

Bluestar Adisseo Company
2022 Annual Report (Abstract)

I. Important Notice

1. This Abstract is based on the full text of the Annual Report. In order for a full understanding of the operating results, financial condition and future development planning of the Company, investors are kindly reminded to read the full text carefully that published on website of Shanghai Stock Exchange and other media designated by the China Securities Regulatory Commission (the “CSRC”).
2. The Company’s Board of Directors, Board of Supervisors, directors, supervisors, and senior management guarantee that, the content of the annual report is authentic, accurate and complete, and contains no false statement, misleading presentation or material omissions, and they assume individual and several & joint legal liabilities for the annual report.
3. All of the Company’s directors have attended the meeting of the Board of Directors.
4. KPMG Huazhen LLP issued an unqualified audit opinion.
5. The Board of Directors has reviewed the profit distribution plan and the plan to use the statutory reserve to perform a capital increase in the reporting period.

As audited by KPMG Huazhen LLP, the net profit attributable to the shareholders of the Company at the consolidated level for the year ended December 31, 2022 amounted to RMB 1,246,679,835 and the accumulated profits available for distribution at parent company level as at December 31, 2022 amounted to RMB 509,781,066.

Therefore, in order to share the Company’s operation achievements with all shareholders, as well as enabling the Company for further development in consideration of the Company’s actual operation situations, the Company proposes that: based on the Company’s total share capital on registration date, the Company will distribute to all shareholders, cash dividend of RMB 1.51yuan per 10 shares (inclusive of tax). The total amount of the cash dividends to be distributed is RMB 404,967,092.

If the total share capital of the Company changes before the date of registration, it is proposed to maintain the same distribution ratio per share and adjust the total amount of distribution accordingly. An announcement shall be released accordingly.

The above proposal is still subject to the approval of 2022 Annual General Shareholders’ Meeting.

II. Company Profile and Financial highlights

1. Brief Information on the Company’s Shares

Brief information on the Company’s stock				
Type of	Stock exchange on which	Share abbreviation	Share code	Share abbreviation

security	the securities are listed			before modification
Ordinary Shares	Shanghai Stock Exchange	Adisseo	600299	BNCM

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2. Main businesses explanation of the company during the reporting period

Adisseo's businesses focus on research, development, production and sale of feed additives for animal nutrition. Its main products are classified within 3 categories of products: Performance products, Specialty products, and Other Products for other animal feed additives.

Its performance, financial position and future are affected by the global macro economy. The global macro economy is experiencing fluctuation with rising trade barriers, increasing commercial and geopolitical tensions, exchange rate fluctuations, animal diseases such as bird flu, African Swine Fever etc. Volatility and uncertainty in recent years has become unprecedentedly high in recent years due to combination of Ukrainian crisis, European energy crisis and COVID-19. The market demand was also impacted due to high raw material costs, high inflation in overseas market.

Being a key player in the food value chain, Adisseo has shown its high resilience, which can be proven by the stable profit generation in the past decades.

Adisseo has taken steps to improve its competitiveness, including tightening cost control, improving production technologies, increasing its production capacity, providing value-added services and enriching product portfolio:

- The European platform expansion project successfully increased in total of 80 KT production capacity of the European plants during past two years by adding new complete production line in downstream unit (Burgos) and in upstream unit (Les Roches), and some adjustments in existing intermediate products units;
- The new protected methionine product, RumenSmart, which is developed based on the liquid methionine ("HMTBA") technology, is reinforcing Adisseo's position as a leading methionine supplier, offering the full-range of methionine sources valuable for feed producers and meeting their needs;
- In addition to production capacity, digitalization transformation projects have been launched in European and Nanjing plant. DISPLAY 4.0, an industrial 4.0 project of Adisseo, was awarded at the Chemistry Initiative 2021 in the category of "Digitalization of Production Processes". With Display 4.0, it will enable Adisseo's industrial activities to improve safety, gain cost competitiveness, operation efficiency and better anticipation on future process development;
- Expansion project of existing Nanjing plant finalized smoothly in early 2019 enables Adisseo to increase its production capacity to 170KT per year and to improve its manufacturing efficiency; On 15 September 2022, the new 180KT BANC2 project started up successfully,

and the total capacity of our Nanjing production platform has now reached 350KT, making it one of the largest production platforms in the world offering the strongest cost advantage. Our expanded capacity across the globe will be fully leveraged to best serve our customers and further improve our cost competitiveness, allowing Adisseo to leverage the highly competitive platform to best serve Adisseo customers across the world while optimizing production and supply.

- Specialty products are under active development as a second business-pillar to enhance animal performance and health. The Company sees great growth potential in Specialty products and actively explores innovative products. The full integration of Nutriad & FRAmelco 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. Synergies are being developed as well in terms of market, product and operations. In December 2022, Adisseo announced the acquisition of Nor-feed, a key step for Adisseo in its strategy of accelerating the growth in specialty ingredients to offer sustainable, affordable, qualitative and safe solutions on unique and differentiating technologies. The closing of the acquisition took place on February 23rd, 2023 which will allow to fully leverage this new offering from 2023 onwards.
- Adisseo formed a joint-venture company called Calysseo together with Calysta, a US-based technology firm that has developed a proprietary Single Cell Protein and its innovative associated manufacturing process, in which Adisseo took a minority stake, in early March 2020, with the intention to develop this business opportunity on an exclusive basis in Asia. Calysseo Chongqing Plant, the world's first industrial-scale FeedKind® facility, completed its construction by the end of 2022.
- “In science, we trust” mindset is deeply rooted in Adisseo. Innovation is the heritage and a key competitive edge for Adisseo, both for the optimization of the processes of performance products (methionine, Vitamin A) as well as the development of new customer driven solutions for specialty products.
 - During COVID-19 period, more efforts have been spent on the optimization of R&I organization with 5 pillars: Producing Tomorrow, Experimenting Tomorrow, Influencing Tomorrow, Winning Together and Aiming 4 Efficiency.
 - The new Adisseo Research & Innovation Center in China (“RICA”) has been operational (trial) since early 2022, which allows Adisseo to benefit from another global R&I center, aiming to become an “innovation engine” and accelerator in Asian markets. With reinforced RICA organization [+20% FTE in 2022], important achievements were delivered in 2022: 4 new patents granted among 7 new applications, important contribution to 1) optimization of key industrial process 2) technology/service application and upgrading in China.
 - Reorganization of Research & Innovation Center in France also started with two new R&I Centers. One will be operational in Q3 2023 in Lyon where all chemistry, engineering, nutrition and analytical capabilities will be put together and the other one, operational since early 2022, in La Rochelle to regroup and develop product formulation capabilities including encapsulation, drying, additives protection.
 - Adisseo also continues to develop its innovation pipeline of products and services. Nestor, a new Adisseo service, was launched to market in Q3 2022, providing nutritional recommendations and nutritional values to customers, a step further in formulation

accuracy for more sustainable production. The roll out of Rovabio Advance Phy is well in progress across main countries.

- To complement the “internal” technologies and solutions developments, Innov’L@b (Adisseo open-innovation structure) is pursuing its investments in new venture through Adisseo own fund, AVF. Innov’L@b organization has been strengthened with more dedicated resources to amplify the scouting, evaluation, and investment capacity. In recent years, Adisseo has participated in many investments in innovative technologies including the closing round of China’s first Agrifood tech VC BitsxBites, a venture fund investing in early-stage start-ups with transformative technologies to address the most critical challenges in the food system in China.

3. Main financial data

3.1 Main financial data for the latest three reporting periods

Unit: Yuan Currency: RMB

Main accounting data	2022	2021	Changes in comparison with the same period of last year (%)	2020
Total assets	21,343,401,913	20,905,892,136	2.09	20,617,633,075
Net assets attributable to the shareholders of the Company	14,933,588,455	14,094,301,631	5.95	13,952,945,387
Operating revenue	14,529,015,609	12,868,681,379	12.90	11,910,430,976
Net profit attributable to the shareholders of the Company	1,246,679,835	1,471,648,465	-15.29	1,351,600,222
Net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses	1,206,010,948	1,482,347,878	-18.64	1,371,584,700
Net cash flow arising from operating activities	1,728,821,216	2,601,939,265	-33.56	2,708,415,580
Weighted average return on net asset (%)	8.71	10.54	-1.83ppt	9.97
Basic earnings per share (Yuan/share)	0.46	0.55	-16.36	0.50
Diluted earnings per share (Yuan/share)	0.46	0.55	-16.36	0.50

3.2 Main financial data on a quarterly basis for the reporting period

Unit: Yuan Currency: RMB

	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Operating revenue	3,457,385,114	3,738,019,506	3,604,761,950	3,728,849,039
Net profit attributable to the shareholders of the Company	427,412,264	442,066,894	274,209,373	102,991,304
Net profit attributable to the shareholders of the Company after deduction of non-recurring profits and losses	425,074,874	443,302,354	270,911,820	66,721,900

Net cash flow from operating activities	364,716,123	-23,998,696	454,717,971	933,385,818
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Q3 2022 and has been confirmed in Q4 2022. Meanwhile, higher raw material prices and sky rocketing energy prices also has put a heavy pressure on our costs side. However, the instant adjustment measures (the temporary shut-down of a European powder plant and the reduction of liquid production in Europe) performed in Q4 2022 allowed to mitigate the negative impact and to protect its profitability at a solid level with FY2022 EBITDA ratio maintained at 20%.

Explanation of the data difference between the above quarterly financial data with the data published in previous quarterly reports:

Applicable Not applicable

4. Share Change and Shareholders

4.1 Total number of shareholders and shares held by top ten shareholders at the end of the reporting period

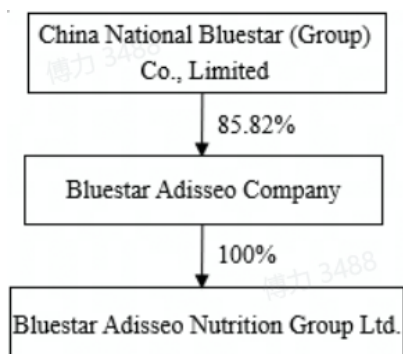
Total number of shareholders by the end of reporting period	33,804
Total number of shareholders at the end of the last month before the date when the annual report was published	33,074
Total Number of Preferred Stockholders with reinstated voting rights at the end of reporting Period	0
Total number of Preferred Stockholders whose voting rights have been restored as of the end of the preceding month	0

Unit: Share

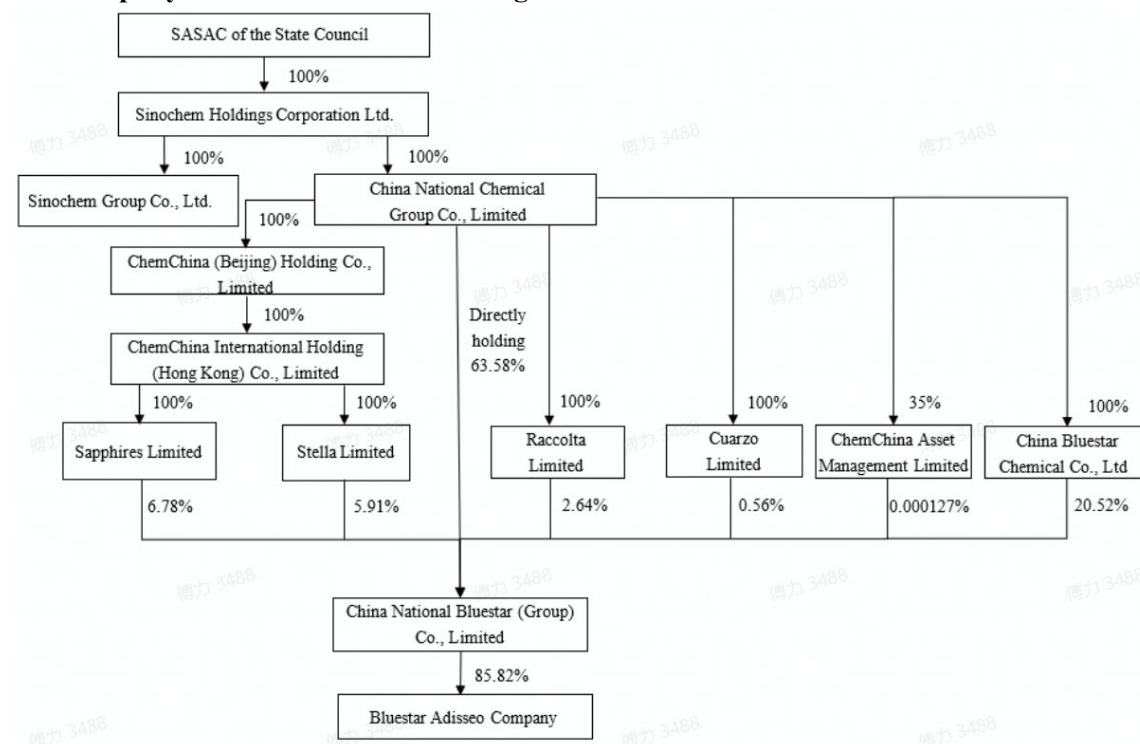
Shares held by top ten shareholders							
Name of shareholder (full name)	Change in the reporting period	Number of shares held by end of the period	Proportion of shares held (%)	Number of shares with trading restrictions	Status of pledged or frozen shares		Type of shareholder
					Share status	Number	
China National Bluestar (Group) Co., Ltd.	0	1,709,387,160	63.74	0	Fronzen	13,520,000	Stated owned legal entity
Blusstar-GTJA-19 Bluestar EB Guarantee and Trust Property Account	0	592,078,113	22.08	0	Not applied	0	Others
Hong Kong Central Clearing Limited	3,311,979.00	13,154,309	0.49	0	Not applied	0	Foreign legal entity
China Securities Finance Corporation Limited	-5,554,800.00	8,239,897	0.31	0	Not applied	0	Stated owned legal entity
National Social Security Fund	7,772,208.00	7,772,208	0.29	0	Not applied	0	Others
Jiangsu Jue Chuangyi Emerging Industry Investment Fund LLP	0	6,607,000	0.25	0	Not applied	0	Others
China Electronic Investment Holding Company	0	5,185,185	0.19	0	Not applied	0	Stated owned legal entity
Agricultural Bank of China - China Securities 500 ETF	1,692,000.00	3,863,900	0.14	0	Not applied	0	Others
Beijing Research and Design Institute of Rubber Industry	0	3,737,262	0.14	0	Not applied	0	Stated owned legal entity

Shares held by top ten shareholders							
Name of shareholder (full name)	Change in the reporting period	Number of shares held by end of the period	Proportion of shares held (%)	Number of shares with trading restrictions	Status of pledged or frozen shares		Type of shareholder
					Share status	Number	
Zhejiang Commercial Bank Co., Ltd. - Cathay Pacific China Securities Livestock Breeding Trading Open-ended Index Securities Investment Fund	1,957,000.00	3,345,195	0.12	0	Not applied	0	Others
Statement on related relationship or acting in concert among the above shareholders		<p>The State-owned corporation shareholders, China National Bluestar (Group) Co., Ltd. and Beijing Research and Design Institute of Rubber Industry are subsidiaries of Sinochem Holdings Co., Ltd.</p> <p>Bluestar-GTJA-19 Bluestar EB guarantee and trust property account (who owns 680,000,000 shares) is a special account for China National Bluestar (Group) Co., Ltd. to guarantee and trust some of its shares when issuing exchangeable bonds. For more information, please refer to the announcements 2019-008, 2019-014, 2019-029, 2019-034 and 2020-024.</p> <p>Except for the above mentioned shareholders, the Company does not know whether any related relationship exists among other shareholders, or whether the other shareholders have acted in concert as regulated by the Administrative Measures for Purchasing of Listed Companies.</p>					
Total number of Preferred Stockholders whose voting rights have been restored as of the end of the preceding month		Not applicable					

4.2 Block diagram of the shareholding interest and control relationship between the Company and its controlling shareholders



4.3 Block diagram of the shareholding interest and control relationship between the Company and its ultimate controlling shareholder



III. Discussion and Analysis of the Operation

1. The company shall, in accordance with the principle of importance, disclose the major changes in the company's operation during the reporting period, as well as the events that have a significant impact on the company's operation and are expected to have a significant impact in the future.

Please refer to the main business analysis above.

2. In case of situations where the Company encountered risks of delisting or termination of listing, disclose the reasons of delisting or termination of listing the Company's shares

Applicable Not applicable

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