

ADAMA Ltd. H1 2022 Performance Estimation

The Company and all the directors confirm that the information disclosed herein is true, accurate, complete and contains no false recording, misleading statement or material omission.

I. Performance Estimation

1. Estimation period: January 1, 2022 – June 30, 2022
2. Estimated net profit: higher compared with the corresponding period last year

Item	Current reporting period January to June 2022	Same period last year January to June 2021
Net income attributable to the shareholders of the listed company (RMB in millions)	643 – 841	367
	Percentage increase YoY 75.2% – 129.2%	
Net income excluding non-recurring profits and losses (RMB in millions)	566 – 764	322
	Percentage increase YoY 75.8% – 137.3%	
Basic earnings per share (RMB)	0.276 – 0.361	0.1575

Note: The 'non-recurring profits and losses' referred to above are as defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public-Non-Recurring Profit and Loss.

II. Pre-audit of the estimated performance

The estimated results of this period are the preliminary estimation of the Company and have not been audited nor reviewed by certified accountants.

III. Explanations for Performance Variation

Sales

ADAMA is expecting to report sales growth of approximately 24% in RMB terms (22% in USD terms) in the second quarter of 2022 compared to the same quarter last year.

Sales in the first half of 2022 are expected to grow approximately 25% in RMB terms (25% in USD terms), compared to the same period last year.

The expected strong growth over the quarter and first half period was primarily driven by a significant, double-digit increase in prices, a trend which started in the third quarter of 2021, complemented by volume growth and despite the negative impact of exchange rates and supply challenges. This growth is a reflection of the robust demand in the market resulting from the elevated global crop prices during the first half of 2022. The Company's performance was particularly strong in Brazil, where the Company continues to work to strengthen its position within this growing market, while the Company's sales of raw material and intermediates in China continued to grow strongly.

EBITDA

In the second quarter and first half period, the Company is expecting to report an increase in EBITDA and its margin, in comparison to the corresponding periods in 2021. The strong top-line growth more than compensated for the impacts of higher procurement, production and logistics costs, exchange rates impacts as well as higher operating costs, which were impacted amongst other factors by higher inflation.

It should be noted that certain relocation and upgrade charges have significantly declined since Q1 2022, as the relocation and upgrade of the manufacturing Jingzhou site in China has been completed and is now at a high level of operation.

Net Income

The Company is expecting to report an increase in Net Income in the second quarter (215-414 million RMB) and first half period (643-841 million RMB), compared to the same periods last year following achieving higher Operating Profit and despite a significant increase in financial expenses due to the high Israeli CPI, elevated securitization expenses attributed to increased exposure to Brazil and higher hedging costs on exchange rates.

The Company's reported net income in the second quarter and first half is expected to reflect net expenses in respect of certain transitory or non-operational and non-cash items, including mainly:

- i. Non-cash amortization charges in respect of Transfer assets received from Syngenta related to the 2017 ChemChina-Syngenta acquisition.
- ii. Non-cash amortization net charges related to intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions, with no impact on the ongoing performance of the companies acquired.
- iii. Incentive plans: ADAMA granted certain of its employees a long-term incentive (LTI) in the form of 'phantom' awards linked to the Company's share price. As such, the Company records an expense, or recognizes income, depending on the fluctuation in the Company's share price, regardless of award exercises. To neutralize the impact of such

share price movements on the measurement of the Company's performance and expected employee compensation and to reflect the existing phantom awards, in the Company's adjusted financial performance, the LTI is presented on an equity-settled basis in accordance with the value of the existing plan at the grant date. During Q2 2022 the Company recorded expenses due to an increase in the Company's share price.

Additionally, certain extraordinary charges related largely to a temporary disruption of the production of certain products, were adjusted in H1 2021. These charges have significantly declined in H1 2022, as the relocation and upgrade of the manufacturing Jingzhou site in China has been completed and is now at a high level of operation.

Excluding the impact of the abovementioned transitory or non-operational and non-cash items, the Company is expecting to deliver the following:

- Adjusted net income attributable to shareholders in the second quarter is expected to be between RMB 399 – 597 million, compared to RMB 410 million in the same period last year; Adjusted net income attributable to shareholders in the first half period is expected to be between RMB 875 – 1,073 million, compared to RMB 747 million in the same period last year;
- Adjusted basic earnings per share in the second quarter is expected to be between RMB 0.1711 – 0.2562, compared to RMB 0.1759 in the same period last year; Adjusted basic earnings per share in the first half period is expected to be between RMB 0.3756 – 0.4607, compared to RMB 0.3207 in the same period last year.

IV. Other Remarks

The estimated results above are only preliminary calculations performed by the finance team of the Company based on initial financial data available to the Company, and have not been audited or reviewed by the Company's independent auditors. These estimations may change, inter alia, as a result of the further processing and analysis of the financial data that the Company will perform for the preparation of its H1 2022 financial statements. Please refer to the H1 2022 Report to be duly disclosed by the Company on August 30, 2022 for specific and accurate financial information.

Investors are reminded to exercise caution when making investment decisions.

Media for Information Disclosure of the Company: China Securities Journal, Securities Times, Ta Kung Pao, and Cninfo (www.cninfo.com.cn).

By order of the Board
ADAMA Ltd.
July 15th, 2022