

**ADAMA Ltd.**

**Announcement on Trial Production of Acephate/DMPAT Project**

**At Jingzhou Site**

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.

ADAMA Ltd. (hereinafter referred to as "the Company") has completed construction, equipment installation and commissioning of the 30,000 t/a Acephate Project at the Company's new manufacturing site in Jingzhou, Hubei Province. With the trial production plan having passed expert review, the project has entered trial production stage, signifying the formal commencement of operations at the new manufacturing site.

**I. General Information**

The Company initiated the relocation and upgrade program of the old Jingzhou site three years ago, aiming to bring the site to global best-in-class production, safety and environmental standards to support the Company's global business growth. The advanced facility that has now begun trial production produces Acephate and its intermediate DMPAT, securing the Company's leading global position in this backward-integrated key molecule. Acephate is a wide-spectrum low-toxicity insecticide used across the world in multiple crops such as rice, wheat and cotton.

As part of the relocation, the Company utilized the opportunity to expand the production capacity of this key molecule and further improve its processes and efficiency. In addition, the new, advanced site includes a state-of-the-art wastewater facility, a thermal oxidation system for the elimination of emissions and odors, and is designed to meet the highest international HSE standards.

## **II. Impact on the Company**

The new, purpose-built site, in an approved industrial zone, is a key component in ADAMA's global manufacturing layout and is expected to deliver significant operational efficiencies and cost reductions. The transformed new site is also designed to accommodate additional new molecules emerging from the Company's strong development pipeline.

While the new site has recently resumed production and output is initially starting at relatively low levels, the Company expects output levels to gradually ramp up over the coming months. This return to production at the new Jingzhou site will progressively reduce the need for incurring additional procurement costs which the Company has endured while the plant has been suspended, and is expected to reduce idleness charges as production and utilization levels rise over the coming months.

## **III. Reminder of Risks**

It will take time for the Acephate Project to progress from the trial production stage to reach full production and generate the envisaged economic benefits. At the same time, during the early production stage, equipment stability as well as product output and quality remains to be reviewed and improved. The Company may also face the impact of changes in market environment, increased competition and other factors. Investors are reminded to pay attention to investment risks.

It is hereby announced.

Board of Directors of ADAMA Ltd.

November 20, 2021