



ADAMA Provides Net Income Estimate Full Year 2022

TEL AVIV, ISRAEL and BEIJING, CHINA, January 30, 2023 – ADAMA Ltd. (the “Company”) (SZSE 000553), today provided an estimate regarding its financial performance for full year of 2022.

Sales

For the full year of 2022, ADAMA is expecting to report a growth in sales of approximately 16% in USD terms (20% in RMB terms), compared to 2021.

The expected strong growth over the full year 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 achieved 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 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 in China continued to grow strongly, also due to consolidation during 2021 of a newly acquired subsidiary.

Adjusted EBITDA

In the full year of 2022, the Company is expecting to report an increase in adjusted EBITDA and a decrease in its margin, in comparison to 2021. The strong top-line growth more than compensated for the impacts of higher procurement, production and logistics costs, exchange rates as well as higher operating costs, which were impacted amongst other factors by higher inflation. However, the higher percentage increase of these costs and expenses led to a decline in the expected EBITDA margin.

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

In the full year of 2022, the Company is expecting to report an increase in **Reported Net Income**, compared to 2021, following achieving higher Operating Profit and despite a significant increase in financial expenses in light of the high Israeli CPI, higher hedging costs on exchange rates and an increase in interest rates.

In the fourth quarter of 2022, the Company is expected to record a non-recurring, non-cash provision for asset impairment in its subsidiaries (please refer to Announcement on Assets Impairment (Announcement No. 2023-3) for details) and income due to revaluation of put options attributed to minority stakes in one of these subsidiaries.

In the full year of 2022, the Company is expecting to report a decrease in **Adjusted Net Income**, compared to 2021, despite achieving higher Operating Profit and due to a significant increase in financial expenses in light of the high Israeli CPI, higher hedging costs on exchange rates and an increase in interest rates.



Adjusted Net Income	Estimated FY 2022	FY 2021
Net income attributable to shareholders (USD millions)	123-152	139
Earnings per share (USD)	0.0528-0.0654	0.0596
Net income attributable to shareholders (RMB millions)	777-984	895
Earnings per share (RMB)	0.3337-0.4229	0.3843

Adjusted Net Income excludes the impact of transitory, non-operational or 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. Manufacturing facilities relocation & upgrade-related costs: certain extraordinary charges related largely to a temporary disruption of the production of certain products, were adjusted in 2021. These charges have significantly declined in 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;
- iv. 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.
- v. Non-cash, non-recurring provision for asset impairment and income due to revaluation of put options attributed to minority stake in a subsidiary.

Reported Net Income	Estimated FY 2022	FY 2021
Net income attributable to shareholders (USD millions)	69-99	25
Earnings per share (USD)	0.0297-0.0423	0.0106
Net income attributable to shareholders (RMB millions)	418-625	157
Earnings per share (RMB)	0.1792-0.2685	0.0676

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 March 30, 2023.

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 and follow us on Twitter® at [@ADAMAagri](https://twitter.com/ADAMAagri).

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