

Notore

Notore Chemical Industries Plc
Unaudited Results for Fourth Quarter ended 31st December 2022

Lagos, 29th January 2023 – Notore Chemical Industries Plc commits to fight prioritizes domestic fertilizer market and announces group operating profit of N7.2billion for Fourth Quarter ended 31st December 2022.

Highlights of the Result:

- Production impacted by gas-supply limitations and maintenance activities.
- Improvement in Y-o-Y performance despite maintenance shutdown.

Income Statement

- Gross Revenue: **N33.20billion**, compared to **N25.71billion** in Dec 2021 (29% increase YoY).
- Operating Income: **N7.2billion**, compared to **N6.7 billion** in Dec 2021 (an increase of 7.7% YoY) attributable to higher revenues from increased production.
- Net Profit/(Loss) Before Tax: **(N16.23) billion**, compared to **(N19.74billion)** in Dec 2021 (a 18% improvement YoY).
- EBITDA: **43%**, a decrease from **58%** in Dec 2021, earnings from sales in the period impacted by maintenance activity.

Balance Sheet

- Total Assets: **N270.92 billion**, compared to **N238.62 billion** as at 2021FY (13.5% YTD growth).
- Bank Loans: **N140.61 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 **₦33.20 billion** for the period ended 31st December 2022, compared to **₦25.71 billion** for the same period in 2021 representing an **29%** increase Y-o-Y. The Group recorded a net profit/(loss) before tax of **(₦16.23) billion** for its fourth quarter ended 31st December 2022 compared to **(₦19.74) billion** in same period during the prior year.

During the fourth quarter ended 31st December 2022 the Plant was shut down for preventative maintenance to increase operational efficiencies for financial year 2023. As a result, there was limited production of Urea during the last quarter.

Market Operational Developments:

Notore successfully completed its preventative maintenance shutdown in January 2023. The Company is committed to continuous improvement and expects an upturn in production output once gas-supply limitations are resolved.

Furthermore, Notore intends to optimize the production of its product offerings including Notore NPK fertilizers, Seeds, and Rice with a focus on increasing profitability. The Company completed phase 3 of the Notore Rice pilot program.

Notore's market environment remains supportive, with the increase in food and plant production being a top priority in Nigeria. Like several developing countries in Africa, Nigeria has great fertilizer market potential as it is a key input to boosting Nigeria's agricultural productivity and food sufficiency.

Outlook for the Year

With respect to the fertilizer market, the Nigerian fertilizer market will continue to grow as food security is of utmost importance to the Federal Government. A recent report from UNICEF projected nearly 25 million Nigerians are at risk of facing hunger between June and August 2023 if urgent action is not taken. The Federal Government continues to deepen its investments in the Agricultural sector through policies and initiatives to further boost the agricultural value chain.

Notore intends to continue to prioritize the domestic market, improve its product offerings and leverage opportunities to meet demand both in the domestic and West African markets.

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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

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