

Notore

Notore Chemical Industries Plc
Unaudited Results for Third Quarter ended 30th September 2022

Lagos, 31st October 2022 – Notore Chemical Industries Plc prioritizes domestic fertilizer market and announces group operating income of ₦12.06 billion for Third Quarter ended 30th September 2022.

Highlights of the Result:

- Strong improvement in Y-o-Y performance, amid market volatility.
- Production impacted by gas-supply limitations and maintenance activities.
- Improved sales in seeds commercial segment.

Income Statement

- Gross Revenue: **N32.95 billion**, compared to **N17.47 billion** in Sep 2021 (89% increase YoY).
- EBITDA: **53%**, a significant increase from **18%** in Sep 2021 an indication of growth in earnings from sales during the period.
- Operating Income: **N12.06 billion**, compared to Loss of **(N3.49) billion** in Sep 2021 (an increase of 446% YoY) attributable to higher revenues from urea production.
- Net Profit Before Tax: **(N0.95) billion**, compared to **(N20.19billion)** in Sep 2021 (a 95% increase YoY)

Balance Sheet

- Total Assets: **N240.10 billion**, compared to **N238.62 billion** as at 2021FY (**0.6%** YTD growth).
- Bank Loans: **N130.91 billion**, compared to **N129.04billion** as at 2021FY impacted by increase in exchange rate as well as increasing cost of fund (driven by MPC Rate changes).

Group Financial Highlights

Notore Chemical Industries Limited (Notore) recorded group YTD revenue of **₦32.95 billion** for the period ended 30th September 2022, compared to **₦17.47 billion** for the same period in 2021 representing an **89%** increase Y-o-Y. The Group recorded a net profit before tax of **(₦0.95) billion** for its third quarter ended 30th September 2022 compared to **₦20.19 billion** in same period during the prior year.

Market Operational Developments:

Notore showed significant improvement in its Y-o-Y performance despite a challenging economic landscape and volatility to the global fertilizer market.

As part of Notore's effort to boost profitability, the Plant will undergo a preventative maintenance shutdown beginning November 2022 to December 2022. The goal is to reduce unplanned downtime and increase operational efficiencies for the next financial year thereby increasing and sustaining production output at nameplate capacity of 500,000MT per annum.

Furthermore, Notore intends to ramp up the production of its product offerings including Notore NPK fertilizers, seeds, and rice to further diversify the company's revenue streams and increase profitability. Successful achievement of these milestones further demonstrates the Company's commitment to its corporate vision to be a significant contributor to the development of Africa.

Notore's market environment remains favourable, as fertilizer is a key input to Nigeria's agricultural productivity and food sufficiency. Nigeria is a top priority under the Africa Emergency Food Production Plan, a strategic initiative by the African Development Bank to mitigate the impact of the Russian-Ukraine war on food supplies in Africa.

Outlook for the Year

The recent disruptions in global markets have created an opportunity for Nigeria to be a suitable alternative for fertilizer importing countries. As the Federal Government continues to implement policies and initiatives to further boost the agricultural value chain, Notore intends to prioritize the domestic market, continue to improve its NPK presence in the market and leverage opportunities to meet demand both in the domestic and West African markets.

Olufela Olatoye-Sosan

Mrs. Olufela Olatoye-Sosan
Head, Corporate Communications

Investor Relations Contact
Onianwa Chekwubechukwu
+234 807 328 6641
investor.relations@notore.com

Media Contact
Olatoye-Sosan Olufela
+234 908 876 4526
media@notore.com

About Notore Chemical Industries Plc

Notore is a vertically integrated agro-allied and chemicals business situated in Onne (near Port Harcourt), Rivers State in South-South Nigeria and is engaged primarily in the production and sale of fertilizer products. Notore's vision is to be the number one company by market share and profitability in our chosen businesses and a significant contributor to the development of Africa and our mission is to enhance the quality of life.

The Group's current business comprises fertilizer production, supply and trading of fertilizer, and power. The Group's primary fertilizer products are granular Urea, bulk blended NPK varieties and Ammonia. The Group operates from its Onne Complex in the heart of the Niger Delta, Africa's most prolific oil and gas producing region.

The Onne Complex is located within the Notore Chemical Industries Free Zone, which provides significant tax benefits and advanced logistics solutions for the international distribution of products. The Onne Complex comprises of approximately 560 hectares of land owned by the Group with a 2km of waterfront including the Notore Port and a dedicated jetty (with a capacity to accommodate vessels with a maximum volume of between 25,000 MT and 35,000 MT) owned by the Group. The Notore Port gives the Group easy access to the Atlantic Ocean for easy import of raw materials and export of the Group's products.

The Group produces Urea, NPK and Ammonia and owns a Urea producing plant in Onne, Rivers State with a current annual design production capacity of approximately 500,000 MTPA of Urea and 330,000 MTPA of Ammonia, while the NPK Blending Plant has a production capacity of 2,000 metric tons per day. The Group currently supplies and sells its fertilizer products in all thirty-six (36) States and Abuja, the Federal Capital Territory. The Group trades and exports its manufactured fertilizer products to West Africa, South Africa, South America, and Europe.

For more information visit www.notore.com

Disclaimer

This announcement contains or will contain forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend", "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Notore Chemical Industries Plc cautions readers that several factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Company's disclosure materials filed from time to time with the Securities & Exchange Commission in Nigeria. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.