

ADAMA Ltd. H1 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: January 1, 2019 – June 30, 2019
2. Estimated performance: lower compared with the corresponding period last year

Item	Current reporting period January to June 2019	Same period last year January to June 2018 as previously reported
Net income attributable to the shareholders of the listed company (RMB in millions)	542 – 610	2,363
	Percentage decrease YoY 74.2% – 77.1%	
Basic earnings per share (RMB)	0.2215 – 0.2494	0.9658

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

- (1) The Company is expecting to deliver more than \$2 billion in sales in the first half of 2019, in line with last year in constant currency terms, and somewhat below last year in US dollar terms. Significant snow, followed by unprecedented floodings in North America, alongside extreme dry weather in Europe and Asia-Pacific delayed and reduced application of crop protection products, while continued tight supply conditions prevented the Company from fulfilling strong demand for certain key products.

Continued strong contribution from Latin America, India and Middle East, as well as new joiners Bonide and Anpon, together with further significant price increases across all regions, partially offset these weather- and supply-related delays and allowed the Company to maintain a stable gross margin. In China, ADAMA continues to see strong demand for its differentiated, formulated and branded products, as it continues to prioritize these sales through its own channels by shifting away from sales of unformulated, technical active ingredients to intermediaries.

Following resumption of operations at the Jingzhou old site in late March, the Company is advancing the gradual ramp-up of production. The new state-of-the-art wastewater treatment facility is operational, and the upgraded biological-decomposition systems are being acclimated to the improved wastewater quality. As this progressed, the Company was nevertheless still impacted by constrained supply in certain key products manufactured at the site and recorded approximately RMB 140 million of related idleness cost during the half-year.

Looking toward the second half of the year, the Company expects its performance to strengthen as the southern hemisphere regions, which are performing strongly, move into their peak season, and output increases from the Jingzhou old site.

- (2) The significantly higher reported net income in the first half 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 H1 2018 resulted in the recognition of an approximately RMB 1,573 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 65 million starting Q2 2018.
- (3) Excluding the impact of the products' divestiture and transfer, net income in H1 2018 would have been lower by RMB 1,508 million, while in H1 2019 net income would have been higher by RMB 134 million.
- (4) 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, and reflecting the long-term incentive plan on an equity-settled basis, results in the following:
 - Adjusted net income is expected to be between RMB 835 – 903 million, compared to last year's adjusted net income of RMB 1,000 million, a decrease of only 9.7% - 16.5% YoY.
 - Adjusted basic earnings per share is expected to be between RMB 0.3412 – 0.3690 compared to last year's adjusted basic earnings per share of RMB 0.4086.
 - Adjusted EBITDA in the half year is expected to be RMB 21 – 89 million above the RMB 2,412 million recorded in the same period last year.

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 H1 2019 financial statements. Please refer to the H1 2019

Report to be duly disclosed by the Company on August 22, 2019 for specific and accurate financial information.

The assessment regarding the second half of the year described above is a forward-looking statement that may not be realized or be realized in a different manner than the Company estimates, inter alia, due to factors that are not in the Company's control, amongst which are developments in the crop protection market, changes in demands for the Company's products, in currencies and other macroeconomic trends as well as decisions of regulatory authorities.

The forward-looking assessment does not constitute in any manner whatsoever a substantial commitment of the Company to investors. Investors are reminded to exercise caution when making investment decisions.

Media for Information Disclosure of the Company: China Securities Journal, Securities Times, Ta Kung Pao, and Cninfo (www.cninfo.com.cn). Investors are reminded to exercise caution when making investment decisions.

By order of the Board
ADAMA Ltd.
July 15th, 2019