



ADAMA LTD.

FIRST QUARTER REPORT 2021

ADAMA Ltd. (hereinafter referred to as “**the Company**”) is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in over 100 countries globally.

Please see important additional information and further details included in the Annex.

April 2021

Section I - Important Notice

The Company's Board of Directors, Board of Supervisors, directors, supervisors and senior managers confirm that the content of the Report is true, accurate and complete and contains no false statements, misleading presentations or material omissions, and assume joint and several legal liability arising therefrom.

Ignacio Dominguez, the person leading the Company (President and Chief Executive Officer) as well as its legal representative, and Aviram Lahav, the person leading the accounting function (Chief Financial Officer & Deputy Chief Executive Officer), hereby assert and confirm the truthfulness, accuracy and completeness of the Financial Report.

All of the Company's directors attended the board meeting for the review of this Report.

This Report and its abstract have been prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Section II - Financial Highlights & Shareholder Changes

I. Main accounting and financial results

Whether the Company performs any retroactive adjustments to, or restatements of, its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes No

	January - March 2021	January - March 2020	YoY +/- (%)
Operating revenues (RMB'000)	7,187,164	6,782,243	5.97%
Net profit attributable to shareholders of the Company (RMB'000)	148,784	(16,707)	990.55%
Net profit attributable to shareholders of the Company excluding non-recurring profit and loss (RMB'000)	121,678	16,813	623.71%
Net cash flow from operating activities (RMB'000)	(837,773)	(384,708)	117.77%
Basic EPS (RMB/share)	0.064	(0.007)	1,012.30%
Diluted EPS (RMB/share)	NA	NA	NA
Weighted average return on net assets	0.69%	-0.07%	0.76%
	End of Reporting Period	End of last year	+/- (%)
Total assets (RMB'000)	48,431,370	46,801,034	3.48%
Net assets attributable to shareholders (RMB'000)	21,728,692	21,353,752	1.76%

Please see key additional information and further details included in the Annex.

Non-Recurring profit/loss

Applicable Not applicable

Unit: RMB'000

Item	January-March 2021	Note
Gains/losses on the disposal of non-current assets (including the write-off of asset impairment provisions accrued during the period)	6,774	-
Government grants recognized through profit or loss (excluding government grants closely related to business of the Company and given at a fixed quota or amount in accordance with government's uniform standard)	15,086	-
Reversal of provision for receivables and contract assets, that are subject to specific provision	6,079	-
Other non-operating income and expenses other than the above	4,375	-
Other profit or loss that meets the definition of non-recurring profit or loss	-	-
Less: Income tax effects	5,208	-
Total	27,106	-

Explanation of why the Company classified an item as non-recurring profit/loss according to the definition in the First Explanatory Announcement on Information Disclosure for Companies Offering their Securities to the Public. Non-recurring Profit and Loss, and reclassified any non-recurring profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable Not applicable

No such cases during the Reporting Period.

II. Total number of shareholders and shareholdings of top 10 shareholders at the period-end

1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right and shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period		46,241 (the number of ordinary A share shareholders is 32,057; the number of B share shareholders is 14,184)		Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)		0
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
Syngenta Group Co., Ltd.	State-owned legal person	72.88%	1,708,450,759	--	--	--
Jingzhou Sanonda Holding Co., Ltd.	State-owned legal person	5.11%	119,687,202	--	--	--
China Cinda Asset Management Co., Ltd.	State-owned legal person	1.33%	31,115,916	--	--	--
Portfolio No.503 of National Social Security Fund	Others	0.98%	23,000,052	--	--	--
Huarong Ruitong Equity Investment Management Co., Ltd.	State-owned legal person	0.55%	12,885,906	--	--	--
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas legal person	0.41%	9,527,106	--	--	--
Bosera Funds Xincheng No.2 Collective Asset Management Plan	Others	0.28%	6,500,000	--	--	--
Bosera Funds Xincheng No.3 Collective Asset Management Plan	Others	0.26%	6,000,000	--	--	--
China Universal-Strategic Enhancement No.3 Collective Asset Management Plan	Others	0.19%	4,400,000	--	--	--
State-owned Administration Bureau of Qichun County Assets	State-owned legal person	0.18%	4,169,266	--	--	--
Shareholdings of top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares				
		Type	Number			
Syngenta Group Co., Ltd.	1,708,450,759	RMB ordinary share	1,708,450,759			
Jingzhou Sanonda Holding Co., Ltd.	119,687,202	RMB ordinary share	119,687,202			
China Cinda Asset Management Co., Ltd.	31,115,916	RMB ordinary share	31,115,916			
Portfolio No.503 of National Social Security Fund	23,000,052	RMB ordinary share	23,000,052			
Huarong Ruitong Equity Investment Management Co., Ltd.	12,885,906	RMB ordinary share	12,885,906			
Hong Kong Securities Clearing Company Ltd. (HKSCC)	9,527,106	RMB ordinary share	9,527,106			
Bosera Funds Xincheng No.2 Collective Asset Management Plan	6,500,000	RMB ordinary share	6,500,000			
Bosera Funds Xincheng No.3 Collective Asset Management Plan	6,000,000	RMB ordinary share	6,000,000			
China Universal-Strategic Enhancement No.3 Collective	4,400,000	RMB ordinary share	4,400,000			

Asset Management Plan			
State-owned Assets			
Administration Bureau of Qichun County	4,169,266	RMB ordinary share	4,169,266
Related or act-in-concert parties among the shareholders above	Jingzhou Sanonda Holdings Co., Ltd. and Syngenta Group are related parties, and are acting-in-concert parties as prescribed in the Administrative Methods for Acquisition of Listed Companies. Both Jingzhou Sanonda Holdings Co., Ltd. and Syngenta Group are controlled by ChemChina. It is unknown to the Company whether the other shareholders are related parties or acting-in-concert parties as prescribed in the Administrative Methods for Acquisition of Listed Companies.		
Top 10 ordinary shareholders conducting securities margin trading (if any)	No such issue.		

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary shareholders of the Company conduct any promissory buy-back transaction during the Reporting Period?

Yes No

No such cases in the Reporting Period.

2. Total number of preference shareholders and shareholdings of the top 10 of such at the period-end

Applicable Not applicable

Section III - Significant Events

I. Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

✓ Applicable Not applicable

In the first quarter of 2021, commodity crop prices continued to increase as global demand remained strong, fueled by pandemic-related food security concerns, a recovery in biofuel demand and higher feed demand, especially from China. Weather-related agricultural supply challenges also contributed to the high crop prices, which are expected to remain elevated throughout the rest of the year. The positive crop price environment, along with associated expectations of higher planted areas, are combining to drive global demand for crop protection products.

During the quarter, prices of intermediates and active ingredients sourced from China increased compared to the same period last year, due in part to the recovery of oil prices alongside higher raw material costs and stronger demand.

As global economies start to reopen following pandemic-related shutdowns over the past year, global trade markets are experiencing scarcity of transportation resources leading to higher freight costs, a situation that has been exacerbated by the recent Suez Canal incident and other port congestions all over the globe.

The Company actively manages its procurement and supply chain activities in order to mitigate these higher procurement and logistics costs, and endeavors to adjust its pricing wherever possible to compensate.

	Q1 2021 (000'RMB)	Q1 2020 (000'RMB)	+/-%	Q1 2021 (000'USD)	Q1 2020 (000'USD)	+/-%
Operating income (Revenues)	7,187,164	6,782,243	5.97%	1,108,904	972,531	14.02%
Cost of goods sold	5,127,390	4,757,413	7.78%	791,102	682,181	15.97%
*Total Operating Expenses	1,618,505	1,674,108	-3.32%	249,713	240,055	4.02%
Financial Expenses	184,932	411,620	-55.07%	28,551	59,022	-51.63%
Gain (loss) from Changes in Fair Value	-59,738	323,813	-118.45%	-9,217	46,433	-119.85%
Investment Income (loss)	8,627	-129,323	-106.67%	1,331	-18,544	-107.18%
Total Net Financial Expenses and Investment Income	236,043	217,130	8.71%	36,437	31,133	17.04%
Total profits	186,899	136,632	36.79%	28,825	19,601	47.06%
<i>% of Sales</i>	<i>2.60%</i>	<i>2.02%</i>		<i>2.60%</i>	<i>2.02%</i>	
Income tax expenses	36,055	153,339	-76.49%	5,562	21,988	-74.70%
Net income attributable to shareholders of the Company	148,784	-16,707	-990.55%	22,945	-2,387	-1,061.25%
<i>% of Sales</i>	<i>2.07%</i>	<i>-0.25%</i>		<i>2.07%</i>	<i>-0.25%</i>	
EBITDA	892,232	927,888	-3.84%	137,669	133,058	3.47%
<i>% of Sales</i>	<i>12.41%</i>	<i>13.68%</i>		<i>12.41%</i>	<i>13.68%</i>	

* Total operating expenses includes Sales and Marketing, General and Administrative and Research and Development expenses

Note: Since the functional currency of main overseas subsidiaries is the USD, and the Company's management review of the Company's performance is based on the USD results, following explanations and analysis are based on USD-denominated numbers.

Analysis of Financial Highlights

(1) Revenues

Revenues grew 14% (+6% in RMB terms) to hit a first quarter record-high of \$1,109 million, driven by a robust 15% increase in volumes. This strong volume-driven growth was somewhat mitigated by a softer pricing environment in a number of key regions.

ADAMA delivered particularly strong performances in the Asia Pacific and India, Middle-East & Africa regions, benefiting from strong demand and favorable seasonal conditions. The Company also grew strongly in North America, driven by its Consumer and Professional business, as well as in Latin America. Sales in Europe were somewhat lower due to a slow start to the season in the northern and eastern parts of the region.

Regional Sales Performance

	Q1 2021 \$m	Q1 2020 \$m	Change USD
Europe	344	357	-3.5%
North America	189	168	12.4%
Latin America	177	159	11.3%
Asia Pacific	241	158	52.7%
Of which China	124	68	81.6%
India, Middle East & Africa	158	131	20.4%
Total	1,109	973	14.0%

Europe: Sales were lower by 4.1% in the first quarter, in CER terms, compared with the corresponding period last year. Growth in the southern part of the region, where favorable market conditions drove good demand, was outweighed by a slow start to the season in the northern and eastern parts of the region, especially when compared to Q1 2020 which then saw strong orders from distribution in anticipation of the COVID-related shutdowns that soon followed.

In US dollar terms, sales in Europe were lower by 3.5% in the quarter, compared to the corresponding period last year.

North America: Sales grew by 11.8% in the quarter, in CER terms, compared with the corresponding period last year.

Growth in the region was driven by a strong performance from the Company's Consumer and Professional business, benefiting from the reopening of the economy after COVID-19 related restrictions in 2020. This more than offset a somewhat softer performance in the US crop protection business.

In US dollar terms, sales in North America grew by 12.4% in the quarter, compared to the corresponding period last year, reflecting a moderate strengthening of the Canadian Dollar in the quarter.

Latin America: Sales grew by a robust 22.1% in the quarter, in CER terms, compared to the corresponding period last year.

The Company continues its growth trajectory in Latin America, driven by solid volume growth and good performance from recent product launches in the region.

In US dollar terms, sales in Latin America grew by 11.3% in the quarter, compared to the corresponding period last year, as the robust business growth was partially offset by weaker currencies in the region, in particular the Brazilian Real.

Asia Pacific: Sales grew by 39.3% in the quarter, in CER terms, compared to the corresponding period last year.

The strong growth in the Asia-Pacific region was seen 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 Huiheng's domestic commercial crop protection business.

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

In US dollar terms, sales in Asia-Pacific grew by 52.7% in the quarter, compared to the corresponding period last year, reflecting mainly the strengthening of the Chinese Renminbi and the Australian dollar against the US dollar.

India, Middle East and Africa: Sales grew by 23.0% in the quarter, in CER terms, compared to the corresponding period last year, driven by strong volume growth alongside price increases amid continued positive weather conditions.

During the quarter, ADAMA launched a new pilot formulation R&D facility in India, complementing the Company's leading

formulation development capabilities in its main R&D hubs in Israel, China and India. The new facility, equipped with state-of-the-art technologies, will bridge the path from the R&D lab to commercial stage production, developing processes for the scale-up of liquid and solid formulation.

In US dollar terms, sales in the India, Middle East & Africa region grew by 20.4% in the quarter, compared to the corresponding period last year, reflecting mainly the weaker level of the Turkish Lira, partially offset by a stronger Israeli Shekel.

(2) Cost of Goods Sold and Gross Profit

The Company achieved higher gross profit in the quarter compared to the corresponding period last year, driven by the strong volume growth alongside positive seasonal changes in its product offering, more than offsetting the impacts of the generally softer pricing and higher cost of goods sold. The higher cost of goods sold in the quarter was largely driven by higher procurement and logistics costs incurred as the Company continued to fulfill demand for its products.

The Company recorded certain extraordinary charges within its reported cost of goods sold, totaling approximately \$11 million in the first quarter (Q1 2020: \$9 million) largely related to its Relocation & Upgrade program. These charges mainly reflect excess 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.

(3) Operating Expenses

Operating expenses include Sales and Marketing, General and Administration and R&D.

Operating expenses in the first quarter were \$250 million (22.5% of sales), compared to \$240 million (24.7% of sales) reported in the corresponding period last year.

The Company recorded certain non-operational, mostly non-cash, charges within its reported operating expenses, mainly as follows:

- (i) \$8 million (RMB 51 million) in Q1 2021 (Q1 2020: \$8 million (RMB 55 million)) in non-cash amortization charges in respect of Transfer assets received and written-up related to the 2017 ChemChina-Syngenta acquisition. The proceeds from the Divestment of crop protection products in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina, 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. Since the products acquired from Syngenta are of the same nature, and with the same net economic value as those divested, the Divestment and Transfer transactions had no net impact on the underlying economic performance of the Company. These additional amortization charges will continue until 2032 but at a reducing rate, yet will still be at a meaningful level until 2028;
- (ii) \$6 million (RMB 41 million) in Q1 2021 (Q1 2020: \$10 million (RMB 70 million)) in idleness charges largely related to suspensions at the facilities being relocated as well as to the temporary suspension of the Jingzhou site in Q1 2020 (at the outbreak of COVID-19 in Hubei Province); and
- (iii) \$4 million (RMB 24 million) in Q1 2021 (Q1 2020: \$3 million (RMB 18 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.

The higher aggregate amount of non-operational charges in Q1 2020 also included \$11 million in non-cash amortization charges related to the legacy PPA of the 2011 acquisition of Adama Agricultural Solutions Ltd., which have now largely finished, and \$9 million in respect of early retirement expenses.

Excluding the impact of the abovementioned non-operational charges, the higher operating expenses reflect primarily an increase in sales and marketing teams in growing geographies to drive and support the strong sales growth, higher transportation and logistics costs driven by both an increase in freight costs and the increased volumes being moved, as well as the inclusion of recent acquisitions in Greece, Paraguay and China. Despite the higher operating expenses in absolute terms, the Company continued to improve its expense-to-sales ratio.

(4) Financial Expenses

“Financial Expenses” mainly reflect interest payments on corporate bonds and bank loans as well as foreign exchange gains/losses on the bonds and other monetary assets and liabilities before the Company carries out any hedging. The impact of Financial Expenses (before hedging) is RMB 185 million (USD 29 million) for the first quarter of 2021 compared with RMB 412 million (USD 59 million) for the corresponding period in 2020.

Given the global nature of its operational activities and the composition of its assets and liabilities, the Company, in the ordinary course of its business, uses foreign currency derivatives (forwards and options) to hedge the cash flow risks associated with existing monetary assets and liabilities that may be affected by exchange rate fluctuations. Net gains/losses from hedging of those positions, are recorded in “**Gains/Losses from Changes in Fair Value**”, and are then transferred to “**Investment Income**” upon realization. The combined impact of **Gains/Losses from Changes in Fair Value** and **Investment Income** related to derivatives transactions, is a net loss of RMB 53 million (USD 8 million) in the first quarter of 2021 compared with net gain of RMB 185 million (USD 27 million) in the corresponding period in 2020.

The aggregate of **Financial Expenses, Gains/Losses from Changes in Fair Value** and **Investment Income** (hereinafter as “**Total Net Financial Expenses and Investment Income**”), which more comprehensively reflects the financial expenses of the Company in supporting its main business and protecting its monetary assets/liabilities, amounts to RMB 238 million (USD 37 million) in the first quarter of 2021 compared with RMB 227 million (USD 32 million) in the corresponding period in 2020.

The higher financial expenses were mainly due to an increase in financing costs on the NIS-denominated, CPI-linked bonds due to a higher CPI in Israel.

(5) Tax Expenses

The first quarter is generally characterized by a low effective tax rate compared to the effective tax rate of the Company over the full year. This is mainly due to the generation of profits by subsidiary companies within ADAMA whose tax rates are lower relative to the Company’s aggregate effective tax rate, as well as to the method of calculation of tax assets related to unrealized profits. However, in Q1 2020, the Company recorded higher tax expenses largely due to the impact of the significant weakening of currencies in that quarter against the US dollar, most notably that of the Brazilian Real, driving higher non-cash tax expenses due to differences between the functional (US dollar) and tax (local) currencies regarding the value of non-monetary assets.

Changes in main assets and liabilities

Unit: RMB'000

Assets and liabilities	March 31, 2021	December 31, 2020	% change	Explanation for any major change
Derivative financial assets*	937,140	1,560,788	-39.96%	Realization and revaluation of derivatives
Accounts receivable	9,772,073	8,766,869	11.47%	Seasonality increase
Derivative financial liabilities	656,789	1,463,614	-55.13%	Realization and revaluation of derivatives
Taxes payable	562,928	358,988	56.81%	Seasonality increase mainly due to VAT
Deferred tax liability	386,547	331,942	16.45%	Increase mainly due to tax basis revaluation of non-monetary assets in Brazil
Short term loans	2,844,948	1,205,498	136.00%	Increase mainly to support increase in working capital

*Both derivative financial assets and liabilities are hedging instruments, the sum-up of which reflects the net position.

II. Progress on significant events, as well as the impact and solutions

Applicable Not applicable

Status of share buyback

Applicable Not applicable

The Company held the 26th Meeting of the 8th Session of the Board of Directors on August 19, 2020 and the 3rd Interim Shareholders Meeting on September 7, 2020, approving the Repurchase Plan for Part of the Company's Domestically Listed Foreign Shares (B Share), and subsequently disclosed the repurchase report and a series of repurchase progress announcements according to relevant regulations.

The repurchase period expired on December 6, 2020. From September 16, 2020 (the first actual occurrence date of the share repurchase) to December 6, 2020, the Company repurchased 14,309,536 B-Shares by means of a centralized price bidding transaction through a special securities repurchase account for B-Shares. This amount of B-shares accounts for 0.61% of the Company's total share capital. The highest transaction price was 5.22 HKD/share, the lowest transaction price was 4.27 HKD/share, and the total payment amount was HKD 69,747,209 (including transaction fees). Please refer to the Announcement on the Expiry of the Repurchase Period and the Results of the B-Shares Repurchase (Announcement No.2020-71) for details.

According to the Repurchase Plan, after the completion of the repurchase of shares, the Board of Directors shall propose to shareholders to approve the cancellation of the repurchased shares, the decrease of the Company's registered capital and the corresponding amendments to the Articles of Association of the Company. The above matters have been reviewed and approved by the 31st Meeting of the 8th Session of the Board of Directors of the Company, and have yet to be reviewed and approved by the shareholders' meeting, which is to be convened on May 21, 2021. After the shareholders' meeting will have reviewed and approved the share cancellation, the reduction of the registered capital and the corresponding amendments to the Company's Articles of Association, the Company will submit applications for the cancellation of the repurchased shares and the reduction of the registered capital to the Shenzhen Stock Exchange and China Registration and Clearing Corporation (Shenzhen Branch), respectively. After the share cancellation will be completed, the Company

will make corresponding amendments to the relevant provisions in the Articles of Association of the Company, and file the industrial and commercial registration.

Whether the Company sold out shares which were bought back by means of centralized price bidding

Applicable Not applicable

III. **None completion of Commitments that should have been completed in the reporting period by the Company, actual controller, shareholders, related parties, acquirer, and other committed parties**

Applicable Not applicable

No such cases in the Reporting Period.

IV. **Investment on financial assets**

(1) **Securities investment**

Applicable Not applicable

No such cases in the Reporting Period.

(2) Investment in derivative financial instruments

✓ Applicable Not applicable

Unit: RMB'000

The party that operates the investment	Relation with the Company	Related party transaction or not?	Type	Initial investment amount	Starting date	Expiring date	Investment amount at beginning of the period	Amount purchased during the reporting period	Amount sold during the reporting period	Impairment accrued (if any)	Investment amount at end of the period	Percentage of investment amount divided by net asset at end of the period	Gain/loss during the reporting period
Banks	No	No	Option	1,994,238	28/01/2021	22/07/2021	1,994,238	6,713,258	-4,465,149	No	4,242,347	19.31%	-42,533
Banks	No	No	Forward	20,796,924	27/10/2020	19/05/2021	20,796,924	26,320,565	-30,833,920	No	16,283,569	74.14%	-99,245
Total				22,791,162	--	--	22,791,162	33,033,823	-35,299,069		20,525,916	93.45%	-141,778
Source of fund for the investment				Internal									
litigation-related situations (if applicable)				N/A									
Date of disclosure of Board approval (if any)				December 30, 2017									
Date of disclosure of Shareholders' approval (if any)				N/A									
Risk and control analysis for the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				<p>The aforesaid refers to short term hedging currency transactions made with banks. The Group's transactions are not traded in the market. The Transactions are between the applicable company in the Group and the applicable bank until the expiration date of the transaction, therefore no market risk is involved.</p> <p>Regarding credit and liquidity risk, the Group is working with large and substantial banks only and with some of them the Group has ISDA agreements. As to operational risk, the Group is working with relevant software, which is its back office for all transactions.</p> <p>No legal risk is involved.</p> <p>The actions taken in order to further reduce risks are:</p> <ul style="list-style-type: none"> The relevant subsidiaries have specific guidelines, under the Group's policy, which were approved by the subsidiaries' financial statements committee of the board, which specifies, inter alia, the hedging policy, the persons that have the authorization to deal with hedging, the tools, ranges etc. The only subsidiary that has hedging positions in the Group in the period was Solutions and its subsidiaries. The relevant subsidiaries apply management designed procedures and controls, which among other things, monitor the working process and the controls of the hedging transactions and are quarterly reviewed and annually audited. The controllers of the relevant subsidiaries are involved in the process and are monitoring the hedging accounting treatment. <p>Every 2-3 years the internal audit of the relevant subsidiaries' department is auditing the entire procedure.</p>									
Market price or fair value change of investments during the reporting period. Specific methodology and assumptions should be disclosed in the analysis of fair value of the investments				<p>The aforesaid refers to short time hedging currency transactions made by the relevant subsidiary with banks.</p> <p>Segregation of duties as follows:</p> <p>For the fair value evaluation, the relevant subsidiary is usually using external experts. The relevant subsidiary hedges currencies only; the relevant transactions are simple (Options and forwards) for short terms. For fair value methodology see section XII of the annual report, note IX. Fair Value. The exchange rates are provided by the accounting department of the relevant subsidiary and all other parameters are provided by the experts.</p>									
Explanation for any significant changes in accounting policies and principles, compared with last reporting period				N/A									
Independent Directors' opinion on the investment in derivative financial instruments and related risk controls				The derivative investments carried by the Company are for hedging and narrowing down the risk of market fluctuations. The investments respond to the Company's routine business demands and are in accordance with the relevant laws and regulations. Additionally, the Company has adopted Currency Risk Hedging Policy to strengthen the risk management and control which benefit the Company's ability to protect against market risk. The derivative investments do not harm the interests of the Company and its shareholders.									

V. Progress on the designated projects used the raised funds

Applicable Not applicable

After receiving the approval of China Securities Regulatory Commission for the issuance of shares to China National Agrochemical Co., Ltd. acquire assets and raise supporting funds (CSRC Permits [2017] No.1096), the Company issued 104,697,982 ordinary A shares in December 2017, at the price of RMB14.90 per share, raising a total amount of RMB 1,559,999,931.80. After deducting the underwriting fees of RMB 28,079,998.78, the net amount actually received was RMB 1,531,919,933.02. The net amount was received on 27 December 2017 and was verified by Deloitte Touche Tohmatsu Certified Public Accountant LLP which issued a capital verification report (De Shi Bao (Yan) Zi (17) No.00540).

As at 31 March 2021, the Company has utilized a cumulative amount of RMB 1,047,929,415.06 of the raised funds, including RMB 993,372,647.40 used in previous years, and RMB 54,556,767.66 during this reporting period which were used for the remainder purchase price of the 51% Equity Stake in Shanghai Dibai Plant Protection Co., Ltd and the advanced payment of the partial purchase price of the 51% Equity Stake in ADAMA Huifeng (Jiangsu) Ltd. (the former name Jiangsu Kelinong Agrochemical Co., Ltd.). The balance that has not yet been used was RMB 566,302,702.64, including RMB 51,141,555.30 of net interest income (after deduction of bank charges).

For details, please refer to the Announcement on the Use of the Raised Funds for the Acquisition of the 51% Equity Stake in Jiangsu Kelinong Agrochemical Co., Ltd. as well as that of in Shanghai Dibai Plant Protection Co., Ltd. (announcement no. 2020-61), Announcement on the Termination of the Use of Raised Funds for Certain Designated Projects(announcement no. 2020-26), Announcement on the Change of Certain Designated Projects (announcement no. 2019-17) separately published by the Company on October 29, 2020, April 28, 2020, and March 21, 2019.

VI. Performance forecast for January-June 2021

Warning of possible loss or considerable YoY change in the accumulative net profit made during the period-beginning to the end of the next reporting period, as well as the reasons thereto:

Applicable Not applicable

VII. Significant contract in the routine business

Applicable Not applicable

VIII. Wealth management entrustment

Applicable Not applicable

No such cases in the Reporting Period.

IX. Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the Reporting Period.

X. Inadequate use of Company's capital by the controlling shareholder or by its related parties for non-operating purposes

Applicable Not applicable

No such cases in the Reporting Period.

XI. Information regarding communication with investors

√ Applicable □ Not applicable

Date	Place	Reception mode	Type of visitor	Name of the visitor	About	Index
March 30, 2021	Not applicable	Phone call	Others (Sell-side analysts)	CICC, Industrial Securities, TF Securities, Haitong Securities, Dongxing Securities, BOC International, Nanjing Securities, HSBC Qianhai Securities, Guolian Securities, SWHY Securities, CITIC Securities, Everbright Securities, North East Securities and Citi, etc.	Introduction on 2020 Q4 and FY performance. Corresponding presentation was published on the website of the Company.	Record of the Communications between the Company and the Investors (No. 2021-01) was published by the Company on April 1, 2021 at www.cninfo.com.cn .
March 31, 2021	Not applicable	Webcasting	Institutional and individual investors	Not applicable	Introduction on the 2020 Q4 and FY performance. Corresponding presentation was published on the website of the Company.	Record of the Communications between the Company and the Investors (No. 2021-02) was published by the Company on April 2, 2021 at www.cninfo.com.cn .

Section IV Financial Statements

I. Financial statements

1. Consolidated balance sheet

Prepared by ADAMA Ltd.

31 March 2021

Unit: RMB'000

Item	March 31, 2021	December 31, 2020	Item	March 31, 2021	December 31, 2020
Current assets:			Current liabilities:		
Cash at bank and on hand	3,914,945	3,863,886	Short-term loans	2,844,948	1,205,498
Financial assets held for trading	80,820	1,253	Derivative financial liabilities	656,789	1,463,614
Derivative financial assets	937,140	1,560,788	Bills payable	186,718	369,791
Bills receivable	77,101	102,082	Accounts payable	4,944,450	4,557,006
Accounts receivable	9,772,073	8,766,869	Contract liabilities	1,146,678	1,092,253
Receivables financing	99,269	109,483	Employee benefits payable	1,166,818	1,208,834
Prepayments	423,597	406,008	Taxes payable	562,928	358,988
Other receivables	1,493,239	1,310,029	Other payables	1,178,348	1,075,721
Inventories	10,930,707	10,338,273	Non-current liabilities due within one year	1,218,061	1,272,581
Other current assets	853,516	769,641	Other current liabilities	283,835	315,597
Total current assets	28,582,407	27,228,312	Total current liabilities	14,189,573	12,919,883
Non-current assets:			Non-current liabilities:		
Long-term receivables	93,010	95,329	Long-term loans	2,415,800	2,387,628
Long-term equity investments	13,353	14,081	Debentures payable	7,851,271	8,078,113
Other equity investments	152,672	152,200	Lease liabilities	411,974	379,190
Investment properties	4,246	4,364	Long-term accounts payable	104,031	27,327
Fixed assets	6,551,449	6,576,116	Long-term employee benefits payables	656,931	645,755
Construction in progress	1,563,964	1,405,328	Provisions	160,664	163,251
Right-of-use assets	528,171	483,618	Deferred tax liabilities	386,547	331,942
Intangible assets	5,182,771	5,226,455	Other non-current liabilities	443,664	434,030
Goodwill	4,606,865	4,584,226	Total non-current liabilities	12,430,882	12,447,236
Deferred tax assets	873,515	773,673	Total liabilities	26,620,455	25,367,119
Other non-current assets	278,947	257,332	Shareholders' equity:		
Total non-current assets	19,848,963	19,572,722	Share capital	2,344,121	2,344,121
Total assets	48,431,370	46,801,034	Capital reserves	13,023,219	13,023,219
			Less: Treasury shares	60,357	60,357
			Other comprehensive income	152,749	(72,055)
			Special reserves	17,337	15,960
			Surplus reserves	240,162	240,162
			Retained earnings	6,011,461	5,862,702
			Total equity attributed to the shareholders of the company	21,728,692	21,353,752
			Non-controlling interests	82,223	80,163
			Total equity	21,810,915	21,433,915
			Total liabilities and equity	48,431,370	46,801,034

Ignacio Dominguez
Legal representative

Aviram Lahav
Chief of the accounting work

Aviram Lahav
Chief of the accounting organ

2. Balance sheet of the Company

Unit: RMB'000

Item	March 31, 2021	December 31, 2020	Item	March 31, 2021	December 31, 2020
Current assets:			Current liabilities:		
Cash at bank and on hand	1,027,091	1,034,812	Short-term loans	80,000	100,000
Accounts receivable	235,016	387,117	Bills payable	-	19,600
Receivables financing	29,782	25,060	Accounts payable	191,627	324,047
Prepayments	18,237	5,973	Contract liabilities	5,631	17,480
Other receivables	27,006	27,138	Employee benefits payable	54,378	99,808
Inventories	103,360	141,235	Taxes payable	3,057	3,143
Other current assets	32,505	42,243	Other payables	200,366	240,939
Total current assets	1,472,997	1,663,578	Non-current liabilities due within one year	39,302	39,302
Non-current assets:			Total current liabilities	574,361	844,319
Long-term equity investments	16,663,212	16,663,212	Non-current liabilities:		
Other equity investments	85,495	85,495	Long-term loans	1,083,430	941,430
Investment properties	4,246	4,364	Long-term employee benefits payables	88,604	89,658
Fixed assets	757,379	784,218	Provisions	42,850	44,743
Construction in progress	1,030,036	992,863	Other non-current liabilities	143,770	143,770
Right-of-use assets	23	37	Total non-current liabilities	1,358,654	1,219,601
Intangible assets	258,330	220,963	Total liabilities	1,933,015	2,063,920
Deferred tax assets	66,264	66,036	Shareholders' equity:		
Other non-current assets	262,627	238,750	Share capital	2,344,121	2,344,121
Total non-current assets	19,127,612	19,055,938	Capital reserves	15,569,929	15,569,929
Total assets	20,600,609	20,719,516	Less: Treasury shares	60,357	60,357
			Other comprehensive income	47,390	47,390
			Special reserves	18,029	16,651
			Surplus reserves	240,162	240,162
			Retained earnings	508,320	497,700
			Total shareholders' equity	18,667,594	18,655,596
			Total liabilities and shareholders' equity	20,600,609	20,719,516

3. Consolidated income statement

Unit: RMB'000

Item	January-March, 2021	January-March, 2020
1. Total operating income	7,187,164	6,782,243
Less: Cost of sales	5,127,390	4,757,413
Taxes and surcharges	34,501	18,943
Selling and Distribution expenses	1,241,310	1,256,871
General and Administrative expenses	266,713	325,229
Research and Development expenses	110,482	92,008
Financial expenses	184,932	411,620
Including: Interest expense	169,365	165,243
Interest income	12,775	10,530
Add: Investment income, net	8,627	(129,323)
Including: Income from investment in associates and joint ventures	2,048	9,128
Gain (loss) from changes in fair value	(59,738)	323,813
Credit impairment reversal (losses)	4,288	13,886
Asset Impairment reversal (losses)	(9,449)	(1,923)
Gain (loss) from disposal of assets	6,773	7,692
2. Operating profit	172,337	134,304
Add: Non-operating income	20,065	17,390
Less: Non-operating expense	5,503	15,062
3. Total profit	186,899	136,632
Less: income tax expense	36,055	153,339
4. Net profit	150,844	(16,707)
4.1 Classified by nature of operations		
4.1.1 Continuing operations	150,844	(16,707)
4.2 Classified by ownership		
4.2.1 Shareholders of the Company	148,784	(16,707)
4.2.2 Non-controlling interests	2,060	-
5. Other comprehensive income net of tax		
Other comprehensive income net of tax attributable to shareholders of the Company	224,804	144,207
5.1 Items that will not be reclassified into profit/loss	(8,411)	34,218
5.1.1 Re-measurement of defined benefit plan liability	(8,411)	34,218
5.2 Items that were or will be reclassified to profit or loss	233,215	109,989
5.2.1 Effective portion of gains or loss of cash flow hedge	198,665	45,885
5.2.2 Translation differences of foreign financial statements	34,550	64,104
Other comprehensive income net of tax attributable to Non-controlling interests	-	-
6. Total comprehensive income for the period	375,648	127,500
Total comprehensive income attributable to shareholders of the Company	373,588	127,500
Total comprehensive income attributable to Non-controlling interests	2,060	-
7. Earnings per share		
7.1 Basic earnings per share (RMB/ share)	0.064	(0.007)
7.2 Diluted earnings per share (RMB/ share)	N/A	N/A

Ignacio Dominguez
Legal representative

Aviram Lahav
Chief of the accounting work

Aviram Lahav
Chief of the accounting organ

4. Income statement of the Company

Unit: RMB'000

Item	January-March, 2021	January-March, 2020
1. Operating income	359,193	170,951
Less: Cost of sales	273,581	149,890
Taxes and surcharges	1,741	1,695
Selling and Distribution expenses	11,641	2,938
General and Administrative expenses	66,155	98,878
Research and Development expenses	9,952	1,961
Financial expenses (income)	1,971	(3,725)
Including: Interest expense	4,099	1,415
Interest income	2,466	4,033
Add: Credit impairment loss	49	(1,266)
Asset Impairment loss	(143)	(1,587)
Gain from disposal of assets	7,411	-
2. Operating profit	1,469	(83,539)
Add: Non-operating income	9,412	4,100
Less: Non-operating expense	489	363
3. Total profit	10,392	(79,802)
Less: Income tax expense	(228)	(1,404)
4. Net profit	10,620	(78,398)
4.1 Continuing operations	10,620	(78,398)
5. Other comprehensive income net of tax	-	-
6. Total comprehensive income for the period	10,620	(78,398)

5. Consolidated cash flow statement

Unit: RMB'000

Item	January-March, 2021	January-March, 2020
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	5,246,605	5,144,846
Refund of taxes and surcharges	40,843	26,579
Cash received relating to other operating activities	297,970	167,605
Sub-total of cash inflows from operating activities	5,585,418	5,339,030
Cash paid for goods and services	4,681,382	4,028,009
Cash paid to and on behalf of employees	887,515	905,294
Payments of taxes and surcharges	75,172	75,043
Cash paid relating to other operating activities	779,122	715,392
Sub-total of cash outflows from operating activities	6,423,191	5,723,738
Net cash flows from operating activities	(837,773)	(384,708)
2. Cash flows from investing activities:		
Cash received from disposal of investments	856	2,218
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	9,149	9,429
Cash received for other investing activities	6,754	-
Sub-total of cash inflows from investing activities	16,759	11,647
Cash paid to acquire fixed assets, intangible assets and other long-term assets	588,183	357,353
Net cash paid to acquire subsidiaries or other business units	54,557	-
Cash paid for other investing activities	78,502	27,393
Sub-total of cash outflows from investing activities	721,242	384,746
Net cash flows from investing activities	(704,483)	(373,099)
3. Cash flows from financing activities:		
Cash received from borrowings	1,861,623	1,194,240
Cash received relating to other financing activities	26,334	-
Sub-total of cash inflows from financing activities	1,887,957	1,194,240
Cash repayment of borrowings	244,391	428,544
Cash payment for dividends, profit distributions or interest	62,847	46,210
Including: dividends paid to non-controlling interest	-	-
Cash paid relating to other financing activities	-	90,259
Sub-total of cash outflows from financing activities	307,238	565,013
Net cash flows from financing activities	1,580,719	629,227
4. Effect of foreign exchange rate changes on cash and cash equivalents	18,915	46,592
5. Net increase (decrease) in cash and cash equivalents	57,378	(81,988)
Add: Cash and cash equivalents at the beginning of the period	3,835,071	4,319,907
6. Cash and cash equivalents at the end of the period	3,892,449	4,237,919

6. Cash flow statement of the Company

Unit: RMB'000

Item	January-March, 2021	January-March, 2020
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	427,465	309,170
Refund of taxes and surcharges	15,213	17,306
Cash received relating to other operating activities	12,347	8,199
Sub-total of cash inflows from operating activities	455,025	334,675
Cash paid for goods and services	222,307	169,917
Cash paid to and on behalf of employees	78,419	59,625
Payments of taxes and surcharges	4,274	2,723
Cash paid relating to other operating activities	42,695	43,067
Sub-total of cash outflows from operating activities	347,695	275,332
Net cash flows from operating activities	107,330	59,343
2. Cash flows from investing activities:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,021	-
Sub-total of cash inflows from investing activities	8,021	-
Cash paid to acquire fixed assets, intangible assets and other long-term assets	180,143	32,861
Cash paid for investment	54,557	-
Sub-total of cash outflows from investing activities	234,700	32,861
Net cash flows from investing activities	(226,679)	(32,861)
3. Cash flows from financing activities:		
Cash received from borrowings	142,000	114,500
Cash received relating to other financing activities	5,880	2,151
Sub-total of cash inflows from financing activities	147,880	116,651
Cash repayment of borrowings	20,000	100,000
Cash payment for dividends, profit distributions or interest	10,178	3,381
Sub-total of cash outflows from financing activities	30,178	103,381
Net cash flows from financing activities	117,702	13,270
4. Effect of foreign exchange rate changes on cash and cash equivalents	(194)	3,596
5. Net increase (decrease) in cash and cash equivalents	(1,841)	43,348
Add: cash and cash equivalents at the beginning of the period	1,022,758	1,395,994
6. Cash and cash equivalents at the end of the period	1,020,917	1,439,342

II. Adjustments of the financial statements

1. Opening balance adjustments due to initial adoption of new accounting standards for leases in 2021

Applicable Not applicable

2. Retrospective adjustments due to initial adoption of new accounting standards for leases in 2021

Applicable Not applicable

III. Auditor's report

Is this Report audited?

Yes No

This Report is unaudited.

ADAMA Ltd.

April 28, 2021