

ADAMA Ltd. Q1 2021 Performance Estimation

The Company and all the directors confirm that the information disclosed herein is true, accurate, complete and contains no false recording, misleading statement or material omission.

I. Performance Estimation

1. Estimation period: January 1, 2021 – March 31, 2021
2. Estimated performance: change from loss to profit compared with the corresponding period last year

Item	Current reporting period January to March 2021	Same period last year January to March 2020
Net income attributable to the shareholders of the listed company (RMB in millions)	143 – 207	-17
	Percentage increase YoY 953.45% – 1,341.38%	
Basic earnings per share (RMB)	0.0612 – 0.0890	-0.0068

II. Pre-audit of the estimated performance

The estimated results of this period are the preliminary estimation of the Company and have not been audited nor reviewed by certified accountants.

III. Explanations for Performance Variation

Sales

The Company is expecting to report record-high first quarter sales, with estimated top-line growth of more than 6% (13% in USD terms), driven by continued robust volume growth in almost all key regions.

The Company is expecting to record strong growth in Asia Pacific, both in China and beyond. In China, ADAMA saw significant growth in the quarter both from its branded, formulated portfolio, which was driven by higher cereal demand due to an increase in field crop planted areas and an early start to the Q2 season, as well as from its sales of raw materials and intermediates. Sales in the country were further bolstered by the inclusion of the Company's recent acquisition of Jiangsu Huifeng's domestic commercial crop protection business.

In the rest of APAC, the Company benefited from favorable seasonal conditions to deliver strong growth, despite a slower recovery from COVID-19 challenges in Asia.

Continued positive weather conditions also supported robust growth in the India, Middle-East & Africa region.

In North America, a strong performance from the Company's Consumer and Professional business drove growth in the region, benefiting from the reopening of the economy after COVID-19 related restrictions in 2020, and more than offset a somewhat softer performance in the US crop protection business.

The Company continues its growth trajectory in Latin America, driven by solid volume growth and good performance from recent product launches in the region, and despite somewhat lower sales in Brazil following a strong end to the fourth quarter there last year.

Sales in Europe are expected to be somewhat lower in the quarter, with growth in the south, where favorable market conditions drove good demand, being outweighed by a slow start to the season in the north and east, especially when compared to Q1 2020 which saw strong orders from distribution in anticipation of the COVID-related shutdowns that soon followed.

Net Income

Net income in the quarter is expected to be significantly improved against the loss recorded in the corresponding period last year. This improvement is driven by the strong sales growth, resulting in higher operating income, and is expected to be achieved despite somewhat higher financial expenses expected in the quarter.

The Company's net income in the first quarter of 2021 is expected to reflect around RMB 207 million (Q1 2020: RMB 306 million) of net expenses in respect of certain non-operational, mostly non-cash items, including mainly:

- i. Approximately RMB 100 million in Q1 2021 (Q1 2020: RMB 108 million) of Relocation & Upgrade-related costs, including mainly (a) higher procurement costs incurred as the Company continued to fulfill demand for its products, in order to protect its market position, through replacement sourcing at significantly higher costs from third-party suppliers; and (b) idleness charges largely related to suspensions at the facilities being relocated;
- ii. Approximately RMB 51 million in Q1 2021 (Q1 2020: RMB 55 million) in non-cash amortization charges in respect of Transfer assets received from Syngenta related to the 2017 ChemChina-Syngenta acquisition;
- iii. Approximately RMB 19 million in Q1 2021 (Q1 2020: RMB 14 million) in charges related mainly to the non-cash amortization of intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions, with no impact on the ongoing performance of the companies acquired, as well as other M&A-related costs.

Excluding the impact of the abovementioned non-operational, mostly non-cash items, the Company is expecting to deliver the following:

- Adjusted net income in the quarter is expected to be between RMB 349 – 414 million, compared to RMB 289 million in the same period last year;

- Adjusted basic earnings per share is expected to be between RMB 0.1499 – 0.1777 in the quarter, compared to last year's RMB 0.1182 in the quarter.

Note: The Q1 2020 adjusted net income shown above has been amended from that presented at the time to include additional adjustments in order to consistently reflect largely the treatment of Relocation & Upgrade Program-related costs amongst other adjustments that the Company has deemed non-operational and one-time in nature.

IV. Other Remarks

The estimated results above are only preliminary calculations performed by the finance team of the Company based on preliminary financial data available to the Company, and have not been audited or reviewed by the Company's independent 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 Q1 2021 financial statements. Please refer to the Q1 2021 Report to be duly disclosed by the Company on April 29, 2021 for specific and accurate financial information.

Media for Information Disclosure of the Company: China Securities Journal, Securities Times, Ta Kung Pao, and Cninfo (www.cninfo.com.cn).

By order of the Board
ADAMA Ltd.
April 15th, 2021