Bluestar Adisseo Company

Communication Record of 2025 Q1 Result Online Communication

I. Meeting Time

Adisseo held 2025 Q1 online investor communication meeting on 12th May 2025.

II. Participants or institutions

Regarding the investors through Teams online meeting, pls refer to the attached list for the institutions who participated in the meeting.

Important reminder: The list is prepared according to the attendance lists according to the registration information. The Company cannot guarantee the completeness and accuracy of the names of participating institutions. Investors are advised to pay attention.

III. Participants of the Company

Mr. Hao Zhigang, Chairman and General Manager (CEO)

Mr. Frederic Jacquin, Deputy General Manager and Chief Operating Officer of the Company

Ms. Virginie Cayatte, CFO of the Company

Ms. Cai Yun, Secretary of the Board of Directors

IV. Meeting platform

Teams meeting

V. Communication content

1. Outlook for the price of Methionine in the second half of the year?
    - Approximately half of methionine's downstream applications are in poultry farming. The continuous growth of chicken, as the largest animal protein consumption category, is an important contributing factor contributing to the sustained market growth for methionine. Currently, supported by sustained strong downstream demand and given the absence of new production capacity entering the methionine market, the price of methionine price is expected to remain stable in Q3. While medium-to-long-term price pressure may arise from the release of new domestic liquid methionine capacities, the timing of these additions remains uncertain, and they are unlikely to significantly impact the market in the near term. Should new capacities commence in the fourth quarter, downward adjustments could emerge. As such, methionine prices in Q3 are likely to stay at levels like Q2, with ongoing monitoring required for capacity rollout and supply-demand dynamics.

2. What is the main reason for the price increase of methionine in the first quarter of this year?
    - The price increase of methionine in the first quarter of this year was primarily driven by a combination of factors from both supply and demand sides. From the demand side, on one hand, the rising prices of feed raw materials promoted the substitution effect of soybean meal, which to some extent drove up the demand for additives; on the other hand, the demand for animal protein is continuously growing internally, especially as poultry meat, which currently accounts for the largest proportion of animal protein consumption, its expanding market demand continues to drive the growth of methionine. From the supply side, the changes in industrial capacity present structural characteristics: in the long run, some enterprises have permanently withdrawn part of their capacity, reducing market supply; while in the short term, due to the yet-to-be-released new capacity and temporary supply fluctuations, the tight balance between supply and demand has been exacerbated. In summary, the long-term trend of steady demand growth and the short-term impact of supply reduction jointly contributed to the upward trend of methionine prices in the first quarter of this year.

3. Considering China new production capacity coming into the market, how does Adisseo view the change on supply demand situation from the long-term perspective?
    - Over the next two to three years, the addition of domestic production capacity may trigger short-term price fluctuations in methionine due to temporary shifts in supply-demand dynamics. However, given the relatively stable annual global demand growth, particularly driven by the continuous expansion of poultry meat as the dominant animal protein consumption category, the industry is expected to maintain a healthy supply-demand balance in the coming years. Although new capacity additions may create periodic market shocks, the endogenous growth of demand coupled with structural adjustments on the supply side is expected to gradually absorb capacity pressures and maintain long-term market equilibrium.
    - The core differentiation in the industry's competitive landscape ultimately hinges on corporate comprehensive capabilities. From a long-term perspective, companies with internationalized supply chains, global sales networks, and diversified product structures will hold advantages. Adisseo leverages its dual-platform production setup in China and Europe, international sales networks,

and full-product category supply advantages. Through global industrial chain positioning to mitigate risks, multi-regional market penetration enabled by its sales networks, and leading liquid methionine technology and cost-competitive production, Adisseo is confident to maintain a favorable competitive position in the evolving landscape.

4. Adisseo has been deeply engaged in the field of liquid methionine for a long time and possesses significant advantages. For example, regarding the dosing equipment for liquid methionine, whether such equipment be directly purchased from the market, or needs to be independently developed?
    - The core competitiveness of Adisseo in the liquid methionine sector is rooted not only in its technological expertise but also in its capacity to control critical links of the industrial chain. Although the dosing equipment can be purchased from the market, the key to the additive dosing process lies not only in the equipment itself, but also in the efficient combination of process, equipment, and technical services. Adisseo has been deeply involved in the solution of liquid methionine products for many years and established integrated advantages in "process-equipment-service", thus achieving deep integration of equipment, process as well as the technical service. This composite capability, combining hard technical strength with soft service excellence, constitutes the fundamental pillar sustaining the company's continuous leadership in the liquid methionine industry.

5. In the future, as the domestic methionine industry increasingly embraces integrated competition, whether Adisseo can be able to maintain its cost advantage in raw materials?
    - No comment on the competitors. Adisseo remains focused on building its own core competitiveness. Taking the Nanjing plant as an example, its performance against key metrics has proven the foresight of our strategic initiatives. Currently, the Nanjing plant maintains industry-leading positions in capacity utilization rate and production stability. Leveraging the regional advantages of the Yangtze River, industrial chain synergies, and continuous process optimization, we have full confidence in the comprehensive competitiveness of our domestic production capacities.

6. How does Adisseo viewed competitiveness of the Europe platform versus China platform?
    - Since the second half of 2022, we have initiated the "RU Rise” plan, systematically enhancing the competitiveness of its European platform through

three key aspects: capacity optimization, operational excellence, and technological innovation. Firstly, shut down the old capacities, i.e. the closure of the powder methionine production line in Commentry to improve the overall cost competitiveness of the methionine business. Secondly, through measures such as increasing capacity utilization rates and optimizing energy management, an annual cost reduction of approximately €20 million has been achieved over the past two years, fostering sustained operational resilience. Lastly, accelerating the innovation of powder methionine production process has further reduced unit costs, solidifying the European platform's regional leadership.

- Given the persistent global trade environment and tariff barriers, which are likely to remain in the near term, regionalized production and localized supply have become central to industry competition. Under this context, importing products from China to Europe struggles to match the cost advantages of localized production, which benefits from shorter transportation distances, faster customer responsiveness, and regulatory compliance. Therefore, we will continue to fully explore and expand the advantages of global production layout, leveraging China's industrial ecosystem to enhance production economics, while strengthening European competitiveness through technology upgrades and cost optimization. We are also exploring the feasibility of establishing a third production platform in the US dollar zone. The future competitive landscape will prioritize "regional deep cultivation and diversified collaboration," with each regional production platform building unique core competencies to form a globally integrated yet locally adaptive strategic framework. This approach aims to navigate trade uncertainties and bolster supply chain resilience.

7. In a period of oversupply, whether Adisseo will adjust its vitamin business structure (e.g., transitioning to high-margin specialty vitamins) to improve profitability?
   - Firstly, Adisseo continuously advances process upgrades at its European production base to reduce product manufacturing costs. Even if market prices were to decline further in the future, relying on technological iterations and lean management practices at European plant, the Company could maintain stable profitability level. Secondly, while preserving the competitiveness of basic vitamin product lines, we are enhancing product value through formulation technology innovations to improve profitability margins. Lastly, as a key player in the vitamin market, Adisseo will maintain our unique competitive position in the feed vitamin industry, committed to providing

customers with a full range of high-quality and fully traceable vitamin solutions.

8. The Company's vitamin business primarily serves the feed additive market. Are there any plans to expand into human health applications?

    - Currently, approximately 80%-85% of the global vitamin A market is directed toward feed additives, with only 15%-20% allocated to human health sectors (including food and pharmaceuticals). The human health sector, due to its involvement with food safety and pharmaceutical standards, imposes stricter requirements for quality certification, supply chain stability, and regulatory compliance. While this segment may offer higher price premiums, it also entails navigating significantly more stringent regulatory barriers. Based on our existing business framework, Adisseo will maintain a short-term focus on feed additives. Simultaneously, we will closely monitor shifts in market demand and technological trends. Should opportunities arise in the human health sector that align with our technical capabilities and leverage synergies within our current production system, we remain open to exploring such possibilities after thorough evaluation.

9. The Company's specialty products maintain a gross margin of 40%-50%. Is this high margin sustainable amid increasing market competition? Are you facing challenges from new entrants?

    - First, the Company achieves the iteration of new technologies and product upgrades by accelerating research and development innovation investment to ensure that its products always remain at the forefront of the industry. For example, innovative products such as those for ruminant animals, enzyme preparations, and intestinal health solutions, which the Company expects to launch this year, effectively resist homogenized competition. Secondly, the sustainability of the gross margin of special products stems from their irreplaceable application value. The Company's professional technical sales team goes deep into the production scenarios of customers, quantifies the value contribution of products in terms of cost reduction, efficiency increase, and quality improvement for customers, and uses this as the basis for pricing. This not only enhances customers' recognition of the price premium but also builds a barrier for long-term cooperation. In summary, relying on technological R&D advantages and high-quality customer service, we are confident that we can accelerate the growth of the special product business while maintaining its high profitability level.

10. Does the Company plan to further integrate the specialty products sector through M&A in the future?
    - The Company's strategic focus on its specialty products business around three key directions: "filling supply chain gaps, extending industrial chains, and strengthening competitive advantages" with mergers and acquisitions (M&A) serving as an organic supplementary tool for strategy implementation. First, filling supply chain gaps to deepen vertical integration. Targeting structural weaknesses in R&D, production, and sales segments of existing specialty product chains, the Company is advancing self-owned construction projects (e.g., internalizing the esterification production process for key ruminant animal products) reducing production costs while improving sustainability. Second, extending industrial chains by expanding application scenarios. Building on technological expertise accumulated in the animal product lines, the Company is driving the exploration of the feasibility of product penetration into high-growth fields such as pet nutrition. Third, strengthening competitive advantages through technology-driven growth. The Company continues to intensify R&D investment and integrate premium technical resources through external research and development methods such as innovation laboratories, enhancing profitability and customer service capabilities. In addition, external M&A are of great significance for enriching product lines and accelerating market expansion. Adisseo' s several acquisitions in recent years have had a positive impact on the growth of the specialty business, and the Company will continue to actively seek opportunities for inorganic growth in the future.
    - Adisseo has the ambition to strengthen its position as one of the worldwide leaders of specialty additives in animal nutrition and health thanks to the organic growth of its existing product range, the launch of new products and external acquisitions. We will always keep an eye on emerging markets and technology fields with potential to seize all possible opportunities, accelerate the development of our company, expand our innovative product and service portfolio, and create synergies and economies of scale.

11. What is the progress of the private placement?
    - The project has officially been accepted by Shanghai Stock Exchange on 15^{th} April and is now entering vetting session. In the future, after the review by the Shanghai Stock Exchange and the registration of China Securities Regulatory Commission, the Company will select an appropriate issuance window after the registration and strive to enhance investors' long-term recognition of

Adisseo' s future development through extensive and efficient roadshow and other investor activities, so as to ensure a high-quality issuance and actively protect the interests of all investors.

12. What is the Company's dividend distribution for this year, and what are the future dividend plans?
    - To enhance the Company's investment value, share operational development achievements with broad investors, and strengthen investors' sense of gain, while ensuring the Company's sustained and steady operations as well as long-term development, the company has increased the frequency of cash dividends this year. In 2025, interim and annual dividends will be implemented, with an overall dividend ratio of 40.08%. The interim dividend of RMB 161 million was distributed on 28th March, and the annual dividend of RMB 322 million has been approved by the shareholders' meeting and will be distributed on 20th May.
    - In the future, the Company will continue to commit to creating value for shareholders, adhere to a distribution plan with a cash dividend ratio of no less than 40% under normal circumstances to actively reward shareholders, enable investors to share the company's operational achievements, and promote all parties to jointly focus on the company's long-term, sustainable, and healthy development.

13. What measures has the Company taken regarding raw materials to address price fluctuations?
    - Facing fluctuations in raw material prices, the Company has built risk resistance capabilities through multi-dimensional strategies. For example, facing the industry challenge of rising sulfur costs the Company relies on integrated production facilities in China and sulfur melting facilities in European bases to achieve independent and controllable key technologies, reducing external dependencies; meanwhile, the Company strengthens the supply chain stability of core raw materials and, through technological research and development, promotes the reduction of sulfur usage and the recycling of sulfur by-products, alleviating cost pressures from the source. Furthermore, the Company leverages synergies within the industrial chain, partially offsetting the impact of rising sulfur costs through the pricing mechanisms of by-products. The Company also fully utilizes regional advantages: China platform maintains competitiveness through localized procurement cost advantages, while the European platform ensures supply

stability by integrating surrounding industrial chain resources. Regional coordination effectively balances global market volatility risks.

- Overall, through technological upgrades, resource recycling, cost hedging, and global supply chain linkage, the Company systematically addresses fluctuations in raw material prices, ensuring business resilience and profitability.

14. How has the US-China trade friction impacted the Company’s business?

- The China-US trade war has introduced certain uncertainties and challenges to global international trade. However, thanks to our global sales network and forward-looking supply chain adjustments, the impact on Adisseo's business has been limited. Affected by the previous US tariff policy towards China,, the Company has adjusted its supply chain for core product methionine exports to the US from China to Europe, and therefore is not affected by the risk of this round of tariffs. Currently, Chinese exports to the US market consist only of a small number of trade vitamins, with portions benefiting from tariff exemptions. The actual impact of newly added tariffs is relatively small, and the overall profitability of the Company has not been significantly affected.
- To address trade frictions, the Company has implemented multiple strategies: First, fully leverage the advantages of the dual production platform across China and Europe and global supply chain, flexibly adjust the supply chain according to changes in tariff policies, in order to maximize the reduction of tariff impacts; second, enhancing localized production using its US specialty chemicals plant to boost domestic supply capabilities and reduce import reliance; third, dynamic pricing adjustments, moderately adjust product prices based on the US market situation. These measures will help reduce tariff impacts, preserving profitability and market share.
- The Company actively transforms trade frictions into development opportunities: Leveraging the tariff advantages of its European production base, the Company further consolidates its industrial foundation in Europe and explores supply chain potential between Europe and the US; meanwhile, through optimizing global capacity layout and strengthening localized supply capabilities, the Company drives industrial chain upgrades and seeks new business opportunities.

Bluestar Adisseo Company
14th May 2025

Attachment (in no particular order):

No.	Name of Institutions/Individuals
1	China Electronics Investment Holding Co., Ltd
2	Dongxing Securities
3	Guosen Securities
4	Shanxi Securities
5	Shenwan Hongyuan Securities
6	Shanxi Securities
7	Zhongtai Securities
8	Huaxi Silver Peak
9	HSBC
10	CICC Asset Management
11	Minsheng Securities
12	UBS
13	Millennium
14	Jinshan Lake Investment
15	Junhe Capital
16	Dacheng Capital
17	Qingdao Chengtou Chengjin Group
18	Jinxiu Zhonghe (Beijing) Asset Management Co., Ltd
19	Shanghai Tengxiao Investment Management Co., Ltd
20	Shaanxi New Era Capital Management Co., Ltd
21	China Shipbuilding Industry Corporation Investment Co., Ltd
22	Wuxi Binhu Science and Technology Innovation Group Co., Ltd
23	Ningbo Electronic Information Group