dollars (hereinafter – “the Dollar”), which constitutes the functional currency of the Corporation and its subsidiaries.

C. Basis of measurement

The consolidated financial statements were prepared on the basis of historical cost, with the exception of the following assets and liabilities:

- Derivative and other financial instruments measured at fair value through the statement of income.
- Financial instruments measured at fair value through other comprehensive income.
- Deferred tax assets and liabilities.
- Provisions.
- Assets and liabilities in respect of employee benefits.
- Investments in associated companies and joint ventures.

For additional information regarding measurement of these assets and liabilities – see Note 3 “Material Accounting Policies”.

D. Operating cycle

The regular operating cycle of the Group companies is one year. As a result, the current assets and current liabilities include items intended and expected to be realized within one year.

E. Reclassifications

The Group made a number of immaterial reclassifications in the comparative data in order to conform such data to the manner of classification in the current financial statements. The said reclassifications have no impact on the profit (loss).

F. Use of estimates and judgment

In preparation of the financial statements in accordance with IFRS, the management of the Group companies is required to use judgment when making estimates, assessments and assumptions that affect implementation of the policies and the amounts of assets, liabilities, income and expenses. It is clarified that the actual results are likely to be different from these estimates.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 2 – Basis of Preparation of the Financial Statements (Cont.)

F. Use of estimates and judgment (Cont.)

When formulating the accounting estimates used in preparation of the Group's financial statements, Group management is required to make assumptions regarding interpretation of applicable laws, circumstances and events involving significant uncertainty. When using its judgment in making the estimates, Group management bases itself on past experience, various facts, external factors and reasonable assumptions regarding the appropriate circumstances for each estimate.

The estimates and the assumptions used for preparing the financial statements are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate was revised and in every future period affected.

Information regarding assumptions in connection with estimates regarding uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are included in the following table:

Estimate	Principal assumptions	Possible effects	Reference
Concessions, permits and business licenses	Forecast of renewing concessions, permits and business licenses which constitute the basis for continuation of ICL's operations and ICL's expectation regarding the holding of the operating assets by it and/or by an ICL subsidiary until the end of their useful lives.	Impact on the value of the activities, depreciation periods and residual values of related assets.	See Note 3 "Significant Accounting Policies" and Note 18 .D"Concessions"
Recoverable amount of cash-generating unit, including, among other things, goodwill	The projected cash flows, including estimates of mineral reserves, discount rate, market risk and the forecasted growth rate.	Recognition of estimated impairment losses.	See Note 13 "Examination of Impairment of Value"
Assessment of probability of contingent liabilities and obligations under environmental protection laws, including cost of removal of waste and/or restoration	Whether it is more likely than not that an outflow of economic resources will be required in respect of potential obligations under the environmental protection laws and legal claims pending against ICL and the estimation of their amounts. The obligation for the cost of removal of waste and site restoration is based on the reliability of the estimates of future removal costs and interpretations of regulations.	Change of the estimated provisions of ICL for claims and/or obligations under the environmental protection laws, including the cost of removing waste / site restoration.	See Note 16 "Provisions"

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies

The accounting policies in accordance with IFRS have been applied consistently in all the periods included in these consolidated statements.

A. Basis for consolidation

1. Business combinations

The Group applies the “acquisition method” to all business combinations. The acquisition date is the date on which the Group obtains control over the acquired entity. Control exists where the Group is exposed to, or has rights in, the variable yields from its involvement in the acquired company and it has the ability to impact these results by means of its impact on the acquired company. In assessing control, account is taken of significant rights held by the Group and by others.

2. Subsidiaries

Subsidiaries are entities that are controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date control was acquired until the date control ceases to exist.

The accounting policies of subsidiaries were changed as necessary so that they will correspond to the accounting policies adopted by the Group. For details regarding effective control in the subsidiary – see Note 8C.

3. Non-controlling interests

Non-controlling interests are measured at the date of the business combination at either fair value, or at their proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis. This accounting policy choice does not apply to other instruments that meet the definition of non-controlling interests (for example: options for ordinary shares). Such instruments will be measured at fair value or in accordance with other relevant IFRSs.

Transactions with non-controlling interests while retaining control are accounted for as equity transactions. Any difference between the consideration paid or received and the change in non-controlling interests is included in the owners’ share of the Corporation in equity directly in retained earnings.

The amount of the adjustment to the non-controlling interests

For a rise in the holding rate – according to the proportionate share acquired from the balance of the non-controlling interests in the consolidated financial statements immediately preceding the transaction. For a decrease in the holding rate – according to the proportionate share realized by the owners of the subsidiary in the net assets of the subsidiary, including goodwill. In addition, when the holding rate in the subsidiary changes, while maintaining control, the Corporation reallocates the accumulated amounts that were recognized in other comprehensive income to the owners of the Corporation and the holders of non-controlling interests.

Cash flows deriving from transactions with holders of non-controlling interests while maintaining control are classified under “financing activities” in the statement of cash flows.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

A. Basis for consolidation (Cont.)

4. Investment in associated companies and joint ventures accounted for using the equity method of accounting

Investments in associated companies and joint ventures are accounted for using the equity method (equity-accounted investees) and are initially recognized at cost plus transaction costs.

B. Foreign currency

1. Transactions in foreign currency

The Corporation's functional currency is the U.S. dollar. However, for most operations located in Europe, South America and Asia, the functional currency is the local currency.

2. Foreign activities

The assets and liabilities of foreign activities, including goodwill and adjustments to fair value created upon acquisition, were translated into dollars according to the rates of exchange in effect on the date of the report. Income and expenses of foreign activities were translated into dollars according to the rates of exchange that were in effect on the transaction dates.

Foreign currency differences are recognized in other comprehensive income and are presented in equity in the foreign currency translation reserve (hereinafter –Translation Reserve) until the foreign entity is sold or liquidated. When a foreign operation is disposed of, the cumulative amount in the Translation Reserve is reclassified to profit or loss as a part of the capital gain or loss on disposal.

When the foreign operation is a subsidiary of the Corporation that is not wholly-owned, then the proportionate share of the foreign operation translation difference is allocated to the non-controlling interests.

In addition, at the time of changes in the Corporation's rate of holdings in a subsidiary that includes foreign activities, while maintaining control over the subsidiary, a proportionate amount of the accumulated exchange rate differences recognized in the other comprehensive income is reattributed to non-controlling interests.

In general, exchange rate differences in respect of loans received from or granted to foreign activities, including foreign activities that are subsidiaries, are recognized in the consolidated statement of income. Where settlement of loans received from or granted to foreign activities is not planned and is not expected to take place in the foreseeable future, gains and losses from exchange rate differences deriving from these monetary items are included as part of the net investment in the foreign activities and are recognized in other comprehensive income and are presented in equity as part of the Translation Reserve.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

C. Financial instruments

1. Non-derivative financial assets

The Group initially recognizes trade receivables and debt instruments issued on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. A financial asset is classified based on the entity's business model and is initially measured at fair value plus direct transaction costs.

The Group has balances of trade and other receivables and deposits that are held within a business model whose objective is collecting contractual cash flows, which represent solely payments of principal and interest (for the time value and the credit risk). Accordingly, these financial assets are measured at amortized cost .

Financial assets are derecognized when the contractual rights of the Group to the cash flows from the asset expire, or the Group transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. When the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset.

Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest income or dividend income, are recognized in profit or loss (other than certain derivatives designated as hedging instruments).

2. Non-derivative financial liabilities

The Group has non-derivative financial liabilities as follows: revolving credit from banks, loans and credit from banks and others, marketable and non-marketable debentures, liabilities for financing leases and trade and other payables.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

C. Financial instruments (Cont.)

2. Non-derivative financial liabilities (Cont.)

Initial recognition of financial liabilities

The Group initially recognizes debt instrument issued on the date they are created. The rest of the financial liabilities are initially recognized on the trade date when the Group becomes a party to the instrument's contractual conditions.

Subsequent measurement of financial liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

Elimination of financial liabilities

Financial liabilities are eliminated when the Group's obligation, as detailed in the agreement, expires or is settled or cancelled.

Change in terms of debt instruments

Exchange of debt instruments, having materially different terms, between an existing borrower and lender is treated as settlement of the original financial liability and recognition of a new financial liability at fair value. In addition, a significant change in the terms of an existing financial liability or a part thereof is treated as settlement of the original financial liability and recognition of a new financial liability at fair value.

In a case of a change in terms (or exchange/swap) of a debt instrument that is not significant, the new cash flows are discounted using the original effective interest rate, where the difference between the present value of the financial liability having the new terms and the present value of the original financial liability is recognized in the statement of income. For additional details – see Note 14E(2) below.

Offset of financial instruments

A financial asset and a financial liability are offset and the amounts are presented on a net basis in the statement of financial position where the Group has a current legal right to offset the amounts recognized and the intention is to settle the asset and liability on a net basis or to realize the asset and settle the liability concurrently.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 3 – Material Accounting Policies (Cont.)

C. Financial instruments (Cont.)

3. Derivative financial instruments, including hedge accounting

The Group holds, from time to time, derivative financial instruments in order to reduce exposure to foreign currency risks, risks with respect to commodity prices, marine shipping prices, and interest risks, and also derivatives not used for hedging. Derivatives are recognized according to fair value and changes in the fair value of the derivatives are recorded in the statement of income, in the “financing income” or “financing expenses” category, except for derivatives used to hedge cash flows and derivatives used to hedge the fair value of an item measured at fair value and the change in the fair value is recorded in other comprehensive income. Transaction costs that can be attributed are recorded in the statement of income as incurred.

Hedge accounting

The Group designates certain derivatives as hedging instruments, in order to hedge the changes in the cash flows relating to transactions that are expected at a high level and that derive from changes in exchange rates of foreign currency and changes in the index component and the cash flows in respect of CPI-linked loans and changes in cash flows and interest relating to loans bearing variable interest.

On the date of creation of the hedge ratios, the Group documents the risk management goals and its strategy in making the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and of the hedging instrument are expected to offset each other.

Measurement of derivative financial instruments

Derivatives are initially recognized according to fair value and the allocable transaction costs are charged to the statement of income as incurred. After the initial recognition, the derivatives are measured at fair value, where the changes in the fair value are treated as described below:

Fair value hedge

Changes in the fair value of a derivative financial instrument used to hedge fair value are recorded on the statement of income. In addition, changes in the fair value of the hedged item, in connection with the hedged risks, are also recorded on the statement of income in a parallel manner upon adjustment of the book value of the hedged item. If the hedged item is a derivative instrument for which the Corporation chose to present the changes in fair value in other comprehensive income, the changes in the fair value of the derivative financial instrument are also to be recorded to other comprehensive income. In such a case, lack of effectiveness of the hedge is also presented in other comprehensive income.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 3 – Material Accounting Policies (Cont.)

C. Financial instruments (Cont.)

3. Derivative financial instruments, including hedge accounting (Cont.)

Cash flow hedge

Where a derivative instrument is designated as a hedging instrument in a hedge of cash flows, the effective part of the changes in the fair value of the derivative is recorded in other comprehensive income, directly to a hedge reserve. The effective part of the changes in the fair value of a derivative, which is recorded in other comprehensive income, is limited to the cumulative change in the fair value of the hedged item (based on present value), from the date of creation of the hedge. In respect of the non-effective part, the change in the fair value is recorded in the statement of income immediately.

The Group designates as a hedging instrument with cash-flow hedge ratios the changes in the fair value in respect of the immediate price element of the forward contract (“the Spot Component”). The change in the fair value relating to the future price element of the forward contract (“the Forward Component”) and the base margins in respect of foreign currency, are not included as part of the hedge ratios and are accounted for as a hedge cost, while recording the changes in these components to a reserve for the cost of the hedge.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Where the hedge accounting is discontinued, the amounts previously accumulated in the hedge reserve and the reserve for the cost of the hedge remain in the reserve, until the date on which they are included in the initial cost of the non-financial item (for hedges of transactions where the result thereof is recognition of a non-financial item), or until the date on which they are reclassified to the statement of income in the period, or periods, during which the expected hedged future cash flows impact the statement of income (for other cash-flow hedges). If the hedged future cash flows are no longer expected, the amounts accumulated in the hedge reserve and the reserve for the cost of the hedge are reclassified immediately to the statement of income.

Economic hedge

Hedge accounting is not applied with respect to derivative financial instruments used to economically hedge financial assets and liabilities denominated in foreign currency and input prices. The changes in the fair value of these items are recorded in the statement of income as financing income or expenses.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 3 – Material Accounting Policies (Cont.)

C. Financial instruments (Cont.)

4. Index-linked assets and liabilities not measured at fair value

The value of CPI-linked financial assets and liabilities, which are not measured at fair value, is re-measured every period in accordance with the actual increase or decrease in the CPI.

5. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and options for shares are recognized as a deduction from equity, net of the tax effect.

Treasury shares – when shares recognized as equity are repurchased by the Corporation, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus on the transaction is carried to share premium, whereas a deficit on the transaction is deducted from retained earnings.

D. Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment in the consolidated statements are presented at cost less accumulated depreciation and provision for impairment. The cost includes expenses that can be directly attributed to the acquisition of the asset, including material maintenance expenditures and investments. The cost of assets that were self-constructed includes the cost of the materials and direct labor, as well as any additional costs that are directly attributable to bringing the asset to the required position and condition so that it will be able to function as management intended, as well as an estimate of the costs to dismantle, remove and restore, where there is an obligation for such, and capitalized borrowing costs.

2. Subsequent costs (costs incurred after the initial recognition)

The cost of replacing part of an item of property, plant and equipment and other subsequent costs are recognized as part of the book value of the item if it is expected that the future financial benefit inherent in the part replaced will flow to the Group and that its cost can be reliably measured. The book value of the part that was replaced is eliminated. Routine maintenance costs are charged to the statement of income as incurred.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 3 – Material Accounting Policies (Cont.)

D. Property, plant and equipment (Cont.)

3. Depreciation

Depreciation is charged to the statement of income according to the straight-line method over the estimated useful life of each part of the property, plant and equipment items, since this method best reflects the expected utilization of the future benefits embedded in the asset. Owned land is not depreciated.

The estimated useful lives for the current period and comparative periods is are follows:

	<u>In Years</u>
Buildings	15–30
Technical equipment and machines (mainly 35)	5–35
Dams and ponds (mainly 43)	20–43
Other	3–10

The estimates regarding the depreciation method, useful life and scrap value are evaluated, at a minimum, at the end of every reporting year and are updated where necessary. Over the years, ICL has been able to extend the useful lives of part of its property, plant and equipment, as a result of adoption of new technologies, implementation of operational excellence processes and other current, investments therein and ongoing maintenance thereof.

E. Intangible Assets

Intangible assets with a defined useful life, are measured according to cost less accumulated amortization and accumulated losses from impairment. Intangible assets with indefinite useful lives are measured according to cost less accumulated losses from impairment.

1. Goodwill

Goodwill created as a result of acquisition of subsidiaries is included in the intangible assets category. In subsequent periods, goodwill is measured at cost less accrued impairment losses.

2. Research and development

Expenditures on research activities are recognized in profit or loss when incurred. Development expenditures are capitalized as an intangible asset only if: the development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable, and the Group has the intention and sufficient resources to complete development and to use or sell the asset.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 3 – Material Accounting Policies (Cont.)

E. Intangible Assets (Cont.)

3. Amortization

Amortization is recorded on the statement of income using the straight-line method commencing from the date the assets are available for use over the estimated useful economic life of the intangible assets, except for customer contacts and geological surveys that are amortized over the rate of consumption of the economic benefits expected from the asset on the basis of the projected cash flows. Goodwill and intangible assets with an undefined useful life, are not amortized on a systematic basis but, rather, are examined at least once a year for indications of a decline in value.

Internally generated intangible assets are not systematically amortized as long as they are not available for use, i.e., they are not yet on site or in working condition for their intended use by ICL. Accordingly, these intangible assets, such as development costs, are tested for impairment at least once a year, until such date as they are available for use.

The estimated useful lives for the current period and comparative periods are as follows:

	<u>In Years</u>
Concessions and mining rights*	*
Trademarks	15–20
Technology/patents	7–20
Customer relationships	15–25
Computer applications	3–10

* Over the balance of the concession granted to ICL and its subsidiaries.

The estimated useful life of an intangible asset that is not amortized is examined at least annually in order to determine if events and circumstances continue to support the determination that the intangible asset has an undefined life.

Deferred expenses in respect of geological surveys are amortized over their useful lives based on a geological estimate of the quantity of potash that will be produced from the mining site.

The estimates regarding the amortization method and the useful lives are examined, at a minimum, at the end of the year of the report and are adjusted where necessary. The estimated useful life of the customer relationships is examined on an ongoing basis, based on an analysis of the relevant evidence and factors – this being after taking into account the experience ICL has accumulated relating to repeat orders and attrition rates, and after considering the future economic benefits expected to flow to ICL deriving from these customer relationships.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

F. Inventory

Inventory is measured at the lower of cost or net realizable value. The cost of the inventory includes the costs of purchasing the inventory and bringing it to its current location and condition. In the case of work in process and finished goods, the cost includes the proportionate part of the manufacturing overhead based on normal capacity. Net realization value is the estimated selling price in the ordinary course of business, after deduction of the estimated cost of completion and the estimated costs required to execute the sale.

The cost of the inventory of raw and auxiliary materials, maintenance materials, finished goods and goods in process, is determined mainly according to the “moving average” method.

If the benefit from the exploration stripping costs (costs of removal of waste incurred in mining activities of a mine during its production stage) is realized in the form of inventory, ICL treats these stripping costs as inventory. If the benefit is improved access to the quarry, ICL recognizes these costs as an increase to a non-current asset, upon fulfillment of the criteria presented in IFRIC 20.

Inventory the sale of which is expected to take place in a period of more than 12 months from the date of the report is presented as non-current inventory in the non-current assets section.

G. Impairment in Value

1. Non-derivative financial assets

A provision for expected credit losses in respect of a financial asset at amortized cost, including trade receivables, are measured at an amount equal to the full lifetime of expected credit losses. Expected credit losses are a probability-weighted estimate of credit losses. With respect to other debt instruments, the provision for expected credit losses is measured at an amount equal to 12-month expected credit losses, unless their credit risk has increased significantly since initial recognition. A provision for such losses in respect of a financial asset at amortized cost, are presented net of the gross book value of the financial asset.

2. Non-financial assets

Timing of examination of decline in value

The book value of the Group's non-financial assets, other than inventory and deferred tax assets, is examined for each reporting period in order to determine if there are signs indicating impairment in value. If such signs exist, the estimated recoverable amount of the asset is calculated. Once a year on a fixed date, the Group makes an estimate of the recoverable amount of goodwill and intangible assets having an undefined life or that are not available for use, or more frequently if there are signs of a decline in value. For additional information – see Note 13.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

G. Impairment in Value (Cont.)

2. Non-financial assets (Cont.)

Measurement of recoverable amount

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use or the net selling price (fair value less cost of disposal). When determining the value in use, the anticipated future cash flows are discounted according to an after-tax discount rate that reflects the evaluations of the market's participants regarding the time value of money and the specific risks relating to the asset or to the cash-generating unit, in respect of which the future cash flows are expected to derive from the asset or the cash-generating unit were not adjusted.

Assets of ICL's headquarters and administrative facilities do not produce separate cash flows and they serve more than one cash-generating unit. Such assets are allocated to cash-generating units on a reasonable and consistent basis and are examined for impairment as part of the examination of impairment of the cash-producing units to which they are allocated.

H. Employee Benefits

The Group has several post-employment benefit plans. The plans are funded partly by deposits with insurance companies or funds managed by a trustee, and they are classified as defined contribution plans and as defined benefit plans. For further information – see Note 17 below.

1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan whereby the Group pays fixed contributions into a separate entity and has no legal or implied liability to pay additional amounts.

The Group's obligation to make deposits in a defined contribution plan is recorded as an expense in the statement of income during the periods during which the employees provided the related services.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

H. Employee Benefits (Cont.)

2. Defined benefit plans

Defined benefit plans are post-employment benefit plans that are not defined contribution plans.

The Group's net obligation, regarding defined benefit plans for post-employment benefits, is calculated for each plan separately by estimating the future amount of the benefit to which an employee will be entitled as compensation for his services during the current and past periods. The benefit is presented according to present value after deducting the fair value of the plan assets.

The movement in the net liability in respect of a defined benefit plan for every accounting period is composed as follows:

- (i) Current service costs;
- (ii) Net financing income (expenses);
- (iii) Exchange rate differences.
- (iv) Past service costs and plan reduction.

The difference, as at the date of the report, between the net liability at the beginning of the period, plus the profit and loss movement, as described above, and the actuarial liability less the fair value of the plan assets at the end of the period, reflects the balance of the actuarial gains or losses recorded through the statement of other comprehensive income directly to the retained earnings.

3. Compensation for early retirement

Compensation for early retirement of employees is recognized as an expense and a liability where the Group has clearly undertaken, with no genuine possibility for cancellation, to dismiss employees prior to their reaching the customary retirement date, in accordance with a formal detailed plan. The benefits given to employees upon voluntary retirement are charged as an expense when the Group proposes a plan to the employees encouraging voluntary retirement, and where it is expected that the proposal will be accepted and it is possible to reliably estimate the number of employees that will accept the proposal.

4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided or upon the actual absence of the employee when the benefit is not accumulated (such as maternity leave).

5. Share-based payment transactions

The fair value on the grant date of share-based payment grants to employees is recorded as a salary expense, with a corresponding increase in equity over the period in which an unconditional right to the grants is obtained. The amount recorded as an expense in respect of share-based payment grants, which are contingent on vesting conditions that are service conditions or performance conditions that are not market conditions, are adjusted in order to reflect the number of options that are expected to vest.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

I. Provisions

A provision is recognized when the Group has a present legal or implied obligation as the result of an event that occurred in the past, when it can be reliably estimated and when it is expected that a flow of economic benefits will be required in order to settle the obligation. In rare cases wherein it is not possible to the possible outcome of the obligation, no provision is recorded in the financial statements.

1. Provision for environmental costs

ICL recognizes a provision for an existing obligation that has occurred for prevention of environmental pollution and anticipated provisions for costs relating to environmental restoration stemming from current or past activities. Environmental costs that increase the life expectancy or efficiency of the facility or decrease or prevent the environmental pollution are recorded as provisions and are capitalized to the cost of the fixed assets and are depreciated according to the usual depreciation rates used by ICL.

2. Site restoration

A provision for return and restoration of sites is recognized when ICL has a legal obligation that could derive from, among other things, environmental regulations.

3. Legal claims

A provision for legal claims is recorded where the Group has a present legal or implied obligation as the result of a past event, when it is more likely than not that the Group will be required to use its economic resources to settle the obligation and it can be reliably estimated.

J. Recognition of Revenues

Identifying a contract

ICL accounts for a contract with a customer only when the following conditions are met:

- (a) The parties to the contract have approved the contract and they are committed to satisfying the obligations attributable to them;
- (b) ICL can identify the rights of each party in relation to the goods that will be transferred;
- (c) ICL can identify the payment terms for the goods that will be transferred;
- (d) The contract has a commercial substance (i.e., the risk, timing and amount of the entity's future cash flows are expected to change as a result of the contract); and
- (e) It is probable that the consideration, to which ICL is entitled to in exchange for the goods transferred to the customer, will be collected.

For the purpose of paragraph (e) above, ICL examines, among other things, the percentage of the advance payments received and the spread of the contractual payments, past experience with the customer and the status and existence of sufficient collateral.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

J. Recognition of Revenues (Cont.)

Identifying performance obligations

ICL is a global specialty minerals and chemical company engaged in the sale of various goods produced in its different segments of operation. ICL's contracts primarily derived from a single performance obligation to deliver the product specified in the contract.

Determining the transaction price

The transaction price is the amount of the consideration stated in the contract with the customer that is expected to be received in exchange for transfer of goods promised to the customer, other than amounts collected for third parties. The variable consideration, which primarily includes commercial discounts, commercial returns and volume rebates, does not have a material impact on the financial statements.

Fulfillment of performance obligation

Revenue is recognized at the point in time, when ICL transfers control over the promised goods to the customer. Transfer of the control over goods to a customer generally takes place upon shipment or when accepted by the customer, as provided in the sale contract.

Payment terms

ICL has various payment terms that represent the acceptable commercial terms in the relevant markets. ICL's policy is to engage in agreements with payment terms not exceeding one year, and applies the practical expedient in the accounting practice to not separate a significant financing component where the time difference between the transfer of the goods to the customer and receipt of the payment is one year or less.

K. Government grants

Government grants are recognized initially at fair value when there is reasonable assurance that they will be received, and ICL will comply with the conditions for the receipt thereof. Unconditional government grants are recognized when ICL is entitled to receive them.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

L. Leases

- (1) Determination whether an arrangement contains a lease – on the inception date of the lease, ICL determines whether the arrangement is a lease or contains a lease, while examining if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For lease contracts that contain non-lease components, such as services or maintenance, that are related to a lease component, ICL elected to account for the contract as a single lease component without separating the components.

- (2) Leased assets and lease liabilities – ICL has elected to apply the practical expedient by which short-term leases of up to one year and/or leases in which the underlying asset has a low value, are recognized in profit or loss on a straight-line basis, over the lease term, without recognizing an asset and/or liability in the statement of financial position.

The lease term is the non-cancellable period of the lease plus periods covered by an extension or termination option if it is reasonably certain that the lessee will or will not exercise the option, respectively.

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate existing at the commencement of the lease and are included in the measurement of the lease liability. When the cash flows deriving from future lease payments change as the result of a change in an index or a rate, the balance of the liability is adjusted against the right-of-use asset.

Other variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss in the period in which the event or condition that triggers payment occurs.

M. Financing Income and Expenses

Financing income includes income from interest on amounts invested, loans granted, changes in the fair value of financial assets presented at fair value through the income statement, gains from exchange rate differences, financing income in respect of employee benefits and gains from derivative financial instruments recognized in the statement of income.

Financing expenses include interest on loans received, costs in respect of securitization transactions, losses from impairment of value of certain financial assets, leases, and changes due to the passage of time in liabilities in respect of defined benefit plans for employees less the interest income deriving from plan assets relating to a defined benefit plan for employees and exchange rate losses.

In the statements of cash flows, interest received is presented as part of cash flows from investing activities. Dividends received are presented as part of cash flow from operating activities. Interest paid and dividends paid are presented as part of cash flows from financing activities. Accordingly, financing costs that were capitalized to qualifying assets are presented together with interest paid as part of cash flows from financing activities.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either financing income or financing expenses depending on whether foreign currency movements are in a net gain or net loss position.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

N. Taxes on Income

Taxes on income (including surplus profit levy on natural resources) include current and deferred taxes, which are recognized in profit or loss, unless they relate to a business combination or are recognized directly in equity or in other comprehensive income when they relate to items recognized directly in equity or in other comprehensive income.

A provision for uncertain tax positions, including additional tax and interest expenses, is recognized when it is more likely than not that ICL will have to pay the obligation.

Deferred taxes

The Group does not recognize deferred taxes for the following temporary differences: initial recognition of goodwill and differences deriving from investments in subsidiaries and investments in companies accounted for using the equity method of accounting, if it is not expected that they will reverse in the foreseeable future and the Group controls the reversal date of the difference, whether through sale or distribution of a dividend. Deferred taxes in respect of intra-company transactions in the consolidated financial statements are recorded according to the tax rate applicable to the acquiring company. The deferred tax assets are examined on every reporting date, and if it is not expected that the related tax benefits will be realized they are eliminated.

The Group offsets current and deferred tax assets and liabilities if there is a legally enforceable right and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle on a net basis.

Additional tax in respect of dividend distribution

ICL could become liable for additional taxes in the case of distribution of intercompany dividends between ICL's companies. These additional taxes are not included in the financial statements as ICL's companies decided not to cause distribution of a dividend that involves additional taxes to the paying company in the foreseeable future. In cases where an investee company is expected to distribute a dividend involving additional tax, the company records a reserve for expected additional taxes.

Tax refunds in respect of dividend distribution

The Group is entitled to tax refunds in respect of dividends received from an Approved Enterprise on the date of distribution thereof to its shareholders. Accordingly, the Group recognizes tax income in respect of tax refunds as stated on the declaration date of the dividend.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 3 – Material Accounting Policies (Cont.)

O. Amendments to Standards and Interpretations not yet Adopted

1. IFRS 18, Presentation and Disclosure in the Financial Statements

This Standard replaces the International Accounting Standard 1 (IAS 1) “Presentation of Financial Statements”. As part of the new disclosure requirements, companies will be required to present in the statement of income new defined interim amounts (subtotals): operating income and income before financing and taxes. In addition, income statement items will be classified into three defined categories: operating, investment and financing. The Standard also includes a requirement to provide a separate disclosure in the financial statements regarding the use of management-defined performance measures (“non-GAAP” measures), and specific instructions were added for the grouping and splitting of items in the financial statements and in the notes. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with an option for early adoption. Pursuant to a decision of the plenary Securities Authority, reporting companies may make early adoption of the Standard starting from reporting periods beginning on January 1, 2025. The Corporation is examining the effects of the Amendment on the financial statements with no plans for early adoption.

2. Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

The Amendments provide clarifications relating to the date of recognition and derecognition of financial instruments. In accordance with the Amendments, an exception is added regarding the timing of derecognizing financial liabilities settled by electronic cash transfers, as well as clarification relating to disclosure requirements for financial instruments with contingent features that are not directly related to changes in the basic risks/cost of the instrument.

The Amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Corporation is examining the effects of the Amendment on the financial statements with no plans for early adoption.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 4 – Determination of Fair Value

As part of its accounting policies and disclosure requirements, the Group is required to determine the fair value of both financial and non-financial assets and liabilities. The fair values have been determined for purposes of measurement and/or disclosure based on the following methods. Additional information regarding the assumptions used in determining the fair values is disclosed in the notes relating to that asset or liability.

A. Derivatives

The fair value of forward contracts on foreign currency is determined by averaging the exchange rate and the appropriate interest coefficient for the period of the transaction and the relevant currency index.

The fair value of interest rate swap contracts is determined by discounting the estimated amount of future cash flows on the basis of terms and length of period to maturity of each contract, while using market interest rates of similar instruments at the measurement date.

The fair value of cross currency and interest rate swaps is based on the market interest prices for discounting the future cash flows on the basis of the terms and length of the period to maturity of each transaction, while using market interest rates of similar instrument as at the measurement date.

Future contracts on energy and marine shipping prices are presented at fair value based on quotes of the prices of products on an ongoing basis. The reasonableness of the fair value is examined by comparing it to quotations by banks.

B. Non-derivative financial liabilities

Non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date (other than when designated to fair value through profit or loss at initial recognition).

The fair value for disclosure purposes is determined based on the quoted trading price in the market for traded debentures, whereas for non-traded debentures it is determined by discounting the present value of the future cash flows in respect of the principal and interest component using the market interest rate as at the date of the report.

C. Investments in equity

The fair value of investments in equity instruments that are classified at fair value through other comprehensive income or investments in equity instruments or that are classified at fair value through the statement of income, is determined based on market value as at the date of the report.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 5 – Other Receivables, including Derivative Instruments

Composition

	As at December 31	
	2024	2023
	\$ millions	
Government institutions	110	104
Tax assets	51	67
Prepaid expenses	41	35
Derivative instruments (1)	16	53
Receivables from sale of investments in investee companies accounted for using the equity method of accounting	2	17
Other	<u>46</u>	<u>103</u>
	<u>266</u>	<u>379</u>

(1) See Note 31.

Note 6 – Inventories

Composition

	As at December 31	
	2024	2023
	\$ millions	
Finished goods	1,071	1,117
Work in progress	164	174
Raw materials	321	329
Spare parts	<u>147</u>	<u>157</u>
Total inventory	1,703	1,777
Less – non-current inventories, mainly raw materials (presented in non-current assets)	<u>77</u>	<u>74</u>
Current inventory	<u>1,626</u>	<u>1,703</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 7 – Investments Held based on the Equity Method of Accounting

Subsequent to the date of the report, on March 21, 2025, the Corporation completed investment in and acquisition of shares from existing shareholders of Prodalim. Prodalim is a global private company, incorporated in Israel, which is engaged in creating natural solutions for various industries. Its products include concentrates, flavors and fragrances, beverage bases and other natural functional ingredients. In addition, Prodalim is developing innovative activities focused on the emerging world of the dealcoholization of alcoholic beverages.

In accordance with the Investment Agreement, the Company invested the amount of US \$42 million in Prodalim and in addition to the Investment Agreement, the Company has entered into an agreement with I.W.S International B.V. (an existing shareholder of Prodalim) to purchase all of the shares that I.W.S. holds in Prodalim, in consideration of the amount of approximately US \$71.9 million, and it has also entered into agreements with additional sellers (who are not members of the founding family) to purchase their shares in Prodalim, in consideration of the amount of approximately US \$2 million, such that, in total, the Corporation invested about \$116 million (not including transaction costs of about \$2 million) in exchange for about 29% of the shares of Prodalim (about 27.5% on a fully-diluted basis). In addition, an amended Shareholders' Agreement and Articles of Association were signed between Prodalim, the Company and the remaining shareholders of Prodalim, which took effect on the date of completion of the Investment Transaction.

The main rights determined for the Company are: (a) as long as the Company holds 15% of Prodalim, it will have the right to appoint two out of seven directors of Prodalim;

(b) the Company will have veto rights (protective provisions) over types of decisions as set forth in the agreement; (c) the Company will have a right of first refusal, a tag-along right and a preemptive right, and it will also be subject to a right of first refusal and a tag-along right, under the terms and conditions set forth in the agreement.

Since the Corporation has significant influence over Prodalim, the investment will be accounting for using the equity method of accounting.

Note 8 – Investments in Subsidiaries, Business Combinations and Transactions with Non-Controlling Interests

A. Acquisition and sale of activities in ICL

- (1) In February 2024, ICL completed the acquisition of Nitro 1000, a manufacturer, developer and provider of biological crop inputs in Brazil, for a consideration of \$30 million. Nitro 1000's products mainly target soybean, corn and sugar cane crops, and their application replaces or optimizes the use of fertilizers. These products help farmers increase profitability, and also offer more sustainable options.
- (2) In July 2024, ICL completed the acquisition of Custom Ag Formulators (hereinafter – CAF), a North American provider of agriculture formulations and products customized for growers, for a total consideration of \$60 million, including a performance based earnout of up to \$10 million. CAF offers a diverse assortment of liquid adjuvants and enhanced nutrients, as well as various other specialty products.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 8 – Investments in Subsidiaries, Business Combinations and Transactions with Non-Controlling Interests (Cont.)

B. Non-controlling interests in subsidiaries

The following tables summarize information regarding a Group subsidiary, including adjustments to fair value made on the acquisition date, except for goodwill, in which there are non-controlling interests that are significant to the Group (before elimination of intercompany transactions):

	ICL Ltd.	
	As at December 31	
	2024	2023
	\$ millions	
	Israel	
Country of incorporation		
Rate of holdings	44%	44%
Rate of non-controlling interests	56%	56%
Current assets	3,586	4,034
Non-current assets	7,772	7,634
Current liabilities	(2,328)	(2,638)
Non-current liabilities	(3,013)	(2,960)
Total net assets	<u>6,017</u>	<u>6,070</u>
Book value of non-controlling interests	<u>3,565</u>	<u>3,569</u>

	For the year ended		
	2024	2023	2022
	\$ millions		
Revenues	<u>6,841</u>	<u>7,536</u>	<u>10,015</u>
Income for the year	464	687	2,219
Other comprehensive income (loss)	<u>(216)</u>	<u>119</u>	<u>(89)</u>
Total comprehensive income	<u>248</u>	<u>806</u>	<u>2,130</u>
Income attributable to non-controlling interests	<u>284</u>	<u>402</u>	<u>1,261</u>
Cash flows provided by operating activities	1,468	1,710	2,131
Cash flows used in investing activities	(694)	(853)	(747)
Cash flows used in financing activities			
without dividends to non-controlling interests*	(650)	(557)	(765)
Dividends paid to non-controlling interests	<u>(196)</u>	<u>(280)</u>	<u>(651)</u>
Total increase (decrease) in cash and cash equivalents	<u>(72)</u>	<u>20</u>	<u>(32)</u>

* Reclassified in ICL's statements.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 8 – Investments in Subsidiaries, Business Combinations and Transactions with Non-Controlling Interests (Cont.)

B. Non-controlling interests in subsidiaries (Cont.)

The following table summarizes information regarding non-controlling interests in a subsidiary of ICL, YPH JV, which are at the rate of 50%. The non-controlling interests are significant to ICL (before elimination of intercompany transactions). The information includes adjustments to the fair value that were made on the acquisition date, except for goodwill, without adjustments for the rates of ownership held by ICL.

	December 31	
	2024	2023
	\$ millions	
Current assets	270	278
Non-current assets	365	376
Current liabilities	(96)	(102)
Non-current liabilities	(38)	(43)
Equity	(501)	(509)

	For the year ended		
	2024	2023	2022
	\$ millions		
Revenues	579	546	723
Operating income	152	105	146
Depreciation and amortization	37	33	34
Operating income before depreciation and amortization	189	138	180
Net income	114	85	116
Comprehensive income	103	71	78

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 8 – Investments in Subsidiaries, Business Combinations and Transactions with Non-Controlling Interests (Cont.)

C. Restrictions

ICL

1. ICL and certain of its subsidiaries issued a “Special State Share”, which is held by the State of Israel, for purposes of protecting the State of Israel’s vital interests, and which grants to the State, among other things, special rights in making decisions as follows:
 - a. Sale or transfer of ICL assets that are imperative for the State, not in the ordinary course of business.
 - b. Voluntary liquidation or a change or reorganization of ICL’s organizational structure or a merger (except for mergers of companies controlled by ICL in which there is no impairment to the rights or powers of the State of Israel as the holder of the Special State Share).
 - c. Acquisition or holding of shares in ICL which represent 14% or more of the issued share capital of ICL.
 - d. Acquisition or holding of ICL shares constituting 25% or more of ICL’s issued share capital (including supplementing the holding to 25%) even if agreement had been received in the past regarding holdings of less than 25%.
 - e. Any rate of holdings in the shares of ICL that provides the holder the right, ability or practical possibility to appoint, directly or indirectly, a number of ICL directors constituting half or more of the member of ICL’s Board of Directors as are actually appointed.

During 2018, an inter-ministerial team was set up, headed by the Ministry of Finance, whose purpose is, among other things, to regulate the authority and supervision in respect of the Special State of Israel Share, as well as reduce the regulatory burden. In 2019, the work of this team was suspended until further notice is given due to dissolution of the Israeli Parliament (the Knesset) and lack of existence of a permanent government. ICL is unable to estimate if and when the team will return to activities and the consequences of this process will be to it, if any.

2. Regarding restrictions due to receipt of credit of ICL – see Note 14B2. Some of the said restrictions could limit ICL’s ability to distribute a dividend in the future.
3. Regarding restrictions due to sale of customer receivables as part of a securitization transaction of ICL – see Note 14C.
4. Regarding liabilities secured by a lien of ICL – see Note 14F2.

Subsidiary – ICL

Notwithstanding that it holds less than half of the voting rights in ICL, the Corporation has reached the conclusion that it has effective control over ICL since the rest of the voting rights are spread over a large number of investors and there is no indication that the other shareholders will exercise their rights collectively. In addition, there is a Special State Share in ICL, as stated above.

Israel Corporation Ltd.
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Note 9 – Investments Measured at Fair Value through Other Comprehensive Income

- A. On September 28, 2021, the Corporation signed an agreement (“the Investment Agreement”) for acquisition of shares of AKVA Group ASA (“AKVA”), a public company the shares of which are traded on the stock exchange in Oslo, Norway, which is engaged in provision of solutions and services in the area of marine agriculture, including technological marine agricultural solutions regarding on-land growing. On October 21, 2021, the transaction was completed, such that upon the completion thereof the Corporation holds about 18% of AKVA’s shares, in exchange for an aggregate investment amount of about 637 million Norwegian kroners (hereinafter – “NOK”), which is equivalent to about \$74 million, net of hedging transactions. Upon completion of the transaction, the Corporation designated the investment at fair value through other comprehensive income. As at December 31, 2024, and March 26, 2025, the balance of the investment in the shares of AKVA is about \$40 million (about NOK 449 million) and about \$41 million (about NOK 432 million), respectively.
- B. In February 2023, the Corporation participated in a round of raising capital for Nordic Aqua Partners A/S (hereinafter – “NOAP”), a public company the shares of which are traded in Oslo, Norway, together with some of the shareholders of AKVA. The amount of the Corporation’s investment is about NOK 89 million (about \$9 million) out of a total of about NOK 300 million raised. Upon completion of the transaction, the Corporation held about 9% of NOAP and designated the investment as at fair value through other comprehensive income.

In December 2023, the Corporation participated in its share of an additional fundraising round, in the amount of NOK 9 million (about \$1 million) and maintained the rate of its of holdings in NOAP’s equity.

In October 2024, the Corporation participated in a third fundraising round. The Corporation’s investment in this fundraising round is about NOK 35.6 million (about \$3.3 million), which constitutes 475,000 shares of NOAP. After the investment, the rate of the Corporation’s holdings in NOAP increased by an immaterial rate. As at December 31, 2024, and March 26, 2025, the balance of the investment in the shares of NOAP is about \$13 million (about NOK 147 million) and about \$16 million (about NOK 172 million), respectively.

Note 10 – Other Non-Current Assets

	As at December 31	
	2024	2023
	\$ millions	
Excess assets of defined benefit plan (1)	134	112
Non-current inventory	77	74
Long-term deposits	8	11
Receivables from sale of investments in investee companies accounted for using the equity method of accounting	9	9
Investments in investee companies accounted for using the equity method of accounting	3	2
Other	<u>33</u>	<u>30</u>
	<u>264</u>	<u>238</u>

(1) See Note 17.

Israel Corporation Ltd.
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Note 11 – Property, Plant and Equipment

A. Composition

	For the year ended December 31, 2024						
	Land and buildings	Technical equipment and machinery	Dikes and evaporating ponds (3)	Plants under construction (1)	Right-of-use asset (2)	Other	Total
	In millions of dollars						
<u>Cost</u>							
Balance at January 1, 2024	1,234	8,280	2,025	523	579	1,219	13,860
Additions	49	393	137	98	97	88	862
Deletions	(8)	(66)	(29)	–	(41)	(3)	(147)
Impact of exchange rate changes	(53)	(108)	(20)	(15)	(17)	(6)	(219)
Entry into the consolidation	<u>4</u>	<u>5</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1</u>	<u>10</u>
Balance at December 31, 2024	<u>1,226</u>	<u>8,504</u>	<u>2,113</u>	<u>606</u>	<u>618</u>	<u>1,299</u>	<u>14,366</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2024	607	4,765	885	–	225	1,018	7,500
Depreciation (3)	34	256	148	–	86	65	589
Deletions	(6)	(60)	(29)	–	(27)	(3)	(125)
Impairment of value	–	14	–	–	–	–	14
Impact of exchange rate changes	(15)	(63)	(16)	–	(8)	(5)	(107)
Entry into the consolidation	<u>1</u>	<u>2</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1</u>	<u>4</u>
Balance at December 31, 2024	<u>621</u>	<u>4,914</u>	<u>988</u>	<u>–</u>	<u>276</u>	<u>1,076</u>	<u>7,875</u>
Depreciated cost as at December 31, 2024	<u>605</u>	<u>3,590</u>	<u>1,125</u>	<u>606</u>	<u>342</u>	<u>223</u>	<u>6,491</u>

- (1) The additions are presented net of assets the construction of which was completed and, therefore, they were reclassified to other property, plant and equipment categories.
- (2) The additions were recorded against a lease liability (IFRS 16).
- (3) Capitalization of depreciation expenses, in the amount of NIS 37 million, to “dikes and evaporating ponds” assets.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 11 – Property, Plant and Equipment (Cont.)

A. Composition (Cont.)

	For the year ended December 31, 2023						
	Land and buildings	Technical equipment and machinery (3)	Dikes and evaporating ponds	Plants under construction (1)	Right-of-use asset (2)	Other	Total
	In millions of dollars						
<u>Cost</u>							
Balance at January 1, 2023	1,180	7,865	1,834	518	533	1,144	13,074
Additions	35	455	179	(3)	94	78	838
Deletions	(4)	(98)	–	(2)	(51)	(4)	(159)
Impact of exchange rate changes	<u>23</u>	<u>58</u>	<u>12</u>	<u>10</u>	<u>3</u>	<u>1</u>	<u>107</u>
Balance at December 31, 2023	<u>1,234</u>	<u>8,280</u>	<u>2,025</u>	<u>523</u>	<u>579</u>	<u>1,219</u>	<u>13,860</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	572	4,545	829	–	189	936	7,071
Depreciation	30	254	46	–	83	84	497
Deletions	(1)	(68)	–	–	(49)	(3)	(121)
Impact of exchange rate changes	<u>6</u>	<u>34</u>	<u>10</u>	<u>–</u>	<u>2</u>	<u>1</u>	<u>53</u>
Balance at December 31, 2023	<u>607</u>	<u>4,765</u>	<u>885</u>	<u>–</u>	<u>225</u>	<u>1,018</u>	<u>7,500</u>
Depreciated cost as at December 31, 2023	<u>627</u>	<u>3,515</u>	<u>1,140</u>	<u>523</u>	<u>354</u>	<u>201</u>	<u>6,360</u>

- (1) The additions are presented net of assets the construction of which was completed and, therefore, they were reclassified to other property, plant and equipment categories.
- (2) The additions were recorded against a lease liability (IFRS 16).
- (3) ICL conducted an evaluation of the expected remaining useful life of property, plant and equipment at its facilities in Israel. As a result, the estimated useful life of certain assets was extended by 2-5 years, starting from January 2023 and the depreciation expenses were reduced by about \$16 million.

Israel Corporation Ltd.
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Note 12 – Intangible Assets

A. Composition:

	2024							
	Goodwill	Concessions and mining rights	Trademarks	Technology/ patents	Customer contacts	Computer applications	Other	Total
	\$ millions							
Cost								
Balance at January 1, 2024	762	249	86	119	200	166	73	1,655
Additions	—	5	—	—	—	31	2	38
Deletions	—	—	—	—	—	(1)	(3)	(4)
Entry into the consolidation	85	—	—	—	—	—	—	85
Impact of changes in exchange rates	<u>(73)</u>	<u>(4)</u>	<u>(4)</u>	<u>(5)</u>	<u>(14)</u>	<u>(2)</u>	<u>(1)</u>	<u>(103)</u>
Balance at December 31, 2024	<u>774</u>	<u>250</u>	<u>82</u>	<u>114</u>	<u>186</u>	<u>194</u>	<u>71</u>	<u>1,671</u>
Amortization and impairment losses								
Balance at January 1, 2024	51	117	37	67	160	95	63	590
Amortization for the year	—	9	2	5	12	17	3	48
Deletions	—	—	—	—	—	(1)	(3)	(4)
Impact of changes in exchange rates	<u>(1)</u>	<u>—</u>	<u>(2)</u>	<u>(3)</u>	<u>(10)</u>	<u>(2)</u>	<u>(4)</u>	<u>(22)</u>
Balance at December 31, 2024	<u>50</u>	<u>126</u>	<u>37</u>	<u>69</u>	<u>162</u>	<u>109</u>	<u>59</u>	<u>612</u>
Amortized balance at December 31, 2024	<u>724</u>	<u>124</u>	<u>45</u>	<u>45</u>	<u>24</u>	<u>85</u>	<u>12</u>	<u>1,059</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 12 – Intangible Assets (Cont.)

A. Composition: (Cont.)

	2023							
	<u>Goodwill</u>	<u>Concessions and mining rights</u>	<u>Trademarks</u>	<u>Technology/ patents</u>	<u>Customer contacts</u>	<u>Computer applications</u>	<u>Other</u>	<u>Total</u>
	\$ millions							
Cost								
Balance at								
January 1, 2023	739	248	84	108	194	142	69	1,584
Additions	—	1	—	8	—	24	2	35
Deletions	—	—	—	—	—	(1)	—	(1)
Impact of changes in exchange rates	<u>23</u>	<u>—</u>	<u>2</u>	<u>3</u>	<u>6</u>	<u>1</u>	<u>2</u>	<u>37</u>
Balance at								
December 31, 2023	<u>762</u>	<u>249</u>	<u>86</u>	<u>119</u>	<u>200</u>	<u>166</u>	<u>73</u>	<u>1,655</u>
Amortization and impairment losses								
Balance at								
January 1, 2023	51	110	34	61	144	82	57	539
Amortization for the year	—	7	2	5	12	12	5	43
Impact of changes in in exchange rates	<u>—</u>	<u>—</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>8</u>
Balance at								
December 31, 2023	<u>51</u>	<u>117</u>	<u>37</u>	<u>67</u>	<u>160</u>	<u>95</u>	<u>63</u>	<u>590</u>
Amortized balance at December 31, 2023								
	<u>711</u>	<u>132</u>	<u>49</u>	<u>52</u>	<u>40</u>	<u>71</u>	<u>10</u>	<u>1,065</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 12 – Intangible Assets (Cont.)

- B. The total carrying value in the books of intangible assets with a defined useful life and with an undefined useful life**

	As at December 31	
	2024	2023
	\$ millions	
Intangible assets with a defined useful life	303	322
Intangible assets with an undefined useful life	<u>756</u>	<u>743</u>
	<u>1,059</u>	<u>1,065</u>

Note 13 – Examination of Impairment in Value

Examination of Impairment of Intangible Assets having an Indefinite Life

Goodwill and intangible assets having an indefinite useful life are not amortized on a systematic basis but, rather, are examined at least once a year for impairment in value.

Israel Corporation has goodwill that was recognized in respect of investments that were made in the past in ICL. For purposes of examining impairment of the cash-generating unit that includes goodwill, this goodwill is allocated to ICL's operating segments. In addition, ICL itself has goodwill allocable to its operating segments.

The goodwill in ICL is not monitored for internal reporting purposes and, accordingly, it is allocated to ICL's operating segments. The examination of impairment of the carrying amount of the goodwill is made accordingly.

For impairment testing purposes, trademarks with an indefinite useful life were allocated to the cash-generating units that represent the lowest level in ICL.

During the third quarter of 2024, ICL conducted its annual impairment test of goodwill and did not identify any impairment. The recoverable amount of the operating segments was determined based on their value in use, which is based on an internal valuation of the discounted future cash flows generated from the continuing operations of the operating segments.

The future cash flow of each operating segment of ICL was based on the segment approved five-year plan, which includes segment estimations for revenues, operating income and other factors, such as working capital and capital expenditures. The segments' projections were based, among other things, on the assumed sales volume growth rates according to long-term expectations, internal selling prices and raw materials prices based on external data sources, when applicable and relevant.

The key assumptions used to calculate the operating segments' recoverable amounts are a nominal after-tax discount rate of 9.5% and a long-term growth rate of 2.45%, reflecting the industries and markets in which ICL is engaged.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 13 – Examination of Impairment in Value (Cont.)

Examination of Impairment of Intangible Assets having an Indefinite Life (Cont.)

The aggregate carrying amounts of intangible assets having an undefined useful life are as follows:

	As at December 31	
	2024	2023
	\$ millions	
<u>Goodwill</u>		
Phosphate Solutions	149	173
Industrial Products	89	91
Growing Solutions	335	306
Potash	123	125
Other	<u>28</u>	<u>16</u>
	724	711
	-----	-----
<u>Trademarks – ICL</u>	32	32
	<u> </u>	<u> </u>
	<u>756</u>	<u>743</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others

This Note provides information regarding the contractual conditions of the Group's interest-bearing loans and credit, which are measured based on amortized cost. Additional information regarding the Group's exposure to interest risks, foreign currency and liquidity risk is provided in Note 31, in connection with financial instruments.

A. Composition

	As at December 31	
	2024	2023
	\$ millions	
Current liabilities		
Short-term credit:		
Loans from financial institutions	326	333
Current maturities of long-term liabilities:		
Debentures	124	586
Loans from financial institutions	76	62
Lease liability	78	72
	278	720
Total current liabilities	604	1,053
Non-current liabilities		
Marketable debentures	1,489	1,932
Non-marketable debentures	46	191
Loans from financial institutions	901	833
Lease liability	264	276
Total other long-term liabilities	2,700	3,232
Less current maturities	(278)	(720)
Total non-current liabilities	2,422	2,512

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

B. Restrictions on the Group in connection with receipt of credit

1. The Corporation and companies wholly owned and controlled by the Corporation (100%) (hereinafter – “the Headquarters Companies”)

Restrictions in connection with credit agreements with banks

Collaterals for the credit agreements

As part of the various credit agreements of the Corporation and the Headquarters Companies, in the amount of about \$150 million, that were received from banks, and as part of agreements covering derivative transactions and credit facilities' agreements, the Corporation committed to provide certain collaterals. The collaterals may be given in cash and/or marketable shares as agreed to with the lenders. The balance of the collaterals is derived from the balance of the total credit, the value of the collaterals at that time, the scope of the trading in the shares and the number of shares traded and agreed-to coverage ratios. In the agreements a minimum ratio of the value of the collaterals to the total credit was determined, where this ratio derives from the price of an ICL share on the Tel-Aviv Stock Exchange and the shekel/dollar exchange rate, that is, the dollar price of an ICL share, and in some of the agreements there is a minimum share price.

In a case the price of an ICL share drops below \$1.97, the lenders in any of the relevant credit agreements and credit facilities agreements will be permitted to call the credit for immediate repayment (as at the date of the report, the price of an ICL share was \$4.93 and on March 26, 2025 it was \$5.75). A condition, as stated, with reference to ICL shares was included in the agreements in the amount of about \$200 million.

In certain loan agreements and credit facilities agreements, minimum ratios were provided between the value of the collaterals in accordance with the stock market price that the Corporation provides as collateral for that loan in the range of 140%–211%. In addition, the possibility exists to add collaterals for purposes of compliance with the minimum ratios.

The Corporation has the right to adjust the value of the collaterals by adding collaterals or exchanging them, as well as a right to make early repayment of the credit in accordance with the conditions provided in the relevant financing agreement.

For details regarding cash and shares of ICL that have been deposited as collateral – see Section F1 below.

As part of one of the agreements that includes credit and a credit facility, in the aggregate amount of \$100 million, an additional limitation was determined with respect to the rate of ICL shares that will be deposited as security for fulfillment of all the credit taken by the Corporation and the Headquarters Companies out of the total issued shares of ICL at the rate of 23.5% from the international banks and 26.5% from the international and Israeli banks. The balance of the loan as at December 31, 2024 is \$50 million. For further details – see Sections D1(e) and E1(b)(3) below.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

B. Restrictions on the Group in connection with receipt of credit (Cont.)

1. The Corporation and companies wholly owned and controlled by the Corporation (100%) (hereinafter – “the Headquarters Companies”) (Cont.)

Restrictions in connection with credit agreements with banks (Cont.)

Other terms

As part of the loan agreements covering loans taken out by the Corporation and the Headquarters Companies, grounds were included that are customary in credit agreements, such as obligations of the Corporation and the Headquarters Companies for continued control of the Corporation by the present controlling shareholders and continued control by the Corporation of ICL, delinquency in repayment of the loan, non-payment of debts to creditors on time above a certain cumulative amount, appointment of a liquidator or receiver for the Corporation and/or the Headquarters Companies, insolvency of the Corporation and/or the Headquarters Companies or ICL, a cross default mechanism upon the existence of certain conditions, a significant adverse change in certain conditions, suspension of trading of ICL's shares and imposition of a foreclosure on part of the assets of the Corporation and/or the Headquarters Companies, upon the existence of which, subject to the terms of the agreement, the provider of the credit is permitted to demand immediate early repayment of the loan.

Restrictions relating to the debentures

Set forth below are the highlights of the limitations in connection with the debentures:

The debentures (Series 12) and debentures (Series 13) are unsecured and include standard terms and conditions and events of default as are customary in a case of insolvency, as well as a mechanism for adjusting the interest rate in the event of a decrease of the rating of the debentures (the interest rate will be increased by 0.25% per decrease in the rating of the debentures by one rating level, starting from a rating of ilA and reaching a maximum cumulative interest rate addition of 1.75% (hereinafter – “the Maximum Cumulative Rate”)), a one-time adjustment of the interest rate equal to 0.25% in a case where the shareholders' equity drops below \$400 million (as part of the Maximum Cumulative Rate), a commitment not to record a lien on more than 436 million shares of ICL under certain conditions, where the number of ICL shares covered by this commitment will increase proportionately every year up to 500 million shares during a period of five years from the date of the Amendment, financial covenants, conditions for distribution of dividends, a commitment not to make additional investments in a cumulative amount of more than \$500 million on a net basis, but not more than a cumulative amount of more than \$250 million in a period of 12 months from the date of the Amendment, and additional conditions as appearing in the trust certificates. As a result of amendment of the trust certificates as noted above, there was a change in the interest rates of the debentures.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

B. Restrictions on the Group in connection with receipt of credit (Cont.)

1. The Corporation and companies wholly owned and controlled by the Corporation (100%) (hereinafter – “the Headquarters Companies”) (Cont.)

Restrictions relating to the debentures (Cont.)

Set forth below are the highlights of the limitations in connection with the debentures: (Cont.)

The debentures (Series 14) and (Series 15) are unsecured and include standard terms and conditions and events of default as are customary in a case of insolvency, as well as a mechanism for adjusting the interest rate in the event of a decrease of the rating of the debentures (the interest rate will be increased by 0.25% per decrease in the rating of the debentures by one rating level, starting from a rating of ilA and reaching a maximum cumulative interest rate addition of 1.75% upon reaching a rating of ilBBB– (hereinafter – “the Maximum Cumulative Rate”)), a one-time adjustment of the interest rate equal to 0.25% in a case where the shareholders’ equity drops below \$600 million (as part of the Maximum Cumulative Rate), a commitment not to record a lien on more than 500 million shares of ICL under certain conditions, financial covenants, conditions for distribution of dividends, and additional conditions as appearing in the trust certificates.

Set forth below are the financial covenants applicable to the debentures (Series 12 and 13):

The Corporation’s minimum shareholders’ equity shall not drop below \$360 million.

The ratio of the Corporation’s shareholders’ equity to its total assets in accordance with its separate-company (solo) statement of financial position less solo liquid assets (cash and short-term deposits) plus the net financial liabilities of the headquarters companies shall not drop below 20%.

Set forth below are the financial covenants applicable to the debentures (Series 14 and 15):

The Corporation’s minimum shareholders’ equity shall not drop below \$500 million.

The ratio of the Corporation’s shareholders’ equity to its total assets in accordance with its separate-company (solo) statement of financial position less solo liquid assets (cash and short-term deposits) plus the net financial liabilities of the headquarters companies shall not drop below 25%.

As at December 31, 2024, the Corporation’s shareholders’ equity was \$2,816 million and the ratio of the shareholders’ equity to the Corporation’s total assets, based on the solo (separate company) financial statements less solo liquid assets (cash and short-term deposits) plus net financial liabilities of the Headquarters Companies, was 104%. As at December 31, 2024, the Corporation was in compliance with the existing financial covenants.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

B. Restrictions on the Group in connection with receipt of credit (Cont.)

2. ICL

As part of the loan agreements ICL has signed, various restrictions apply including sustainability performance targets and financial covenants, a cross-default mechanism and a negative pledge.

Set forth below is information regarding the financial covenants applicable to ICL as part of the loan agreements and the compliance therewith. For ICL's sustainability performance targets see section D2 as follows:

Financial Covenants (1) (2)	Financial Ratio Required under the Agreement	Financial Ratio as at December 31, 2024
Equity attributable to the shareholders of ICL	Shareholders' equity greater than \$2,000 million	\$5,724 million
The ratio of the EBITDA to the net interest expenses	Equal to or greater than 3.5	14.15
Ratio of the net financial debt to the EBITDA (1)	Less than 3.5	1.19
Ratio of the loans of certain subsidiaries of ICL to the total consolidated assets of ICL	Less than 10%	2.64%

(1) Examination of compliance with the above financial covenants is based on the data from ICL's consolidated financial statements. As at December 31, 2024, ICL was in compliance with the financial covenants.

(2) The EBITDA calculation for the financial covenants, which amounted to \$1,412 million in 2024, is according to the agreements with the financial institutions.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

C. Sale of receivables as part of a securitization transaction

In September 2020, ICL and certain of its subsidiaries (hereinafter – the Subsidiaries) signed a series of agreements regarding a securitization transaction with three international banks (hereinafter – the Lending Banks) for the sale of their trade receivables to a special company which was established specifically for this purpose (hereinafter – the Acquiring Company).

The new securitization agreements were signed with a committed amount of \$300 million and an additional uncommitted amount of \$100 million, maturing in September 2025 (hereinafter – the Agreements). These Agreements replace the prior securitization agreements, which expired in September 2020. The structure and terms of the Agreements are very similar to the prior securitization agreement.

ICL's policy is to utilize the securitization limit based on its cash flow needs, alternative financing sources and market conditions. According to the Agreements, ICL undertook to comply with a financial covenant according to which the ratio of net debt to EBITDA will not exceed 4.75. If ICL does not meet this ratio, the Acquiring Company can discontinue acquiring new trade receivables (without affecting existing acquisitions). As at the date of the report, ICL was in compliance with the above financial covenant. See section E below.

The Acquiring Company finances acquisition of the debts through a loan received from a financial institution that is not affiliated with ICL.

The period during which the Subsidiaries of ICL are entitled to sell their trade receivables to the Acquiring Company is five years from the closing date of the transaction, with both parties having the option, at the end of each year, to notify of cancellation of the transaction. Once ICL has transferred its trade receivables, it no longer has the right to sell them to another party. The selling price of the trade receivables is the amount of the debt sold, less the calculated interest cost based on the expected period between the sale date of the customer debt and its repayment date. Upon acquisition of the debt, the Acquiring Company pays part of the debt price in cash and the remainder in a subordinated note, which is paid after collection of the debt sold. The rate of the cash consideration varies depending on the composition and behavior of the customer portfolio. The Subsidiaries of ICL continue to handle the collection of the trade receivables included in the securitization transaction, on behalf of the Acquiring Company.

In addition, the Agreements set several conditions regarding the quality of the customer portfolios, which give the Lending Banks the option of terminating the undertaking or excluding some of the Subsidiaries whose customer portfolios do not meet the conditions provided in the Agreements.

The trade receivables are presented in full in ICL's statements of financial position and the receipts received from the Acquiring Company are presented as a financial liability under short-term credit. As at December 31, 2024, utilization of the securitization facility within this framework amounted to \$176 million (December 31, 2023 – \$182 million).

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

D. Details regarding significant loans and debentures

Borrower	Type of instrument	Date loan taken out/ recycled	Principal in original currency (in millions)	Linkage basis	Book value at December 31 2024 (\$ millions)	Interest rate	Principal repayment date	Additional information
Israel Corporation	Debentures (Series 11)	2016 2017	511 790	Dollar	–	5.45%	6 unequal payments starting from 3/31/2019: the 1 st and 2 nd –10%, the 3 rd –15%, the 4 th and 5 th – 20%, and the 6 th payment 25% of the principal. In May 2024 full and final repayment was made.	See Section D1(a)
	Debentures (Series 12)	2018	554	NIS	57	3.6%	6 unequal payments, starting from September 30, 2021:	See Section D1(c) below and Note 14B
	Debentures (Series 13)	2018	287	Dollar	31	5.85%	the 1 st – 10%, the 2 nd , 3 rd , 4 th and 5 th – 17.5%, and the 6 th payment 20% of the principal	See Section D1(c) below and Note 14B
	Debentures (Series 14)	2019 2020 2020	750 345 350	NIS NIS NIS	297	2.2%	7 unequal payments, starting from June 30, 2022: the 1 st and 2 nd –10%, the 3 rd – 5%, the 4 th and 5 th – 15% and the 6 th and 7 th payment 22.5% of the principal	See Section D1(b) below and Note 14B
	Debentures (Series 15)	2021	750	NIS	206	2.74%	6 unequal payments, starting from July 31, 2025: the 1 st and 2 nd – 10%, the 3 rd and 4 th – 15% and the 5 th and 6 th – payment 25% of the principal	See Note 14B

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

D. Details regarding significant loans and debentures (Cont.)

Borrower	Type of instrument	Date loan taken out/ recycled	Principal in original currency (in millions)	Currency	Book value at December 31 2024 (\$ millions)	Interest rate	Principal repayment date	Additional information
ICL	Debentures (Series F)	May 2018, December 2020	693	US Dollar	713	6.38%	May 2038	Section D2(b–c)
	Debentures (Series G)	January / May 2020	766	NIS	193	2.40%	2022–2034 (annual payments)	Partially repaid Section D2(a, c)
	Debentures (private offering) – 3 series	January 2014	275	US Dollar	46	5.31%	January 2026	Section D2 (b, c, e)
	Loan for sustainability (SLL)	September 2021	250	Euro	260	0.8%	September 2026	Section D2(e)
	Loans from European banks	September 2021	25	Euro	26	0.95%	June 2025	

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

D. Details regarding significant loans and debentures (Cont.)

1. The Corporation

- A. In May 2024, the Corporation paid the balance of the debentures (Series 11), in the amount of about \$84 million based on the repayment schedule.
- B. Debentures (Series 14) – in June 2024, the Corporation paid the amount of about \$20 million (less hedging transactions).
- C. Debentures (Series 12) and (Series 13) – in September 2024, the Corporation paid the amount of about \$42 million (less hedging transactions).
- D. On July 17, 2024, S&P Maalot gave notice of reconfirmation of a rating of ilA+ with a stable rating outlook. On July 4, 2023, S&P Maalot announced a rating increase to ilA+ due to an improvement of the financial ratios, with a stable rating outlook. As a result of the said increase, and in accordance with the terms of the trust indenture of the debentures (Series 11) the annual interest rate of the principal balance of the said debentures was updated and reduced by the rate of 0.25%.
- E. Subsequent to the date of the report, in January 2025, the Corporation extended an agreement that included credit and a credit framework, in the aggregate amount of \$100 million, for a period of one year from the signing date, where the bank has the right to extend the agreement by an additional two years, such that the total period of the agreement will be three years. There were no additional material changes in the terms of the credit agreement.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

D. Details regarding significant loans and debentures (Cont.)

2. ICL

- A. In January 2024, ICL repaid \$145 million in respect of a private placement Bond, as scheduled.
- B. In June 2024, Fitch Ratings reaffirmed ICL's long-term issuer default rating and senior unsecured rating at 'BBB-'. The outlook on the long-term issuer default rating is stable.
- C. In July 2024, S&P credit rating reaffirmed ICL's international credit rating and senior unsecured rating of 'BBB-'. In addition, the S&P Maalot credit rating agency reaffirmed ICL's credit rating of 'ilAA' with a stable rating outlook.
- D. In December 2024, ICL repaid NIS 15 million (approximately \$4 million) of Series G Bond, as scheduled.
- E. The loan includes three sustainability performance targets: (1) an annual 4% to 5% reduction in direct and indirect Scope 1 and Scope 2 CO₂ emissions resulting from ICL's global operations; (2) through 2025, ICL is committed to adding a significant number of Tfs (Together for Sustainability) qualified vendors each year who meet criteria of management, environment, health and safety, labor and human rights, ethics, and governance; and (3) for females to hold at least 25% of senior management roles, by the end of 2024. As of December 31, 2024, ICL is in compliance with the relevant sustainability performance targets.
- F. As at December 31, 2024, ICL was in compliance with all of the financial covenants detailed in its financing agreements. See Section B2 above.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

E. Credit facilities

1. The Corporation

A. As at the date of the report, the Corporation has credit frame facilities with five financial entities that may be withdrawn for periods of up to two years, in the aggregate scope of up to \$310 million (of which \$150 million is short term) that had not been used (as at December 31, 2023, the Corporation had credit frameworks with six financial entities in the aggregate amount of \$360 million). The non-utilization commission is in the range of 0.4%–1%. The Corporation has committed to provide collaterals in the form of marketable shares of ICL in order to withdraw the credit frameworks. Regarding liens and restriction – see Section B.1 above. During the period of the report, the Corporation extended the existing credit frameworks for a period of an additional one to three years from the signing date. Subsequent to the date of the report, in February 2025, the period of a credit facility agreement, in the amount of \$50 million, was extended for an additional year from the signing date.

B. Details regarding significant credit facilities:

1. The Corporation has a credit facility in the amount of \$100 million. The period of the credit facility is up to December 2, 2027.
2. The Corporation has a credit facility in the amount of \$60 million. The credit facility may be used in full at the price of an ICL share above \$3.25 per share. In January 2024, the period of the credit facility and the utilization period of the balance of the facility were extended up to January 4, 2027.
3. The Corporation has a credit facility in the amount of \$50 million up to February 12. Subsequent to the date of the report, in January 2025, the Corporation extended the period of the credit facility for an additional year where the bank has the right to extend the period of the agreement by two additional years. Utilization of the credit facility is subject to the price of an ICL being above \$3.2 per share.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

E. Credit facilities (Cont.)

2. ICL

Lender	Group of eleven international banks (1)
Date of the credit facility	April 2023
Termination date of the credit facility	April 2028
Amount of the credit facility	\$1,550 million (1)
Credit facility utilized	€500 million
Interest rate	Up to 33% use of the credit: SOFR/Euribor + 0.69% From 33% to 66% use of the credit: SOFR/Euribor + 0.89% 66% or more use of the credit: SOFR/Euribor + 1.04%
Loan currency type	U.S dollar loans and euro loans
Pledges and restrictions	See Section B2 above regarding “Financial Covenants”, a cross-default mechanism and a negative pledge (2)
Non-utilization fee	0.245%

- (1) In April 2023, ICL entered into a Sustainability-Linked Revolving Credit Facility Agreement between ICL Finance B.V., as borrower, and a consortium of twelve international banks for \$1,550 million. The Sustainability-Linked RCF replaced a previous revolving credit facility which was due to expire in 2025. In April 2024, all lenders exercised the option to extend the agreement by one year, until April 2029.
- (2) In line with ICL’s strategic commitment to sustainability, the Sustainability-Linked RCF follows ICL’s initial Sustainability-Linked Term Loan dated September 2021. The Sustainability-Linked RCF includes three Key Performance Indicators (KPIs) which have been designed to align with ICL’s sustainability goals: a reduction in Absolute Scope 1 & 2 GHG Emissions; an increase in the percentage of female representation among senior ICL management; and an increase in the number of valid TfS (Together for Sustainability initiative) scorecards obtained for ICL Group suppliers. Each of these goals will be assessed regularly during the term of the Sustainability-Linked RCF through third-party verification of ICL’s performance in these areas.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

F. Liabilities secured by liens and restrictions imposed in connection with liabilities

1. The Corporation and companies wholly owned and controlled by the Corporation (100%) (hereinafter – “the Headquarters Companies”)

- a. As at December 31, 2024, as for collateral for loans in the amount of about \$150 million (as at December 31, 2023 – about \$150 million), the Corporation and the Headquarters Companies have placed liens on shares of ICL at the rate of about 5.7% of ICL’s share capital (in favor of international banks) (as at December 31, 2023 – about 5.7% of ICL’s shares (in favor of international banks)), and have placed a lien on cash of about \$8 million (as at December 31, 2023 – about \$8 million) as collateral.

As at December 31, 2024, in accordance with the cash collaterals and shares deposited in banks, the closest/highest price of an ICL share according to which additional collaterals will be required is \$3.8 (as at March 26, 2025 – \$3.8), the price of an ICL share as at December 31, 2024 was \$4.93 and (as at March 26, 2025 – \$5.75).

As at December 31, 2023, in accordance with the cash collaterals and shares deposited in banks, the closest/highest price of an ICL share according with which additional collaterals will be required is \$3.8 (The price of an ICL share on December 31, 2023 was \$5.01).

- b. Regarding addition of collaterals in loans agreements – see Section B(1) above.
- c. Set forth in the following table is data regarding the liabilities secured by liens:

	Balance of loan principal on Dec. 31, 2024 (\$ millions)	Balance of loan principal on Dec. 31, 2023 (\$ millions)	Collaterals in shares Dec. 31, 2024*** (millions of shares)	Collaterals in shares Dec. 31, 2023*** (millions of shares)	Collaterals in cash Dec. 31, 2024 (\$ millions)	Collaterals in cash Dec. 31, 2023 (\$ millions)
Loans from banks*	150	150	72.9 ICL shares	72.9 ICL shares	8	8
Derivative transactions**	23	27	–	–	–	–
Total	173	177	72.9 ICL shares	72.9 ICL shares	8	8

* The Corporation and the Headquarters Companies have loans to which the Corporation is a party with a number of financial institutions and the detail in respect thereof is shown in these lines in the table on a cumulative basis. The balance constitutes the cumulative amount of the balance of the principal.

** The Corporation has derivative transactions to which the Corporation is a party with a number of financial institutions and the detail in respect thereof is shown in these lines in the table on a cumulative basis. The balance constitutes the balance of the liabilities of the derivative transactions measured based on their fair values.

*** Lien by the Corporation and the Headquarters Companies.

Subsequent to the date of the report, cash was deposited, in the amount of about \$2 million, as security for the derivative transactions.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 14 – Loans and Credit from Banks and Others (Cont.)

F. Liabilities secured by liens and restrictions imposed in connection with liabilities (Cont.)

2. ICL

In respect of loans and credit received by ICL from banks outside of Israel, ICL has undertaken various obligations, including a negative pledge, whereby it has undertaken to banks, among other things, to restrict guarantees and indemnities to third parties (other than guarantees in respect of subsidiaries) up to an agreed amount for \$550 million. ICL has also undertaken to grant loans only to subsidiaries and to associated companies in which it holds at least 25% of the voting rights. ICL has also undertaken not to grant any credit, other than in the ordinary course of business, and not to register any charges, including rights of lien, except those defined in the agreement as “liens permitted to be registered” on its present and future assets and income. For additional details regarding financial covenants in respect of the said loans – see Section B2 above.

G. Movement in liabilities deriving from financing activities

	December 31, 2024		December 31, 2023	
	Short-term credit, debentures and long-term credit*	Financial derivatives	Short-term credit, debentures and long-term credit*	Financial derivatives
	\$ millions			
Liability (asset) as at January 1	<u>3,583</u>	<u>30</u>	<u>3,980</u>	<u>(13)</u>
Receipt of long-term loans and debentures	889	–	633	–
Repayment of long-term loans and debentures	(1,446)	–	(1,067)	–
Repayment of short-term loans, net of receipts	(1)	–	(25)	–
Payments for transactions in derivatives for hedging purposes, net	–	(12)	–	(8)
Interest paid	<u>(156)</u>	<u>–</u>	<u>(171)</u>	<u>–</u>
Net cash used in financing activities	<u>(714)</u>	<u>(12)</u>	<u>(630)</u>	<u>(8)</u>
Changes due to non-cash activities:				
Initial recognition of lease liabilities	97	–	94	–
Impact of changes in the foreign currency exchange rates	(64)	–	(6)	–
Interest expenses	188	–	205	–
Changes in the fair value of derivative instruments	–	7	–	51
Other changes	<u>(53)</u>	<u>–</u>	<u>(60)</u>	<u>–</u>
Liability (asset) as at December 31	<u>3,037</u>	<u>25</u>	<u>3,583</u>	<u>30</u>

* Includes interest payable.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 15 – Other Current Liabilities, including Derivative Instruments

	As at December 31	
	2024	2023
	\$ millions	
Derivative instruments (1)	23	15
Government agencies – mainly for royalties (2)	105	88
Employees (3)	355	311
Accrued expenses	94	97
Deferred income	21	17
Income tax payable	215	180
Other	<u>84</u>	<u>104</u>
	<u>897</u>	<u>812</u>

(1) See mainly Note 31A.

(2) See mainly Note 18D.

(3) Includes post-employment liabilities to employees, in the amount of \$19 million and \$22 million as at December 31, 2024 and December 31, 2023, respectively. See Note 17.

Note 16 – Provisions

Composition of provisions and movement therein

	Site restoration, and equipment dismantling	Legal claims	Other	Total
	\$ millions			
Balance at January 1, 2024	224	45	40	309
Provisions recorded during the year	54	1	5	60
Provisions cancelled during the year	–	(1)	(5)	(6)
Payments made during the year	(29)	(30)	(1)	(60)
Translation differences	<u>(5)</u>	<u>(2)</u>	<u>(3)</u>	<u>(10)</u>
Balance at December 31, 2024	<u>244</u>	<u>13</u>	<u>36</u>	<u>293</u>

Main items under “Site restoration and equipment dismantling”:

- A. Spain – In 2018, a restoration plan was approved for the Suria and Sallent sites, which included a plan for handling the salt piles and dismantling of facilities. The restoration plan for the Suria site is scheduled to extend until 2095, and for the Sallent site up to 2072. Estimation of the projected costs for the closure and restoration of the Sallent site – the main portion of the estimated costs for closure and restoration is attributed to restoration of the salt pile. ICL is treating the salt pile, by both utilizing the salt for production and sale for, among others, de-icing purposes, and by processing the material and removing it to the sea via a Collector. As of December 31, 2024, the total provision for the closure and restoration of the Sallent site amounts to \$65 million. The estimation is based on a long-term forecast, covering a period of more than 49 years, along with observed estimates and, therefore, the actual costs that may be required to restore the Sallent site may differ, even substantially, from the current provision. In ICL’s estimation, the provision in its books reflects the best estimate of the expense required to settle this obligation.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 16 – Provisions (Cont.)

(1) Main plans for mine restoration and waste removal: (Cont.)

- B. ICL Rotem – as at December 31, 2024, according to ICL's estimation, the provision for the restoration of the mining sites and waste repositories for Rotem Israel's operations, is to \$109 million. The provision is measured based on the present value of the cash flows, which relies on ICL's estimation of the future expense required for the restoration of the mining sites. The actual costs that may be required may differ, even substantially, from the current provision, as a result of the inherent complexity of such estimation, ICL's future decisions regarding the facilities and regulatory requirements.
- C. Bromine Israel (Neot Hovav) – pursuant to the Ministry of Environmental Protection, ICL is required to treat both solid waste of past periods which is stored in a designated defined area on the site's premises, and currently-produced waste created during the ongoing production processes in the plant. Waste treatment is partly conducted through a hydro-bromine acid recovering facility (BRU), operated by ICL. Part of the waste is sent for external designated treatment. As of December 31, 2024, the provision for prior periods waste treatment amounted to about \$21 million. In ICL's estimation, based on the information currently available to it, the provision included in its financial statements covers the estimated cost for treating waste from prior periods.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 17 – Employee Benefits

A. Composition

	As at December 31	
	2024	2023
	\$ millions	
Fair value of defined-benefit plan assets	444	453
Severance benefits	(56)	(66)
Liabilities recognized in respect of defined benefit plans	(605)	(653)
	(217)	(266)

Composition of the fair value of benefit-plan assets:

	As at December 31	
	2024	2023
	\$ millions	
Equity instruments		
Quoted market price	119	138
No quoted market price	31	38
	150	176
	-----	-----
Debt instruments		
Quoted market price	194	240
No quoted market price	76	13
	270	253
	-----	-----
Deposits in insurance companies	24	24
	-----	-----
	444	453

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 17 – Employee Benefits (Cont.)

B. Severance pay

Companies in Israel

The labor laws in Israel require ICL to pay severance pay to employees who were dismissed or have retired (including those who left in other specific circumstances). The liability for the payment of severance pay is calculated according to the labor agreements in effect on the basis of salary components which, in the opinion of ICL's management, create an obligation to pay severance pay.

ICL has two severance pay plans: one plan according to the provisions of Section 14 of the Severance Pay Law, which is accounted for as a defined contribution plan; and the other for employees to whom Section 14 does not apply, which is accounted for as a defined benefit plan. The liability of the ICL Group in Israel for the payment of severance pay to employees is mostly covered by current deposits in the names of the employees in recognized pension and severance pay funds, and by the acquisition of insurance policies, which are accounted for as plan assets.

Certain subsidiaries outside of Israel

In countries wherein subsidiaries of ICL operate and wherein there is no legal obligation to make severance payments, ICL's Group companies did not include a provision in the financial statements for possible future payment of severance benefits, except in cases of a discontinuation of operations in part of the plant and the consequent dismissal of employees.

C. Pension and early retirement

1. Some of ICL's employees in and outside of Israel have defined benefit pension plans for their retirement, which are controlled by ICL. Generally, according to the terms of the plans, as stated, the employees are entitled to receive pension payments based on, among other things, their number of years of service (in certain cases up to 70% of their last base salary) or computed, in certain cases, based on a fixed salary. Some employees of a subsidiary of ICL in Israel are entitled to early retirement if they meet certain conditions, including age and seniority at the time of retirement.
2. In addition, some ICL Group companies have entered into plans with funds – and with a pension fund for some of the employees – under which such companies make current deposits with that fund which releases them from their liability for making a pension payment under the labor agreements to all of their employees upon reaching a retirement age. The amounts funded are not reflected in the statement of financial position since they are not under the control and management of the ICL Group companies.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 17 – Employee Benefits (Cont.)

D. Post-employment retirement benefits

Some of ICL's retirees receive, aside from the pension payments from a pension fund, benefits that are primarily holiday gifts and weekend trips. The companies' liability for these costs accrues during the employment period. The ICL Group companies include in their financial statements the projected costs in the post-employment period according to an actuarial calculation.

E. Movement in assets (liabilities), net in respect of defined benefit plans and their components

	Fair value of defined benefit plan assets		Liability in respect of defined benefit plans		Liability in respect of defined benefit plans, net	
	2024	2023	2024	2023	2024	2023
	\$ millions					
Balance as at January 1	453	432	(653)	(664)	(200)	(232)
Income (expense) recorded in the statement of income						
Current service costs	—	—	(13)	(15)	(13)	(15)
Interest income (expenses)	21	20	(31)	(31)	(10)	(11)
Past service costs (income)	—	—	1	(1)	1	(1)
Changes in respect of exchange rate differences, net	(1)	(6)	2	10	1	4
Recognized in other comprehensive income						
Actuarial gains deriving from changes in pension assumptions	—	—	38	24	38	24
Other actuarial gains (losses)	(5)	8	—	—	(5)	8
Changes in respect of translation differences, net	(6)	12	11	(15)	5	(3)
Additional movements						
Benefits received (paid)	(24)	(19)	40	39	16	20
Employer deposits	<u>6</u>	<u>6</u>	<u>—</u>	<u>—</u>	<u>6</u>	<u>6</u>
Balance as at December 31	<u>444</u>	<u>453</u>	<u>(605)</u>	<u>(653)</u>	<u>(161)</u>	<u>(200)</u>

The actual return on the defined benefit plan assets in 2024 is \$16 million, compared with \$28 million in 2023.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 17 – Employee Benefits (Cont.)

F. Actuarial assumptions

Main actuarial assumptions as at the date of the report (based on weighted average):

	For the year ended December 31		
	2024	2023	2022
	%		
Discount rate at December 31	5.2	4.9	4.7
Rate of future wage increases	3.6	3.6	3.9
Rate of increase in pension annuity	2.5	2.6	2.8

G. Sensitivity analysis

Possible changes that are reasonable as at the date of the financial statements, assuming the other assumptions remain unchanged, impact the defined benefit liability as follows:

	As at December 31, 2024			
	Decrease of 10%	Decrease of 5%	Increase of 5%	Increase of 10%
	In millions of NIS			
<u>Significant actuarial assumptions</u>				
Wage increases	(7)	(3)	3	7
Discount rate	26	13	(13)	(26)
Mortality tables*	12	6	(6)	(12)

* The assumptions regarding the future mortality rates are based on published statistical data and accepted mortality tables.

H. Impact of the plans and the future cash flows

The amount recognized as an expense in respect of defined contribution plans in 2024 is about \$39 million (2023 – expenses were recognized in the amount about \$38 million).

ICL's estimate of the contributions expected in 2024 in the funded defined benefit plans is about \$9 million.

As at December 31, 2024, the ICL Group's estimate of the life of the defined benefit plans (based on a weighted average) at the end of the period of the report is about 10 years (2023 – about 11 years).

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 17 – Employee Benefits (Cont.)

I. Long-term remuneration in ICL

The Corporation

- 1) On December 28, 2021, 623,877 options for shares of AKVA were granted to the CEO, two officers of the Corporation and two employees of the Corporation. Based on the estimate of an independent appraiser, the value of the plan is about \$1.6 million. In 2023 and 2022, the Corporation recorded expenses in the statement of income in an amount that is not material. (The exercise price on December 31, 2024 was NOK 95.5).
- 2) On March 3, 2024, options for NOAP shares were granted to the CEO, two officers and two employees of the Corporation in an amount that is not material. (The exercise price on December 31, 2024 was NOK 65).
- 3) Subsequent to the date of the report, on March 5, 2025, 24,297 options for shares of Prodalim were granted to the CEO, two officers and three additional employees of the Corporation. Based on the estimate of an independent appraiser, the value of the plan is about \$1.4 million. (The exercise price on the grant date is about \$159.8).

ICL

- 4) At the general meeting of ICL's shareholders held on March 6, 2025, ICL's shareholders approved a new three-year equity grant for the years 2025-2027 in the form of about 4.3 million non-marketable and non-transferable options for no consideration, under ICL's 2024 Equity Plan, to ICL's newly appointed CEO and to the Chairman of ICL's Board. The aggregate fair value at the grant dates is about \$7 million. For further information – see Note 19.
- 5) On April 3, 2024, and April 4, 2024, ICL's HR & Compensation Committee and ICL's Board of Directors, respectively, approved a new three-year equity grant for the years 2024-2026 in the form of about 12 million non-marketable and non-transferable options for no consideration to officers and senior managers. For further information, see Note 19.
- 6) In November 2021, ICL's HR & Compensation Committee and Board of Directors approved a new Cash LTI plan, according to which other senior managers will be awarded a cash incentive in 2025, where the fair value of the grant as of the grant date is about \$37 million. The grant was subject to achievement of certain financial targets over the three years 2022–2024 and was affected by the change in the share price.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions

A. Guarantees

ICL

As at December 31, 2024, the total guarantees provided by ICL was about \$151 million (December 31, 2023 – about \$142 million).

B. Claims

1. The Corporation

- a. In September 2013, the District Court in Lod issued a fixed liquidation order against Better Place, which is incorporated in Delaware in the United States, in which the Corporation holds about 30% of its shares. This liquidation order was recognized during October 2013 by the competent court in Delaware. As far as we know, a liquidation order has also been issued against subsidiaries of Better Place. In March 2014, the Corporation submitted to the Liquidators of Better Place a debt claim in the amount of about \$72 million in respect of its investment in convertible subordinated notes issued by Better Place in November 2012 and February 2013. On September 2, 2014, the decision of the liquidators of Better Place was received whereby the debt claim submitted by the Corporation is rejected. No appeal of the decision on the debt was filed. Former officers of the Corporation have been summoned for investigation by the Liquidators of Better Place. Further that stated above, on May 23, 2016, a claim was filed in the Central District Court of Lod by the Liquidators of Better Place, in the amount of NIS 200 million, against, among others, a number of position holders in Better Place, including 3 former officers of the Corporation, in connection with their service in Better Place and actions or omissions of the defendants at the time of the liquidation. To the best of its knowledge, the Corporation is not one of the defendants. Statements of defense in the case have not yet been filed. On December 13, 2017, some of the defendants, including the said officers, filed a request for summary dismissal.

On September 12, 2018, the decision of the Hon. Judge Grosskopf was issued whereby the request for summary dismissal was accepted (and an additional request for summary dismissal was accepted that was filed by other defendants) and the claim was entirely denied while determining that the defendants have the general defense of discretion and the presumption of appropriateness thereunder. On November 4, 2018, the Liquidators filed an appeal in the Supreme Court with respect to the decision of the Hon. Judge Grosskopf. On November 18, 2021, a hearing was held in the Supreme Court and on February 8, 2022 a decision was rendered whereby the appeal was partly accepted, to the extent that the case will be returned the District Court and the appellants will be permitted to submit a request to amend the statement of claim with respect to a number of items – this being up March 10, 2022. A pre-trial hearing in the District Court (before Judge Oren Schwartz) was held on March 3, 2022. The Court set dates for submission of a request to amend the statement of claim and scheduled another pre-trial hearing for July 6, 2022. On July 5, 2022, an update notice was filed by the liquidators whereby the debt arrangement on the basis of which the right of the creditors of the companies to make a claim was assigned to the companies (through the liquidators) was approved by the liquidation court.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

1. The Corporation (Cont.)

a. (Cont.)

On July 6, 2022, a pretrial hearing was held at the close of which a decision of the court was rendered whereby the request to amend was granted. In the decision, it was noted that the amended statement of claim was received as a new statement of claim. On October 27, 2022, some of the defendants (including the three former officers of the Corporation) filed a request for leave to appeal to the Supreme Court regarding the request to amend (Request for Permission for Leave to Appeal 7145/22) with respect to the court's decision on the request to amend. An additional request for leave to appeal the decision was filed by a party that served as the auditing CPAs of the Israeli subsidiaries of the Israeli companies in the Better Place group (Request for Permission for Leave to Appeal 7133/22). In the decision dated December 1, 2022, the requests for leave to appeal were rejected. In December 2022, a pretrial hearing was held whereat dates were set for preliminary proceedings in the case. The parties are carrying on document discovery proceedings and interrogatories. In April 2023, the defendants (including the three former officers of the Corporation) submitted a request that the Court instruct summary dismissal of the contentions of the liquidators brought as part of the claim (in the amended version), due to passage (lapse) of the statutory time limit. Pursuant to the Court's decision, the liquidators submitted their response to the request and it will be heard in the pretrial proceeding, which has been scheduled for March 2024. In the pretrial meeting in March 2024, the hearings' agreement between the parties was approved, which is based on the Court's suggestion and whereby an outline was adopted that is intended to bring an end to the preliminary proceedings in the case. An additional pretrial hearing was set for September 2024 whereat dates were set for submission of main testimony affidavits. These dates were postponed and at the present time the plaintiffs are required to submit their affidavits up to May 2025 and the defendants up to December 2025. An additional pretrial hearing was set for July 2025.

- b. In March 2021, the Corporation was served with a request for certification of a claim as a class action (hereinafter – “the Request”), which was filed in the Central District Court in Tel-Aviv, against it, I.C.L. Group Ltd. (hereinafter – “ICL”) and the Corporation's controlling shareholder (hereinafter – “the Respondents”).

The subject matter of the Request is a series of contentions, among others, an alleged misleading and breach of the duty to report and disclose to the public pursuant to the Securities Law, 1968, and the Tort Laws on a number of different occasions that are detailed in the request – this being in connection with the significance of the claim filed by the State of Israel in 2011 against a subsidiary of ICL, Dead Sea Works Ltd., regarding payment of royalties to the State under the Dead Sea Concessions Law, 1961, and that was carried on between the parties in the framework of arbitration proceedings.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

1. The Corporation (Cont.)

b. (Cont.)

The requesting party contends that damages were allegedly caused to the group by the Respondents and accordingly the requesting party requests from the Court to award in favor of the group the full amount of the alleged damage caused, in the amount of NIS 133 million, to the shareholders of ICL, whereas the Corporation's shareholders in the group were allegedly caused damage in the additional amount of NIS 57 million, as at May 27, 2014. In December 2022 and February 2022, pre-trial hearings were held where requests for discovery of documents were heard, and decisions were rendered by the Court. A hearing on the request for certification was held in December 2022. The requesting party and the respondents have filed their summations in the case. On October 9, 2024, the District Court in Tel-Aviv rejected the request and ruled that the requesting party is to pay the respondents part of their expenses. This case is now finally over.

c. Further to the request to approve a class action claim that was filed against ICL, the Corporation and others (Harmonization) (see also Note 18B(2)(e) below), the parties carried on a reconciliation proceeding before the Hon. Supreme Court Judge (retired) Yoram Danziger. On February 7, 2024, the parties submitted a request to the Court to approve a compromise arrangement regarding the class action claim that was achieved in the framework of the reconciliation proceeding. On May 18, 2024, the Court approved the compromise arrangement for rejection of the class action claim. Pursuant to the compromise arrangement, the Corporation was not required to pay a material amount. The Court's judgment became final. This case is now finally over.

d. On July 30, 2024, a request for certification of derivative claim was served to Oil Refineries Ltd. (hereinafter – "Bazan"), which was filed in the Economic Court in Haifa, against present and former officers of Bazan (including directors that served or are serving as officers of Israel Corporation). The requesting parties contend that the said officers breached their duty to Bazan, in a manner that caused Bazan and its subsidiaries to violate environmental laws and damages, and they are required to compensate Bazan and its subsidiaries, and to return to them various types of royalties they received from them in an aggregate amount estimated by the requesting parties at more than NIS 150 million. The Corporation completed sale of the control shares in Bazan in September 2022 and starting from this date there are no directors on behalf of the Corporation serving on Bazan's Board of Directors.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL

a. Ecology

- (1) In June 2022, an unexpected flow of brine was discovered above ground at the outskirts of an alluvial fan area, which, according to initial assessment by ICL, appears to have resulted from a combination of seepage from the feeder canal of ICL Dead Sea's pumping station P-9 (hereinafter P-9) and unique ground conditions, which, according to ICL's estimation, does not exceed the approved design specifications of P-9. ICL installed sealing sheets over an approximately 2km long section of the 15km feeder canal in the area of the fan, according to the instruction of Israel's Nature and Parks Authority.

Following the event, a hearing process was held during which the District Manager of the Ministry of Environmental Protection (MOE) recommended to open an investigation by the Green Police. To the best of ICL's knowledge, the Green Police initiated an investigation, the results of which cannot be estimated. As of the reporting date, ICL reached an understanding with the MOE regarding the implementation of remaining corrective requirements.

- (2) In 2017, the Israeli Water Law was amended, according to which saline water of the kind produced for Dead Sea plants by ICL's own water drilling is charged with water fees. In October 2021, as a response to ICL's objection to the charges relating to water drilling within the concession area, the Water Authority informed ICL that water fees will not be charged for water production within the concession area. This decision was based on the opinion of the Ministry of Justice, according to which the royalty's arrangement established in the Dead Sea Concession Law, 5771-1961, is the sole arrangement for collecting payment for the right to extract water in the concession area, and, therefore, it is not legally possible to impose additional charges for water fees in addition to the royalties (hereinafter – the Opinion). In September 2022, ICL was presented with two petitions filed in Israel's Supreme Court, one by Adam Teva V'Din, and the second by Lobby 99 Ltd., against the Water Authority, Israel's Attorney General, the Ministry of Justice, Mekorot Water Company Ltd. and ICL. As part of the petitions, the petitioners requested that the Supreme Court rule that the Opinion is incorrect and, therefore, ICL should be obliged to pay water fees for water extracted from wells in the concession area in addition to the payment of royalties beginning from the date of the amendment to the Water Law enacted in 2018. Accordingly, the petitioners requested that the Supreme Court order the Water Authority to collect water fees from ICL for the period between 2018-2020, which according to one of the petitioners, allegedly amounts to \$24 million. In October 2022, a decision was made to hold a consolidated hearing regarding both petitions. In May 2023, the Supreme Court imposed a conditional order, instructing the State justify why ICL should not be required to pay water fees for water produced within the concession area. On July 15, 2024, after the State's response was submitted, a hearing was held in which the court requested clarification on certain issues. In November 2024, all parties submitted their response to the Court's request. ICL rejects the claims made in the petitions and believes it is more likely than not that its position will be accepted.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL (Cont.)

a. Ecology (Cont.)

- (3) In 2021, a decision was rendered by the Israel Water Authority, despite ICL's objection, that ICL's status should be changed to a "Consumer-Producer", as defined in the Water Law, commencing with the Water Authority's production license, issued to ICL for 2021. In December 2023, after ICL's appeal was rejected by the Water Court, ICL appealed against this decision to the Supreme Court. Following the Israel Water Authority's response to the appeal, a hearing was set for March 2025. ICL has made sufficient provision in its financial statements. Concurrently, in 2022, the Movement for the Quality of Government in Israel (hereinafter – MQG) filed an appeal in which the Water Court was petitioned to compel the Water Authority to apply the change in classification of ICL as early as 2018. In January 2024, the Water Court accepted ICL's request that the procedure regarding the appeal by MQG should be delayed until a final decision is rendered from the Supreme Court on ICL's appeal relating to the "Consumer-Producer" status. The assessment of ICL is that it is more likely than not that the appeal filed by MQG will be rejected.
- (4) In 2020, an application for a class action was filed in the Beer Sheva District Court in Israel against ICL, ICL's subsidiary, Rotem Israel, and certain of ICL's present and past office-holders by a number of local residents in the Arava region in the south of Israel (hereinafter – the Applicants). The Applicants claim that discharge, leakage and seepage of wastewater from ICL's Zin site allegedly caused various environmental hazards to the Zin stream, which resulted in damage to various groups in Israel's population, including: the Israeli public whose property is Zin stream; those who avoided visiting Zin stream due to the environmental hazards; visitors of Zin stream who were exposed to the aforementioned hazards and the residents of the area near Zin stream who were affected by the hazards. Accordingly, the Applicants request several remedies, including restitution and compensation for the damage that they claim was caused to the various groups in a minimum amount of NIS 3 billion (approximately \$933 million), the majority of which relates to compensation for claimed consequential damages.

In November 2022, the parties signed a procedural arrangement to resort to a mediation process, in an attempt to settle the dispute outside of court. The Nature and Parks Authority (hereafter – NPA), which was not a party to the original application, also signed the agreement, and by virtue of it, it joined the mediation process. As a result, all proceedings before the court, including requests for temporary relief, were suspended. As part of the procedural arrangement, the transfer of approximately 3 million NIS from ICL to NPA was made, for funding NPA's rescue operations for palm trees at Neot Zin and Akrabim.

ICL rejects all the said allegations. Considering the preliminary stage of the proceeding and the lack of precedents for such cases in Israel, including the related insurance aspects, and in light of the transition to a mediation procedure, it is difficult to estimate its outcome. No provision has been recorded in ICL's financial statements.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL (Cont.)

a. Ecology (Cont.)

- (5) In July 2019, an application for approval of a claim as a class action was submitted to the Jerusalem District Court by an Israeli environmental association (hereafter - the Applicant) against 30 defendants, including Fertilizers and Chemicals Ltd., a subsidiary of ICL (hereinafter – the Respondents). The application includes claims relating to air pollution in Haifa Bay (located in northern Israel) and to alleged illness therefrom to the population of the said area.

Within the framework of the petition, the Applicant requests declarative relief and the establishment of a mechanism for compensation awards, without specifying their amount, or alternatively, for splitting remedies to allow each group member to sue for damages in a separate proceeding. In January 2022, ICL filed its objection to the petition. Considering the limited precedents of such cases in Israel, it is difficult to estimate the outcome of the proceeding. No provision has been recorded in ICL's financial statements.

- (6) In 2018, an application for certification of a claim as a class action was filed with the Be'er Sheva District Court by two groups: the first class constituting the entire public of the State of Israel and the second-class constituting visitors of the Bokek stream and the Dead Sea (hereinafter – the Applicants), against the subsidiaries, Rotem Israel and Periclase Dead Sea Ltd. (hereinafter – the Respondents). According to the claim, the Respondents have allegedly caused continuous, severe and extreme environmental hazards through pollution of the “Judea group – Zafit formation” groundwater aquifer (hereinafter – the Aquifer) and the Ein Bokek spring with industrial wastewater, and, in doing so, the Respondents have violated various provisions of property law and environmental protection law, including the provisions of the Law for Prevention of Environmental Hazards and the Water Law, as well as violations relating to the Torts Ordinance – breach of statutory duty, negligence and unjust profits. The leakage began in the 1970's during which time ICL was government-owned and ended by 2000.

As a result, the Court was requested to order the Respondents to eliminate the proprietary violation in reference to the Aquifer and Bokek stream by restoration thereof and to pay the public compensation in an estimated amount of NIS 1.4 billion (about \$435 million).

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL (Cont.)

a. Ecology (Cont.)

(6) (Cont.)

In April 2022, the Be'er Sheva District Court dismissed in limine the application due to the statute of limitations and property rights. In October 2023, Israel's Supreme Court rendered its ruling in the appeal, dismissing the plaintiffs claim regarding property rights, and therefore dismissing the application for certification of the entire public of the State of Israel, yet accepted the appeal with regards to the statute of limitations claim, and ruled that application for certification is approved regarding a limited class constituting visitors to the Bokek stream. In accordance therewith, the application for certification limited so such group will be reviewed by the District Court.

With the renewal of the proceedings in the District Court, the plaintiffs filed a request for interim relief regarding the restoration of the Bokek stream to which the Court ordered the State to respond. In September 2024, the State filed its response to the motions for temporary relief measures. According to the response, a distinction must be made between the question of responsibility and the question of how the remedies for formulating the rehabilitation solutions are being carried out, with the latter not being under the Court's jurisdiction but rather in the hands of the State's certified parties. Regarding the question of responsibility, the State supports the plaintiff's position.

In addition, in September 2024, the parties reached a deliberative arrangement by which the parties will pursue an agreed mechanism for the improvement of the water flow in the reserve. In addition, it was determined that evidence hearings will be held from May to July 2025. Since the judgement of the Supreme Court mainly addressed preliminary questions, without discussion of the Respondent's responsibility and the amount of the damage, and even explicitly stated that certain questions remained open in the judgment of the District Court and were not decided by the Supreme Court, it is difficult to estimate the proceeding's outcome. No provision has been recorded in ICL's financial statements.

- (7) In 2015, a request was filed for certification of a claim as a class action, in the Tel-Aviv-Jaffa District Court, against eleven defendants, including a subsidiary, Fertilizers and Chemical Ltd., in respect of claims relating to air pollution in Haifa Bay and for the harm allegedly caused by it to residents of the Haifa Bay area. The amount of the claim is about NIS 13.4 billion (about \$4.2 billion). Evidence hearings were scheduled for the first half of 2024. In ICL's estimation, based on the factual material provided to it and the relevant court decision, it is more likely than not that the plaintiffs' contentions will be rejected.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL (Cont.)

b. Rise in the level of Pond 5 (hereinafter – “the Pond”)

Minerals from the Dead Sea are extracted by way of solar evaporation, whereby salt precipitates onto the bed of Pond 5, located at one of DSW's sites. The precipitated salt creates a layer on the Pond 5 bed of approximately 15 million cubic meters per year. The production process of the raw material requires that a fixed brine volume is preserved in Pond 5. Failure to maintain a constant volume of brine in Pond 5 could result in a reduction of production capacity.

In addition, rising of the water level of Pond 5 above a certain point may cause structural damage to the foundations of hotel buildings situated close to the water's edge, to the settlement of Neve Zohar and to other infrastructure located along the western shoreline of the Pond. The preservation of the water level in Pond 5 at its maximum height (15.1 meters), which was reached at the end of 2021, was conducted through a joint project of the Dead Sea Preservation Government Company Ltd. and DSW (which financed 39.5% of the project's cost) for construction of coastline defenses. The project included the raising of the dike along the western beachfront of Pond 5 across from the hotels together with a system for lowering subterranean water. The construction work with respect to the hotels' coastline was completed, and the elevation work in the intermediate area between two hotel complexes conducted by the Dead Sea Preservation Government Company Ltd. is nearing completion.

Commencing in 2022, the brine volume in Pond 5 has been preserved through the salt harvesting project (“the Permanent Solution”), the plan for which was approved by the National Infrastructures Committee and the Israeli Government and includes the construction of the P-9 pumping station. As of the reporting date, the water level of Pond 5 has not exceeded its maximum height.

The Permanent Solution to raise the water level in Pond 5 was established in an agreement with the Government of Israel in 2012, aiming to provide a solution at least until the end of the current concession period in 2030. The purpose of the agreement is to stabilize the pond level at a fixed level by harvesting salt from the pond and transferring it to the Northern Basin of the Dead Sea. According to the agreement, the planning and execution of the Permanent Solution will be performed through the Salt Harvesting Project by DSW. In addition, the agreement stipulates that from January 1, 2017, the water level in the pond will not rise above 15.1 meters. Nevertheless, in the event of a material deviation from the project's timetables resulting from exceptional planning requirements or judicial decisions, without ICL having violated its obligations, ICL will be permitted to request raising the water level.

ICL and the State of Israel bear 80% and 20%, respectively, of the cost of the Permanent Solution. However, the State's share will not exceed NIS 1.4 billion.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL (Cont.)

- c. In March 2021, an application for a class action was filed with the Tel Aviv-Jaffa District Court against ICL, Israel Corporation Ltd. and the controlling shareholder of Israel Corporation (hereinafter – the Respondents). The application includes a series of allegations concerning, among others, alleged misleading and violation of ICL's reporting and disclosure obligations to the public under the Israeli Securities Law, 5728-1968, relating to the implications of the royalties' claim filed in 2011 by the State of Israel against ICL's subsidiary, Dead Sea Works Ltd., pursuant to the Dead Sea Concession Law, 5721-1961, which was conducted and concluded through an arbitration proceeding. The applicant is a shareholder of ICL asking to act on behalf of a represented class including all those who acquired ICL shares or Israel Corp. shares and held them between August 17, 2011, and May 27, 2014. According to the application, this group allegedly incurred damages by the Respondents, and accordingly, the Court is requested to rule in favor of the group's members who are shareholders of ICL, and award damages in the amount of about NIS 133 million (about \$40 million) and in favor of group members who are shareholders of Israel Corp. an additional amount of NIS 57 million (about \$17 million), as of May 27, 2014.

In October 2024, the Tel Aviv District Court rejected this motion, including the applicant's claim of misleading ICL reports, ruling that no damage had been caused, and that the motion's claims exceeded their statutes of limitations. The Court also ordered the plaintiff to cover part of the Respondents' expenses, on the grounds that after investigation, the motion was found to be baseless and had multiple difficulties.

- d. In connection with the Harmonization Project (to create one global ERP system) which was discontinued in 2016 by a decision of ICL's Board of Directors, in December 2018, ICL filed a lawsuit in the Tel Aviv District Court against IBM Israel, the leading project provider (hereinafter – IBM), in the amount of \$300 million (about a billion NIS) for compensation of damages incurred to ICL due to IBM's failure to meet its undertakings within the Project, which led to the failure of the Project. In March 2019, IBM filed its statement of defense, together with a counterclaim against ICL, according to which IBM claims that ICL allegedly refrained from making certain payments, conducted negotiations in bad faith, and terminated the project unilaterally, in a way that harmed IBM's reputation and goodwill and therefore claims an amount of about \$53 million (about ILS 170 million), including VAT and interest. In June 2019, ICL filed a statement of defense with respect to the counterclaim in which ICL rejected all of IBM's claims. In January 2021, IBM filed a request for dismissal including the deletion of the remedies claimed by ICL arising from the termination of the agreement between the parties, which was rejected by the Court in March 2022. In August 2021, ICL filed a request to delete IBM's statements of claim, on the grounds that IBM acted in order to delay, burden and disrupt a professional expert's work, and thus to impair the documents discovery process. In March 2022, the Court rejected the request. In September 2024, a concluding pre-trial hearing was held in which it was decided, among other things, to appoint an expert on behalf of the court. Subsequent to the date of the report, in February 2025, the Court notified that it was considering appointing an expert on its behalf and determined that the parties should submit a joint statement by March 2025, which will include the expert's response to the agreed list of questions.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL (Cont.)

d. (Cont.)

Subsequent to the date of the report, on March 6, 2025, the parties notified the Court that they agreed to enter into a mediation process in an attempt to resolve the disputes between them. Considering the complexity of the claims and in light of the transition to a mediation procedure, it is difficult to estimate the outcome. Nevertheless, ICL believes it is more likely than not that IBM's claims in its counterclaim will be rejected.

e. In December 2018, an application for certification of a class action was filed with the Tel Aviv District Court against ICL, Israel Corporation, and office holders, including directors who held office during the said dates which are stated in the application, with respect to the manner in which the IT (the Harmonization) project was managed and terminated. According to the allegations made in the Application, ICL failed to properly report negative developments which occurred on certain dates during the said IT project, and such failure caused ICL immense financial damages.

In February 2024, following a mediation process, the parties signed an agreement for a non-material amount which was covered in full by insurance. The settlement agreement was approved by the District Court and in July 2024 it was granted the force of a judgement.

- f. In July 2018, an application for certification of a class action was filed with the Central District Court against ICL and its subsidiaries, Rotem Israel and Fertilizers and Chemicals Ltd. (jointly hereinafter – the Defendants). The causes of action are the alleged exploitation of the Defendants' monopolistic position to charge consumers in Israel excessive and unfair prices for products classified as "solid phosphate fertilizer" between 2011 and 2018, contrary to the provisions of the Restrictive Trade Practices Law, and unjust profits at the expense of the plaintiff and the represented group. The representative plaintiff is a Kibbutz member who grows various plants and trees in his yard and in a nearby orchard. The represented group includes all the consumers who purchased, directly or indirectly, solid phosphate fertilizer products manufactured by the Defendants, or farming produce fertilized with solid phosphate fertilizer or food products that include such farming produce as stated above, in the years 2011-2018 (hereinafter – the Represented Group).

According to the statement of claim, the plaintiff requests, among other things, that the Court rules in his favor and in favor of the Represented Group, awarding them compensation for the damages allegedly caused to them, in the total amount of about \$17 million. In January 2024, the parties signed a settlement agreement involving negligible amounts and in February 2024 submitted it to the District Court for approval. In May 2024, the District Court approved the settlement and granted it the force of a judgment.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

B. Claims (Cont.)

2. ICL (Cont.)

- g. In addition to the contingent liabilities, as stated above, as of the date of ICL's report, the contingent liabilities regarding the matters of environmental protection and legal claims, which are pending against the Group, are in immaterial amounts. Furthermore, it is noted that part of the above claims is covered by insurance. According to ICL's estimation, the provisions recognized in its financial statements are sufficient.

C. Commitments

1. The Corporation

- a. Indemnification and exemption – in March 2001, the General Meeting of the Corporation's shareholders approved granting and indemnification and exemption commitment to the Corporation's officers (including officers considered to be controlling shareholders) in addition to officers' insurance, which does not apply to cases stated in Section 263 of the Companies Law (hereinafter – "the Indemnification Certificate"). The exemption is from officers' liability in respect of damage caused and/or that will be caused by it to the Corporation due to breach of the duty of caution to the Corporation. From time to time and as part of the Corporation's customary service conditions, the Corporation's officers were granted indemnification certificates as stated. Among the said officers are those that are considered as controlling shareholders of the Corporation and/or those that are controlling interests that could be considered as having a personal interest in the granting of indemnification certificates to them. Further to the decision of the General Meeting of the Corporation's shareholders on March 21, 2001, regarding approval of granting Indemnification Certificates, on November 8, 2011, at the General Meeting of the Corporation's shareholders, where on the Day's Agenda of which was amendment of the provisions of the Corporation's Articles of Association dealing with insurance and indemnification of directors and officers of the Corporation, and as part of the customary service conditions, it was decided to approve an updated Indemnification Certificate to be granted to the Corporation's officers (including officers considered to be controlling shareholders and/or their relatives and/or officers where the Corporation's controlling shareholder is likely to be considered as having a personal interest in granting them an Indemnification Certificate), presently serving in the Corporation and as they will serve from time to time, and that will also apply, subject to law, with respect to actions taken prior to the grant date (this being in addition to and without detracting from the validity of the existing Indemnification Certificates to the Corporation's officers and the Corporation's commitments under the existing Indemnification Certificates).

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

C. Commitments (Cont.)

1. The Corporation (Cont.)

a. (Cont.)

Further to that stated in the Corporation's remuneration policy that was approved by the General Meeting of the shareholders on August 3, 2022, some of the existing Indemnification Certificates for the officers serving in the Corporation include a provision whereby the Corporation exempts an officer in advance from responsibility for damage (harm) that was and/or will be caused by him due to a breach of the duty of caution to it. As part of the Corporation's policy, the officers, as stated (including directors) will continue to be entitled to an indemnity certificate that includes an exemption instruction, if such a certificate was granted to them, however officers serving that were not granted an indemnity certificate including an exemption instruction and/or new officers that did not serve in the Corporation on the approval date of the remuneration policy will be entitled an indemnity certificate from the Corporation without the said instruction regarding advance exemption from responsibility. On October 4, 2018, the General Meeting of the Corporation's shareholders approved extension of the validity of the indemnity certificates for the Corporation's officers (including in additional service periods that are renewed at Annual General Meetings and in accordance with Section 275(A1) of the Companies Law), where the Corporation's controlling shareholders could be considered as having a personal interest in approval of their validity, with no advance exemption instruction from responsibility for breach of a duty of caution.

- b. In March 2024, the Corporation took out insurance policies insuring directors and officers who are presently serving in the Corporation and who will serve from time to time, for a period of 12 months – this being further to the approval of the Audit and Remuneration Committee and the Corporation's Board of Directors and in accordance with Legal Position No. 101-21 of the Securities Authority regarding remuneration policy and the Leniency Regulations and pursuant to the remuneration policy that was in effect at that time.

Subsequent to the date of the report, on March 3, 2025, the Corporation took out insurance policies insuring directors and officers, who are presently serving in the Corporation and who will serve from time to time, this being further to the approval of the Audit and Remuneration Committee and the Corporation's Board of Directors and in accordance with Legal Position No. 101-21 of the Securities Authority regarding remuneration policy and the Leniency Regulations. The insurance policy was renewed for a period of 12 months and has two parts – a joint part with ICL and a separate part of the Corporation. The cumulative insurance coverage under the insurance policies is within the liability limit that is provided in the Corporation's remuneration policy. The cost of the annual premium that will be paid by the Corporation in the insurance period, on a cumulative basis, will be less than the amount of the insurance premium the Corporation paid last year. (The share of the Corporation in payment of the insurance premium in the joint part with ICL will be 20%, this being based on the estimate of the insurers). The self-participation (deductible) for the Corporation in respect of claims against directors and officers was determined in accordance with the cause of action for the claim and the place where it is filed. The insurance policies include the customary qualifications in similar insurance policies.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

C. Commitments (Cont.)

2. ICL

- a. Several subsidiaries of the ICL Group have entered into agreements with suppliers for the purchase of raw materials and natural gas in the ordinary course of business for various periods ending in 2038. As of December 31, 2024, the total amount of the commitments is approximately \$2 billion. This amount includes the agreements described below.
- b. Several subsidiaries of the ICL Group have entered into agreements with suppliers for the acquisition of property, plant and equipment. As at December 31, 2024, the subsidiaries have capital purchase commitments of about \$708 million. This item takes into consideration part of the agreements described below.
- c. As part of the collaboration between ICL's subsidiary in Spain (ICL Iberia) and the government of Catalonia to achieve environmental sustainability goals, ICL has undertaken to carry out restoration of the salt piles in its sites, mainly by processing and removing them to the sea via a collector. In 2021, ICL signed an agreement with the Catalan Water Agency for the construction and operation of a collector. The main highlights of the agreement include, among other things, the guidelines by which the project will be managed, the financing aspects of the project, the definition of project costs and the determination of the operational maintenance mechanism, including usage costs. Based on the said agreement and Spain's water law, it was determined that ICL Iberia will assume up to 90% of the project's cost (approximately \$110 million), to be paid throughout the construction and operating periods. Construction, which has already begun, is expected to extend up to the beginning of 2027 and the operation period is expected to be over 25 years.
- d. In 2017, ICL entered into a gas purchase agreement with Energean Israel Limited (hereinafter - Energean), which holds a license to develop the Karish and Tanin gas reservoirs off the shore of Israel. Pursuant to the agreement, Energean will supply ICL with up to 13 BCM of natural gas (NG), valued at \$2 billion, over a period of 15 years commencing with its commercial operation of Karish, which commenced in April 2023 following continued delays. The NG from the reservoirs is utilized to operate ICL's factories and power stations in Israel.
- e. In 2020, ICL entered into a long-term lease agreement with a third party according to which ICL will lease an office building in Be'er Sheva, Israel, for a period of 15 years, with a 10-year extension option, at an annual rent of about \$3 million. The lease period is expected to commence in 2025 following the completion of the building.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

C. Commitments (Cont.)

2. ICL (Cont.)

- f. The Articles of Association of ICL and its Israeli subsidiaries include provisions that permit exemption, indemnification and insurance of liability of officers and directors, all in accordance with the provisions of the Companies Law.

ICL, with the approval of its HR & Compensation Committee, the Board of Directors and the shareholders, granted its officers and directors a letter of exemption and indemnification, and also maintains an insurance policy, covering directors' and officers' liability, which is renewed annually. The directors' and officers' liability insurance and the exemption and indemnity undertaking do not apply to those cases specified in Section 263 of the Companies Law. The exemption is from liability for damages caused and/or that will be caused, by those officers and directors due to a breach of duty to ICL. Regarding directors who are office holders of Israel Corp., who may serve from time to time, on January 5, 2021, the shareholders approved an extension of the period for exemption and indemnification entered into with such office holders for an additional nine years commencing November 30, 2020, provided that the exemption shall not apply to liabilities arising in connection with a transaction or resolution in which a controlling shareholder or an office holder (including an office holder who is other than the office holder party to the agreement) has a personal interest, within the meaning thereof in the Companies Law.

The amount of the indemnification payable by ICL under the letters of indemnification, in addition to amounts received from an insurance company, if any, for all of the officers and directors on an aggregate basis, for one or more of the events detailed therein, is limited to \$300 million.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions

1. Dead Sea Works Ltd. (hereinafter – “DSW”)

Pursuant to the Israeli Dead Sea Concession Law, 1961 (hereinafter – the Concession Law), as amended in 1986, and the concession deed attached as an addendum to the Concession Law, DSW was granted a concession to utilize the resources of the Dead Sea and to lease the land required for its plants in Sodom for a period ending on March 31, 2030. According to the Concession Law, should the government decide to offer a new concession after the expiration date, to another party, it will first offer the new concession to DSW on terms that are no less attractive than those it may offer to that party.

In accordance with section 24(a) of the Supplement to the Concession Law, it is stated, among other things, that at the end of the concession period all the tangible assets located in the concession area will be transferred to the government, in exchange for their amortized replacement value – the value of the assets as if they are purchased as new at the end of the concession period, less their technical depreciation based on their maintenance condition and the unique characteristics of the Dead Sea area.

Pursuant to section 24(b) of the Supplement to the Concession Law, it is stated that capital investments made during the 10-year period prior to the end of the concession require the prior consent of the Government, unless they can be fully deducted for tax purposes before the end of the concession period. However, the Government's consent to any fundamental investment that may be necessary for the proper operation of the plant will not be unreasonably delayed or denied. In 2020, an agreement was concluded between ICL and the Israeli Government for the purpose of implementing section 24(b). The agreement determines, among other things, the manner of examining new investments and the consent process. In addition, the agreement determines ICL's commitment to invest in fixed assets, including for preservation and infrastructure, as well as for ongoing maintenance of the facilities in the concession area (for the period beginning in 2026) and ICL's commitment to continue production of potassium chloride and elemental bromine (for the period commencing 2028), all subject to the conditions specified in the agreement. Such commitments do not change the way ICL currently operates. ICL engages with the Israeli Government in accordance with the agreement and obtains investment approvals as required.

In 2015, Israel's Minister of Finance appointed a team to determine the “governmental activities to be conducted towards the end of the concession period”. The public's comments regarding this matter were submitted to an inter-ministerial team. Based on the interim report and its recommendations published in May 2018, and following a public hearing in January 2019, the Israel's Ministry of Finance released the final report of the inter-ministry team headed by Mr. Yoel Naveh, former Chief Economist, which included a series of guidelines and recommendations regarding the actions that the government should take towards the end of the concession period. Since the report includes guiding principles and a recommendation to establish sub-teams to implement such principles, ICL is unable to assess the concrete implications of these guidelines and recommendations, or, whether the recommendations will be implemented in practice, as well as the relevant timing of their implementation. In addition, there is no certainty as to how the government will interpret the Concession Law and implement processes accordingly.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

1. Dead Sea Works Ltd. (hereinafter – “DSW”) (Cont.)

In addition, in 2015, the Minister of Finance appointed a team headed by the former Accountant General to evaluate the manner in which, according to the current concession, the replacement value of DSW's tangible assets would be calculated, assuming that these assets would be returned to the government at the end of the concession period. The determination date of the actual calculation is only at the end of the concession period. As far as ICL is aware, this evaluation was not completed.

On September 16, 2024, a draft report was published by Israel's Accountant General for public comments regarding the transition of ICL's existing concession in 2030 and the grant by the State of a new concession in 2030. The draft report is not a binding document, and its conclusions may change following public comments, including comments made by ICL, and the receipt of additional information.

The draft report recommends maintaining the existing payment regime which is comprised of three ongoing sources of income for the State: royalties, corporate tax and surplus profit levy. It suggests that the State's annual share should be approximately 50% on a multi-year average basis.

According to the draft report, the tender may incorporate a minimum price, as recommended by the Naveh Report, taking into consideration ICL's right of first refusal in accordance with Section 25 of the Concession Deed. The minimum price is not specified in the draft. The draft also recommends that the new concession be granted for a period of more than 25 years.

In addition, the draft includes environmental considerations in formulating guidelines for the new concession, including limiting the area of the concession and dealing with infrastructure requirements, as well as specifying required rehabilitation efforts due to long-term environmental considerations. To encourage efficient use of the resources, the draft proposes imposing additional costs and regulatory obligations on the future concession holder, such as payment for quarries and groundwater. It also proposes that the definition of “natural resource” be expanded to include other minerals that may be extracted from the Dead Sea in the future.

In November 2024, ICL submitted its comments as part of the public process.

Subsequent to the date of the report, on March 11, 2025, the State Comptroller published an audit report regarding the State's regulators oversight over compliance and regulatory aspects of the Dead Sea concession, in the areas of environment and land (“the Report”). The Report includes findings indicating regulatory deficiencies in the State authorities' oversight of the Dead Sea concession. The Report did not directly audit DSW and clarified that the findings do not imply any reduction in DSW's contributions to the development of the Negev region and the State. The Report emphasizes its intention to guide decision-makers in shaping the future concession agreement towards the end of the current concession in 2030. ICL is currently studying the details of the Report.

The consolidated Financial Statements were prepared under management's assumption that it is more likely than not that DSW will continue to operate the relevant assets for their remaining useful lives, which extends beyond the term of the current concession period, by obtaining a renewed concession or by operating the assets for an alternative holder.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

1. Dead Sea Works Ltd. (hereinafter – “DSW”) (Cont.)

Royalties

In consideration of the concession, DSW pays royalties to the Government of Israel, calculated at the rate of 5% of the value of the products at the factory gate, less certain expenses. DSW granted a sub-concession to Dead Sea Bromine Ltd. to produce bromine and its compounds from the Dead Sea, the expiration date of which is concurrent with the DSW concession. The royalties in respect of the products manufactured by DSW Bromine are received by DSW from the Bromine Company, and DSW then pays them over to the State. Royalties are also paid by Dead Sea Magnesium on the basis of carnallite used for production of magnesium.

2. Rotem Amfert Negev Ltd. (hereinafter – “Rotem”)

Rotem Israel has been mining phosphates in the Negev in Israel for more than sixty years. The mining is conducted in accordance with a phosphate mining concession, which are granted from time to time by the Minister of Energy under the Mines Ordinance, by the Supervisor of Mines in his Office, as well as the mining authorizations issued by the Israel Lands Authority (hereinafter – the Authority). The concessions relate to quarries (phosphate rock), whereas the authorizations cover use of land as active mining areas.

Mining concessions and licenses:

On December 29, 2024, ICL Rotem was granted a new mining concession which includes the fields of Rotem, including Hatrurim, Zafir Field, and Oron-Zin, as well as Oron north, for a period of 20 years, effective January 1, 2025, until December 31, 2044, and only as long as mining can be conducted on a commercially viable basis, following a competitive process that was held by Israel’s Ministry of Energy and Infrastructure. The new concession replaces ICL Rotem’s current mining concession, which was valid until the end of 2024. As in the prior concession, ICL undertook, among other things, to assure that Rotem meets its existing obligations to rehabilitate its mining and plants areas according to outlined requirements attached to the new concession, in addition to a bank guarantee issued by ICL Rotem in the amount of about \$16 million.

Recently, a petition was filed with Israel’s Supreme Court in connection with the new concession against the competitive process and the disclosure certificate issued to ICL in connection with this process. Along with the petition, a preliminary request was filed with the Supreme Court for an interim order to freeze the granting of the concession to ICL Rotem until the Supreme Court’s final decision. The Supreme Court rejected the preliminary request stating that there is no basis for issuing an interim order. A hearing on the petition is scheduled for May 2025.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

2. Rotem Amfert Negev Ltd. (hereinafter – “Rotem”) (Cont.)

Lease agreements:

As of the reporting date, ICL Rotem has one lease agreement in effect until 2041, as well as two additional lease agreements, one for the Zin plant which expired in 2024, for which ICL is working on a renewal with the Israel Land Authority - Southern Region, and additional one for the Oron plant, which expired in 2017. Regarding the Oron plant, ICL has an agreement in principle with the Israel Land Authority - Southern Region regarding the expected issuance of a lease agreement until the end of 2025. As a result of receipt of the new concession, ICL expects renewed lease agreements to be issued for a period that coincides with the new concession.

Mining royalties:

According to the terms of the concession, Rotem Israel is required to pay royalties to the State of Israel for Phosphate mining. In accordance with the Mines Ordinance (Third Addendum A), the royalty rate for production of phosphates is 5% of the value of the quarried material. In 2021, the Ministry of Energy issued an amendment to the Third Addendum A, which anchors and clarifies the basis for calculating the royalties and its components.

Zoning:

The mining and quarrying activities require a zoning approval of the site based on a plan in accordance with the Israeli Planning and Building Law, 1965. These plans are updated, as needed, from time to time. As of the reporting date, there are various requests at different stages of deliberations pending before the planning authorities.

Oren-Zin area – in 2016, the Southern District Committee for Planning and Construction approved a detailed site plan for mining phosphates in the Zin-Oron area (hereinafter – the Plan). The Plan, which covers an area of about 350 square kilometers, will permit the continued mining of phosphate located in the Zin valley and in the Oron valley for a period of 25 years or until the exhaustion of the raw material – whichever occurs first, with the possibility of an extension (under the authority of the District Planning Board). In addition, as part of the Plan, ICL is in the final stages of approving a specific mining plan for the northern Oron area, which includes 0.3 square kilometers.

Phosphate rock reserves of ICL Rotem – ICL is working to promote the plan for mining phosphates in Barir field, located in the southern part of the South Zohar deposit in the Negev Desert. In 2015, the National Planning and Building Council (hereinafter – the National Council) approved the Policy Document regarding Mining and Quarrying of Industrial Minerals, which included a recommendation to permit phosphate mining in the South Zohar deposit and to advance a detailed National Outline Plan for the Barir field mining site. According to the recommendation of the National Council, the government's Housing Cabinet approved the National Outline Plan (hereinafter – NOP 14B).

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

2. Rotem Amfert Negev Ltd. (hereinafter – “Rotem”) (Cont.)

Phosphate rock reserves of ICL Rotem (Cont.)

In 2018, the Minister of Health filed an appeal of the said approval, requiring compliance with the Ministry of Health's recommendation to conduct a survey regarding the health impact in each site included in NOP 14B. As part of a discussion in the Housing Cabinet regarding the appeal, it was decided, with the consent of the Ministries of Health, Finance and Energy, to remove the appeal and to approve the NOP 14B, which was formally published later. In addition, it was decided to establish a team with representatives from Treasury, Health, Transportation, Environmental Protection and Energy ministries (hereinafter – The Inter-ministerial team), which will present to the Housing Cabinet a report that includes health aspects for NOP 14B.

In 2018 and 2019, petitions were submitted to the Israeli Supreme Court by the municipality of Arad and by residents of the Bedouin diaspora in the "Arad Valley" against the National Council, the Government of Israel and Rotem Israel, to revoke the approval of NOP 14B and to order the National Council to discuss the NOP directives, while giving proper weight to the health risk.

In 2020, the inter-ministerial team reached an outline agreement regarding the examination of the health aspects of the NOP 14B, which, according to the state, constitutes an appropriate response for the review of potential health hazards on which the petitions focus.

In 2021, the Israeli Supreme Court of Justice decided to reject the petitions following a preliminary decision by the National Planning and Building Council to incorporate the main points of the outline agreement in the provisions of NOP 14B.

At the end of 2021, the Housing Cabinet, approved once again the amended NOP 14B, following which the (former) Minister for Environmental Protection submitted a request for a government review of past decisions prior to promoting the Barir Detailed NOP. In accordance with the decision of the Ministry of the Interior, a deliberation of the matter should have been held by July 2022. As of the reporting date, the deliberation has not yet occurred.

ICL held numerous discussions and made multiple written inquiries to the relevant regulators in order to promote the deliberation regarding the advancement of the Detailed NOP for the Barir field. Subsequent to the date of the report, on February 24, 2025, ICL approached the Government of Israel and the National Planning and Building Council with a pre-emptive request, prior to filing a petition, demanding to advance the Barir Detailed NOP with no delay. This request was submitted due to the Government's failure to advance the plan, as presented by the Government to the Supreme Court, despite the rejection of all petitions against the promotion of this NOP, which was supported by the Israeli government through its relevant ministries, by the Supreme Court.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

2. Rotem Amfert Negev Ltd. (hereinafter – “Rotem”) (Cont.)

Phosphate rock reserves of ICL Rotem (Cont.)

According to ICL's assessment, the estimated useful life of Rotem's phosphate rock reserves, suited for its specialty products, in its existing mining areas is limited. ICL is making efforts to promote suitable alternatives for additional resources that will secure its future phosphate operations at ICL Rotem. As part of these efforts, ICL continues to advance several pilot development projects, some of which have been successful, to adapt the usage of different grade types of phosphate rock for ICL's products as part of an effort to utilize and increase existing phosphate reserves. In addition, it is working to advance future mining of phosphate rock in other areas, subject to permits and approvals.

ICL estimates that it is more likely than not that it will be able to continue its phosphate operations at ICL Rotem by obtaining the required additional resources within a time frame that is not expected to materially impact ICL's results. Nevertheless, there is no certainty regarding the extent of future phosphate rock resources in other areas, or that ICL will succeed in obtaining the required approvals and permits for them, and, even if they are granted, the timing at which they will be received. Also, there is no certainty that the development of pilot projects will succeed in utilizing and increasing existing phosphate reserves or that they will be economically viable. Failure to obtain the additional resources, or a significant delay in obtaining them, may lead to discontinued production at Rotem, and, as a result, to a material impact on ICL's business, financial position and results of operations.

Other regulations

- Emissions permit – in January 2024, a new emission permit was issued to Rotem Israel under the Israeli Clean Air Act (hereinafter - the Law) valid until January 2031. ICL is in active discussions with the Israeli Ministry of Environmental Protection (MoEP) to assure adherence to all stipulations outlined in the permit, including the conditions specified in an administrative order under Section 45 of the Law, and to achieve satisfactory resolutions to notable timeline execution challenges for a limited number of projects.
- Phosphogypsum storage – in 2021, a new Urban Building Plan was approved, the main objectives of which are to regulate areas for phosphogypsum storage reservoirs (the 2021 plan). Due to the ambiguity of the guidelines regarding the calculation of building permit fees, ICL signed a settlement agreement with the Tamar Regional Council in August 2023 which had no material impact on ICL's financial results.
- Regarding the phosphogypsum waste ponds, under the 2021 plan, Pond 5, which has been operational since 2018, is permitted for use until the end of its expected operational life (currently expected in 2026). The District Committee for Planning and Construction (the Committee) has approved the submission of a plan to reuse Pond 4 under certain conditions as a replacement for Pond 5 upon the end of its operational life. However, objections were filed by certain Israeli authorities and others. Subsequent to the date of the report, in January 2025, the Committee held a hearing requesting additional information, including from ICL, before proceeding with deliberations. ICL believes that it is more likely than not that a solution for future phosphogypsum waste treatment will be found.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

3. ICL Iberia – subsidiary of ICL in Spain

ICL Iberia was granted mining rights based on legislation of Spain's Government from 1973 and the regulations accompanying this legislation. Pursuant to the special mining regulations, ICL Iberia received individual licenses for each of the 126 different sites that are relevant to current and future mining activities. Some of the licenses are valid until 2037 and the remainder are effective until 2067.

ICL Iberia operates a potash production center in Suria which requires, among other things, an environmental mining license and an urban license. Up to 2020, ICL Iberia operated two potash production centers in Suria and Sallent, but as part of an efficiency plan, ICL consolidated its activities into one site by expanding the Suria production site and discontinuing potash production at the Sallent site.

ICL Iberia holds an urban license for the Suria site, as well as an environmental mining license that complies with new environmental protection regulations in Spain (Autorizacio Substantive). In 2021, an updated environmental mining license and an environmental impact assessment, as well as new urban permits were granted, which allows higher volume processing and expanded capacity of the salt mountain at Suria.

In 2022, an Urban Master Plan was modified to allow increased piling capacity of an additional ten million tons of salt which will enable piling of salt in future years until the evacuation solution by a new collector is applied. For further information, see Note 18(A)(3) above. The restoration plan for the Suria site, which includes a plan for dealing with the salt piles and dismantling facilities, is scheduled to continue until 2095.

In July 2024, the Urban development Plan was approved, allowing for the application of a work license. An Environmental Impact Assessment (EiA), which was published on December 2, 2024, for public comments, is still in progress. Final approval of the EiA is expected to be issued in the first half of 2025.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

4. United Kingdom

- a. ICL Boulby, ICL's subsidiary in the UK, holds onshore and offshore mineral leases and licenses, allowing for the extraction of diverse minerals, in addition to numerous easements and rights of way from private landowners. The offshore mineral field is leased from The Crown Estate on a production royalty basis and includes provisions to explore and exploit all targeted and known polyhalite and salt mineral resources of interest to ICL Boulby.

ICL Boulby has actively engaged in negotiations with the private property owners and has successfully secured the recent renewals of most of the existing lease agreements, as well as purchased the minerals of one lease area on a freehold basis.

- b. The renewal of eight of the remaining leases was referred to the High Court of Justice in London for a decision regarding the calculation mechanism. ICL estimates that the proceedings will be concluded by the end of 2025. These leases, along with two additional leases, which are still being negotiated, will continue to operate under the terms of the previous leases.

Historically, the renewal of leases has not been problematic. ICL Boulby believes that all land and mineral leases will be renewed, as required, and expects to have or obtain all government approvals and permits necessary for exploiting all targeted mineral resources.

In 2022, the North York Moor National Planning Authorities (hereinafter - NYMNPA) granted planning permission for Polyhalite and salt extraction until 2048. To comply, ICL Boulby was required to produce management plans for NYMNPA approval. As of the reporting date, all required plans are completed and approved.

With respect to the mining royalties, ICL Boulby pays royalties of 2.1% which in 2024, amounted to \$2.2 million.

- c. A UK subsidiary within the Growing Solutions segment (hereinafter – Everris Limited) owns peat mines in the UK (Creca, Nutberry and Douglas Water). Peat is used as a component in the production of professional growing media. Extraction permits for Creca were granted until the end of 2051, and the site is currently operative. However, mining activity in Nutberry and Douglas Water ceased in 2024, following the expiration of their permits. Restoration at these sites has commenced.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 18 – Contingent Liabilities, Commitments and Concessions (Cont.)

D. Concessions (Cont.)

5. YPH – China

Mining rights

YPH, ICL's subsidiary in China, which is equally owned with Yunnan Phosphate Chemicals Group Corporation Ltd. ("YYTH"), holds a phosphate mining license that was issued in 2015 by the Division of Land and Resources of the Yunnan district in China for the Haikou Mine (hereinafter – Haikou) which ICL operates, and which is valid until January 2043.

Grant of mining rights to Lindo

In 2016, a subsidiary of YYTH (hereinafter – YPC) issued a statement whereby in 2010 it entered into agreements with the local authority of Jinning County, Yunnan Province, and Jinning Lindu Mining Development and Construction Co. Ltd. (hereinafter - Lindu Company), according to which Lindu Company is permitted to mine up to two million tons of phosphate rock from a certain area measuring 0.414 square kilometers within the area of the Haikou mine and to sell such phosphate rock to any third party at its own discretion.

In accordance with a recent settlement reached between the parties, the dispute over the mining rights at the Haikou site has been resolved to the satisfaction of the parties. Pursuant to the settlement, YPH will be compensated by YPC within 3-5 years for the quantity extracted from the mine, up to two million tons of phosphate ore, while ensuring fairness and compliance with the contractual obligations.

Natural Resources Royalties

With respect to the mining rights, in accordance with China "Natural Resources Tax Law", YPH pays royalties of 8% on the selling price based on the market price of the rock prior to its processing. The total royalties for 2024 are about \$4.3 million.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 19 – Share-Based Payments

A. Non-marketable options

Company	Issuance date	Entitled employees	Number of instruments (thousands)	Issuance details	Terms of the instrument	Vesting terms	Expiration date
Israel Corporation	December 3, 2020	5 employees of the Corporation including officers of the Corporation.	10	An issuance of non-marketable and non-transferrable options, for no consideration, under the 2020 Equity Compensation Plan of the Corporation.	Upon exercise, each option may be converted into one ordinary share of NIS 1 par value of the Corporation.	3 equal tranches: (1) one third at the end of one year from the date of the grant (2) one third at the end of two years from the date of the grant (3) one third at the end of three years from the date of the grant.	At the end of five years from the date of the grant.
	January 25, 2024	8 employees of the Corporation including officers of the Corporation.	11				
ICL	June 30, 2016	Officers and senior employees of ICL.	3,035	An issuance of non-marketable and non-transferrable options, for no consideration, under the 2014 Equity Compensation Plan that was amended in June 2016 (hereinafter – “the 2014 Equity Compensation Plan as Amended”).	Upon exercise of each option, it may be converted into one ordinary share of NIS 1 par value of ICL.	3 equal tranches: (1) one third at the end of 12 months after the grant date (2) one third at the end of 24 months after the grant date (3) one third at the end of 36 months after the grant date	June 30, 2023
	September 5, 2016	Former Chairman of the Board of ICL	186				June 30, 2023

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 19 – Share-Based Payments (Cont.)

A. Non-marketable options (Cont.)

Company	Issuance date	Entitled employees	Number of instruments (thousands)	Issuance details	Terms of the instrument	Vesting terms	Expiration date
ICL	February 14, 2017	Former CEO of ICL	114	An issuance of non-marketable and non-transferrable options, for no consideration, under the 2014 Equity Compensation Plan that was amended in June 2016 (hereinafter – “the 2014 Equity Compensation Plan as Amended”).	Upon exercise of each option, it may be converted into one ordinary share of NIS 1 par value of ICL.	3 equal tranches: (1) one third at the end of 12 months after the grant date (2) one third at the end of 24 months after the grant date (3) one third at the end of 36 months after the grant date	February 14, 2024
	June 20, 2017	Officers and senior employees of ICL.	6,868				June 20, 2024
	August 2, 2017	Former Chairman of the Board of Directors of ICL	165				June 20, 2024
ICL	March 6, 2018	Officers and senior employees of ICL	5,554	An issuance of non-marketable and non-transferrable options, for no consideration, under the 2014 Equity Compensation Plan that was amended in June 2016 (hereinafter – “the 2014 Equity Compensation Plan as Amended”).	Upon exercise of each option, it may be converted into one ordinary share of NIS 1 par value of ICL.	3 equal tranches: (1) one third at the end of 12 months after the grant date (2) one third at the end of 24 months after the grant date (3) one third at the end of 36 months after the grant date	March 6, 2025
	May 14, 2018	CEO of ICL	385				May 14, 2025
	August 20, 2018	Former Chairman of the Board of ICL	403				August 20, 2025

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 19 – Share-Based Payments (Cont.)

A. Non-marketable options (Cont.)

Company	Issuance date	Entitled employees	Number of instruments (thousands)	Issuance details	Terms of the instrument	Vesting terms	Expiration date
ICL	April 15, 2019	Officers and senior employees of ICL	13,242	An issuance of non-marketable and non-transferrable options, for no consideration, under the 2014 Equity Compensation Plan that was amended in June 2016 (hereinafter – “the 2014 Equity Compensation Plan as Amended”).	Upon exercise of each option, it may be converted into one ordinary share of NIS 1 par value of ICL.	2 equal tranches: (1) one third at the end of 24 months after the grant date (2) one third at the end of 36 months after the grant date	5 years after the grant date
	June 27, 2019	CEO of ICL	3,512				5 years after the grant date
	May 29, 2019*	Chairman of the Board of Directors of ICL	2,169				5 years after the issuance date
	June 30, 2021	Senior employees of ICL	647				5 years after the issuance date
ICL	February 8, 2022	Senior employees of ICL	9,294	An issuance of non-marketable and non-transferrable options, for no consideration, under the 2014 Equity Compensation Plan that was amended in June 2016 (hereinafter – “the 2014 Equity Compensation Plan as Amended”).	Upon exercise of each option, it may be converted into one ordinary share of NIS 1 par value of ICL.	3 equal tranches: (1) one third at the end of 12 months after the grant date (2) one third at the end of 24 months after the grant date (3) one third at the end of 36 months after the grant date	5 years after the issuance date
	March 30, 2022	CEO of ICL	1,941				
	March 30, 2022	Chairman of the Board of Directors of ICL	1,055				
	February 14, 2023	Senior managers	461				
	April 4, 2024	Senior officers and managers	12,333				

* The options were issued upon entry of Mr. Doppelt into his position on July 1, 2019.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 19 – Share-Based Payments (Cont.)

B. Additional details regarding non-marketable options

1. Israel Corporation

The options issued to the employees are covered by the provisions of Section 102 of the Israeli Income Tax Ordinance. The issuance will be performed through a trustee under the Capital Gains Track. The exercise price is linked to the CPI that is known as of the date of payment, which is the exercise date. In a case of distribution of a dividend by the Corporation, the exercise price is reduced on the “ex dividend” date, by the amount of the dividend per share (gross), based on the amount thereof in NIS on the effective date. In addition, the exercise premium will be subject to additional adjustments: consolidation / split-up of shares and issuance of rights. The fair value of the options granted was estimated using the Black & Scholes model for pricing options.

On January 25, 2024, the Corporation’s Board of Directors approved (further to approval by the Audit Committee and the Remuneration Committee), a grant of 10,811 options (non-marketable) that may be converted into 10,811 ordinary shares of NIS 1 par value of the Corporation to 8 employees including officers of the Corporation. The vesting period of the options will be in three equal tranches, at the end of 12 months, 24 months and 36 months from the grant date.

The parameters used in applying the models are as follows (translated based on the rate of exchange known on the grant date):

	<u>2020 Plan</u> <u>2024 Grant</u>	<u>2020 Plan</u> <u>2020 Grant</u>
Price of share on the grant date (in \$)	225.22	160.2
CPI-linked exercise premium (in \$)	266.90	176.2
Expected volatility	43.5%	41.14%
Life of the options (in years)	5	5
Risk free interest rate	1.33%	(0.76%)
Fair value (in millions of \$)	0.831	0.508
Fair value on the grant date (in \$)	76.84	50
Exercise price as at December 31 (in \$)		
2024	276.7	166.8
2023	–	167.2
Total options outstanding as at December 31		
2024	10,811	3,389
2023	–	3,389

The cost of the benefit embedded in the options is recognized in the statement of income over the vesting period of each tranche. Accordingly, in 2024, 2023 and 2022 the Corporation recorded expenses in an immaterial amount.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 19 – Share-Based Payments (Cont.)

B. Additional details regarding non-marketable options (Cont.)

2. ICL

The options issued to the employees in Israel are covered by the provisions of Section 102 of the Israeli Income Tax Ordinance. The issuance will be performed through a trustee under the Capital Gains Track. The exercise price is linked to the CPI that is known as of the date of payment, which is the exercise date. In a case of distribution of a dividend by ICL, the exercise price is reduced on the “ex dividend” date, by the amount of the dividend per share (gross), based on the amount thereof in NIS on the effective date.

The fair value of the options granted in 2014, as part of 2014 equity compensation plan, was estimated using the binomial model for pricing options. The fair of the rest of the options granted was estimated using the Black & Scholes model for pricing options. The parameters used in applying the models are as follows:

	Under the 2014 plan							
	Granted							
	2016	2017	2018	2019	2021	2022	2023	2024
Share price (in \$)	3.9	4.5	4.4	5.4	6.8	10.0	7.7	5.1
CPI-linked exercise price (in \$)	4.3	4.3	4.3	5.3	7.1	10.1	7.6	5.1
Expected volatility:								
First increment	30.51%	31.88%	28.86%	27.85%	31.70%	31.80%	35.84%	32.20%
Second increment	30.51%	31.88%	28.86%	27.85%	31.70%	30.88%	34.15%	32.26%
Third increment	30.51%	31.88%	28.86%	–	–	30.52%	33.77%	32.62%
Life of options (in years):								
First increment	7.0	7.0	7.0	4.4	4.4	3.2	3.1	3.1
Second increment	7.0	7.0	7.0	4.4	4.4	3.8	3.7	3.7
Third increment	7.0	7.0	7.0	–	–	4.0	3.9	3.9
Risk-free interest rate:								
First increment	0.01%	0.37%	0.03%	(0.67%)	0.43%	(1.46%)	1.49%	2.09%
Second increment	0.01%	0.37%	0.03%	(0.67%)	0.43%	(1.29%)	1.43%	2.17%
Third increment	0.01%	0.37%	0.03%	–	–	(1.21%)	1.43%	2.17%
Fair value (in \$ millions)	4.0	11.3	8.8	7.5	0.6	24.9	0.9	15.4
Weighted-average fair value on the grant date of the option (\$)	1.1	1.6	1.4	1.2	1.3	2.0	2.0	1.3

The expected volatility was determined on the basis of the historical volatility in ICL’s share prices on the Tel-Aviv Stock Exchange.

The expected life of the options was determined on the basis of Management’s estimate of the period the employees will hold the options.

The risk-free interest rate was determined on the basis of the yield to maturity of shekel-denominated Israeli Government debentures, with a remaining life equal or similar to the anticipated life of the options.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 19 – Share-Based Payments (Cont.)

B. Additional details regarding non-marketable options (Cont.)

ICL (Cont.)

The cost of the benefit embedded in the options and shares from the Equity Compensation Plan 2014 is recognized in the statement of income over the vesting period of each portion. Accordingly, in 2024, 2023 and 2022, ICL recorded expenses of \$10 million, \$7 million and \$12 million, respectively.

The movement in the options is as follows (in millions):

	<u>Number of options</u>
Balance as at January 1, 2023	15
Movement in 2023:	
Exercised during the year	<u>(1)</u>
Balance outstanding as at December 31, 2023	14
Movement in 2024:	
Granted during the year	12
Exercised during the year	<u>(3)</u>
Options outstanding as at December 31, 2024	<u>23</u>

Events occurring subsequent to the date of the report

At the General Meeting of the shareholders of ICL, subsequent to the date of the report, on March 6, 2025, the shareholders approved a new three-year equity grant for the years 2025–2027 in the form of about 4.3 million non-marketable and non-transferable options for no consideration, under ICL's 2024 Equity Plan, to ICL's newly appointed CEO and the Chairman of the Board. The vesting period of the options will be in three tranches, upon the lapse of 12 months, 24 months and 36 months from the grant date (March 6, 2025, for the Chairman of the Board and March 13, 2025, for the newly appointed CEO). The expiration date will be in March 2030. The aggregate fair value at the grant dates is about \$7 million.

The exercise premium of exercisable options at the beginning and the end of each period are shown below (in dollars):

	<u>December 31 2024</u>	<u>December 31 2023</u>	<u>December 31 2022</u>
Granted 2016	–	–	3.41
Granted 2017	–	2.79	3.14
Granted 2018	2.77	2.70	3.06
Granted 2019	–	4.27	4.57
Granted 2021	5.60	5.64	6.00
Granted 2023	8.60	8.56	8.91
Granted 2023	7.23	7.23	–
Granted 2024	5.17	–	–

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 19 – Share-Based Payments (Cont.)

B. Additional details regarding non-marketable options (Cont.)

ICL (Cont.)

The number of shares that vested at the end of each period and the weighted-average exercise price of these options are shown below:

	<u>December 31 2024</u>	<u>December 31 2023</u>	<u>December 31 2022</u>
Number of exercisable options (in millions)	8	7	5
Average exercise price (in NIS)	30.36	22.57	15.67
Average exercise price (in US\$)	8.33	6.22	4.45

* ICL's share price as of December 31, 2024: NIS 18.00 (\$4.94).

The range of the exercise prices for options outstanding at the end of the period is shown below:

	<u>December 31 2024</u>	<u>December 31 2023</u>	<u>December 31 2022</u>
Range of exercise price (in NIS)	10.12–31.38	9.46–34.3	10.77–30.06
Range of exercise price (in \$)	2.77–8.60	2.7–9.81	3.06–8.54

The average remaining life of vested options at the end of each period is shown below:

	<u>December 31 2024</u>	<u>December 31 2023</u>	<u>December 31 2022</u>
Average remaining life of vested	3.24	2.59	3.42

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 20 – Share Capital and Reserves

A. Share Capital and Premium

	Ordinary shares	
	2024	2023
	Thousands of shares of NIS 1 par value	
Issued and paid-up share capital as at December 31 (1)	<u>7,702</u>	<u>7,702</u>
Authorized share capital	<u>160,000</u>	<u>160,000</u>

- (1) As at the date of the report, a wholly-owned subsidiary of the Corporation holds 72,322 ordinary shares of NIS 1 par value each of the Corporation, constituting about 0.94% of the Corporation's issued share capital.

Repurchase

On November 16, 2023, the Corporation's Board of Directors approved a plan whereby the Corporation will acquire (reacquire) its own shares. Execution of the plan began one trading day after publication of the Corporation's financial statements for the third quarter of 2023 and will run up to the earlier of: (1) acquisition of shares of the Corporation in the amount of \$33 million (where the cumulative cost will be determined based on the rate of exchange that is known on every acquisition date); or (2) March 31, 2024. In the first quarter of 2024, the Corporation completed the plan for repurchase of Corporation shares and in total the Corporation acquired 132,243 ordinary shares of NIS 1 par value each, for a total amount of about \$33 million.

Each ordinary share from the Corporation's share capital has the right to dividends, to bonus shares and to distribution of the Corporation's assets upon liquidation, in proportion to the par value of each share, without taking any premium paid in respect thereof, all subject to the Corporation's Articles of Association. Each of the shares entitles its holder to participate in the Corporation's General Meetings and to one vote.

The Corporation's shares are registered for trading on the Tel-Aviv Stock Exchange.

B. Translation reserve of foreign operations

The translation reserve includes all the foreign currency differences stemming from translation of financial statements of foreign activities.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 20 – Share Capital and Reserves (Cont.)

C. Capital reserves

The main capital reserves include:

A hedge reserve, which includes the effective part of the accrued net change in the fair value of instruments hedging the cash flows and that relate to hedged transactions not yet realized that have not yet been recorded in the statement of income.

A capital reserve including charge of salaries expenses against a corresponding increase in capital in connection with share-based payments to employees.

A capital reserve including the change in the fair value of investments measured at fair value through other comprehensive income.

D. Regarding issuance of options to employees of the Corporation and ICL – see Note 19 regarding Share-Based Payments.

E. Dividend

1. Subsequent to the date of the report, on March 27, 2025, the Corporation's Board of Directors decided to distribute a cash dividend to the shareholders, in the amount of about NIS 15 million. The effective date is April 9, 2025 and the payment date is April 21, 2025.
2. On March 27, 2024, the Corporation's Board of Directors decided to distribute a cash dividend to the shareholders, in the amount of about NIS 37 million. The dividend was distributed on April 17, 2024.
3. On September 15, 2022, the Corporation's Board of Directors decided to distribute a cash dividend to the Corporation's shareholders, in the amount of about NIS 276,888 thousand (about \$80 million on the declaration date). The dividend was distributed on October 19, 2022.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 20 – Share Capital and Reserves (Cont.)

F. Other comprehensive income

	<u>Attributable to the Corporation's shareholders</u>				<u>Non-controlling interests</u>	<u>Total other comprehensive other income (loss), net of tax</u>
	<u>Translation reserve for foreign activities</u>	<u>Capital reserves</u>	<u>Retained earnings</u>	<u>Total</u>		
				<u>\$ millions</u>		
2024						
Foreign currency translation differences in respect of foreign activities	(105)	–	–	(105)	(142)	(247)
Effective portion of the change in fair value of cash flow hedges	–	(8)	–	(8)	(1)	(9)
Net change in fair value of cash flow hedges transferred to the statement of income	–	12	–	12	6	18
Actuarial gains from defined benefit plans	–	–	15	15	18	33
Taxes in respect of components of other comprehensive income	<u>–</u>	<u>(1)</u>	<u>(4)</u>	<u>(5)</u>	<u>(5)</u>	<u>(10)</u>
Total other comprehensive income (loss) for the year, net of tax	(105)	<u>3</u>	<u>11</u>	<u>(91)</u>	(124)	(215)

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 20 – Share Capital and Reserves (Cont.)

F. Other comprehensive income (Cont.)

	<u>Attributable to the Corporation's shareholders</u>				<u>Non-controlling interests</u>	<u>Total other comprehensive other income (loss), net of tax</u>
	<u>Translation reserve for foreign activities</u>	<u>Capital reserves</u>	<u>Retained earnings</u>	<u>Total</u>		
				<u>\$ millions</u>		
2023						
Foreign currency translation differences in respect of foreign activities	39	–	–	39	41	80
Effective portion of the change in fair value of cash flow hedges	–	(42)	–	(42)	(23)	(65)
Net change in fair value of cash flow hedges transferred to the statement of income	–	52	–	52	34	86
Actuarial gains from defined benefit plans	–	–	15	15	18	33
Net change in investments measured at fair value through other comprehensive income	–	2	–	2	–	2
Taxes in respect of components of other comprehensive income	<u>–</u>	<u>(2)</u>	<u>(4)</u>	<u>(6)</u>	<u>(6)</u>	<u>(12)</u>
Total other comprehensive income for the year, net of tax	<u>39</u>	<u>10</u>	<u>11</u>	<u>60</u>	<u>64</u>	<u>124</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 20 – Share Capital and Reserves (Cont.)

F. Other comprehensive income (Cont.)

	Attributable to the Corporation's shareholders					Total other comprehensive other income (loss), net of tax
	Translation reserve for foreign activities	Capital reserves	Retained earnings	Total	Non-controlling interests	
	\$ millions					
2022						
Foreign currency translation differences in respect of foreign activities	(55)	—	—	(55)	(91)	(146)
Effective portion of the change in fair value of cash flow hedges	—	(136)	—	(136)	(67)	(203)
Net change in fair value of cash flow hedges transferred to the statement of income	—	128	—	128	57	185
Group's share in other comprehensive loss of equity-based investee companies transferred to the statement of income	(5)	(14)	—	(19)	—	(19)
Group's share in other comprehensive income (loss) from discontinued operations	(1)	11	—	10	—	10
Actuarial gains from defined benefit plans	—	—	37	37	46	83
Net change in investments measured at fair value through other comprehensive income	—	(28)	—	(28)	—	(28)
Net change in fair value of financial assets measured at fair value through other comprehensive income	—	7	—	7	—	7
Taxes in respect of components of other comprehensive income	(1)	3	(5)	(3)	(5)	(8)
Total other comprehensive income (loss) for the year, net of tax	(62)	(29)	32	(59)	(60)	(119)

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 21 – Sales and Cost of Sales

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Sales*	<u>6,841</u>	<u>7,536</u>	<u>10,015</u>
Cost of sales			
Materials consumed	2,341	2,547	3,152
Cost of labor	906	875	937
Depreciation and amortization	510	454	414
Energy and fuel	356	402	433
Other	<u>476</u>	<u>591</u>	<u>52</u>
	<u>4,589</u>	<u>4,869</u>	<u>4,988</u>

* For details regarding information based on geographical regions – see Note 29, below.

Note 22 – Research and Development Expenses, Net

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Cost of labor	52	56	55
Other	<u>17</u>	<u>15</u>	<u>13</u>
	<u>69</u>	<u>71</u>	<u>68</u>

Note 23 – Selling, Transport and Marketing Expenses

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Land and marine transportation	722	714	792
Cost of labor	185	176	188
Other	<u>207</u>	<u>203</u>	<u>201</u>
	<u>1,114</u>	<u>1,093</u>	<u>1,181</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 24 – General and Administrative Expenses

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Cost of labor	159	151	173
Professional services	45	44	45
Other expenses	<u>64</u>	<u>75</u>	<u>83</u>
	<u>268</u>	<u>270</u>	<u>301</u>

Note 25 – Other Income and Expenses

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Other income			
Capital gain and gain on sale of holdings	2	1	31
Revenues from rents	3	3	3
Employee benefits	2	–	–
Contingent consideration and energy benefits	3	8	–
Insurance indemnification	3	2	15
Other	<u>8</u>	<u>8</u>	<u>10</u>
	<u>21</u>	<u>22</u>	<u>59</u>
Other expenses			
Provision for legal claims	4	1	17
Financial instruments at fair value	9	65	–
Provision for site closure costs, historical waste removal and efficiency plan	24	45	6
Doubtful debts	14	2	1
Other	<u>11</u>	<u>15</u>	<u>6</u>
	<u>62</u>	<u>128</u>	<u>30</u>

Israel Corporation Ltd.
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As at December 31, 2024

Note 26 – Financing Income and Expenses

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Financing income			
Net gain from change in the exchange rates	–	(56)	(202)
Interest income from bank deposits and others	(91)	(103)	(47)
Financing income in respect of employee benefits	<u>(1)</u>	<u>(7)</u>	<u>(44)</u>
Financing income recorded in the statement of income	<u>(92)</u>	<u>(166)</u>	<u>(293)</u>
Financing expenses			
Interest expenses to banks and others	189	210	202
Net change in fair value of derivative financial instruments serving as an accounting hedge	17	55	159
Net change in fair value of derivative financial instruments serving as an economic hedge	5	54	100
Other and commissions	5	7	11
Financing expenses in respect of employee benefits	<u>13</u>	<u>13</u>	<u>7</u>
Financing expenses	229	339	479
Less – capitalized borrowing costs	<u>7</u>	<u>7</u>	<u>10</u>
Financing expenses recorded in the statement of income	<u>222</u>	<u>332</u>	<u>469</u>
Net financing expenses recorded in the statement of income	<u>130</u>	<u>166</u>	<u>176</u>

Note 27 – Taxes on Income

A. Taxes on income included in the statement of income

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Taxes on income (tax benefit)			
Current taxes	179	252	872
Taxes (tax benefit) in respect of prior years	(2)	(11)	281
Deferred taxes	<u>(20)</u>	<u>46</u>	<u>14</u>
Total taxes on income	<u>157</u>	<u>287</u>	<u>1,167</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 27 – Taxes on Income (Cont.)

B. Reconciliation between the theoretical tax on the pre-tax income and the tax expenses

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Income before taxes on income	631	962	3,331
Statutory tax rate	<u>23%</u>	<u>23%</u>	<u>23%</u>
Tax computed at the principal tax rate applicable to the Corporation	145	221	766
Increase (decrease) in tax in respect of:			
Surplus Profit Levy	3	62	265
Reduced tax rate deriving from tax benefits	(12)	(17)	(95)
Tax losses and temporary differences with respect to which deferred taxes were not recorded and non-deductible expenses	30	58	14
Use of losses from prior years in respect of which deferred taxes were not recorded	–	–	(44)
Differences deriving from additional deduction and different tax rates for subsidiaries outside of Israel	(19)	(32)	1
Tax in respect of dividends	1	6	8
Taxes in respect of prior years*	(2)	(11)	281
Differences in measurement basis (mainly NIS vs US\$)	2	(2)	(35)
Other differences	<u>9</u>	<u>2</u>	<u>6</u>
Taxes on income included in the statement of income	<u>157</u>	<u>287</u>	<u>1,167</u>

* In 2022, assessments agreement attributed to imposition of Surplus Profits Levy, as described above.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 27 – Taxes on Income (Cont.)

C. Deferred tax assets and liabilities

1. Deferred tax assets and liabilities recognized

The deferred tax assets and liabilities are allocated to the following items:

	Property, plant and equipment and intangible assets	Provisions for employee benefits	Inventory	Carryforward of losses for tax purposes	Other	Total
	\$ millions					
Balance of deferred tax asset (liability) as at December 31, 2022	(550)	64	72	119	13	(282)
Changes recorded in the statement of income	(45)	(5)	(22)	19	(4)	(57)
Changes recorded to equity	–	(8)	–	–	(4)	(12)
Changes in translation reserves	<u>(3)</u>	<u>1</u>	<u>–</u>	<u>4</u>	<u>4</u>	<u>6</u>
Balance of deferred tax asset (liability) as at December 31, 2023	(598)	52	50	142	9	(345)
Changes recorded in the statement of income	(35)	4	(7)	23	33	18
Changes recorded to equity	–	(8)	–	–	–	(8)
Changes in translation reserves	<u>9</u>	<u>(1)</u>	<u>(1)</u>	<u>(10)</u>	<u>(7)</u>	<u>(10)</u>
Balance of deferred tax asset (liability) as at December 31, 2024	<u>(624)</u>	<u>47</u>	<u>42</u>	<u>155</u>	<u>35</u>	<u>(345)</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 27 – Taxes on Income (Cont.)

C. Deferred tax assets and liabilities

2. Currencies in which the deferred tax balances are denominated:

	As at December 31	
	2024	2023
	\$ millions	
Dollar	9	1
Euro	51	38
NIS	(439)	(428)
British pound	11	11
Brazilian real	15	24
Other	8	9
	<u>(345)</u>	<u>(345)</u>

3. Taxes on income relating to equity categories:

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Actuarial gains from defined benefit plans	(8)	(8)	(12)
Changes in fair value of hedging derivatives	(2)	(4)	4
Taxes in respect of exchange rate differences on equity loan to subsidiary included in translation differences	<u>27</u>	<u>(9)</u>	<u>(11)</u>
	<u>17</u>	<u>(21)</u>	<u>(19)</u>

The current taxes for the periods reported are calculated in accordance with the tax rates shown below:

D. Taxation of companies in Israel

1. The statutory tax rate in Israel is 23%.
2. Tax benefits under the Law for Encouragement of Capital Investments, 1959 (hereinafter – “the Encouragement Law”)
 - a. Beneficiary Enterprise

The production facilities of some of ICL’s subsidiaries in Israel (hereinafter – the Subsidiaries) have received “Beneficiary Enterprise” status under the Encouragement law after Amendment No. 60 to the Law was published in April 2005. The main benefit granted to the Subsidiaries is a preferred tax rate. From the year 2022, “Beneficiary Enterprise” tax benefits to the Subsidiaries have been discontinued.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 27 – Taxes on Income (Cont.)

The current taxes for the periods reported are calculated in accordance with the tax rates shown below:
(Cont.)

D. Taxation of companies in Israel (Cont.)

2. Tax benefits under the Law for Encouragement of Capital Investments, 1959 (hereinafter – “the Encouragement Law”) (Cont.)

a. Beneficiary Enterprise (Cont.)

A company which had a “Beneficiary Enterprise” that distributes a dividend out of exempt income, will be subject to corporate tax in the year in which the dividend is distributed on the amount distributed, at the tax rate applicable under the Encouragement Law in the year in which the exempted income was generated, had it not been exempt from tax. In addition, a withholding tax will be applied at the applicable rate to the distribution.

In November 2021, the Israeli Economic Efficiency Law for the years 2021 and 2022 was published, which consists of numerous legislative amendments and arrangements, including an amendment to Section 74 of the Encouragement Law, (hereinafter – the amendment).

The amendment stipulates that in any dividend distribution from companies holding accumulated profits that were exempt from tax until their distribution as a dividend (“trapped earnings”), a certain part of the distribution will be considered a distribution of those trapped earnings, which will be fully taxed upon release.

As of December 31, 2024, ICL’s “trapped earnings” balance not yet released was about 950 NIS million (approximately \$260 million). ICL estimates that its remaining “trapped earnings” are not expected to be distributed and therefore no deferred tax liability accrual was booked.

b. Preferred Enterprise

In December 2010, the Israeli Knesset approved the Economic Policy Law for 2011-2012, whereby the Encouragement law, was amended (hereinafter – the Amendment). The Amendment is effective from January 1, 2011 and its provisions apply to preferred income, derived or accrued by a Preferred Enterprise, as defined in the Amendment, in 2011 and thereafter.

The Amendment does not apply to an Industrial Enterprise that is a mine, or any other facility for production of minerals or a facility for exploration of fuel. Therefore, ICL plants that are defined as mining plants and mineral producers will not be able to take advantage of the tax rates included as part of the Amendment.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 27 – Taxes on Income (Cont.)

D. Taxation of companies in Israel (Cont.)

2. Tax benefits under the Law for Encouragement of Capital Investments, 1959 (hereinafter – “the Encouragement Law”) (Cont.)

b. Preferred Enterprise (Cont.)

The tax rates applicable to Preferred Income in Israel are:

- 1) Preferred Enterprises located in Development Area A – 7.5%.
- 2) Preferred Enterprises located in the rest of the country – 16%.

In November 2015, the Knesset passed the Economic Efficiency Law, which expanded the exception to all of the Enterprise’s activities up to the time of the first marketable product (for additional details – see Section 4 below). However, tax benefits to which a Beneficiary Plant was entitled were not cancelled in respect of investments made up to December 31, 2012. Therefore, such plants are able to utilize the tax benefits in respect of such investments, in accordance with the provisions of the old law.

It is further provided in the Amendment that tax will not apply to a dividend distributed out of preferred income to a shareholder that is an Israeli-resident company. A dividend distributed out of preferred income to a shareholder that is an individual or a foreign resident is subject to tax at a rate of 20%, unless a lower tax rate applies under a relevant treaty for prevention of double taxation.

3. The Law for Encouragement of Industry (Taxes), 1969

- a. Some of ICL’s Israeli subsidiaries are “Industrial Enterprise”, as defined in the above-mentioned law. In respect of buildings, machinery and equipment owned and used by any “Industrial Enterprise”, ICL is entitled to claim accelerated depreciation as provided by the Income Tax Regulations – Adjustments for Inflation (Depreciation Rates), 1986 which allow accelerated depreciation to any “Industrial Enterprise” as of the tax year in which each asset is first placed in service.
- b. The Industrial Enterprises owned by some of ICL’s Israeli subsidiaries have a common line of production and, therefore, they file, together with ICL, a consolidated tax return in accordance with Section 23 of the Law for the Encouragement of Industry. Accordingly, each of the said companies is entitled to offset its tax losses against the taxable income of the other companies.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 27 – Taxes on Income (Cont.)

D. Taxation of companies in Israel (Cont.)

4. The Law for Taxation of Profits from Natural Resources

The government take on natural resources in Israel includes three elements: Royalties, Corporate Income Tax and Surplus Profit Levy. The highlights of the Law are set forth below:

Royalties

In accordance with the Mines Ordinance, the rate of the royalties, in connection with resources produced from the quarries, will be 5%. For production of phosphates, according to the Mines Ordinance (Third Addendum A), the royalty rate is 5% of the value of the quarried material.

In accordance with the Israeli Dead Sea Concession Law, 1961, the royalty rate for potash, bromine and magnesium is 5% of the value of the sold quantity.

Imposition on Excess Profits from Natural Resources

The Law for Taxation of Profits from Natural Resources (hereinafter – the Law), is effective since January 1, 2016. The law is applied for the bromine, phosphate and magnesium minerals from 2016 and for potash from 2017. The tax base, which will be calculated for every mineral separately, is the mineral's operating income, in accordance with the accounting statement of income, to which certain adjustments will be made.

The taxable profit is based on the first traded product mineral operating income, as adjusted, after a deduction of 5% of the mineral's year end working capital, and an amount that reflects a yield of 14% on the value of property, plant and equipment used for production and sale of the quarried material.

On the tax base, as stated, a progressive tax will be imposed at a rate to be determined based on the yield in that year. For a yield between 14% and 20%, Natural Resources Tax will be imposed at the rate of 25%, while yield in excess of 20% will be subject to Natural Resources Tax at the rate of 42%. In years in which the Natural Resources Tax base is negative, the negative amount will be carried forward from year to year and will constitute a tax shield in the succeeding tax year. The above computations, including the right to use prior years' losses, are made separately, without considering setoffs, for each natural resource production and sale activity.

Limitations on the Natural Resources Tax – the Natural Resources Tax will only apply to profits deriving from the actual production and sale of each of the following resources: potash, bromine, magnesium and phosphates, and not to the profits deriving from the downstream industrial activities. Calculation of the Natural Resources Tax will be made separately for every mineral mining concession. Nonetheless, regarding magnesium, it was provided that commencing from 2017, upon sale of Carnalite by DSW to magnesium and reacquisition of a Sylvinite by-product by DSW, magnesium will charge DSW \$100 per ton of potash, which is produced from the Sylvinite (linked to the CPI).

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 27 – Taxes on Income (Cont.)

D. Taxation of companies in Israel (Cont.)

4. The Law for Taxation of Profits from Natural Resources (Cont.)

Imposition of Natural Resources Tax (Cont.)

A mechanism was provided for determination of the market price with respect to transactions in natural resources executed between related parties in Israel, as well as a mechanism for calculation of the manner for allocation of the expenses between the production and sale of the natural resource, on the one hand, and the downstream activities, on the other hand.

Regarding the bromine resource, the sale price of bromine sold to related parties, in and outside of Israel, who use the bromine for bromine compounds manufacturing activities, shall be, in each tax year, the higher of:

- a. The actual price in the sale transaction to the related party, as stated above.
- b. A price which will keep an operating profit with the bromine compounds manufacturer of 12% out of the revenue it generates from bromine compounds sales.

Regarding the phosphate resource, the sale price of phosphate sold to related parties for purposes of downstream manufacturing activities in every tax year, shall be the higher of:

- a. The actual price in the sale transaction to the related party, as stated above.
- b. A price which will keep an operating profit with the downstream products manufacturer of 12% out of the revenue it generates from downstream phosphate made of products sales.
- c. The production and operating costs attributable to a unit of phosphate.

Amendment No. 3 to the Law

In November 2021, Amendment No. 3 to the Law was approved by the Israeli Knesset, according to which the arrangement of tax collection will be altered so that companies will be required to pay 75% of the disputed tax, after objecting to a tax assessment by appeal to the district court, and prior to a court ruling. Prior to this amendment, the full payment of the Surplus Profit Levy in dispute was not required until a Court ruling is rendered.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 27 – Taxes on Income (Cont.)

D. Taxation of companies in Israel (Cont.)

4. The Law for Taxation of Profits from Natural Resources (Cont.)

Assessment agreement – Surplus Profit Levy

In June 2022, a settlement agreement was signed with the Israeli Tax Authority which provides final assessments for the tax years 2016-2020, as well as outlines understandings for the calculation of the surplus profit levy for the years from 2021 onwards. As a result, in 2022 ICL recorded tax expenses for prior years in the amount of about \$188 million.

Companies Tax

The Law for Encouragement of Capital Investments was revised such that the definition of a “Plant for Production of Quarries” will include all the plant’s activities up to production of the first marketable natural resource, of potash, bromine, magnesium and phosphates. Accordingly, activities involved with production of the resource will not be entitled to tax benefits under the Law, whereas activities relating to downstream products, such as bromine compounds, acids and fertilizers, will be entitled to tax benefits under the Law.

The Natural Resource Tax will be deductible from ICL’s taxable income and ICL will pay the Corporate Tax on the balance as is customary in Israel.

E. Taxation of consolidated companies outside of Israel

The subsidiaries that are incorporated outside of Israel are assessed based on the tax laws in their resident countries. The main tax rates applicable to the primary subsidiaries outside of Israel are as follows:

<u>Country</u>	<u>Tax Rate</u>	<u>Reference</u>
Brazil	34%	
Germany	29%	
United States	26%	(1)
Netherlands	25.8%	
Spain	25%	
China	25%	
United Kingdom	25%	(2)

- (1) The above tax rate is an estimated average and includes federal and state tax rates. A different rate may apply in each specific year, as a result of different allocation of income between the different states.
- (2) Commencing from April 1, 2023, tax rate in the UK was increased from 19% to 25%.
- (3) In accordance with the legislation of BEPS Pillar 2 which entered into effect in 2024, there are several territories in which ICL operates, where the local tax rate may require a supplement to a minimum taxation of 15%. Based on ICL’s estimation, no material impact is expected on its results from the above legislation.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 27 – Taxes on Income (Cont.)

F. Tax loss carryforwards

As at December 31, 2024, the balances of the carryforward tax losses to future years of the Group and for which deferred taxes were recorded, amount to about \$515 million, in the Corporation no tax assets were recognized (December 31, 2023 – about \$476 million of deferred taxes was recognized in the Group and in the Corporation no tax assets were recognized).

As at December 31, 2024, the balances of the carryforward tax losses to future years of the Group and of the Corporation for which deferred taxes were not recorded, amount to about \$466 million and about \$92 million, respectively (December 31, 2023 – about \$411 million and about \$93 million, respectively).

As at the date of the report, the capital losses for tax purposes available for carryforward to future years, of the Group and of the Corporation, for which deferred taxes were not recorded, amount to about \$2,626 million and about \$2,420 million, respectively (December 31, 2023 – about \$2,557 million and about \$2,358 million, respectively).

G. Tax assessments

1. The Corporation has final tax assessments up to and including the 2019 tax year, and most of the Headquarters Companies have final tax assessments up to and including the 2020 tax year – this being based on an assessments' agreement signed with the Taxes Authority in Israel and tax years that are time-barred. On March 28, 2024, the Corporation signed an assessments' agreement with the Income Tax Authority for 2017 and 2018 and, as a result, in the period of the report the Corporation updated the provision for taxes.
2. ICL and the main operational companies in Israel have received final tax assessments up to and including 2019. The main subsidiaries outside of Israel have final tax assessments up to and including 2015 – 2020.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 28 – Earnings per Share

Data used in calculation of the basic and diluted earnings per share

A. Income from continuing operations allocated to the holders of the ordinary shares

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Income for the year attributable to the owners of the Corporation (basic)	<u>190</u>	<u>273</u>	<u>953</u>
Basic earnings per share attributable to the owners of the Corporation	<u>25.30</u>	<u>35.80</u>	<u>124.96</u>
Diluted earnings per share attributable to the owners of the Corporation	<u>25.30</u>	<u>35.79</u>	<u>124.93</u>

B. Weighted-average number of ordinary shares

	For the year ended December 31		
	2024	2023	2022
	Thousands of ordinary shares		
Weighted-average number of shares used in calculation of:			
The basic earnings per share	<u>7,509</u>	<u>7,627</u>	<u>7,626</u>
The diluted earnings per share	<u>7,509</u>	<u>7,628</u>	<u>7,628</u>

Israel Corporation Ltd.
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Note 29 – Information on the Basis of Geographic Regions

- A. The following table presents the breakdown of the Group's revenues on the basis of the geographic location of the main production sites where they were produced:

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Israel	3,118	3,595	5,611
Europe	2,368	2,610	3,361
South America	1,213	1,482	1,994
North America	1,000	999	1,038
Asia	802	788	1,123
Other	<u>55</u>	<u>52</u>	<u>61</u>
	8,556	9,526	13,188
Intercompany sales in ICL	<u>(1,715)</u>	<u>(1,990)</u>	<u>(3,173)</u>
Total revenues	<u>6,841</u>	<u>7,536</u>	<u>10,015</u>

- B. The following table presents the non-current assets based on geographic location (*):

	As at December 31	
	2024	2023
	\$ millions	
Israel	4,855	4,677
Europe	1,518	1,581
North America	450	369
Asia	435	441
South America	389	456
Other	<u>5</u>	<u>5</u>
Total assets	<u>7,652</u>	<u>7,529</u>

* Composed mainly of property, plant and equipment, intangible assets and non-current inventory.

Israel Corporation Ltd.
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Note 29 – Information on the Basis of Geographic Regions (Cont.)

- C. The following table presents a breakdown of the Group's sales based on the geographical location of the customer:

	For the year ended					
	2024		2023		2022	
	<u>\$ millions</u>	<u>%</u>	<u>\$ millions</u>	<u>%</u>	<u>\$ millions</u>	<u>%</u>
Brazil	1,228	18	1,530	20	2,200	22
United States	1,176	17	1,262	17	1,457	15
China	1,068	16	1,059	14	1,495	15
United Kingdom	317	5	428	6	448	4
Germany	315	5	340	5	417	4
Spain	301	4	348	5	365	4
Israel	285	4	274	4	344	3
France	256	4	254	3	305	3
India	197	3	196	3	505	5
The Netherlands	149	2	171	2	264	3
Other	<u>1,549</u>	<u>22</u>	<u>1,674</u>	<u>21</u>	<u>2,215</u>	<u>22</u>
Total	<u>6,841</u>	<u>100</u>	<u>7,536</u>	<u>100</u>	<u>10,015</u>	<u>100</u>

Israel Corporation Ltd.
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Note 29 – Information on the Basis of Geographic Regions (Cont.)

D. The following table presents a breakdown of the sales of ICL's operating segments based on the geographical location of the customer

	<u>Industrial products</u>	<u>Potash</u>	<u>Phosphate solutions</u>	<u>Growing solutions</u>	<u>Other activities</u>	<u>Adjustments to the consolidated</u>	<u>Total consolidated</u>
	<u>\$ millions</u>						
For the year ended December 31, 2024							
Europe	391	478	542	731	128	(147)	2,123
Asia	438	352	613	249	31	(19)	1,664
South America	21	402	307	627	–	(4)	1,353
North America	329	202	567	170	3	(4)	1,267
Rest of the world	60	222	186	173	19	(226)	434
Total	<u>1,239</u>	<u>1,656</u>	<u>2,215</u>	<u>1,950</u>	<u>181</u>	<u>(400)</u>	<u>6,841</u>
For the year ended December 31, 2023							
Europe	432	624	613	746	126	(209)	2,332
Asia	361	539	587	257	30	(30)	1,744
South America	25	524	368	753	–	(5)	1,665
North America	349	260	614	138	2	(12)	1,351
Rest of the world	60	235	168	179	14	(212)	444
Total	<u>1,227</u>	<u>2,182</u>	<u>2,350</u>	<u>2,073</u>	<u>172</u>	<u>(468)</u>	<u>7,536</u>
For the year ended December 31, 2022							
Europe	574	698	755	880	144	(242)	2,809
Asia	664	1,008	781	286	36	(32)	2,743
South America	40	938	496	849	–	(8)	2,315
North America	401	365	654	166	1	(10)	1,577
Rest of the world	87	304	245	241	17	(323)	571
Total	<u>1,766</u>	<u>3,313</u>	<u>2,931</u>	<u>2,422</u>	<u>198</u>	<u>(615)</u>	<u>10,015</u>

* In alignment with ICL's efficiency plan, which includes a change of reporting responsibilities as of January 2024, the results of a non-phosphate related business were allocated from the Phosphate Solutions segment to Other Activities. Comparative figures have been restated to reflect the organizational change in the reportable segments.

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Note 30 – Related and Interested Parties

A. Benefits to key management personnel (including directors)

Benefits in respect of employment of key management personnel (including directors) include:

	For the year ended December 31					
	2024		2023		2022	
	No. of persons	\$ millions	No. of persons	\$ millions	No. of persons	\$ millions
Remuneration and short-term employee benefits (1)	1	1.8	1	1.6	1	2.2
Share-based payments (2)	1	<u>0.4</u>	1	<u>1.1</u>	1	<u>1.9</u>
		<u>2.2</u>		<u>2.7</u>		<u>4.1</u>

- (1) For additional details – see Section I below.
- (2) Regarding options that were granted by ICL to Yoav Doppelt, the CEO of the Corporation who also serves as the Chairman of the Board of Directors of ICL – see Note 19 above. Regarding options for shares of AKVA held by the Corporation that were granted to Yoav Doppelt, the CEO of the Corporation – see Note 17I, above.
- (3) On June 30, 2024, the Corporation acquired from the CEO 6,496 shares of ICL that derived from exercise of ICL options he held, in the aggregate amount of about NIS 105 thousand.

Benefits in respect of directors not employed by the Corporation:

	For the year ended December 31					
	2024		2023		2022	
	No. of persons	\$ millions	No. of persons	\$ millions	No. of persons	\$ millions
Directors that are not employed	8	<u>0.6</u>	8	<u>0.6</u>	8	<u>0.9</u>

B. Transactions with interested and related parties:

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Sales	<u>=</u>	<u>1</u>	<u>2</u>
Operating expenses	<u>10</u>	<u>7</u>	<u>16</u>
Administrative and general expenses	<u>1</u>	<u>1</u>	<u>1</u>
Other income	<u>=</u>	<u>=</u>	<u>1</u>
Financing expenses (income), net	<u>(16)</u>	<u>(8)</u>	<u>6</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 30 – Related and Interested Parties (Cont.)

C. Balances with interested and related parties:

	December 31		
	2024		2023
	Bank Mizrahi group	Other interested and related parties	Total interested and related parties
	\$ millions		
Cash and cash equivalents	<u>18</u>	<u>=</u>	<u>18</u> <u>13</u>
Short-term deposits and loans	<u>119</u>	<u>=</u>	<u>119</u> <u>213</u>
Other short-term receivables	<u>1</u>	<u>=</u>	<u>1</u> <u>1</u>
Other current liabilities*	<u>=</u>	<u>1</u>	<u>1</u> <u>1</u>

* The balance includes transactions of ZIM Integrated Shipping Services Ltd., which is not a related party starting from the end of December 2024.

D. Transactions with associated companies

	For the year ended December 31		
	2024	2023	2022
	\$ millions		
Sales	<u>=</u>	<u>=</u>	<u>5</u>
Operating expenses	<u>=</u>	<u>=</u>	<u>12</u>
Administrative and general	<u>=</u>	<u>=</u>	<u>=</u>
Financing income, net	<u>=</u>	<u>=</u>	<u>=</u>

* Amount less than \$1 million.

Israel Corporation Ltd.
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Note 30 – Related and Interested Parties (Cont.)

- E.** Regarding indemnification and liability insurance of officers – see Note 18.C.1.
- F.** In December 2017, Bazan (up to February 2023 an associated company) and OPC (a public company controlled by the Corporation's controlling shareholder) and ICL each signed an agreement for supply of natural gas with Energean. Pursuant to the agreement between ICL and Energean, ICL will be entitled to acquire a quantity of up to 13 billion cubic meters of natural gas, over a period of 15 years, with a value of about \$1.8 billion. For additional details – see Note 18C(2).
- G.** In October 2020, ICL and Bazan (up to February 2023 an associated company) signed, each one separately, an agreement for supply of natural gas for a "bridge" period with the Tamar reservoir, after joint negotiations with the supplier and approval of the shareholders of ICL. For additional details – see Note 18C(2).
- H.** From time to time, the Group contracts, in the ordinary course of business and on market terms, with Mizrahi Bank for execution of a range of bank transactions.
- I.** Up to July 1, 2022, the Corporation and ICL were parties to a management services agreement, in consideration of annual management fees of \$1 million plus VAT. Commencing from July 1, 2022, the management agreement was discontinued by the parties. As part of conclusion of the agreement, as stated, the remuneration of the Corporation's CEO was updated and commencing from July 2022, the CEO is entitled to about half of the remuneration from ICL in respect of his service as Chairman of the Board of Directors of ICL (prior to the change the Corporation bore most of the remuneration condition). Starting from July 2022 and thereafter, directors that are officers of the Corporation (except for Mr. Yoav Doppelt, the Corporation's CEO) will be paid the remuneration in cash that is paid to directors. The Corporation's CFO requested that the cash directors' fees to which he is entitled shall be assigned and paid to the Corporation, or shall be paid to him directly, based on the Corporation's instructions.

Israel Corporation Ltd.
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Note 31 – Financial Instruments

A. General

The Group has extensive international activity wherein it is exposed to credit, liquidity and market risks (including currency, interest, inflation and other price risks). In order to reduce the exposure to these risks, the Group holds derivative financial instruments, (including forward transactions, SWAP transactions, and options) for the purpose of reducing the exposure to foreign currency risks, commodity price, energy, marine transport risks, and interest risks. The Group holds derivative financial instruments to hedge the risk in respect of changes in the cash flows of loans and debentures issued, where part of such instruments constitutes accounting hedges. In addition, the Group holds derivative financial instruments to reduce the exposure to currency risk that are accounted for as hedge instruments as part of application of fair value hedge accounting.

The transactions in derivatives are executed with large Israeli and non-Israeli financial institutions, and therefore the Group's management believes the credit risk in respect thereof is low.

This Note presents information regarding the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing the risk.

Set forth below is the composition of the derivatives:

	As at December 31	
	2024	2023
	\$ millions	
Derivatives presented as part of current assets		
Derivatives on interest and currencies used for hedging	4	10
Derivatives on interest and currencies used for economic hedging	<u>12</u>	<u>43</u>
Total	<u>16</u>	<u>53</u>
Derivatives presented as part of non-current assets		
Derivatives on interest and currencies used for hedging	<u>4</u>	<u>1</u>
Total	<u>4</u>	<u>1</u>
Derivatives presented as part of current liabilities		
Derivatives on interest and currencies used for hedging	12	11
Derivatives on interest and currencies used for economic hedging	<u>11</u>	<u>4</u>
Total	<u>23</u>	<u>15</u>
Derivatives presented as part of non-current liabilities		
Derivatives on interest and currencies used for hedging	<u>19</u>	<u>26</u>
Total	<u>19</u>	<u>26</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 31 – Financial Instruments (Cont.)

B. Risk management process

The risk management of the Group companies is executed by them as part of the ongoing current management of the companies. The Group companies monitor the extent of the exposure on a regular basis and protection (hedging) against the various risks described below. The hedge policies with respect to all the different types of exposures are discussed by the boards of directors of the companies.

The comprehensive responsibility for establishing the base for the Group's risk management and for supervising its implementation lies with the boards of directors of the companies. The Board of Directors appointed the Corporation's CFO to manage the risks of the Corporation and of the headquarters companies. The Finance Committees of the Corporation and of ICL receive reports every quarter and discuss the risk management of the companies, as part of the discussion of the quarterly results, as a control over application of the policies and for purposes of updating them, if necessary. The managements of the companies apply the policies determined while making reference to the actual developments and the expectations in the various markets.

The Audit Committee of the Board of Directors, in accordance with the work plan determined from time to time, also supervises Management's monitoring of compliance with the Corporation's risk management policies and procedures.

C. Credit risk

(1) General

(a) Customer credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial asset fails to meet its contractual obligations, and it arises mainly from the Group's receivables from customers and other receivables as well as from investments in securities.

ICL sells to a wide variety and a large number of customers, including customers with materials credit balances. On the other hand, ICL does not have a concentration of sales to individual customers.

ICL has a fixed policy of insuring the credit risk of its customers by means of purchasing credit insurance from insurance companies, except for sales to governmental bodies and sales in small amounts. Most of all other sales are executed only after receiving of approval of coverage in a sufficient scope from an insurance company or other collaterals of a similar level. Some of the Brazilian companies use an uninsured model based on self-disclosure underwriting, with a local collateral structure and Credit Committee policy.

The use of credit insurance companies, as stated, provides professional and objective risk management by an outside expert party and transfers most of the credit risk to a third party. Nonetheless, the customary self-participation (insurance deductible) with respect to credit insurance is 10% (and in a small number of cases at an even higher rate), which effectively leaves part of the risk with ICL out of the total insured amount.

In addition, ICL has an additional self-participation (insurance deductible), in the cumulative annual amount of about \$6 million through a wholly owned captive re-insurance company of ICL.

Israel Corporation Ltd.
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Note 31 – Financial Instruments (Cont.)

C. Credit risk (Cont.)

(1) General (Cont.)

(a) Customer credit risk (Cont.)

ICL has dealt with most of its customers for many years and in only rare cases has it sustained credit losses. The financial statements include specific provisions for doubtful debts, which properly reflect, based on the estimates of ICL's management, the loss embedded in debts the collection of which is doubtful.

(b) Credit risks in respect of deposits

The Group companies deposit the balance of their liquid financial assets in bank deposits and in securities. All the deposits are with a diversified group of leading banks, with an appropriate spread among them, preferably with banks that provide loans to the group companies.

(2) Exposure to credit risk

The carrying value in the books of the financial assets represents the maximum credit exposure. The maximum exposure to the credit risk as at the date of the report is as follows:

	As at December 31	
	2024	2023
	\$ millions	
Cash and cash equivalents	618	537
Short-term investments and deposits	706	1,030
Trade receivables	1,260	1,376
Other receivables and debit balances, including derivatives	57	163
Derivative instruments and long-term debit balances	<u>24</u>	<u>23</u>
	<u>2,665</u>	<u>3,129</u>

The maximum exposure to credit risk for trade receivables, as at the date of the report, by geographic region was as follows:

	As at December 31	
	2024	2023
	\$ millions	
Europe	310	352
North America	187	196
South America	390	409
Asia	278	313
Israel	75	80
Other	<u>20</u>	<u>26</u>
	<u>1,260</u>	<u>1,376</u>

Israel Corporation Ltd.
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Note 31 – Financial Instruments (Cont.)

C. Credit risk (Cont.)

(3) Aging of debts and impairment losses

Set forth below is an aging of the trade receivables:

	As at December 31, 2024		As at December 31, 2023	
	For which impairment was not recorded	Impairment	For which impairment was not recorded	Impairment
	\$ millions			
Not past due	1,150	1	1,258	(3)
Past due up to 3 months	79	(1)	102	(1)
Past due 3–12 months	35	(5)	27	(7)
Past due more than one year	<u>22</u>	<u>(21)</u>	<u>2</u>	<u>(2)</u>
	<u>1,286</u>	<u>(26)</u>	<u>1,389</u>	<u>(13)</u>

The movement in the provision for impairment in respect of trade receivables was as follows:

	2024	2023
	\$ millions	
Balance as at January 1	13	8
Additional provision	16	5
Cancellation of provision	<u>(3)</u>	<u>—</u>
Balance as at December 31	<u>26</u>	<u>13</u>

D. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and pressure conditions, without incurring unwanted losses.

The Group manages the liquidity risk by holding cash balances, short-term deposits and secured bank credit facilities.

Israel Corporation Ltd.
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Note 31 – Financial Instruments (Cont.)

D. Liquidity risk (Cont.)

Set forth below are the anticipated repayment dates of the financial liabilities in undiscounted amounts – this being on the basis of the anticipated future rates as at the date of the report, including an estimate of the interest payments.

As at December 31, 2024						
Book value	Projected cash flows	Up to 1 year	1–2 years	3–5 years	More than 5 years	
\$ millions						
Non-derivative financial liabilities						
Credit from banks and others*	326	333	333	–	–	–
Trade payables	1,002	1,002	1,002	–	–	–
Other current liabilities	164	164	164	–	–	–
Debentures, long-term loans and others**	2,741	3,545	379	688	1,149	1,329
Financial liabilities – derivative instruments						
Interest and foreign currency derivatives	42	59	24	13	18	4
	<u>4,275</u>	<u>5,103</u>	<u>1,902</u>	<u>701</u>	<u>1,167</u>	<u>1,333</u>

* Not including current maturities.

** Including current maturities.

As at December 31, 2023						
Book value	Projected cash flows	Up to 1 year	1–2 years	3–5 years	More than 5 years	
\$ millions						
Non-derivative financial liabilities						
Credit from banks and others*	333	352	352	–	–	–
Trade payables	912	912	912	–	–	–
Other current liabilities	187	187	187	–	–	–
Debentures, long-term loans and others**	3,273	4,179	840	793	1,100	1,446
Financial liabilities – derivative instruments						
Interest and foreign currency derivatives	41	61	15	17	21	8
	<u>4,746</u>	<u>5,691</u>	<u>2,306</u>	<u>810</u>	<u>1,121</u>	<u>1,454</u>

* Not including current maturities.

** Including current maturities.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 31 – Financial Instruments (Cont.)

E. Market risks

Market risk is the risk that changes in the market price, such as exchange rates of foreign currency, interest rates and prices of equity instruments will impact the fair value of the future cash flows of a financial instrument. In the ordinary course of business, the Group companies buy and sell derivative instruments for purposes of managing market risks. All such transactions are carried out within the guidelines set by the Boards of Directors of the companies. For the most part, the Group companies enter into hedging transactions for purposes of avoiding economic exposures created by their activities. Part of the transactions entered into do not meet the conditions for recognition as an accounting hedge and, therefore, differences in their fair values are recorded on the statement of income.

(1) Foreign currency risk

The Group's functional currency is the U.S. dollar. The exposures of the Group companies are measured with reference to the changes in the exchange rate of the dollar vis-à-vis the other currencies in which it transacts business.

The Group is exposed to currency risk with respect to sales, purchases, assets and liabilities that are denominated in a currency other than the respective functional currencies of the Group entities. The primary exposure is to the shekel, euro, pound, Chinese yuan, Norwegian krone, Brazilian real and the Turkish lira.

The Group uses foreign currency derivatives, forward exchange contracts and currency options, all in order to hedge against the risk that the final cash flows deriving from the existing assets and liabilities and sales and purchases of goods and services within the framework of firm or anticipated commitments (based on a budget of up to one year), which are denominated in foreign currency, will be impacted by changes in the currency exchange rate.

The Corporation is exposed to changes in the exchange rate of the dollar against the Norwegian krone in respect of its investment in AKVA and NOAP. From time to time, the Corporation examines execution of hedging transactions for purposes of reducing the exposure to the risk of a change in the exchange rate of the dollar against the Norwegian krone. The Corporation enters into forward transactions from time to time for purposes of hedging the exposure, where the said transactions are accounted for using fair value hedge accounting rules.

The Group is exposed to changes in the rate of exchange of the shekel against the dollar in respect of the principal and interest of debentures and certain loans, labor costs and other operating expenses. The Group's risk management strategy is to hedge the changes in the cash flows deriving from liabilities, labor costs and other operating expenses denominated in Israeli Shekels by using derivatives. These exposures are hedged, from time to time, based on an evaluation of the embedded exposure and risks, against which the Group chooses to hedge – this being in accordance with the Group's risk management strategy.

In view of the above, ICL designated several forward contracts and options transactions for cash flow hedge and applied hedge accounting. These transactions, which include a portion of labor costs and other operational costs denominated in Israeli shekel and sales denominated in euro, are intended to secure the effect of the change in the exchange rate of the dollar against the hedged portion, thereby protecting ICL's operating income from currency fluctuation. ICL applies a 1:1 hedging ratio. The main source of potential ineffectiveness in these hedging ratios is negligible schedule differences between the hedged item and the hedging instrument. As of the date of the hedge transaction, the total balance of the hedged instruments amounted to about \$360 million.

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
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Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(1) CPI and foreign currency risk (Cont.)

(A) Exposure to CPI and foreign currency risks

Details regarding linkage:

	As at December 31, 2024							
	Dollar	Unlinked shekel	Euro	British pound	Norwegian krone	Chinese yuan	Brazilian real	Other
	\$ millions							
Non-derivative instruments								
Cash and cash equivalents	334	14	20	9	–	151	69	21
Short-term investments and deposits	572	127	1	–	–	6	–	–
Trade receivables	545	37	224	39	–	81	297	37
Receivables and debit balances	6	6	18	2	–	–	5	4
Investments measured at fair value through other comprehensive income	–	–	–	–	53	–	–	–
Other non-current assets	<u>9</u>	<u>1</u>	<u>5</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>5</u>	<u>–</u>
Total financial assets	<u>1,466</u>	<u>185</u>	<u>268</u>	<u>50</u>	<u>53</u>	<u>238</u>	<u>376</u>	<u>62</u>
Credit from banks and others	278	155	148	12	–	3	6	2
Trade payables	196	408	201	24	–	61	103	9
Other current liabilities	45	38	52	6	–	9	13	1
Debentures and long-term loans	869	721	784	8	–	24	13	3
Other non-current liabilities	<u>7</u>	<u>–</u>	<u>33</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1</u>
Total financial liabilities	<u>1,395</u>	<u>1,322</u>	<u>1,218</u>	<u>50</u>	<u>–</u>	<u>97</u>	<u>135</u>	<u>16</u>
Total non-derivative financial instruments, net	<u>71</u>	<u>(1,137)</u>	<u>(950)</u>	<u>–</u>	<u>53</u>	<u>141</u>	<u>241</u>	<u>46</u>
Derivative instruments								
Forward transactions	–	808	177	8	–	–	18	141
Forward transactions – accounting hedge	–	320	–	–	–	–	–	–
Cylinder	–	–	40	12	–	–	–	5
Dollar-shekel swaps	<u>–</u>	<u>627</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total derivative instruments	<u>–</u>	<u>1,755</u>	<u>217</u>	<u>20</u>	<u>–</u>	<u>–</u>	<u>18</u>	<u>146</u>
Net exposure	<u>71</u>	<u>618</u>	<u>(733)</u>	<u>20</u>	<u>53</u>	<u>141</u>	<u>259</u>	<u>192</u>

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Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(1) CPI and foreign currency risk (Cont.)

(A) Exposure to CPI and foreign currency risks (Cont.)

Details regarding linkage: (Cont.)

	As at December 31, 2023							
	Dollar	Unlinked shekel	Euro	British pound	Norwegian krone	Chinese yuan	Brazilian real	Other
	\$ millions							
Non-derivative instruments								
Cash and cash equivalents	191	6	10	15	–	230	65	20
Short-term investments and deposits	823	198	1	–	–	5	–	3
Investments measured at fair value through the statement of income	–	–	–	–	–	–	–	–
Trade receivables	523	66	261	58	–	78	355	35
Receivables and debit balances	63	17	22	1	–	1	1	5
Investments measured at fair value through other comprehensive income	–	–	–	–	50	–	–	–
Other non-current assets	<u>10</u>	<u>1</u>	<u>4</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>7</u>	<u>–</u>
Total financial assets	<u>1,610</u>	<u>288</u>	<u>298</u>	<u>74</u>	<u>50</u>	<u>314</u>	<u>428</u>	<u>63</u>
Credit from banks and others	632	245	143	24	–	3	6	–
Trade payables	194	308	225	33	–	57	91	4
Other current liabilities	44	32	82	3	–	11	14	1
Debentures and long-term loans	938	822	689	12	–	28	19	4
Other non-current liabilities	<u>1</u>	<u>–</u>	<u>39</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1</u>	<u>–</u>
Total financial liabilities	<u>1,809</u>	<u>1,407</u>	<u>1,178</u>	<u>72</u>	<u>–</u>	<u>99</u>	<u>131</u>	<u>9</u>
Total non-derivative financial instruments, net	<u>(199)</u>	<u>(1,119)</u>	<u>(880)</u>	<u>2</u>	<u>50</u>	<u>215</u>	<u>297</u>	<u>54</u>
Derivative instruments								
Forward transactions	–	735	12	8	–	–	14	136
Forward transactions – accounting hedge	–	345	–	–	–	–	–	–
Cylinder	–	–	45	12	–	–	–	5
Dollar-shekel swaps	<u>–</u>	<u>753</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total derivative instruments	<u>–</u>	<u>1,833</u>	<u>57</u>	<u>20</u>	<u>–</u>	<u>–</u>	<u>14</u>	<u>141</u>
Net exposure	<u>(199)</u>	<u>714</u>	<u>(823)</u>	<u>22</u>	<u>50</u>	<u>215</u>	<u>311</u>	<u>195</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(1) CPI and foreign currency risk (Cont.)

(B) Terms of derivative instruments used for foreign currency risk

	As at December 31, 2024		
	Book value	Denominated value	Average exchange rate
		\$ millions	
Forward transactions			
Dollar / NIS	(1)	808	3.7
Euro / dollar	2	177	1.1
Dollar / Brazilian real	–	18	6.0
Dollar / pound	–	115	1.2
Euro / pound	–	8	1.2
Euro / Chinese yuan	–	14	7.7
Other	–	12	–
Forward transactions – accounting hedge			
Dollar / NIS	2	320	3.7
Currency and interest SWAPs			
Dollar / NIS	(26)	627	3.7
Put options			
Dollar / NIS	–	–	3.7
Euro / dollar	1	40	1.1
Dollar / yen	–	5	152.0
Dollar / pound	–	12	1.2
Call options			
Dollar / NIS	–	–	3.7
Euro / dollar	–	40	1.1
Dollar / yen	–	5	152.0
Dollar / pound	–	12	1.2

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(1) CPI and foreign currency risk (Cont.)

(B) Terms of derivative instruments used for foreign currency risk (Cont.)

	As at December 31, 2023		
	Book value	Denominated value	Average exchange rate
		\$ millions	
Forward transactions			
Dollar / NIS	35	735	3.7
Euro / dollar	5	12	1.1
Dollar / Brazilian real	—	14	5.0
Dollar / pound	—	8	1.2
Euro / Chinese yuan	(1)	82	7.7
Other	—	54	293.9
Forward transactions – accounting hedge			
Dollar / NIS	6	345	3.7
Currency and interest SWAPs			
Dollar / NIS	(32)	753	3.6
Put options			
Dollar / NIS	—	—	3.7
Euro / dollar	—	45	1.1
Dollar / yen	—	5	140.7
Dollar / pound	—	12	1.2
Call options			
Dollar / NIS	—	—	3.7
Euro / dollar	—	45	1.1
Dollar / yen	—	5	140.7
Dollar / pound	—	12	1.2

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(1) CPI and foreign currency risk (Cont.)

(C) Sensitivity analysis

A change at the rate of 5%–10% of the dollar exchange rate against the following currencies would have increased (decreased) the income or loss and the capital by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis for 2023 is performed on the same basis.

	As at December 31, 2024			
	10% increase	5% increase	5% decrease	10% decrease
	\$ millions			
<u>Non-derivative financial instruments</u>				
Shekel/dollar	109	56	(58)	(117)
Dollar/euro	(54)	(27)	27	54
Dollar/pound	(1)	(1)	1	1
Dollar/Norwegian kroner	(5)	(2)	3	6

	As at December 31, 2023			
	10% increase	5% increase	5% decrease	10% decrease
	\$ millions			
<u>Non-derivative financial instruments</u>				
Shekel/dollar	104	53	(54)	111
Dollar/euro	(82)	(41)	41	82
Dollar/Brazilian real	31	16	(16)	(31)
Dollar/Japanese yen	21	11	(11)	(21)
Dollar/Norwegian kroner	(5)	(2)	3	6

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(1) CPI and foreign currency risk (Cont.)

(C) Sensitivity analysis (Cont.)

A change at the rate of 5%–10% of the dollar exchange rate against the following currencies would have increased (decreased) the income or loss and the capital by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis for 2023 is performed on the same basis.

	As at December 31, 2024			
	10% increase	5% increase	5% decrease	10% decrease
	\$ millions			
<u>Derivative financial instruments</u>				
Shekel/dollar	(151)	(79)	86	182
Dollar/euro	22	11	(10)	(18)
Other	(2)	(1)	1	2
	As at December 31, 2023			
	10% increase	5% increase	5% decrease	10% decrease
	\$ millions			
<u>Derivative financial instruments</u>				
Shekel/dollar	(157)	(81)	95	198
Dollar/euro	9	4	(5)	(9)
Other	(1)	1	(1)	(4)

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(2) Interest rate risk

The Group has loans bearing variable interests and therefore its financial results and cash flows are exposed to fluctuations in the market interest rates.

From time to time, the Group makes use of financial instruments, including derivatives, in order to hedge exposure. The Group makes use of interest rate swap and cross currency swaps contracts, mainly in order to reduce the exposure to cash flow risk in respect of changes in interest rates.

(a) Type of interest

Set forth below is detail of the type of interest borne by the Group's interest-bearing financial instruments, except for derivative financial instruments:

	As at December 31	
	2024	2023
	Carrying amount	
	\$ millions	
Fixed rate instruments		
Financial assets	1,246	1,354
Financial liabilities	(2,141)	(2,796)
	<u>(895)</u>	<u>(1,442)</u>
Variable rate instruments		
Financial assets	72	57
Financial liabilities	<u>(891)</u>	<u>(781)</u>
	<u>(819)</u>	<u>(724)</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(2) Interest rate risk

(b) Fair value sensitivity analysis for fixed-rate instruments

Most of the Group's instruments bearing fixed interest are not measured at fair value through the statement of income. Therefore, a change in the interest rates as at the date of the report would not be expected to affect the income or loss in respect of changes in the value of fixed-interest assets and liabilities.

(c) Cash flow sensitivity analysis for variable rate instruments

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis for 2023 is performed on the same basis.

	As at December 31, 2024			
	Impact on income or loss and capital			
	1% decrease in interest	0.5% decrease in interest	0.5% increase in interest	1% increase in interest
	\$ millions			
Non-derivative instruments	1	1	(1)	(1)
Derivative instruments	<u>15</u>	<u>7</u>	<u>(7)</u>	<u>(13)</u>
	<u>16</u>	<u>8</u>	<u>(8)</u>	<u>(14)</u>

	As at December 31, 2023			
	Impact on income or loss and capital			
	1% decrease in interest	0.5% decrease in interest	0.5% increase in interest	1% increase in interest
	\$ millions			
Non-derivative instruments	1	1	(1)	(1)
Derivative instruments	<u>17</u>	<u>8</u>	<u>(8)</u>	<u>(15)</u>
	<u>18</u>	<u>9</u>	<u>(9)</u>	<u>(16)</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

E. Market risks (Cont.)

(2) Interest rate risk (Cont.)

(d) Terms of derivative instruments used to hedge dollar interest risks

	As at December 31, 2024			
	Book value (fair value)	Par value	Range of expiration years	Range of interest rate
	\$ millions	\$ millions	Years	%
Shekel				
Fixed shekel interest to fixed dollar interest exchange contracts	(26)	627	2025–2034	2.2%–3.35%

	As at December 31, 2023			
	Book value (fair value)	Par value	Range of expiration years	Range of interest rate
	<u>\$ millions</u>	<u>\$ millions</u>	<u>Years</u>	<u>%</u>
Shekel				
Fixed shekel interest to fixed dollar interest exchange contracts	(32)	753	2024–2034	2.2%–4.74%

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

F. Fair value

(1) Financial instruments measured at fair value for disclosure purposes only

The carrying value in the books of financial assets and financial liabilities, such as: cash and cash equivalents, investments, deposits and short-term loans, receivables and debit balances, investments and long-term receivables; short-term credit, payables and credit balances, long-term loans bearing variable interest and other long-term liabilities; as well as derivative financial instruments, corresponds to or approximates their fair values.

The following table shows in detail the stated value and the fair value of financial instrument groups presented in the financial statements not in accordance with their fair value.

	As at December 31, 2024		
	Carrying amount	Fair value	Fair value
		Level 1	Level 2
		\$ millions	
<u>Liabilities</u>			
Marketable debentures (1)	1,495	1,408	–
Non-marketable debentures (2)	47	–	47
Long-term loans from financial institutions and others (3)	<u>337</u>	–	<u>322</u>
	<u>1,879</u>	<u>1,408</u>	<u>369</u>
	As at December 31, 2023		
	Carrying amount	Fair value	Fair value
		Level 1	Level 2
		\$ millions	
<u>Liabilities</u>			
Marketable debentures (1)	1,941	1,821	–
Non-marketable debentures (2)	196	–	194
Long-term loans from financial institutions and others (3)	<u>387</u>	–	<u>356</u>
	<u>2,524</u>	<u>1,821</u>	<u>550</u>

- (1) The fair value of the marketable debentures is based on the stock market price on the date of the report and on classification as Level 1 in the fair value hierarchy.
- (2) The fair value of the non-marketable debentures is based on calculation of the present value of the cash flows in respect of the principal and the interest and is discounted at the SOFR rate customary in the market for similar loans having similar characteristics and is classified as Level 2 in the fair value hierarchy. The average discount interest as of December 31, 2024, was 6.7% (December 31, 2023 – 8.1%).
- (3) The fair value of the Israeli Shekel and Euro loans issued bearing fixed interest is based on calculation of the present value of the cash flows in respect of the principal and the interest and is discounted at the market interest rates on the measurement date for similar loans having similar characteristics and is classified as Level 2 in the fair value hierarchy. The average discount interest as of December 31, 2024, for the dollar, and euro loans was 6.7%–6.9% and 4.5%, respectively (December 31, 2023 – the average discount interest for the dollar, and euro loans was 5.5%–6.9% and 5.3%, respectively).

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

F. Fair value (Cont.)

(2) Hierarchy of fair value

The following table presents an analysis of the financial instruments measured at fair value, using an evaluation method. The various levels were defined as follows:

- Level 1: Quoted prices (not adjusted) in an active market for identical instruments.
- Level 2: Observed data, direct or indirect, not included in Level 1 above.
- Level 3: Data not based on observed market data.

	As at December 31, 2024		
	Level 1	Level 2	Total
	\$ millions		
Assets			
Derivatives used for accounting hedge	–	8	8
Derivatives used for economic hedge	–	12	12
Investments measured at fair value through other comprehensive income	<u>53</u>	<u>–</u>	<u>53</u>
	<u>53</u>	<u>20</u>	<u>73</u>

Liabilities

Derivatives used for accounting hedge	–	31	31
Derivatives used for economic hedge	<u>–</u>	<u>11</u>	<u>11</u>
	<u>–</u>	<u>42</u>	<u>42</u>

	As at December 31, 2024		
	Level 1	Level 2	Total
	\$ millions		
Assets			
Derivatives used for accounting hedge	–	11	11
Derivatives used for economic hedge	–	43	43
Investments measured at fair value through other comprehensive income	<u>50</u>	<u>–</u>	<u>50</u>
	<u>50</u>	<u>54</u>	<u>104</u>

Liabilities

Derivatives used for accounting hedge	–	37	37
Derivatives used for economic hedge	<u>–</u>	<u>4</u>	<u>4</u>
	<u>–</u>	<u>41</u>	<u>41</u>

Israel Corporation Ltd.
Notes to the Consolidated Financial Statements
As at December 31, 2024

Note 31 – Financial Instruments (Cont.)

G. Fair value (Cont.)

(3) Data regarding measurement of the fair value of financial instruments at Level 2

Level 2

The fair value of forward contracts on foreign currency is determined using trading programs that are based on their market prices. The market price is determined based on a weighting of the exchange rate and the appropriate interest coefficient for the period of the transaction along with an index of the relevant currencies.

The fair value of currency options and options on fuel prices is determined using trading programs that take into account the internal value, standard deviation, interest and period of the option.

The fair value of contracts for exchange of interest rates is determined using trading programs and is based on the market prices, period up to settlement of the contract and the credit risks of the parties to the contract.

The fair value of currency and interest exchange transactions is based on the market interest rates for discounting the future cash flows on the basis of the terms and length of the period up to maturity of each transaction and using market interest rates.

Israel Corporation Ltd.

**Separate information provided in
accordance with Regulation 9C of the
Securities Regulations (Periodic and
Immediate Reports), 1970**

**Financial data from the consolidated
financial statements relating to the
Corporation on a separate-company basis
as at December 31, 2024**

Israel Corporation Ltd.
Separate information provided in accordance with Regulation 9C of the Securities Regulations
(Periodic and Immediate Reports), 1970
As at December 31, 2024

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Somekh Chaikin
KPMG Millennium Tower
17 Ha'arba'a Street, PO Box 609
Tel Aviv 61006, Israel
+972 3 684 8000

To the Shareholders of Israel Corporation Ltd.

Re: Special Report of the Auditors with respect to Separate-Company Financial Data presented in accordance with Regulation 9C of the Securities Regulations (Periodic and Immediate Reports), 1970

We have audited the separate-company financial data presented in accordance with Regulation 9C of the Securities Regulations (Periodic and Immediate Reports), 1970 of Israel Corporation Ltd. (hereinafter – “the Corporation”), as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024. This separate-company financial data is the responsibility of the Corporation’s Board of Directors and its Management. Our responsibility is to express an opinion on the separate-company financial data based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Israel. Such standards require that we plan and perform the audits to obtain reasonable assurance that the separate-company financial data is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate-company financial data. An audit also includes assessing the accounting principles used in preparation of the separate-company financial data and significant estimates made by the Corporation’s Board of Directors and by its Management, as well as evaluating the presentation of the separate-company financial data. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, the separate-company financial data is prepared, in all material respects, in accordance with the provisions of Regulation 9C of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin
Certified Public Accountants (Isr.)

March 27, 2025

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Data with respect to Financial Position

	Note	As at December 31	
		2024	2023
		\$ millions	
Current assets			
Cash and cash equivalents	3.A	239	117
Short-term deposits	3.A	591	807
Receivables and other debit balances		<u>8</u>	<u>15</u>
Total current assets		<u>838</u>	<u>939</u>
Non-current assets			
Investments in investee companies	4	2,380	2,399
Investment measured at fair value through other comprehensive income		53	50
Loans to wholly-owned subsidiaries	4	254	263
Other assets		6	—
Derivative instruments		1	—
Property, plant and equipment		<u>1</u>	<u>1</u>
Total non-current assets		<u>2,695</u>	<u>2,713</u>
Total assets		<u>3,533</u>	<u>3,652</u>

The additional information attached to the separate-company data is an integral part thereof.

This English Version of the Report is for the Convenience of the Reader. The Hebrew Version of the Report is the Binding Version.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Data with respect to Financial Position

	Note	As at December 31	
		2024	2023
		\$ millions	
Current liabilities			
Current maturities of non-current liabilities	3.B	170	145
Payables and other credit balances		8	19
Derivative instruments		<u>9</u>	<u>8</u>
Total current liabilities		<u>187</u>	<u>172</u>
Non-current liabilities			
Long-term loans and debentures	3.B	513	683
Derivative instruments		15	19
Long-term balances		<u>2</u>	<u>2</u>
Total non-current liabilities		<u>530</u>	<u>704</u>
Total liabilities		<u>717</u>	<u>876</u>
Equity			
Share capital and premium		326	326
Capital reserves		(270)	(168)
Capital reserve in respect of transactions with controlling shareholder		190	190
Treasury shares		(33)	(13)
Retained earnings		<u>2,603</u>	<u>2,441</u>
Total equity attributable to the Corporation's shareholders		<u>2,816</u>	<u>2,776</u>
Total liabilities and equity		<u>3,533</u>	<u>3,652</u>

Aviad Kaufman
Chairman of the Board of
Directors

Yoav Doppelt
CEO

Sagi Kabla
CFO

Date of approval of the separate-company information: March 27, 2025

The additional information attached to the separate-company data is an integral part thereof.

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Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Data with respect to Income

	For the Year Ended December 31		
	2024	2023	2022
	\$ millions		
Administrative and general expenses	9	10	11
Other expenses (income), net	<u>1</u>	<u>—</u>	<u>(6)</u>
Operating loss	<u>(10)</u>	<u>(10)</u>	<u>(5)</u>
Financing expenses	43	70	139
Financing income	<u>(52)</u>	<u>(72)</u>	<u>(79)</u>
Financing expenses (income), net	<u>(9)</u>	<u>(2)</u>	<u>60</u>
Share in income of investee companies, net	<u>176</u>	<u>282</u>	<u>954</u>
Income before taxes on income	175	274	889
Taxes on income (tax benefit)	<u>(15)</u>	<u>1</u>	<u>(14)</u>
Income for the year from continuing operations	190	273	903
Income (loss) from discontinued operations, after tax	<u>—</u>	<u>—</u>	<u>50</u>
Income for the year attributable to the Corporation's shareholders	<u>190</u>	<u>273</u>	<u>953</u>

The additional information attached to the separate-company data is an integral part thereof.

This English Version of the Report is for the Convenience of the Reader. The Hebrew Version of the Report is the Binding Version.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Data with respect to Comprehensive Income (Loss)

	For the Year Ended December 31		
	2024	2023	2022
	\$ millions		
Income for the year attributable to the Corporation's shareholders	<u>190</u>	<u>273</u>	<u>953</u>
Components of other comprehensive income (loss) that after their initial recognition in comprehensive income were or will be transferred to the statement of income			
Effective portion of the change in fair value of cash flow hedges	(7)	(24)	(82)
Net change in fair value of cash flow hedges transferred to the statement of income	8	27	85
Cooperation's share of other comprehensive income of investee companies recorded to the statement of income	—	—	(19)
Cooperation's share of comprehensive income from discontinued operations	—	—	8
Other comprehensive income (loss) in respect of investee companies, net	<u>(103)</u>	<u>44</u>	<u>(62)</u>
Total	<u>(102)</u>	<u>47</u>	<u>(70)</u>
Components of other comprehensive income (loss) that will not be transferred to the statement of income			
Net change in investment measured at fair value through other comprehensive income	—	2	(28)
Net change in fair value of fair-value hedge in respect of in respect of investments measured at fair value through other comprehensive income	—	—	7
Cooperation's share of comprehensive income from discontinued operations	—	—	2
Other comprehensive income in respect of investee companies, net	<u>11</u>	<u>11</u>	<u>30</u>
Total	<u>11</u>	<u>13</u>	<u>11</u>
Total other comprehensive income (loss) for the year, net of tax	<u>(91)</u>	<u>60</u>	<u>(59)</u>
Total comprehensive income for the year attributable to the Corporation's owners	<u>99</u>	<u>333</u>	<u>894</u>

The additional information attached to the separate-company data is an integral part thereof.

This English Version of the Report is for the Convenience of the Reader. The Hebrew Version of the Report is the Binding Version.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Data with respect to Cash Flows

	For the Year Ended December 31		
	2024	2023	2022
	\$ millions		
Cash flows from operating activities			
Income for the year attributable to the Corporation's shareholders	190	273	953
Adjustments:			
Financing expenses (income), net	(9)	(2)	56
Share in income of investee companies, net	(176)	(282)	(1,018)
Impairment in value of associated company	—	—	36
Capital gains	—	—	(19)
Other	—	—	(4)
Taxes on income (tax benefit)	(15)	1	(14)
	(10)	(10)	(10)
Change in receivables and payables	1	1	(1)
	(9)	(9)	(11)
Income tax paid, net	—	(1)	(4)
Dividend received from investee companies	103	200	492
Net cash provided by operating activities	94	190	477
	-----	-----	-----
Cash flows from investing activities			
Short-term deposits, net	213	(192)	(107)
Other investments	(3)	(10)	—
Net proceeds from sale of shares of associated companies	—	2	163
Provision of long-term loans to investee companies, net	—	—	(62)
Collection of long-term loans from investee companies, net	7	11	—
Proceeds from sale of investments	—	64	—
Interest received	55	42	13
Receipt (payment) in respect of settlement of derivatives used for an economic hedge, net	(2)	(3)	16
Net cash provided by (used in) investing activities	270	(86)	23
	-----	-----	-----
Cash flows from financing activities			
Proceeds from sale of holding in subsidiary	—	—	200
Receipt of long-term loans and issuance of debentures	—	—	50
Repayment of long-term loans and debentures	(144)	(231)	(329)
Dividend paid	(37)	—	(78)
Acquisition of treasury shares	(20)	(13)	—
Interest paid	(32)	(44)	(46)
Receipt (payment) in respect of settlement of derivatives used for hedging, net	(10)	(9)	5
Net cash used in financing activities	(243)	(297)	(198)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	121	(193)	302
Cash and cash equivalents at the beginning of the year	117	312	32
Effect of exchange rate fluctuations on balances of cash and cash equivalents	1	(2)	(22)
Cash and cash equivalents at the end of the year	239	117	312
	-----	-----	-----

The additional information attached to the separate-company data is an integral part thereof.

This English Version of the Report is for the Convenience of the Reader. The Hebrew Version of the Report is the Binding Version.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 1 – General

Set forth below is financial data taken from the consolidated financial statements of Israel Corporation Ltd. (hereinafter – “the Corporation”) as at December 31, 2024 (hereinafter – “the Consolidated Financial Statements”), which are published as part of the Periodic Reports relating to the Corporation on a separate-company basis (hereinafter – “the Separate Financial Data”) and presented in accordance with Regulation 9C (hereinafter – “the Regulation”) and the Tenth Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970 (hereinafter – “the Tenth Addendum”) regarding separate-company financial data of a company. The Separate-Company Financial Data should be read together with the consolidated financial statements.

In this separate-company financial data –

- (1) The Corporation – Israel Corporation Ltd.
- (2) ICL – I.C.L. Group Ltd. and its subsidiaries.
- (3) Subsidiaries – Companies, the financial statements of which are fully consolidated, directly or indirectly, with those of the Corporation.
- (4) Investee companies – Companies, where the Corporation’s investment therein is included, directly or indirectly, in the financial statements using the equity basis of accounting.

Note 2 – Significant Accounting Principles Applied in the Financial Data on a Separate-Company Basis

The Material Accounting Policies detailed in the consolidated financial statements were applied consistently to all periods presented by the Corporation in the financial data on a separate-company basis, including the manner of classification of the financial data in the consolidated financial statements with the required changes as stated below:

A. Presentation of the financial data

(1) Data on the statement of financial position

This data includes information regarding the amounts of the assets and liabilities included in the financial statements relating to the Corporation itself (not including investee companies), while providing detail based on the types of the assets and liabilities. In addition, as part of this data, information is included regarding a net amount, based on the consolidated financial statements, relating to the Corporation’s shareholders itself, of the total assets less the total liabilities, in respect of investee companies, including goodwill.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 2 – Significant Accounting Principles Applied in the Financial Data on a Separate-Company Basis (Cont.)

A. Presentation of the financial data (Cont.)

(2) Data on the statement of income and other comprehensive income

This data includes information regarding the amounts of the income and expenses included in the consolidated financial statements, broken down between income or expense and other comprehensive income, relating to the Corporation itself (not including investee companies), while providing detail based on the types of the revenues and expenses. In addition, as part of this data, information is included based on the consolidated financial statements relating to the Corporation's shareholders itself, of the total revenues less the total expenses in respect of the results of operations of investee companies.

(3) Data on the statement of cash flows

This data includes information regarding the amounts of the cash flow included in the consolidated financial statements relating to the Corporation itself (not including investee companies), taken from the consolidated statement of cash flows, broken down by cash flows from current operating activities, cash flows from investing activities and cash flows from financing activities along with detail of their components. Cash flows in respect of current operating activities, investing activities and financing activities in respect of transactions with investee companies are presented separately on a net basis, as part of the related activities, in accordance with the nature of the transaction.

B. Transactions between the Corporation and Investee Companies

(1) Presentation

Intercompany balances within the Group and revenue and expenses deriving from intercompany transactions, which were eliminated as part of preparation of the consolidated financial statements, were presented separately from the balance in respect of the investee companies and the income in respect of the investee companies, together with similar balances with third parties.

(2) Measurement

Transactions executed between the Corporation and its subsidiaries are measured in accordance with the recognition and measurement principles provided in the International Financial Reporting Standards (IFRS), which outline the accounting treatment of these types of transactions executed with third parties.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 3 – Financial Instruments

A. Foreign currency risk

(1) Details with respect to linkage

	As at December 31, 2024			
	New Israeli shekels		Norwegian	
	Unlinked	Dollar	krone	Total
		\$ millions		
Financial assets:				
Cash and cash equivalents	12	227	–	239
Short-term deposits	127	464	–	591
Other short-term receivables	2	6	–	8
Investment measured at fair value through other comprehensive income	–	–	53	53
Total financial assets	141	697	53	891
	-----	-----	---	-----
Financial liabilities:				
Current maturities of non-current liabilities	105	65	–	170
Other payables and credit balances	6	2	–	8
Debentures and long-term loans	446	67	–	513
Total financial liabilities	557	134	–	691
	-----	-----	---	-----
Derivative instruments:				
Dollar/shekel SWAP	421	–	–	421
	-----	-----	---	-----
Net exposure	5	563	53	621
	=====	=====	=====	=====
Loans to wholly-owned subsidiaries*	254	–	–	254
	=====	=====	=====	=====

* The repayment dates of the loans to wholly-owned subsidiaries have not yet been determined.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 3 – Financial Instruments (Cont.)

A. Foreign currency risk (Cont.)

(1) Details with respect to linkage (Cont.)

	As at December 31, 2023			
	New Israeli shekels	Norwegian		Total
	Unlinked	Dollar	krone	
		\$ millions		
Financial assets:				
Cash and cash equivalents	4	113	—	117
Short-term deposits	198	609	—	807
Other short-term receivables	3	12	—	15
Investment measured at fair value through other comprehensive income	—	—	50	50
Total financial assets	<u>205</u>	<u>734</u>	<u>50</u>	<u>989</u>
	-----	-----	---	-----
Financial liabilities:				
Current maturities of non-current liabilities	46	99	—	145
Other payables and credit balances	5	2	—	7
Debentures and long-term loans	<u>553</u>	<u>130</u>	—	<u>683</u>
Total financial liabilities	<u>604</u>	<u>231</u>	—	<u>835</u>
	-----	-----	---	-----
Derivative instruments:				
Dollar/shekel SWAP	<u>409</u>	—	—	<u>409</u>
Total derivative instruments	<u>409</u>	—	—	<u>409</u>
	=====	=====	=====	=====
Net exposure	<u>10</u>	<u>503</u>	<u>50</u>	<u>563</u>
	=====	=====	=====	=====
Loans to wholly-owned subsidiaries*	<u>263</u>	—	—	<u>263</u>
	=====	=====	=====	=====

* The repayment dates of the loans to wholly-owned subsidiaries have not yet been determined.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 3 – Financial Instruments (Cont.)

B. Non-derivative financial liabilities

(1) Composition

Current liabilities

	December 31	
	2024	2023
	\$ millions	
Current maturities of long-term liabilities:		
Loans from financial institutions	50	—
Debentures	<u>120</u>	<u>145</u>
Total current maturities	<u>170</u>	<u>145</u>

Non-current liabilities

	December 31	
	2024	2023
	\$ millions	
Debentures	583	729
Loans from financial institutions	<u>100</u>	<u>99</u>
Total long-term liabilities	683	828
Less current maturities	<u>170</u>	<u>145</u>
Total non-current liabilities	<u>513</u>	<u>683</u>

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 3 – Financial Instruments (Cont.)

B. Non-derivative financial liabilities

(2) Classification based on currencies and interest rates

	Weighted average interest rate	As at December 31	
	31/12/2024	2024	2023
	%	\$ millions	
Non-current liabilities (including current maturities)			
Debentures			
In unlinked shekels	2.5	551	599
In shekels linked to the dollar	5.8	<u>32</u>	<u>130</u>
		583	729
		-----	-----
Loans from financial institutions			
Dollar loans bearing variable interest (1)	7.7	100	99
		<u>683</u>	<u>828</u>

- (1) The average interest in respect of the dollar liabilities bearing variable interest is determined on the basis of the three-month CME Term SOFR + an average margin of 3.4%.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 3 – Financial Instruments (Cont.)

C. Liquidity risk

Set forth below are the contractual repayment dates of financial liabilities in immaterial amounts, this being on the basis of the future rates projected as at the date of the report, including an estimate of the interest payments. This disclosure does not include amounts with respect to which there are offset agreements.

As at December 31, 2024						
	Book value	Projected cash flows	Up to 1 year	1–2 years	2–5 years	More than 5 years
	\$ millions					
Non-derivative financial liabilities						
Payables and other credit balances	8	8	8	–	–	–
Debentures	583	634	136	139	306	53
Loans from banks	100	112	58	3	51	–
Derivative instruments						
Derivatives on interest and currency	<u>24</u>	<u>41</u>	<u>10</u>	<u>9</u>	<u>18</u>	<u>4</u>
Total	<u>715</u>	<u>795</u>	<u>212</u>	<u>151</u>	<u>375</u>	<u>57</u>

As at December 31, 2023						
	Book value	Projected cash flows	Up to 1 year	1–2 years	2–5 years	More than 5 years
	\$ millions					
Non-derivative financial liabilities						
Payables and other credit balances	7	7	7	–	–	–
Debentures	729	803	166	137	393	107
Loans from banks	99	119	8	57	54	–
Derivative instruments						
Derivatives on interest and currency	<u>27</u>	<u>47</u>	<u>8</u>	<u>10</u>	<u>21</u>	<u>8</u>
Total	<u>862</u>	<u>976</u>	<u>189</u>	<u>204</u>	<u>468</u>	<u>115</u>

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 3 – Financial Instruments (Cont.)

D. Foreign currency risk

Sensitivity analysis

A change at the rate of 5%–10% of the dollar exchange rate and for 2024 also at the rate of the CPI of the following currencies against the dollar would have increased (decreased) the capital and the income or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

As at December 31, 2024				
Impact on income or loss and capital				
10% increase	5% increase	5% decrease	10% decrease	
\$ millions				
<u>Non-derivative financial instruments</u>				
Dollar/shekel	13	7	(7)	(15)
Dollar/Norwegian krone	(5)	(2)	3	6
<u>Derivative financial instruments</u>				
Dollar/shekel	(37)	(19)	21	45

As at December 31, 2023				
Impact on income or loss and capital				
10% increase	5% increase	5% decrease	10% decrease	
\$ millions				
<u>Non-derivative financial instruments</u>				
Dollar/shekel	10	5	(6)	(12)
Dollar/Norwegian krone	(5)	(2)	3	6
<u>Derivative financial instruments</u>				
Dollar/shekel	(35)	(18)	21	44

- E.** The Corporation does not have significant exposure to CPI risk. For details regarding the Group's exposure to interest risk – see Note 31E to the consolidated financial statements.

Israel Corporation Ltd.
Financial Data on a Separate-Company Basis as at December 31, 2024
Additional Information

Note 4 – Significant Contacts, Undertakings and Transactions with Investee Companies

Income (loss) from investee companies, net, includes the Corporation's share in the income (loss) of subsidiaries and associated companies.

(A)

	For the Year Ended December 31		
	2024	2023	2022
	\$ millions		
Dividends from investee companies	<u>103</u>	<u>200</u>	<u>492</u>

Subsequent to the date of the report, on February 25, 2025, the Board of Directors of ICL decided to distribute a dividend, in the amount of \$52 million, about \$0.04 per share. The dividend will be distributed subsequent to the date of the report on March 25, 2025. The share of the Corporation and the investee companies in the dividend is about \$23 million.

- (B) Wholly-owned investee companies have issued capital notes to the Corporation. As at the date of the report, the capital notes, in the amount of about \$254 million, are unlinked shekel capital notes that do not bear interest.
- (C) The Corporation receives a dollar dividend declared by ICL and that is paid partly in NIS, according to the exchange rate on the effective date. Occasionally, the Corporation enters into a short-term hedging transaction with ICL in order to hedge the exposure to changes in the dollar/shekel exchange rate. The dividend is paid to the Corporation based on the exchange rate on the effective date.
- (D) For additional information regarding investee companies and other investments – see Notes 7, 8 and 9 to the consolidated financial statements.