

Stock Code: 000553(200553) Stock Abbreviation: ADAMA A(B) Announcement No.2024-47

The Company and all members of its board of directors hereby confirm that all information disclosed herein is true, accurate and complete with no false or misleading statement or material omission.



**ADAMA LTD.**

## **THIRD QUARTER REPORT 2024**

ADAMA Ltd. (hereinafter referred to as “**the Company**”) is a global leader in crop protection, providing solutions to farmers across the world to combat weeds, insects and disease. ADAMA has one of the widest and most diverse portfolios of active ingredients in the world, state-of-the art R&D, manufacturing and formulation facilities, together with a culture that empowers our people in markets around the world to listen to farmers and ideate from the field. This uniquely positions ADAMA to offer a vast array of distinctive mixtures, formulations and high-quality differentiated products, delivering solutions that meet local farmer and customer needs in dozens of countries globally, with direct presence in all top 20 markets.

**Please see important additional information and further details included in the Annex.**

**October 2024**

**Important Notice**

**The Company's Board of Directors, Board of Supervisors, directors, supervisors and senior managers confirm that the content of the Report is true, accurate and complete and contains no false statements, misleading presentations or material omissions, and assume joint and several legal liability arising therefrom.**

**Gaël Hili, the person leading the Company (President and Chief Executive Officer) as well as its legal representative, and Efrat Nagar, the person leading the accounting function (Chief Financial Officer), hereby assert and confirm the truthfulness, accuracy and completeness of the Financial Report.**

**The Third Quarter Report has not been audited.**

**This Report has been prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.**

## I. Main accounting and financial results

1. Whether the Company performs any retroactive adjustments to, or restatements of, its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes  No

	July - September 2024	+/- (%)	January - September 2024	+/- (%)
Operating revenues (RMB'000)	6,613,004	-10.72%	21,523,293	-12.72%
Net loss attributable to shareholders of the Company (RMB'000)	(943,246)	-17.86%	(1,838,112)	-76.32%
Net loss attributable to shareholders of the Company excluding non-recurring profit and loss (RMB'000)	(978,076)	-19.53%	(1,925,131)	-71.39%
Net cash flow from operating activities (RMB'000)	1,131,114	91.49%	2,862,232	444.33%
Basic EPS (RMB/share)	(0.4049)	-17.86%	(0.7890)	-76.35%
Diluted EPS (RMB/share)	N/A	N/A	N/A	N/A
Weighted average return on net assets	(4.52%)	-1.07%	(8.71%)	-4.16%
	<b>End of Reporting Period</b>	<b>End of last year</b>	<b>+/- (%)</b>	
Total assets (RMB'000)	51,519,496	55,405,803	-7.01%	
Net assets attributable to shareholders (RMB'000)	19,778,917	21,924,475	-9.79%	

2. Non-Recurring profit/loss

Applicable  Not applicable

Unit: RMB'000

Item	July - September 2024	January - September 2024	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	21,606	39,823	
Government grants recognized through profit or loss (excluding government grants closely related to business of the Company and given at a fixed quota or amount in accordance with government's uniform standards)	1,694	3,993	
Recovery or reversal of provision for bad debts which is assessed individually during the years	7,835	24,545	
Post vesting cash share-based payment revaluation	(1,914)	16,424	
Other non-operating income and expenses other than the above	15,745	23,544	
Less: Income tax effects	10,136	20,310	
Total	34,830	87,019	

Explanation of other profit or loss that meets the definition of non-recurring profit or loss

Applicable  Not applicable

No such cases in the Reporting Period.

Explanation of why the Company classified an item as non-recurring profit/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public. Non-recurring Profit and Loss, and reclassified any non-recurring profit/loss items are given as examples in the said explanatory announcement to recurrent profit/loss

Applicable  Not applicable

No such cases in the Reporting Period.

3. Changes in main accounting statement items and financial indicators in the Reporting Period, as well as reasons for the changes

✓ Applicable  Not applicable

### General Crop Protection (CP) Market Environment<sup>1</sup>

During the third quarter of 2024, key commodity crop prices remained subdued, pressuring farmer income, despite some ease in the prices of inputs.

While channel inventory continues to ease, the high interest rate environment coupled with ample product supply and active ingredient prices from China remain at historic lows, continue to drive a just-in-time purchasing approach by the channel.

These dynamics have negatively impacted the pricing in the crop protection market.

### Update on the War Situation in Israel

ADAMA is headquartered in Israel and has three manufacturing sites in the country. The war situation in Israel, including recent developments, and tensions in the Red Sea and shipping disruptions, have not had a material impact on the Company's ability to support its markets or on ADAMA's consolidated financial results, although this situation might impact the Company's ability to respond quickly to changing market demand<sup>2</sup>.

	January - September 2024 (000'RMB)	Same period last year (000'RMB)	+/-%	January - September 2024 (000'USD)	Same period last year (000'USD)	+/-%
<b>Operating income (Revenues)</b>	21,523,293	24,660,104	-12.72%	3,027,945	3,524,283	-14.08%
Cost of goods sold	16,748,146	19,435,730	-13.83%	2,356,131	2,775,876	-15.12%
Sales & Marketing expenses	3,408,333	3,206,154	6.31%	479,481	457,749	4.75%
General & Administrative expenses	817,172	713,482	14.53%	114,955	101,885	12.83%
R&D expenses	319,977	372,361	-14.07%	45,014	53,240	-15.45%
Financial Expenses	1,220,073	686,670	77.68%	171,629	97,891	75.33%
Loss from Changes in Fair Value	(235,775)	(1,068,797)	-77.94%	(33,184)	(152,786)	-78.28%
<b>Total Net Financial Expenses</b>	1,455,848	1,755,467	-17.07%	204,813	250,677	-18.30%
<b>Total loss</b>	(1,442,604)	(1,104,176)	30.65%	(202,873)	(154,701)	31.14%

<sup>1</sup> Sources: CCPIA (China Crop Protection Industry Association), BAINFO, FocusEconomics, China Containerized Freight Index, internal sources.

<sup>2</sup> For further information see Section 3 Subsection X to the 2024 Semi-Annual Report, "Raw material supply and/or shipping, port service disruptions and inventory".

	January - September 2024 (000'RMB)	Same period last year (000'RMB)	+/-%	January - September 2024 (000'USD)	Same period last year (000'USD)	+/-%
Income tax expenses (income)	395,508	(61,703)	740.99%	55,643	(8,894)	725.62%
<b>Net loss attributable to shareholders of the Company</b>	(1,838,112)	(1,042,473)	76.32%	(258,516)	(145,807)	77.30%
<b>EBITDA</b>	1,790,580	2,209,544	-18.96%	251,953	318,310	-20.85%

	Q3 2024 (000'RMB)	Q3 2023 (000'RMB)	+/-%	Q3 2024 (000'USD)	Q3 2023 (000'USD)	+/-%
<b>Operating income (Revenues)</b>	6,613,004	7,406,903	-10.72%	929,451	1,032,600	-9.99%
Cost of goods sold	5,274,072	6,077,003	-13.21%	741,264	847,196	-12.50%
Sales & Marketing expenses	1,044,957	1,044,955	0.00%	146,867	145,675	0.82%
General & Administrative expenses	280,906	252,336	11.32%	39,480	35,177	12.23%
R&D expenses	101,870	109,983	-7.38%	14,319	15,335	-6.63%
Financial Expenses	596,427	230,815	158.40%	83,826	32,164	160.62%
Loss from Changes in Fair Value	(39,283)	(286,579)	-86.29%	(5,525)	(39,952)	-86.17%
<b>Total Net Financial Expenses</b>	635,710	517,394	22.87%	89,351	72,116	23.90%
<b>Total loss</b>	(871,175)	(785,587)	10.89%	(122,441)	(109,501)	11.82%
Income tax expenses	72,072	14,730	389.29%	10,129	2,054	393.14%
<b>Net loss attributable to shareholders of the Company</b>	(943,246)	(800,317)	17.86%	(132,570)	(111,555)	18.84%
<b>EBITDA</b>	395,826	268,554	47.39%	55,636	37,444	48.58%

Note: Since the functional currency of main overseas subsidiaries is the USD, and the Company's management review of the Company's performance is based on the USD results, following explanations and analysis are based on USD-denominated numbers as listed above.

## Analysis of Financial Highlights

### (1) Revenues

Revenues in the third quarter declined by approximately 10% (-11% in RMB terms; -6% in CER terms) to \$929 million, presenting a decrease of 7% in prices and an increase of 1% in volumes.

The lower sales reflect lower market prices and de-focus from selected low profit products. High competition from Chinese and Indians manufactures as well as declining active ingredient prices have impacted the pricing of the

overall crop protection market led by the pricing of commoditized generic crop protection. Moreover, despite improvement in market inventory levels, the channel is exercising cautious buying patterns in light of price volatility and a higher interest rate environment.

These results brought the revenues in the first nine months of 2024 to \$3,028 million, a decline of approximately 14% (-13% in RMB terms; -12% in CER terms), reflecting a decrease of 9% in prices and a decrease of 3% in volumes.

## Regional Sales Performance

	Q3 2024 \$m	Q3 2023 \$m	Change USD	9M 2024 \$m	9M 2023 \$m	Change USD
Europe, Africa & Middle East (EAME)	203	235	-14%	882	999	-12%
North America	158	133	19%	572	568	1%
Latin America	287	350	-18%	687	912	-25%
Asia Pacific	282	315	-11%	887	1,044	-15%
Of which China	109	130	-16%	384	453	-15%
<b>Total</b>	<b>929</b>	<b>1,033</b>	<b>-10%</b>	<b>3,028</b>	<b>3,524</b>	<b>-14%</b>

Note: the numbers in this table may not sum due to rounding.

**Europe, Africa & Middle East (EAME):** Sales in **EAME** decreased in the third quarter and first nine months of 2024, following negative weather conditions in Eastern, Central and Northern Europe, and strong competition across the region, which have impacted pricing.

**North America: Consumer & Professional Solutions** - Sales were higher in the third quarter and nine-month period following supported by good weather, while the Company focused on higher margin products.

In the **US Ag** market, sales increased in the third quarter supported by channel restocking against channel destocking in the corresponding quarter and decreased in the first nine months of 2024, following pricing pressure in light of competition and lower farmer profitability, just-in-time purchasing patterns reflecting the high interest rate environment.

ADAMA's sales in **Canada** in the third quarter were higher and reflected good demand for pre and post-harvest herbicides and fungicides, while the lower sales in the nine month period were impacted by low insecticide demand due to weather conditions.

**Latin America: Brazil** - decline in sales in the third quarter and first nine months of 2024, reflecting the softer pricing following competition from Chinese competitors, "wait and see" farmers behavior postponing CP purchases, negative impact of weather as well as de-focus from non-selective herbicides. The Company is focusing its sales on higher margin products, with new product introductions of differentiated products continuing to do well.

In the **rest of LATAM** sales in the third quarter and the first nine-month period reflected negative weather conditions which have impacted the seasons across the region, while pricing was impacted by high competition. Despite this, new product introductions of differentiated products supported sales.

**Asia-Pacific:** In **China**, the branded formulations sales in the third quarter were impacted by lower customer demand due to high channel inventory, market competition and extreme weather events as typhoon in Southern China. The pricing pressure continued throughout the first nine months. The non-Ag business saw a stable demand and improved business quality despite the impact of lower prices.

In the **Pacific region**, sales in the third quarter and the first nine months were lower, impacted by softer pricing and just-in-time purchasing patterns. Sales in the third quarter were supported by positive weather conditions in Eastern Australia and in New Zealand.

Sales in **India** were stable in the third quarter and down in the nine-month period, impacted by erratic weather and softer pricing, particularly in commoditized products.

Sales in the **wider APAC region** continued to experience pricing pressure following intense competition from China, particularly in commoditized products, and low demand as customers focused on lowering stocks and tended to buy products as needed.

## (2) Cost of Goods and Gross Profit

Despite the decline in sales in the third quarter and first nine months of 2024, the Company improved the gross margin both in the third quarter and nine-month period following the positive impact of new inventory sold, priced at market levels and following management's focus on the quality of business which led to an improvement in the sales mix of higher margin products, moderated by the negative impact of exchange rates. In the third quarter the Company also recorded a slight increase in quantities sold, which had a positive impact.

## (3) Operating Expenses:

Operating expenses include Sales and Marketing, General and Administration and R&D.

The Company recorded certain non-operational charges within its operating expenses amounting to RMB 167 million (\$23 million) in Q3 2024 in comparison to RMB 49 million (\$7 million) in Q3 2023, and RMB 639 million (\$90 million) in 9M 2024 in comparison to RMB 153 million (\$22 million) in 9M 2023, mainly as follows:

(i) Provisions such as legal claims and update of registration depreciation; (ii) measures to improve efficiencies; (iii) non-cash amortization charges in respect of Transfer assets received and written-up related to the 2017 ChemChina-Syngenta acquisition. The proceeds from the Divestment of crop protection products in connection with the approval by the EU Commission of the acquisition of Syngenta by ChemChina, net of taxes and transaction expenses, were paid to Syngenta in return for the transfer of a portfolio of products in Europe of similar nature and economic value. Since the products acquired from Syngenta are of the same nature, and with the same net economic value as those divested, the Divestment and Transfer transactions had no net impact on the underlying economic performance of the Company. These additional amortization charges will continue until 2032 but at a reducing rate, yet will still be at a meaningful level until 2028; (iv) charges related mainly to the non-cash amortization of intangible assets created as part of the Purchase Price Allocation (PPA) on acquisitions, with no impact on the ongoing performance of the companies acquired.

Excluding the impact of the abovementioned non-operational items, the operating expenses were lower in the third quarter and first nine months of 2024, following undertaking tight OPEX management measures, including the impact of initiatives included in the Company's transformation plan and the positive impact of exchange rates.

## (4) Financial Expenses

"Financial Expenses" alone mainly reflect interest payments on corporate bonds and bank loans as well as foreign exchange gains/losses on the bonds and other monetary assets and liabilities before the Company carries out any hedging.

The impact of Financial Expenses (before hedging) is an expense of RMB 1,220 million (\$172 million) for the nine months of 2024 compared with an expense of RMB 687 million (\$98 million) for the corresponding period in 2023.

Given the global nature of its operational activities and the composition of its assets and liabilities, the Company, in the ordinary course of its business, uses foreign currency derivatives (forwards and options) to hedge the cash flow risks associated with existing monetary assets and liabilities that may be affected by exchange rate fluctuations.

“Gains/Losses from Changes in Fair Value” amounted to a net loss of RMB 236 million (\$33 million) in the first nine months of 2024, mainly due to hedging transactions, compared with a net loss of RMB 1,069 million (\$153 million) in the corresponding period in 2023.

The aggregate of Financial Expenses and Gains/Losses from Changes in Fair Value (hereinafter as “Total Net Financial Expenses”), which more comprehensively reflects the financial expenses of the Company in supporting its main business and protecting its monetary assets/liabilities, amounts to RMB 1,456 million (\$205 million) in the nine months of 2024 compared with RMB 1,755 million (\$251 million) in the corresponding period in 2023.

In the nine-month period the financial expenses were lower also due to lower interest paid on loans in light of the positive cash flow achieved, better loan mix and improved efficiency of cash management as well as the net impact of a lower Israeli CPI on the ILS-denominated CPI-linked bonds.

In the third quarter of 2024, the financial expenses were slightly higher due to higher hedging costs on exchange rates, the net impact of a higher Israeli CPI on the ILS-denominated CPI-linked bonds moderated by lower interest paid on loans following a decrease in loans in light of the positive cash flow achieved, better loan mix and improved efficiency of cash management.

#### **(5) Income Tax Expenses**

Despite reaching losses before tax, the Company recorded tax expenses in the third quarter and first nine months of the year mainly because the losses were primarily incurred by subsidiaries with relatively lower tax rates, while some of them did not create deferred tax assets on the losses. On the other hand, the subsidiaries that generated profit have a higher tax rate.

In first nine months of 2024 the company recorded tax expenses due to the non-cash impact of the weakness of the BRL compared with tax income due to stronger BRL in the first nine months of 2023. In the third quarter of 2024 the company recorded tax income due to the non-cash impact of the stronger BRL compared with tax expenses due to the weakness of the BRL in the third quarter of 2023.



## Changes in main assets and liabilities

Unit: RMB'000

Assets and liabilities	End of Reporting Period	End of last year	+/- (%)	Explanation
Derivative financial assets	265,314	850,137	-68.79%	Changes due to revaluation of derivatives
Other receivables	597,488	1,054,302	-43.33%	Mainly decrease in receivables in respect of securitization transaction
Derivative financial liabilities	177,091	607,787	-70.86%	Changes due to revaluation of derivatives
Bills payable	370,438	613,507	-39.62%	Decrease in the procurement of goods
Other payables	2,200,118	1,469,319	49.74%	Mainly increase liabilities in respect of securitization transaction and accrued expenses

## II. Information regarding the Shareholders

- Total number of ordinary shareholders and preference shareholders who had resumed their voting rights, and shareholdings of top 10 shareholders at the period-end

Unit: share

Total Number of Shareholders as of the End of the Reporting Period	39,491 (the number of ordinary A share shareholders is 27,293; the number of B share shareholders is 12,198)	Total Number of Preference Shareholders with Vote Right Restored (if any) as of the End of the Reporting Period	0			
Shareholding of Top 10 Shareholders (Excluding the Shares Lent through Refinancing)						
Name of Shareholder	Nature of Shareholder	Holding Percentage (%)	Number of Shareholding at the End of the Reporting Period	Number of Common Shares Held Subject to Trading Moratorium	Pledged, Frozen Shares	Marked or Status of Shares
Syngenta Group Co., Ltd.	State-owned Legal Person	78.47%	1,828,137,961	--	--	--
China Structural Reform Fund	State-owned Legal Person	1.44%	33,557,046	--	--	--
China Cinda Asset Management Co., Ltd.	State-owned Legal Person	1.34%	31,115,916	--	--	--
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas Legal Person	0.48%	11,103,355	--	--	--
Wu Feng	Domestic Natural Person	0.30%	6,976,369	--	--	--
Zhu Shenglan	Domestic Natural Person	0.25%	5,756,000	--	--	--
Qichun County State-owned Assets Supervision and Administration Bureau	State-owned Legal Person	0.18%	4,169,266	--	--	--
Zhang Jianwei	Domestic Natural Person	0.16%	3,758,501	--	--	--

Cai Wenxi	Domestic Natural Person	0.15%	3,591,200	--	--	--
Liu Minqin	Domestic Natural Person	0.15%	3,514,600	--	--	--

Shares Held by Top 10 Shareholders Not Subject to Trading Moratorium  
(Excluding the Shares Lent through Refinancing and Restricted Shares of Executives)

Name of Shareholders	Number of Shares Held Not Subject to Trading Moratorium at the End of the Period	Type of Shares	
		Type of Shares	Amount
Syngenta Group Co., Ltd.	1,828,137,961	RMB Ordinary Share	1,828,137,961
China Structural Reform Fund	33,557,046	RMB Ordinary Share	33,557,046
China Cinda Asset Management Co., Ltd.	31,115,916	RMB Ordinary Share	31,115,916
Hong Kong Securities Clearing Company Ltd. (HKSCC)	11,103,355	RMB Ordinary Share	11,103,355
Wu Feng	6,976,369	RMB Ordinary Share	6,976,369
Zhu Shenglan	5,756,000	RMB Ordinary Share	5,756,000
Qichun County State-owned Assets Supervision and Administration Bureau	4,169,266	RMB Ordinary Share	4,169,266
Zhang Jianwei	3,758,501	RMB Ordinary Share	3,758,501
Cai Wenxi	3,591,200	RMB Ordinary Share	3,591,200
Liu Minqin	3,514,600	RMB Ordinary Share	3,514,600

Explanation on associated relationship among the above-mentioned shareholders, or explanation on acting-in-concert

Syngenta Group Co., Ltd. is neither a related party to any other shareholders listed above, nor any acting-in-concert party as prescribed in the Administrative Methods for Acquisition of Listed Companies. It is unknown whether the other shareholders are related parties or acting-in-concert parties as prescribed in the *Administrative Methods for Acquisition of Listed Companies*.

Particular about the top ten shareholder participating in the securities financing business (if any)

Shareholder Wu Feng held 4,934,443 shares of the Company through a common securities account and 2,041,926 shares of the Company through a credit collateral securities trading account, altogether 6,976,369 shares. Shareholder Zhu Shenglan held 5,756,000 shares of the Company through a credit collateral securities trading account. Shareholder Liu Minqin held 75,900 shares of the Company through a common securities account of the Company and 3,438,700 shares of the Company through a credit collateral securities trading account, altogether 3,514,600 shares.

Shareholders holding more than 5% of shares, top ten shareholders and top ten shareholders with unlimited shares in circulation participating in the shares lending through refinancing arrangement

Applicable  Not applicable

Change of top ten shareholders and top ten shareholders with unlimited shares in circulation from the previous period due to the shares lending/returning through refinancing arrangement

Applicable  Not applicable

## 2. Total number of preference shareholders and shareholdings of the top 10 of such at the period-end

Applicable  Not applicable

## III. Other Significant Events

Applicable  Not applicable

## IV. Financial Statements

## i. Financial Statements

## 1. Consolidated balance sheet

Prepared by ADAMA Ltd.

30 September 2024

Unit: RMB'000

Item	September 30, 2024	December 31, 2023	Item	September 30, 2024	December 31, 2023
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash at bank and on hand	4,178,099	4,881,328	Short-term loans	4,644,761	5,733,522
Financial assets held for trading	1,815	1,912	Derivative financial liabilities	177,091	607,787
Derivative financial assets	265,314	850,137	Bills payable	370,438	613,507
Bills receivable	103,920	86,303	Accounts payable	4,954,899	4,649,733
Accounts receivable	7,833,025	8,146,677	Contract liabilities	1,499,076	1,514,365
Receivables financing	129,083	123,050	Employee benefits payable	778,090	847,039
Prepayments	341,593	305,883	Taxes payable	482,546	407,230
Other receivables	597,488	1,054,302	Other payables	2,200,118	1,469,319
Inventories	12,192,237	13,088,757	Non-current liabilities due within one year	1,929,361	2,297,888
Other current assets	1,212,326	1,083,714	Other current liabilities	721,950	753,827
<b>Total current assets</b>	<b>26,854,900</b>	<b>29,622,063</b>	<b>Total current liabilities</b>	<b>17,758,330</b>	<b>18,894,217</b>
<b>Non-current assets:</b>			<b>Non-current liabilities:</b>		
Long-term receivables	138,298	68,752	Long-term loans	2,665,546	2,885,939
Long-term equity investments	31,035	31,474	Debentures payable	6,612,750	6,919,423
Other equity investments	129,530	132,018	Lease liabilities	606,666	495,459
Investment properties	20,918	22,145	Long-term accounts payable	181,617	97,840
Fixed assets	10,264,863	10,040,113	Long-term employee benefits payables	569,956	671,530
Construction in progress	1,968,178	2,507,328	Provisions	319,135	299,251
Right-of-use assets	555,004	625,235	Deferred tax liabilities	303,751	297,103
Intangible assets	4,764,763	5,318,281	Other non-current liabilities	2,722,828	2,920,566
Goodwill	4,949,354	5,001,538	<b>Total non-current liabilities</b>	<b>13,982,249</b>	<b>14,587,111</b>
Deferred tax assets	1,460,320	1,601,641	<b>Total liabilities</b>	<b>31,740,579</b>	<b>33,481,328</b>
Other non-current assets	382,333	435,215	<b>Shareholders' equity:</b>		
<b>Total non-current assets</b>	<b>24,664,596</b>	<b>25,783,740</b>	Share capital	2,329,812	2,329,812
<b>Total assets</b>	<b>51,519,496</b>	<b>55,405,803</b>	Capital reserves	12,950,464	12,950,464
			Other comprehensive income	1,446,139	1,675,896
			Special reserves	8,418	16,595
			Surplus reserves	273,617	273,617
			Retained earnings	2,770,467	4,678,091
			<b>Total equity attributed to the shareholders of the company</b>	<b>19,778,917</b>	<b>21,924,475</b>
			Non-controlling interests	-	-
			<b>Total equity</b>	<b>19,778,917</b>	<b>21,924,475</b>
			<b>Total liabilities and equity</b>	<b>51,519,496</b>	<b>55,405,803</b>

Gael Hili

Legal representative

Efrat Nagar

Chief of the accounting work

Efrat Nagar

Chief of the accounting organ

## 2. Consolidated income statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB'000

Item	January-September, 2024	January-September, 2023
<b>1. Total operating Income</b>	<b>21,523,293</b>	<b>24,660,104</b>
Less: Cost of sales	16,748,146	19,435,730
Taxes and surcharges	71,856	79,817
Selling and Distribution expenses	3,408,333	3,206,154
General and Administrative expenses	817,172	713,482
Research and Development expenses	319,977	372,361
Financial expenses	1,220,073	686,670
Including: Interest expense	792,488	873,611
Interest income	181,974	235,730
Add: Investment income, net	8,386	17,134
Including: Income from investment in associates and joint ventures	6,062	4,393
Loss from changes in fair value	(235,775)	(1,068,797)
Credit impairment losses	(85,475)	(46,205)
Asset Impairment losses	(157,247)	(228,926)
Gain from disposal of assets	39,823	26,971
<b>2. Operating loss</b>	<b>(1,492,552)</b>	<b>(1,133,933)</b>
Add: Non-operating income	69,143	61,910
Less: Non-operating expense	19,195	32,153
<b>3. Total loss</b>	<b>(1,442,604)</b>	<b>(1,104,176)</b>
Less: income tax expense (income)	395,508	(61,703)
<b>4. Net loss</b>	<b>(1,838,112)</b>	<b>(1,042,473)</b>
4.1 Classified by nature of operations		
4.1.1 Continuing operations	<b>(1,838,112)</b>	<b>(1,042,473)</b>
4.2 Classified by ownership		
4.2.1 Shareholders of the Company	<b>(1,838,112)</b>	<b>(1,042,473)</b>
4.2.2 Non-controlling interests	-	-
<b>5. Other comprehensive income (loss) net of tax</b>	<b>(229,757)</b>	<b>749,395</b>
Other comprehensive income (loss) net of tax attributable to shareholders of the Company	<b>(229,757)</b>	<b>749,395</b>
5.1 Items that will not be reclassified into profit/loss	4,545	15,564
5.1.1 Re-measurement of defined benefit plan liability	4,545	15,564
5.2 Items that were or will be reclassified to profit or loss	(234,302)	733,831
5.2.1 Effective portion of gains or loss of cash flow hedge	(7,805)	56,675
5.2.2 Translation differences of foreign financial statements	(226,497)	677,156
Other comprehensive income net of tax attributable to Non-controlling interests	-	-
<b>6. Total comprehensive loss for the period</b>	<b>(2,067,869)</b>	<b>(293,078)</b>
Total comprehensive loss attributable to shareholders of the Company	<b>(2,067,869)</b>	<b>(293,078)</b>
Total comprehensive income attributable to Non-controlling interests	-	-
<b>7. Earnings (loss) per share</b>		
7.1 Basic earnings (loss) per share (RMB/ share)	(0.7890)	(0.4474)
7.2 Diluted earnings per share (RMB/ share)	N/A	N/A

Gael Hili

Legal representative

Efrat Nagar

Chief of the accounting work

Efrat Nagar

Chief of the accounting organ

### 3. Consolidated cash flow statement for the period from the year-beginning to the end of the Reporting Period

Unit: RMB'000

Item	January-September, 2024	January-September, 2023
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	20,852,442	24,801,386
Refund of taxes and surcharges	165,239	120,349
Cash received relating to other operating activities	343,229	360,690
<b>Sub-total of cash inflows from operating activities</b>	<b>21,360,910</b>	<b>25,282,425</b>
Cash paid for goods and services	12,964,858	18,461,118
Cash paid to and on behalf of employees	2,997,725	3,439,222
Payments of taxes and surcharges	428,866	487,549
Cash paid relating to other operating activities	2,107,229	2,368,706
<b>Sub-total of cash outflows from operating activities</b>	<b>18,498,678</b>	<b>24,756,595</b>
<b>Net cash flows from operating activities</b>	<b>2,862,232</b>	<b>525,830</b>
<b>2. Cash flows from investing activities:</b>		
Cash receipts from disposal of investments	83,249	171,646
Cash received from investment income	-	4,637
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	242,278	36,850
Cash received for other investing activities	2,325	37,984
<b>Sub-total of cash inflows from investing activities</b>	<b>327,852</b>	<b>251,117</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,074,140	1,706,970
Cash paid for acquisition of investments	-	2,843
Net cash paid to acquire subsidiaries or other business units	-	148,460
Cash paid for other investing activities	120,132	6,481
<b>Sub-total of cash outflows from investing activities</b>	<b>1,194,272</b>	<b>1,864,754</b>
<b>Net cash flows from investing activities</b>	<b>(866,420)</b>	<b>(1,613,637)</b>
<b>3. Cash flows from financing activities:</b>		
Cash received from borrowings	1,311,257	4,458,035
Cash received relating to other financing activities	805,600	1,191,050
<b>Sub-total of cash inflows from financing activities</b>	<b>2,116,857</b>	<b>5,649,085</b>
Cash repayment of borrowings	3,588,782	1,973,706
Cash payment for dividends, profit distributions or interest	788,921	915,438
Including: dividends paid to non-controlling interest	69,512	91,597
Cash paid relating to other financing activities	442,213	723,786
<b>Sub-total of cash outflows from financing activities</b>	<b>4,819,916</b>	<b>3,612,930</b>
<b>Net cash flows from financing activities</b>	<b>(2,703,059)</b>	<b>2,036,155</b>
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>(21,111)</b>	<b>107,187</b>
<b>5. Net increase (decrease) in cash and cash equivalents</b>	<b>(728,358)</b>	<b>1,055,535</b>
Add: Cash and cash equivalents at the beginning of the period	4,857,358	4,225,253
<b>6. Cash and cash equivalents at the end of the period</b>	<b>4,129,000</b>	<b>5,280,788</b>

ii. Impact of initial application of new accounting standards on the opening balances of current year

Applicable  Not applicable

iii. Auditor's report

Is this Report audited?

Yes  No

This Report is unaudited.

Board of Directors

ADAMA Ltd.

October 31, 2024