Stock Code: 600299 Stock Name: Adisseo No.: 2022-009

Bluestar Adisseo Company

Announcement of Main Operating Data for December 2021

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. 13-Chemical Industry* and the *notice of 2021 Annual report disclosure*, here present the 2021 annual operating data:

1. Income & Cost Analysis

Analysis by product

Unit: Yuan Currency: RMB

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	9,071,719,595	6,346,140,705	30%	6%	14%	-4ppt
Specialty products	3,164,456,683	1,625,080,988	49%	12%	15%	-1ppt
Other products	632,505,101	503,327,190	20%	12%	28%	-10ppt
Total	12,868,681,379	8,474,548,883	34%	8%	15%	-4ppt

2021 cost of sales and gross profit stated in 2020 policy for comparable purpose

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	9,071,719,595	6,082,542,226	33%	6%	9%	-2ppt
Specialty products	3,164,456,683	1,583,062,711	50%	12%	12%	No change
Other products	632,505,101	452,905,040	28%	12%	15%	-2ppt
Total	12,868,681,379	8,118,509,977	37%	8%	10%	-1ppt

Analysis of the factors impacting the income from sale of products

In comparison with 2020	Change in Volume	Change in sales price	Exchange rate impact
Performance products	(194,633,515)	1,229,156,274	(485,647,606)
Specialty products	532,648,405	(20,532,333)	(171,323,045)

In FY2021, Adisseo achieved robust growth in revenue (+8%, CNY12.87 billion) thanks to +23% growth in liquid methionine and +12% growth in specialties. Global sales network and balanced industrial set-up enabled Adisseo fully capture the business dynamic across the globe. Proactive price management, agile and responsive supply and continuous competitiveness enhancement program allowed to offset partially the dramatic increase of raw material and energy costs, notably in the fourth quarter.

Performance Product:
Regarding the methionine business, the liquid methionine recorded strong revenue growth driven by robust growth in all regions, especially led by Latin America, Indian Subcontinent and Europe.

Both Burgos (Spain) plant and Nanjing plant (BANC)'s have been running with high reliability despite supply and energy challenges.
Methionine price is being increasing in most of regions but not yet compensating the increase in all raw material prices.
Leadership in methionine will be further strengthened thanks to Adisseo's continuous capacity expansion projects.
The new 180KT liquid methionine plant (BANC2 project) is progressing well on track with 6 million hours without accident. Civil work and over 99% construction work were completed with pre-commissioning phase smoothly started heading for its planned start-up in 2nd half of 2022.
In addition, as an illustration of Adisseo sustainability project, a steam recycling project was launched in 2021 to further enhance energy utilization efficiency in Nanjing plant.
The debottlenecking of European plant is running at full capacity (+30KT) since its start-up in September 2021.
On Vitamins, Vitamin A and E selling price remained firm.

Specialty Business:
In FY2021, specialty business reached double-digit growth in revenue (+12%, CNY3.16 billion) thanks to:
- Outstanding performance in China (+62%) and Latin America (+16%)
- Continued high-double-digit growth in ruminant business (+15%) driven by US & China market in 2021.
- Solid growth in Health by Nutrition driven by FRAmelco integration and a great year for Selisseo in most regions (+31% volume growth)
- Double-digit growth in palatability business (+11%) and aqua (+13%)
- Double-digit growth in feed digestibility in last quarter thanks to its further penetration to the market. Continued steady growth expected in 2022 with the launch of the new enzyme product Rovabio Phyplus at the end of October 2021.

Adisseo launched a European Specialties Capacity Expansion and Optimization Project to support business growth, optimize industrial set-up and improve customer service. The preparation work has started at the end of 2021.

The first commercial FeedKind® Chongqing plant of Calysseo, Adisseo's joint venture with Calysta, is progressing well with around 90% completion rate and reached about 900,000 safe working hours. Engineering and purchasing are close to completion and the start-up preparation is on track to start the sales at the end of 2022.

2. **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**

Raw material	Purchasing pattern	Market value of raw material	Prices Fluctuation vs 2020.12	Impact on operating cost of the company due to the fluctuation in the purchase price
Propylene 95%	Long-term contract	1,257,364,182	40%	Increase in operating cost
Methanol	Long-term contract	244,308,244	51%	Increase in operating cost
Sulphur	Long-term contract	345,419,717	75%	Increase in operating cost

3. **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 2022