

Bluestar Adisseo Company

Communication Record of 2024 Performance Forecast Investor

Communication

- I. Meeting Time:
11th February 2024 (Tuesday) 14:00 p.m.-15:00 p.m.
- II. Participants or institutions
The list of participating institutions can be found in the attached list.
Important reminder: The list of participating institutions is provided by the organization and displayed after sorting. 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 online meeting
- V. Communication content
The meeting was held in the form of online communication. The senior management team of the Company introduced the Company's performance forecast for 2024 to investors in terms of operating results, business development and prospects, and the common concerned questions were answered by the Company at the Results Presentation.
 1. What are the main areas of growth in the company's performance in 2024 and what are the prospects for each area in 2025?
In 2024, Adisseo's revenue recorded a +18% growth to CNY15.53 billion and achieved a solid gross margin level (+9ppt to 30%), driven by: strong methionine performance (+24%); vitamin price rebound in the end of 2024; sustained performance in Specialties (+4%) despite challenges in dairy market in China and the U.S.
For 2025 outlook, despite market volatility and uncertainty, market demand is expected to remain stable. The company's business is expected to continue to maintain a good operating momentum.

In terms of methionine:

From a demand perspective, the increase in global poultry and egg consumption has driven up the demand for methionine, with an expected growth rate of approximately 4% in 2025. Despite risk factors such as avian influenza and trade barrier, the overall demand shows a growth trend. From a supply perspective, some companies have limited production capacity, and new capacity may be delayed in entering the market, which could lead to relatively limited methionine availability. Overall, against the backdrop of steadily growing market demand, the supply-demand relationship is expected to reach a new dynamic balance, and the competitive landscape is expected to remain generally healthy and fundamentally balanced.

In terms of Vitamin:

Due to the fire accident in summer by a key competitor, the vitamins business demonstrated great resilience in 2024 in the context of stabilizing and then increasing vitamin A prices. Vitamin A&E prices rebounded in late 2024 with positive impact on margins. Currently, we do not expect fundamental change in the future supply and demand situation for Vitamin. The current situation allows the Company more room for process optimization. The positive impact on the Company's business will continue for a period of time. The Vitamin A strategy will remain unchanged short-term wise, while open for any potential strategic alliance with partners to enhance the overall profitability stability and supply reliability.

In terms of Specialties:

The business growth in 2025 is expected to be stronger than that in 2024. The company will fully accelerate specialties dynamics, leveraging the full range of services and product offerings and the gradual recovering of dairy market in the U.S.. In markets for monogastric animals (such as poultry and pigs) as well as aqua products, there is a stable demand for feed digestibility and animal resilience products. For ruminant animal products, the market conditions in the United States are improving quarter by quarter, but the Chinese market still faces challenges.

In addition, Adisseo is well positioned regarding international set-up, including dual platforms, international teams and global marketing coverage, allowing for continuous optimization of supply to address global supply chain disruptions and to capture global market demand & local opportunities. Meanwhile, we also benefit from the operational excellence and cost control measures. Better-than-expected cost saving results were achieved in 2024, leading to FY recurring savings of CNY179 million. In total, 6-year accumulated savings amounted to more than CNY1 billion. It contributes significantly to the continuous reinforced competitiveness of the Company. In 2025, the Company will continue to efficiently carry out operational excellence and cost control measures to ensure that cost reduction and efficiency improvement projects achieve their expected goals.

Adisseo is fully engaged in delivering growth, improving margins, and pursuing

strategic investments for the future.

2. In this January, various producers have raised their prices. How does the Company view the sustainability and implementation of the price increase, as well as its impact on the production capacity planned to exit the market?

Recently, the price of methionine in the market has shown an upward trend, reflecting the current supply and demand situation. In S2 2024, the price of methionine had experienced a slight decline. With the market's expectation for the new capacity coming online, the upward trend in methionine prices began to emerge. Currently, the supply and demand in the methionine market as a whole is in a balanced state. Currently, the capacity that was originally planned to exit the market has already done with no new capacity being added. This makes the supply in the market relatively stable, while the demand continues to grow. This balanced state of supply and demand helps maintain the current price level. Regarding 2025 outlook, it is expected that the launch of new capacities will have a certain impact on the short-term prices in the methionine market. However, overall, the supply and demand relationship is expected to reach a new dynamic balance, and the competitive landscape is expected to remain generally healthy and fundamentally balanced. In summary, the rise in methionine market prices is a direct reflection of changes in supply and demand. Currently, the supply and demand are well balanced, but future price trends still need to pay attention to the commissioning of new capacities and changes in market demand.

3. In the face of new production capacity in the methionine field, how will the Company consolidate its leading position in the industry?

Adisseo is the world leader in liquid methionine and is aiming to become the world's largest producer in the global methionine market.

First of all, the Company has increased its capacity layout and continuously enhanced its cost advantages. The new greenfield powder methionine plant will apply the new technology to ensure its manufacturing excellence. In addition, adjacent to Sinochem Quanzhou Petrochemical Co., Ltd., this project will fully utilize the internal collaborative resources of Sinochem and further enhance its cost competitiveness. The first year of project operation is expected to be in 2027. Secondly, we will consider performing debottlenecking according to the market situation to meet the growing market demand and to reduce production costs. Adisseo has actively worked on the feasibility study on the next methionine production platform in the USD-zone area for the purpose to meet the ever-increasing customer demand targeted to achieve with 2nd-to-none cost advantage. Lastly, other than continuously strengthening the international industrial layout, enhancing technological and cost advantages, the Company also provides a series of high-quality technology services to enhance customer stickiness. Adisseo is the only supplier of liquid methionine, who can provide high-quality dosing services to its customers and we will continue to excel our service on this aspect. In addition to the dosing system, Adisseo introduces PNE, Adilab, Nestor service

to our customers leveraging its 85+ animal nutrition industrial experience. The Company is committed to developing and introducing to customers to enhance product efficiency and control production costs.

4. What is the Company's strategic focus in the future?

The Company will continue to implement its “two-business-pillar” strategy, i.e. continuous consolidating its leadership in Methionine (liquid in particular), while at the same time accelerating its development in Specialty business. The future strategic development and specific measures of methionine business have been elaborated in the aforementioned issues. For the specialty products business, the company has also set ambitious strategic goals and detailed business plans. Adisseo has the ambition to become one of the worldwide leaders of specialty additives in animal nutrition thanks to leveraging the endogenous organic development of existing product lines, the continuous launch of new products, the improvement of production efficiency brought about by the continuous exploration of biotechnology, the emergence of new markets, and external mergers and acquisitions.

5. Whether the Company has any plans for mergers and acquisitions recently?

Before the Spring Festival, the State-owned Assets Supervision and Administration Commission (SASAC) issued opinions on market value management and other related matters, providing important guidance for the stability and development of the capital market. Adisseo is part of Sinochem's life sciences business sector and is the only subsidiary in the group that focuses on animal nutrition. Currently, the Company has no merger and acquisition plans that need to be disclosed to the market.. In terms of business development, the Company has always been committed to exploring new models and paths for collaborative cooperation within the group, fully leveraging the synergistic effects brought about by internal resources to achieve complementary advantages. At the same time, the Company is also looking to the external market, actively seeking suitable targets for mergers and acquisitions, to accelerate its development in the field of specialty products, laying a solid foundation for the Company's long-term development and value enhancement. The Company sees great growth potential in Specialty products and actively explores innovative products. Adisseo has carried out several small-scale mergers and acquisitions in recent years. The full integration of Nutriad, FRAmelco and Nor-Feed into Adisseo allows a high complement to existing product range, the addressed species, and the target markets and enables Adisseo to offer an integrated solution and to provide more value to customers.

6. Whether the Company have a maintenance plan for the first half of 2025, and what is the impact of the maintenance plan on the Company?

The Company plans to implement a maintenance plan in 2025, which will fully

cover the Nanjing plant and the European plant. The maintenance is a planned arrangement by the Company. The Company will take reasonable production scheduling measures, coordinate the production progress of each production line, optimize the production process, ensure market supply and customer satisfaction.

7. Process of 150KT powder methionine plant in Quanzhou and FeedKind?

Currently, the basic engineering design of 150KT powder methionine plant in Quanzhou has obtained approval, with construction on track. The Company will strictly monitor the progress of the project and the first year of project operation is expected to be in 2027. The new greenfield powder methionine plant will apply the new technology to ensure its manufacturing excellence. In addition, adjacent to Sinochem Quanzhou Petrochemical Co., Ltd., this project will fully utilize the internal collaborative resources of Sinochem and further enhance its cost competitiveness.

FeedKind® is a nutritious, safe and reliable single-cell protein product, and more importantly, it is a truly sustainable product that can provide a higher level of sustainable development. Calysseo Chongqing plant is the world's very first large-scale demonstration production unit to use disruptive fermentation technology, and it is on its innovation path in 2024. The plant has been delivering steady operations since Q2 2024, allowing to deliver on-spec products. The positioning of the products with its nutritional benefits on top of its high protein content is on-going both in China and in Southeast Asia. Meanwhile, a proportional financing of no more than USD16.25mil will be injected respectively by Adisseo together with Calysta to Calysseo, a joint venture between Adisseo and Calysta, to support its further development of the very first global manufacturing plant applying the disruptive technology to produce FeedKind®, an innovative contribution to the sustainability of aquaculture.

8. Whether Sinochem Group included market value management in the assessment indicators for listed companies?

As a global leader with over 85 years of experience in the animal nutrition industry, Adisseo has been unwaveringly advancing its corporate strategies: the "two-business-pillar strategy" and the "one-China Strategy." The Company is accelerating strategic investments and R&D innovations globally, especially in the Chinese region, to enhance the competitiveness of existing products, continuously enrich its product categories, consolidate its leading position in the industry, and reward investors through concrete actions. Meanwhile, Adisseo has always aimed to improve investor returns and actively implements various market value management measures. These include increasing the proportion of long-term dividends, implementing private placement plans, and actively engaging in various investor communication activities. Therefore, the assessment of market value management is also reflected in many aspects.

In terms of the specific implementation of the Company's market value management in 2024, it is mainly reflected in the following aspects:

Long-Term Dividends: The Company has always been committed to creating value for shareholders. It has consistently adopted a relatively stable profit distribution policy and cash dividend plan to actively reward shareholders, allowing investors to share in the company's operational development achievements. This promotes a collective focus on the company's long-term, sustainable, and healthy development. Regarding the long-term cash dividend ratio, the company made the following adjustment in 2024: except for special circumstances, the Company shall distribute dividends in cash when it is profitable for the current year, the cumulative undistributed profits are positive and the Company's leverage ratio (Net Debt / EBITDA) is no higher than 2, the annual cash dividends shall not be less than 40% of the distributable profits shown in the consolidated financial statements.

Private Placement: On the one hand, it aims to support the development of the Company's strategy by continuously increasing investment in core business and further enriching the Company's product system, effectively enhancing the core competitiveness and development potential of the main business. On the other hand, this private placement will help optimize the Company's equity structure, improve the liquidity of listed company stocks, and thus better enhance the enterprise value in the capital market performance.

Investor Communication: We continuously monitor market dynamics and actively communicate with investors, establishing regular communication mechanisms with both domestic and foreign investors to convey the Company's confidence and determination in development.

9. How does the company view the impact of new domestic production capacity (such as the proposed 200,000-ton methionine project by Inner Mongolia Lingsheng) on the market? What are the specific goals of the company's five-year plan?

The new production capacity presents both opportunities and challenges for the Company. The opportunity lies in the new capacity's ability to enhance the Company's cost competitiveness, thereby strengthening its core competitiveness; the challenge, however, is that the Company will face even fiercer market competition. The Company has ambitious growth targets for both future revenue and net profit. Currently, the Company is in the stage of formulating its "15th Five-Year" plan. The specific details will be communicated with the capital market during 2025 Capital Day.

Bluestar Adisseo Company
13th February 2025

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

Attachement :

No.	Name of Institutions/Individuals
1	Everbright Securities
2	Guosen Securities
3	Shanxi Securities
4	Citic Securities
5	BOCI Securities
6	Guotou Securities Investment Co., Ltd
7	Zhongtai Securities
8	CICC
9	Great Wall Securities
10	HSBC Securities
11	Guojin Securities
12	Zheshang Securities
13	Huaan Securities
14	Shanghai Shenyin Wanguo Securities Research Institute
15	Northrock Capital
16	MLP
17	UBS
18	Jefferies Equity Research
19	China Electronics Investment Holding Co., Ltd
20	Jinshan Lake Investment
21	Zhuque Fund
22	Wuxi Binhu Science and Technology Innovation Group
23	Individual investor (1)