

ADAMA Ltd. 2022 Full Year 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 to December 2022
2. Estimated net profit: increase compared with the corresponding period last year

Item	Current reporting period January to December 2022	Same period last year January to December 2021
Net income attributable to the shareholders of the listed company (RMB in millions)	418-625	157
	Percentage increase YoY 166.2% - 298.1%	
Net income excluding non-recurring profits and losses (RMB in millions)	305 - 512	78
	Percentage increase YoY 291.0% - 556.4%	
Basic earnings per share (RMB)	0.1792 - 0.2685	0.0676

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

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

The expected strong growth over the full year was primarily driven by a significant, more than 10% 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.

EBITDA

In the full year of 2022, the Company is expecting to report an increase in EBITDA and 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.

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 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.

The Company's reported Net Income in 2022 is expected to reflect net expenses in respect of certain transitory, non-operational or 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. 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 revaluation of put options attributed to minority stake in a subsidiary.

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

- Adjusted net income attributable to shareholders in the full year is expected to be between RMB 777 - 984 million, compared to RMB 895 million in the same period last year.
- Adjusted basic earnings per share are expected to be between RMB 0.3337 - 0.4229 in the full year, compared to last year's earnings per share of RMB 0.3843 in the full 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 financial statements for the full year and fourth quarter of 2022. Please refer to the Report for the full year 2022 to be duly disclosed by the Company on March 30th, 2023 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 and Cninfo (www.cninfo.com.cn).

By order of the Board
ADAMA Ltd.
January 31, 2023