

Notore

Notore Chemical Industries Plc Unaudited Results for the 4th Quarter Ended September 30, 2021

Lagos, 31st October 2021 – Notore Chemical Industries Plc reports group results for fourth quarter ended 30th September 2021.

Group Financial Highlights

During the fourth quarter ended 30th September 2021 (Q4 2021 FY), the group recorded revenues of ₦17.47 billion (₦18.79 billion for Q4 2020 FY) representing 85% growth over the last three quarters because of the post-TAM stabilisation and optimization, resulting in an operating loss of ₦3.49 billion for the quarter (Q4 2020 FY operating profit was ₦9.48 billion). Year-To-Date Loss before tax stood at ₦20.19 billion (Q4 2020 FY was a Net Loss of ₦13.92 billion) due to finance cost of ₦16.69 billion.

Market & Operational Developments

The relentless effort and focus of our team on attaining plant reliability has enabled the business to maintain daily production volume output at 1,000MT. The emphasis going forward is to maintain the current daily production volumes and ramp up over the next few months to name plant capacity.

With the current rise in export prices in the fertilizer market around the globe, the Company's focus is to optimise its sales distribution in order to cushion the rising cost of imported production input raw materials occasioned by the devaluation of the naira.

This strategy is expected to return the company to profitability in the last quarter of the current financial year, as we continue to diversify our market outreach in both Urea and NPK fertilizers.

We expect to see an increase in the demand for NPK fertilizers in Q5 as we approach the dry season farming period. We also expect to harvest, mill and package the Notore Premium Rice Brand from the phase two pilot scheme for sale in this quarter.

Outlook for the Year

We expect revenue growth of between 25% and 30% in the last quarter of the financial year, reflecting stability and reliability in the Plant post -TAM production volumes and the current global Fertilizer prices. Beyond 2021, our outlook remains to attain the name plate production capacity, while expanding our reach of Urea and NPK Fertilizers in the west Africa sub region as we collaborate with Governments across the region.

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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 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 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.