

## **ADAMA Ltd.**

### **Announcement on Providing Guarantees by a Wholly-owned Subsidiary to its Subsidiaries**

The Company and all members of the Company's Board of Directors confirm that all information disclosed herein is true, accurate and complete, with no false or misleading statement or material omission.

#### **I. Overview**

1. In order to improve working capital and cash flow in Adama Australia Pty Ltd. (hereinafter referred to as "Adama Australia"), an indirect wholly-owned subsidiary of Adama Agricultural Solutions Ltd. (hereinafter referred to as "Solutions"), a wholly-owned subsidiary of ADAMA Ltd. (hereinafter referred to as "the Company"), Solutions agrees to provide a joint and several liability guarantee in the amount not exceeding AUD 6 million in favor of the local branch of HSBC in Australia, that will provide Adama Australia with financial accommodation.

According to the *Guidelines of Shenzhen Stock Exchange on Self-discipline Supervision of Listed Companies No.1: Standardized Operation of Main Board Listed Companies*, the above guarantee is provided by the wholly-owned subsidiary of the Company for the legal entity consolidated in the financial statements of the Company, and has fulfilled the internal decision-making procedures of Solutions, therefore, it does not need to be submitted to the Company's board of directors or shareholders' meeting for approval.

2. In order to improve liquidity and to reduce finance costs of Adama Ukraine LLC (hereinafter referred to as "Adama Ukraine"), an indirect wholly-owned subsidiary of Solutions, Solutions agrees to provide a joint and several liability guarantee in the amount not exceeding USD 8 million in favor of a local bank, that will provide Adama Ukraine with financial accommodation.

Additionally, in order for improving the cash flow, liquidity position and to reduce interest expenses on debt servicing of Adama Brasil S.A. (hereinafter referred to as "Adama Brasil"), Adama Brasil intends to engage with two local banks for certain bank activities. Solutions

agrees to provide guarantees to the local banks in a total amount of no more than USD 120 million for purpose of the bank activities between Adama Brasil and the banks.

According to the *Guidelines of Shenzhen Stock Exchange on Self-discipline Supervision of Listed Companies No.1: Standardized Operation of Main Board Listed Companies*, the above guarantees are provided by the wholly-owned subsidiary of the Company for the legal entity consolidated in the financial statements of the Company. Since the debt-to-assets ratio of Adama Ukraine and Adama Brasil exceed 70%, the Company convened the 8th Meeting of the 10<sup>th</sup> Session of the Board of Directors on December 18, 2024, to review the Proposal on Providing Guarantees by a Wholly-owned Subsidiary to its Subsidiaries and agreed to further submit it to the Company's shareholders' meeting for approval.

## II. Basic Information of the Warrantees

### 1. Basic Information of Adama Australia

Name of the Warrantee: Adama Australia Pty Ltd.

Established Date: 31 October 1990

Registered Address: Suite 1, Level 1, Building B, 207 Pacific Highway, St Leonards, NSW, 2065, Australia

Legal Representative: Scott Fitzgibbon

Business Scope: Purchase, sale, and distribution of agricultural chemicals

Relationship with the Company: Solutions is the Company's wholly-owned subsidiary, and Adama Australia is an indirectly wholly-owned subsidiary (100%) of Solutions.

Credit status: After searching the website of disclosure of enforcement information of China, Adama Australia is not a debtor subject to judicial enforcement.

The most recent financial situation of Adama Australia is as follows:

Unit: '000 USD

	At Sep 30 2024 (unaudited)	At Dec 31,2023 (audited)
Total Assets	123,902	159,853
Total Liabilities	64,904	103,525
Bank Loans	-	-
Other Current Liabilities	39,299	67,412
Contingency	-	-
Net Assets	58,998	56,328
	January to September 2024 (unaudited)	2023 (audited)
Revenue	141,145	218,310

Gross Profit	24,299	30,630
Net Profit / (Loss)	1,668	-1,032

## 2. Basic Information of Adama Ukraine

Name of the Warrantee: Adama Ukraine LLC

Established Date: 25 June 2008

Registered Address: 13, Mykoly Pymonenka Street, Office 4A/41, Shevchenkivskyi District, 04050 Kyiv, Ukraine

Legal Representative: Dmytro Kashpor

Business Scope: Purchase, sale and distribution of agricultural chemicals

Relationship with the Company: Solutions is the Company's wholly-owned subsidiary, and Adama Ukraine is an indirectly wholly-owned subsidiary (100%) of Solutions.

Credit status: After searching the website of disclosure of enforcement information of China, Adama Ukraine is not a debtor subject to judicial enforcement.

The most recent financial situation of Adama Ukraine is as follows:

Unit: '000 USD

	At Sep 30 2024 (unaudited)	At Dec 31,2023 (audited)
Total Assets	62,178	59,125
Total Liabilities	60,767	60,156
Bank Loans	2,429	1,580
Other Current Liabilities	58,320	58,361
Contingency	-	-
Net Assets	1,411	-1,031
	January to September 2024 (unaudited)	2023 (audited)
Revenue	56,594	63,869
Gross Profit	11,951	17,183
Net Profit/ (Loss)	2,442	4,496

## 3. Basic Information of Adama Brasil

Name of the Warrantee: Adama Brasil S.A.

Established Date: 18 December 1997

Registered Address: Rua Pedro Antonio de Souza, No.400 – Pq Rui Barbosa - Londrina, State of Paraná, Brazil

Legal Representative: Romeu Stanguerlin

Business Scope: Manufacture, import, export, and commercialization of crop protection products.

Relationship with the Company: Solutions is the Company's wholly-owned subsidiary, and Adama Brasil is an indirectly wholly-owned subsidiary (100%) of Solutions.

Credit status: After searching the website of disclosure of enforcement information of China, Adama Brasil is not a debtor subject to judicial enforcement.

The most recent financial situation of Adama Brasil is as follows:

Unit: '000 USD

	At Sep 30 2024 (unaudited)	At Dec 31,2023 (audited)
Total Assets	887,871	938,349
Total Liabilities	742,744	879,116
Bank Loans	-	-
Other Current Liabilities	6,744	8,743
Contingency	15,709	15,950
Net Assets	145,126	59,232
	January to September 2024 (unaudited)	2023 (audited)
Revenue	533,473	989,123
Gross Profit	40,697	40,995
Net Profit/ (Loss)	5,174	81,616

### III. Main Contents of the Guarantees

1. In order to improve working capital and cash flow, ADAMA Australia intends to start collaborating with HSBC Bank Australia Limited to conduct several bank activities (including issuing a corporate credit card for ADAMA Australia) with the underlying credit facility not exceeding AUD 6 million. To support the activities in ADAMA Australia, Solutions intends to provide a joint and several liability guarantee to the above-mentioned bank in an amount of no more than AUD 6 million (approximately RMB 28 million) for purpose of such bank activities to be conducted by ADAMA Australia. The guarantee shall continue until written notice of revocation of the limited guaranty letter signed by Solutions.

2. In order to improve liquidity and to reduce finance costs, Adama Ukraine intends to enter into bank loans with a local bank (Credit Agricole Bank) in an amount of no more than USD 8 million. To support the activities in Adama Ukraine, Solutions intends to provide a joint and several liability guarantee to the abovementioned bank in an amount of no more than USD 8 million (approximately RMB 58 million) in connection with the loans between the Adama

Ukraine and such bank. The guarantee shall continue until written notice of revocation of the limited guaranty letter signed by Solutions.

3. In order for improving the cash flow, liquidity position and to reduce interest expenses on debt servicing of Adama Brasil, Adama Brasil intends to engage with two local banks (“**Local Banks**”, i.e. Itau Unibanco S.A. and Bradesco) for certain bank activities including the operations on securitization (such as rural credit, local reverse factoring), derivatives (such as forwards), international payments, and loans (“**Bank Activities**”). To support the activities in Adama Brasil, Solutions intends to provide joint and several liability guarantees to the Local Banks in a total amount of no more than USD 120 million (approximately RMB 863 million) for purpose of the Bank Activities between Adama Brasil and the Local Banks. Among these, the guarantee for Itau Unibanco S.A., with a guarantee amount of USD 100 million, shall continue until December 31, 2027 and the guarantee for Bradesco, with a guarantee amount of USD 20 million, shall continue until December 31, 2026.

#### **IV. Accumulated Quantity of External Guarantees and Overdue Guarantees**

As of September 30, 2024, the balance of the guarantees that have been provided by the Company and/or its subsidiaries is RMB 3,672 million. After providing the above guarantees, the balance of the guarantees provided by the Company and its subsidiaries will be RMB 4,620 million, accounting for approximately 21.07% of the latest audited net assets of the Company.

No guarantee is provided by the Company and/or its subsidiaries for the favor of entities not consolidated in the Company’s financial statements.

The Company and its controlled subsidiaries do not have overdue guarantees.

#### **V. List of Reference Documents**

1. The resolutions of the 8th Meeting of the 10th Session of the Board of Directors of the Company;
2. Guarantee Letters issued by Solutions.

The Announcement is hereby made.

The Board of Directors of ADAMA Ltd.

December 19, 2024