

**ADAMA Ltd.**  
**Q1-Q3 2019 Performance Estimation**

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

**I. Performance Estimation**

1. Estimation period: First nine months and third quarter of 2019
2. Estimated performance: lower compared with the first nine months of last year

Item	Current reporting period January to September 2019	Same period last year January to September 2018 as previously reported
Net income attributable to the shareholders of the listed company (RMB in millions)	741 – 797	2,542
	Percentage decrease YoY 68.7% – 70.9%	
Basic earnings per share (RMB)	0.3030 – 0.3259	1.0392

Item	Current reporting period July to September 2019	Same period last year July to September 2018 as previously reported
Net income attributable to the shareholders of the listed company (RMB in millions)	153 – 209	180
	Percentage change YoY -15.0% – +16.1%	
Basic earnings per share (RMB)	0.0624 – 0.0853	0.0734

**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

The Company is expecting to deliver record third quarter sales with above 10% growth over the same period last year. This strong top-line performance is expected to drive the Company to report sales growth also to a nine-month record-high, overcoming the significant headwinds seen throughout the year.

In the third quarter, the robust performance was driven by strong business growth in almost all geographies together with continued increased prices, and further benefiting from the strength of the US Dollar. The Company continues to grow strongly in Brazil and the rest of Latin America, where its portfolio of differentiated products is driving increasing market penetration. The Company delivered a strong performance in Europe, despite the drought throughout the region. The third quarter saw a partial recovery in North America late in the season following the severe weather challenges seen in the first half of the year, with noteworthy performance recorded in both the US and Canada. In China, ADAMA continues to record significant double-digit sales growth of its differentiated, formulated and branded products. This strong overall growth comes despite the headwinds from the lack of high-demand products in many geographies due to the disruption at the Jingzhou old site, which is gradually ramping up its operations.

The strong sales growth in the quarter was complemented by an improvement in portfolio mix, partially offset by the impact of higher procurement costs. EBITDA is expected to be higher compared to the same period last year despite the lost profit from missing sales of products of the Jingzhou old site as well as the recording of related idleness cost, albeit at a lower level as the site continues its incremental ramp-up of production. Financial expenses are expected to be higher partially offset by lower taxes.

Over the nine-month period, the Company expects to deliver top-line growth reaching a record-high, overcoming the significant market and supply headwinds encountered throughout the year. Leading contributors to the growth are Latin America, led by Brazil and North America, as well as the impact of the strong, double-digit growth of the Company's branded, formulated portfolio in China. The Company continues to raise its prices in all regions and contain its manufacturing and other operating costs to mitigate the higher procurement costs and supply-constrained environment.

The higher reported net income in the first nine months of 2018 is due to the divestiture of several products in Europe in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina last year, and other related impacts, which in the first nine months of 2018 resulted in the recognition of an approximately RMB 1,557 million one-time net income. The proceeds of this divestiture, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value, which in turn, resulted in the recording in the reported financials of each quarter of non-cash amortization expenses with no economic impact, in respect of these written-up assets of approximately RMB 70 million starting in Q2 2018.

Excluding the impact of the products' divestiture and transfer, net income in the first nine months of 2018 would have been lower by RMB 1,439 million, while in the nine-month period of 2019 net income would have been higher by RMB 188 million.

Excluding also the impact of certain one-time/non-cash items, including mainly the legacy amortization of the 2011 PPA for the acquisition of Adama Agricultural Solutions Ltd. by ChemChina, results in the following:

- Adjusted net income in the third quarter is expected to be between RMB 243 – 298 million, in line with last year's adjusted net income of RMB 273 million. Adjusted net income in the first nine months of the year is expected to be between RMB 1,130 – 1,186 million, compared to last year's adjusted net income of RMB 1,272 million.
- Adjusted basic earnings per share is expected to be between RMB 0.0991 – 0.1220 in the third quarter and between RMB 0.4618 – 0.4846 in the first nine months, compared to last year's adjusted basic earnings per share of RMB 0.1117 in the quarter and RMB 0.5200 in the first nine months.
- Adjusted EBITDA is expected to increase to between RMB 981 - 1,037 million in the third quarter and to RMB 3,453 – 3,509 million in the first nine months, compared to the corresponding periods last year, respectively.

#### **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 processing and analysis of the financial data that the Company will perform for the preparation of its financial statements for the first nine months and third quarter of 2019. Please refer to the Report for the first nine months and third quarter of 2019 to be duly disclosed by the Company on October 31, 2019 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](http://www.cninfo.com.cn)). Investors are reminded to exercise caution when making investment decisions.

By order of the Board  
**ADAMA Ltd.**  
October 14th, 2019