Stock Code: 600299 Stock Name: Adisseo No.: 2024-035

Bluestar Adisseo Company

Announcement of Main Operating Data for Half-year 2024

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

In accordance with *SSE Industrial Information Disclosure Guidance No. 13-Chemical Industry* (January 2022 Revision) and *the Notice of 2024 Half-year Report Disclosure*, here present the 2024 half-year 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*	5,394,321,432	3,889,932,106	28%	20%	0%	15ppt
Specialty products*	1,866,627,116	1,094,115,525	41%	1%	-2%	1ppt
Total	7,260,948,548	4,984,047,631	31%	15%	0%	10ppt

**Since 2024, Adisseo streamlined its business units and recategorized all the products into performance and specialty products business units. Performance products include methionine, vitamins, ammonium sulfate, sodium sulfate, and sulfur products. Specialty products include monogastric, ruminant and aqua products, of which Norfeed, Innovia (Powder processing services) and FeedKind are also included. H1 2023 figures were restated per the new categorization.*

Analysis of the factors impacting the income from sale of products

In comparison with 2023 half-year	Change in Volume	Change in sales price	Exchange rate impact
Performance products	600,172,166	180,319,901	134,749,933
Specialty products	(16,037,083)	(10,774,011)	44,141,888

In H1 2024, the revenue recorded a yoy double-digit growth (+15%) to CNY7.3 billion and gross margin improved by +10ppt yoy to 31%, with the positive momentum in Q1 continued in Q2. In the first half of 2024, Adisseo has delivered:

- Continuous growth in methionine driven by continuous penetration in liquid methionine, double-digit growth in powder methionine as well as pricing increase
- Sustained specialty business dynamics thanks to solid growth in monogastric and aqua business offsetting struggling dairy market in the North America
- Decreased raw material and energy costs also contributed to gross margin improvement
- Continuous optimization of supply chain, transportation and duties to best serve our clients across the world
- Strict cash and working capital management as well as cost competitiveness program

Performance Product:

Regarding the methionine business, a very strong performance was achieved in Q2 2024 with strong increase in revenue (+34%) and gross profit (+238%), driven by continuous penetration of liquid methionine globally thanks to conversion of powder customers, reliable plant production and supply agility between China and European production platforms. In addition, the powder methionine business experienced good volume and profitable growth thanks to the reliable and competitive production in the European plant.

The margin of methionine business was improved thanks to price increase, lower cash cost driven by high yield, and continuous optimization of competitiveness and logistics, transportation and duties leveraging the two production platforms.

The new 150KT powder methionine plant in Quanzhou has completed Basic Engineering Design, and the pipe and piling work has started. It will allow notably to leverage SinoChem local platform, and thus generate synergies in supply chain and operations. Strong cost competitiveness is expected upon completion. It will also allow Adisseo to optimize its industrial set-up, to produce locally for meeting global customers' demands and to reinforce its leadership in methionine. The project is expected to start up in 2027.

In H1 2024, the vitamins business has seen great resilience in the business in the context of stabilizing vitamin A prices and strong demand in vitamin E and portfolio business.

Specialty Business:

In Q2 2024, specialties business had strong growth for both monogastric and aqua business lines. Selisseo, the high-end organic selenium, recorded the best monthly sales ever in June 2024. The solid business dynamics in palatability confirmed its growth path and the double-digit growth in mycotoxin management (+11%) is expected to be pursued supported by the potential synergies arising from partnering with a leading agriculture company focused on crop protection and seeds.

Market conditions are still difficult for dairy products especially in the U.S. due to lasting low milk prices. Nevertheless, the market demand for the new product remains strong.

In Q2 2024, Specialty gross margin has been impacted by the difficult ruminant business. However, thanks to strict cost control measures notably on tolling costs, the gross margin has been maintained at relatively similar level as Q1 2024.

The construction of the European Specialties Expansion and Optimization Project in Spain was completed with the start-up rolled out successfully in May and expected to be fully operational by Q3 2024.

The project to internalize esterification process to produce the key ruminant product started the groundbreaking work in Q2.

The new Innovia plant built in France, a drying formulation unit for specialties, has completed industrial ramp-up phase with tangible improvements achieved on the operational performance of the plant.

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 June 2023	Impact on operating cost of the company due to the fluctuation in the purchase price
Propylene 95%	Long-term contract	652,478,728	1%	Increase in operating cost
Methanol	Long-term contract	158,735,442	3%	Increase in operating cost
Sulphur	Long-term contract	233,426,962	-10%	Decrease 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
29th August 2024

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