

Notore

Notore Chemical Industries Plc
Unaudited Results for Second Quarter ended 30th September 2023

Lagos, 30th October 2023 – Notore Chemical Industries Plc records group revenue of ₦12.71billion for the Third Quarter ended 30th September 2023.

Highlights of the Result:

- Finance costs impacted by the devaluation of the naira and the increase in the cost of funds.
- Nigeria experienced a staggering surge in its annual inflation rate, reaching 25.8%, representing the highest inflation rate since September 2005.
- Gas supply limitations were resolved, resulting in production resumption in the latter part of the quarter.

Group Financial Highlights

Notore Chemical Industries Limited (Notore) recorded group YTD revenue of **₦12.71 billion** for the period ended 30th September 2023, compared to **₦32.95billion** for the same period in 2022, representing a **61%** decrease Y-o-Y. The Group recorded an operating loss of **(₦66.24) billion** for its third quarter ended 30th September 2023, impacted by exchange difference and cost of funds, compared to a loss of **₦0.95 billion** in the same period during the prior year.

Notore, a key player in Nigeria's fertilizer industry, demonstrated exceptional resilience and determination throughout the third quarter of 2023. Despite persistent challenges, such as limited gas supply, a significant surge in inflation rates, and escalating foreign exchange costs that added complexity to the financial landscape, the company stood firm in its commitment to its stakeholders. Notore's unwavering focus on solutions and strategic initiatives has been the driving force behind overcoming these hurdles.

Commenting on Notore's performance, the Group Managing Director, Ohis Ohiwerei, acknowledged the company's resilience. "While we successfully addressed the gas supply limitation, the impact of earlier challenges lingers in our financial performance. Notore is diligently working to recover the lost revenues from previous quarters. Our dedicated teams are implementing strategic measures to optimize production, reduce costs, and explore avenues for revenue generation. These efforts and our renewed gas supply provide a solid foundation to navigate the remaining challenges and move towards financial stability."

Ohiwerei further emphasized, “In the latter part of the third quarter of 2023, we resolved the gas supply limitation and gradually resumed production. I am confident in the Company’s steadfast commitment to finding innovative solutions even in the most challenging circumstances, paving the way for growth initiatives in 2024.”

Outlook

Looking forward, Notore is concentrating on strategic initiatives to enhance productivity, operational efficiency, and financial resilience. Addressing domestic priorities, including ensuring food availability, is integral to Notore’s commitment. As a pivotal player in the fertilizer industry, Notore remains dedicated to ensuring a stable supply chain and supporting the Federal Government’s unwavering commitment to boost the agricultural sector, thereby ensuring food security.

Notore stands resolute as a powerhouse strategically positioned to harness the boundless opportunities stemming from the surging demand for fertilizers and agricultural products in both the domestic and West African markets. Armed with unwavering determination and a meticulous approach, the company is primed not just to meet but to exceed the escalating food demands of the nation and the entire region.

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About Notore Chemical Industries Plc

Notore is a vertically integrated agro-allied and chemicals business in Onne (near Port Harcourt), Rivers State, South-South Nigeria. It 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. 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 approximately 560 hectares of land owned by the Group with a 2km 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. At the same time, 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.