



## ADAMA Provides Net Income Estimate for Q2 and First Half of 2022

TEL AVIV, ISRAEL and BEIJING, CHINA, July 14, 2022 – ADAMA Ltd. (the “Company”) (SZSE 000553), today provided an estimate regarding its financial performance for the second quarter and first half of 2022.

### Sales

ADAMA is expecting to report sales growth of approximately 22% in USD terms (24% in RMB 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 USD terms (25% in RMB 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.

### Adjusted EBITDA

In the second quarter and first half period, the Company is expecting to report an increase in adjusted 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 rate 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 **Adjusted & Reported Net Income** in the second quarter and first half period, 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 rate.

| Adjusted Net Income                                    | Estimated H1 2022 | H1 2021 | Estimated Q2 2022 | Q2 2021 |
|--|-------------------|---------|-------------------|---------|
| Net income attributable to shareholders (USD millions) | 135-165           | 115     | 60-90             | 64      |
| Earnings per share (USD)                               | 0.0581-0.071      | 0.0496  | 0.0259-0.0388     | 0.0272  |
| Net income attributable to shareholders (RMB millions) | 875-1,073         | 747     | 399-597           | 410     |
| Earnings per share (RMB)                               | 0.3756-0.4607     | 0.3207  | 0.1711-0.2562     | 0.1759  |



Adjusted Net Income excludes the impact of transitory or non-operational and non-cash items, mainly including:

- 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;
- iv. Manufacturing facilities relocation & upgrade-related costs: 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.

| Reported Net Income                                    | Estimated H1 2022 | H1 2021 | Estimated Q2 2022 | Q2 2021 |
|--|-------------------|---------|-------------------|---------|
| Net income attributable to shareholders (USD millions) | 100-130           | 57      | 33-63             | 34      |
| Earnings per share (USD)                               | 0.0429-0.0558     | 0.0244  | 0.014-0.0269      | 0.0145  |
| Net income attributable to shareholders (RMB millions) | 643-841           | 367     | 215-414           | 219     |
| Earnings per share (RMB)                               | 0.276-0.361       | 0.1575  | 0.0924-0.1775     | 0.0938  |

These estimations are preliminary and have not been audited or reviewed by the Company's 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 financial statements which will be released on August 29, 2022.

Investors are reminded to exercise caution when making investment decisions.

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#### About ADAMA

ADAMA Ltd. (SZSE: 200553) is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in over 100 countries globally. For more information, visit us at [www.ADAMA.com](http://www.ADAMA.com) and follow us on Twitter® at [@ADAMAagri](https://twitter.com/ADAMAagri).



ADAMA

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