Stock Code: 600299 Stock Name: Adisseo No: 2021-011

Bluestar Adisseo Company

Announcement of Main Operating Data for FY2020

The board of directors and all directors guarantee that this announcement does not contain any false statement, misleading statement or material omission, and assume personal and joint liability for the authenticity, accuracy and integrity of this announcement.

In accordance with SSE *Industrial Information Disclosure Guidance No. 14-Chemical Industry* (2020 Revision) and the *Notice of 2020 Annual Report Disclosure*, here present the 2020 annual operating data:

I. Income & Cost Analysis

Analysis by product

Unit: Yuan Currency: RMB

Main operations by product						
By product	Operating revenue	Cost of sales	Gross profit ratio	Increase/ decrease in operating revenue on the same period of last year	Increase/decrease in operating cost on the same period of last year	Variation in GP ratio on the same period of last year
Performance products	8,522,844,442	5,580,007,586	35%	5%	-2%	+5ppt
Specialty products	2,823,663,656	1,416,009,850	50%	16%	14%	+1ppt
Other products	563,922,878	394,578,902	30%	-9%	-9%	No change
Total	11,910,430,976	7,390,596,338	38%	7%	0%	+4ppt

Analysis of the factors impacting the income from sale of products

Unit: Yuan Currency: RMB

In comparison with 2019	Change in Volume	Change in sales price	Exchange rate impact
Performance products	453,240.71	(65,662.06)	49,157.63
Specialty products	377,935.77	1,262.22	13,155.51

In a most challenging macro-environment in 2020, Adisseo realized sustainable growth in both operating revenue at CNY11.9 billion (+7%) and gross profit at CNY4.52 billion (+20%), thanks to continued volume growth in liquid methionine, solid contributions from vitamins, strong double-digit revenue growth in specialties.
The gross profit margin was up from 34% to 38% thanks to low-level raw material prices, positive impacts from volume increase and strong reliability of plant production, as well as proactive margin management.

Performance Product:
Regarding the methionine business, liquid methionine achieved a +14% volume growth in Q4 2020 vs Q4 2019.
Nanjing plant achieved its production record in Q4 2020, and the new 180KT liquid methionine plant (BANC2 project) is well on track with major piping and civil work completed and main imported equipment delivered on site.
The debottlenecking of European plant (+30KT) is being implemented on schedule.
On Vitamins, thanks to the reliable production and supply, Adisseo realized strong double-digit volume growth in Vitamin A and E and fully benefited from solid market prices in 2020.

Specialty Business:
The specialty business achieved a robust double-digit growth in FY2020 vs FY2019 in both revenue (+16%) and gross profit (+18%) despite difficulties to visit customers to promote specialty business especially with regard to the new products. The growth was mainly attributed to strong results in the dairy (+38%) and aqua (+31%) business as well as other specialties such as Health by Nutrition, etc.
The acquisition of FRAmelco announced in early September to reinforce Adisseo's position as one of the worldwide leaders of specialty feed ingredients in health by nutrition was closed on 9th December 2020. Both the business and organizational integration plan are running according to schedule.
Through participation in AgVentures II fund managed by SP Ventures, globally recognized for its specialization in Agfood tech, Adisseo extended its innovation capacity to Latin America.
Calysseo, Adisseo's joint venture with Calysta, established its Chinese entity, the first commercial FeedKind plant in Chongqing. The groundbreaking ceremony of the plant was held on 18th December, a milestone in the delivery of a disruptive technology that can benefit China and Southeast Asia's aquaculture market as early as 2022.

II. Price variation of the principal products and raw materials

- **Pricing strategy and price variation of principal product**

Our global pricing policy is implemented at three levels: global, regional and national. Our global pricing strategy is established by our Global business directors. The responsibility of the Regional business managers is to adapt this global pricing strategy according to the specific market and competitive environment of the countries under their responsibility.

Regular reviews facilitate Adisseo ability to secure contracts with key customers at the right price and to seize profit-maximizing opportunities. A substantial number of our contracts across all our business lines are concluded on a quarterly basis with fixed pricing for such period.
Historical pricing volatility in the methionine market has been attributable to exogenous factors like natural disasters or animal disease outbreaks and competitive behaviors from industry participants.

Competitive behaviors within the industry and related new capacity announcements or start-ups could also affect the supply and demand balance.

The pricing environment for vitamins is primarily driven by supply and demand dynamics. The primary end for vitamin A and E markets are animal feed. However, vitamin E is also driven by the human food, pharmaceutical and cosmetics markets.

The pricing of our products is in most cases in-line with market pricing which can vary from region to region. Where possible, our prices also reflect a premium for the value-added support services that we provide to our customers.

- **Basic information of principal raw material**

Unit: Yuan Currency: RMB

Raw material	Purchasing pattern	Market value of raw material	Prices Fluctuation vs 2019	Impact on operating cost of the company due to the fluctuation in the purchase price
Propylene 95%	Long-term contract	899,013,481	-16%	decrease in operating cost
Methanol	Long-term contract	170,227,569	-17%	decrease in operating cost
Sulphur	Long-term contract	202,653,336	-16%	decrease in operating cost

III. Other events that have significant impact over the company's production and operation

None.

It is hereby announced.

Board of Directors of Bluestar Adisseo Company
30th March 2021

(In case of discrepancies between the English version and the Chinese version of this announcement, the Chinese version, officially published and disclosed, shall prevail.)