



ADAMA Provides Performance Estimation for the First Half Year of 2023

TEL AVIV, ISRAEL and BEIJING, CHINA, July 14, 2023 – ADAMA Ltd. (the “Company”) (SZSE 000553), today provided an estimate regarding its financial performance for the first half year of 2023.

Sales

For the first half year of 2023, ADAMA is expecting to report a decline in sales of approximately 14% in USD terms (8% in RMB terms), compared to the first half year of 2022, mainly reflecting lower volumes, as well as the negative impact of exchange rates and prices. The lower sales reflect market dynamics of channel destocking in light of high interest rates and a "wait and see" approach, given the high inventory in the channel and declining active ingredient pricing. Additionally, sales were also impacted by negative weather conditions in certain geographies. This is in comparison to H1 2022, in which the Company achieved record sales reflecting high demand due to supply uncertainty in the market.

Adjusted EBITDA

In the first half year of 2023, the Company is expecting to report a decrease in adjusted EBITDA and its margin, in comparison to the first half year of 2022. The decrease in adjusted EBITDA is due to the decline in sales, as described above, high-cost inventory, exchange rates and despite a decrease in operating expenses and improvement in the Company's sales mix of higher margin products. In response to the market conditions the Company has taken certain measures to manage its COGS and OPEX.

Net Loss

In the first half year of 2023, the Company is expecting to report **Adjusted & Reported Net Loss**, compared to adjusted & reported net income in the first half year of 2022. This is due to lower Operating Profit and an increase in financial expenses in light of higher bank interest expenses due to an increase in short-term loans as well as the sharp increase in interest rates which also impacted hedging costs on exchange rates. These financial expenses were moderated by the lower Israeli CPI. The Company anticipates that once expensive market inventories have been depleted, the overall market dynamics should stabilize.

Adjusted Net Income (Loss)	Estimated H1 2023	H1 2022
Net income (loss) attributable to shareholders (USD millions)	(27)-(13)	151
Earnings per share (USD)	(0.012)-(0.006)	0.0648
Net income (loss) attributable to shareholders (RMB millions)	(190)-(92)	978
Earnings per share (RMB)	(0.082)-(0.039)	0.4197

Adjusted Net Income (loss) 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. 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.

Reported Net Income (Loss)	Estimated H1 2023	H1 2022
Net income (loss) attributable to shareholders (USD millions)	(41)-(27)	113
Earnings per share (USD)	(0.018)-(0.012)	0.0487
Net income (loss) attributable to shareholders (RMB millions)	(291)-(193)	732
Earnings per share (RMB)	(0.125)-(0.083)	0.3142

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 after the trading hours on August 31, 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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