

MIRA INFORM REPORT

Report No. :	523348
Report Date :	07.08.2018

IDENTIFICATION DETAILS

Name :	ADAMA MAKHTESHIM LTD
Formerly Known As :	MAKHTESHIM CHEMICAL WORKS LTD
Registered Office :	P.O. Box 60 1 Seadia Malal Street Industrial Zone, BEER SHEVA, 8410001
Country :	Israel
Date of Incorporation :	17.07.1952.
Legal Form :	Private Limited Company
Line of Business :	Developers, manufacturers, exporters and marketers of crop protection products - pesticides, insecticides, herbicides, polyester resins, photo-chemicals
No. of Employees :	1,300

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
-----------------	---

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Israel	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

ISRAEL - ECONOMIC OVERVIEW

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.8% per year during the period 2014-17. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2018, with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

COMPANY NAME AND ADDRESS

RE: **ADAMA MAKHTESHIM LTD.**
Telephone 972 8 629 66 11
Fax 972 8 629 69 91
Email: main@adama.com
P.O. Box 60
1 Seadia Malal Street
Industrial Zone
BEER SHEVA 8410001 ISRAEL

HISTORY & LEGAL FORMATION

Originally incorporated as a public limited company, registered as such as per file No. 52-002396-1 on the 17.07.1952.

In May 1992 published a prospectus offering shares to the public and started trading through the Tel Aviv Stock Exchange.

As of May 1998, due to change of ownership (amalgamated with AGAN CHEMICAL MANUFACTURERS LTD., forming MAKHTESHIM AGAN Group, now ADAMA Group), subject's shares were de-listed from trade on the Tel Aviv Stock Exchange (TASE), following which subject converted into a private limited company (registration number remains the same).

Originally registered under the name MAKHTESHIM CHEMICAL WORKS LTD., which changed to the present name on the 01.07.2014.

SHARE CAPITAL

Authorized share capital NIS 212,000,000.00, divided into -
212,000,000 ordinary shares of NIS 1.00 each,
of which 132,939,834 shares amounting to NIS 132,939,834.00 were issued.

SHAREHOLDERS

The Company is fully owned by ADAMA AGRICULTURAL SOLUTIONS LTD. (hereinafter ADAMA), fully owned by HUBEI SANONDA CO. LTD. of China (SANONDA), a public limited company whose shares are traded on the Shenzhen Stock Exchange (SZSE:000553), controlled (82.5%) by CHINA NATIONAL AGROCHEMICAL CORPORATION (CNAC), subsidiary of CHINA NATIONAL CHEMICAL CORP. (ChemChina), a People's Republic of China company.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

ADAMA used to be controlled by DISCOUNT INVESTMENT CO. LTD. (DIC), part of I.D.B. Concern. On the 17.10.2011 CNAC completed the acquisition 52.3% of ADAMA's shares held by the public for US\$ 1,270 million plus 7% of the shares held by DIC for US\$ 168 million, based on value of US\$ 2.4 billion for ADAMA. As a result, ADAMA became a private limited company (60% CNAC, 40% DIC) and shares were de-listed from trade on TASE (on 17.10.11), *although its bonds are still publicly traded.*

After long negotiations, in September 2016 an agreement was signed for DIC selling their 40% to CNAC, and transaction completed on 23.11.16, with CNAC taking upon itself DIC's US\$ 1.2 billion debt + US\$ 230 million in cash for DIC. That paved the way for the completion of a merger on 02.08.2017 of ADAMA and SANONDA (then 20% owned by CNAC, where SANONDA, the "Listed Company", whose shares listed for trade on the SZSE, gained 100% of ADAMA shares, in consideration of allocation of shares in SANONDA for CNAC), and together "the Combined Company", aka "ADAMA". Since 09.01.2018 the shares of "the Combined Company" have been included into the Shenzhen-Hong Kong Stock Connect (allowing investors to trade in both stock markets).

DIRECTORS

1. Aviram Lahav, CFO of ADAMA,
2. Joe Krkoska, of the USA, VP Global Operations, ADAMA,
3. Daniel Harari, VP Strategy & Resources, ADAMA.

MANAGEMENT

Yang Xingqiang, of ChemChina, Chairman of ADAMA,
Chen Lichtenstein, General Manager & President of ADAMA Group,
David Ben-Simon, General Manager of subject (also of sister AGAN).

BUSINESS

Part of ADAMA Group, developers, manufacturers, exporters and marketers of crop protection products - pesticides, insecticides, herbicides, polyester resins, photo-chemicals, etc.

ADAMA exports 97% of its production to over 100 countries, via some 60 subsidiaries as well as distribution branches worldwide. Among local clients: HAMASHBIR FOR AGRICULTURAL, AVCO CHEMICALS, etc.

Among local suppliers: A. SHITZER, GETTER GROUP, MODCHEM, GOLD BAR, ATEKA, PETRUS TECHNICAL SUPPLIES, ALMOR FIBREGLASS, DORMEX TRADE, DEAL ENGINEERS, YAMATON, TAGAD CHEMICALS, APPLIED CHEM, K.L. TEX & SONS, DIONYX, RABDION, S.L. MORAN, ARDAN TRANSFORMERS, ELECTRO CHLORINE CHEMICAL INDS., etc.

Sole pesticides sub-contractor for BAYER - of Germany.

Operating from ADAMA Group headquarters offices (rented, on an area of 6,100 sq. meters) in Golan Street, Arava House, AirPort City Park, near the Ben Gurion International Airport. Production is from main plant, owned,

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

407,000 sq. meters plot on which 37,000 sq. meters are built, in 1 Seadia Malal Street, Industrial Zone (a compound which spreads also to Hebron Rd.), Beer Sheva, and Group's owned plant in Neot Hovav Eco Industrial Park, on an area of 1,086,000 sq. meters (on which 170,000 sq. meters built).

ADAMA Group also operates from 2 plants in Brazil (subsidiary MILLENIA) and facilities in USA, S. Korea, Mexico, Colombia, Spain, Italy, Greece and India.

Distribution through marketing companies and offices worldwide.

Website: www.adama.com

Having some 6,600 employees serving ADAMA Group (including SANONDA's employees), of which 1,300 employees in Israel, some 600 of which are working in subject's plants.

MEANS

Subject is an "Approved Enterprise" and as such entitled for State incentives and tax relieves. In 1997, 1998, 2000, 2001 & 2010 the Israeli Investment Centre approved investments plans for the expansion of the Neot Hovav plant of US\$ 60 million, US\$ 4.2 million, US\$ 25 million, US\$ 14.8 million & NIS 20 million (of which up to 24% a grant), respectively. In June 2017 the IIC approved an additional NIS 18 million investment plan for the expansion of subject's plant.

In June 2015 ADAMA inaugurate 3 new production facilities in Neot Hovav with total investment of NIS 200 million.

There are 6 charges for unlimited amounts registered on the company's assets, in favor of the State of Israel and a foreign company (last charge placed 2010).

Subject's financial data included in the consolidated financial statements of parent company ADAMA AGRICULTURAL SOLUTIONS LTD., which shows:

	<u>US\$ (thousands)</u>	
	<u>31.03.2018</u>	<u>31.12.2017</u>
ASSETS		
Current assets		
Cash and short term investments	536,752	873,019
Customers	938,891	722,927
Other current assets	455,782	476,207
Inventories	<u>1,218,992</u>	<u>1,103,175</u>
	<u>3,150,417</u>	<u>3,175,328</u>
Long term investments, loans & debit	89,365	91,784
Fixed assets, net	856,534	847,876
Deferred tax	105,834	129,250
Intangible assets, net	<u>954,307</u>	<u>638,698</u>
	<u>2,006,040</u>	<u>1,707,608</u>
	<u>5,156,457</u>	<u>4,882,936</u>
	=====	=====

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

LIABILITIES

Current liabilities	1,561,966	1,645,736
Long-term liabilities		
Debentures	1,170,874	1,190,262
Other long-term liabilities	<u>235,521</u>	<u>192,247</u>
	1,406,395	1,382,509
Equity	<u>2,188,096</u>	<u>1,854,691</u>
	5,156,457	4,882,936
	=====	=====

In 2006, 2009, 2012 & 2013 ADAMA completed capital raise of NIS 2.35 billion, NIS 1.2 billion, NIS 1.08 billion and NIS 678 million, respectively, with bonds issue via TASE. In February 2014 and January 2015 ADAMA raised US\$ 500 million and NIS 689.6 million, respectively, in private placements of bonds issue.

The ChemChina transaction in 2011 included a non-recourse loan of US\$ 960 million for 7 years, in consideration of DIC's (then KOOR's) shares, to be redeemed in the end of the period if the parties would not agree otherwise. After ADAMA was unsuccessful with a planned IPO in late 2014 on NYSE, a move launched of merging ADAMA with Chinese SANONDA (in November 2013 ADAMA acquired 10.6% of SANONDA shares for US\$ 56.8 million). Given the circumstances, with the loan rose to a value of US\$ 1.17 billion, and including a legal dispute between the parties, where ADAMA's value lower than DIC/ IDB hoped for (standing short in cash which do not allow DIC to redeem the loan), in November 2016 a transaction completed and DIC sold CNAC their 40%.

That paved the way for a/m merger, and in July 2017 all CNAC's shares in ADAMA passed to SANONDA in consideration of allocating shares to CNAC, reflecting a company value for ADAMA of US\$ 3.5 billion. In parallel, SANONDA re-purchased ADAMA's shares in SANONDA. HUBEI SANONDA CO. shares are listed on the SZSE, current market value CNY 33.47 billion and the listed name is going to be change to ADAMA.

In January 2018 "the Combined Company" completed a private placement of new equity capital on the Shenzhen A-share market, raising gross proceeds of US\$ 240 million. The funds, which were raised from six of China's leading institutional investors, are intended to be used for the financing of designated investments as part of ADAMA's growth and development plans.

REVENUES

ADAMA AGRICULTURAL SOLUTIONS LTD.

Consolidated Statement of Income

US\$ (million)

Year ended 31.12

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Sales	3,063.9	3,070.2	3,137.4
Gross profit	969.6	1,033.3	1,113.0
Operating income	300.1	344.2	371.6
Profit before taxes on income	159.0	187.2	256.2
Net income	109.8	164.7	235.6
	=====	=====	=====

94% of ADAMA's sales are attributed to its core activities of chemicals for the agricultural fields (incl. subject and subsidiaries). Other fields (food additives, industrial chemicals, etc.) captured the rest of sales.

ADAMA 1st quarter 2018 consolidated sales were US\$ 920.3 million (3% higher than the parallel period in 2017), making a gross profit of US\$ 318.9 million, an operating profit of US\$ 430.5 million and a net profit of US\$ 315.3 million.

Subject profit (after tax deduction and subsidiaries equity profits):
Ended 2014 with a net profit of US\$ 79,680,000.
Ended 2015 with a net profit of US\$ 62,742,000.
Ended 2016 with a net profit of US\$ 95,821,000.
Ended 2017 with a net profit of US\$ 97,659,000.

OTHER COMPANIES

MAKHTESHIM CHEMICAL WORKS TRADE & MARKETING LTD., 100%,
ADAMA CELSIUS B.V., 100%, Holland, holds 100% in ADAMA IRVITA N.V., ADAMA VIETNAM LTD CO. and
ADAMA AGRICULTURE SLOVENSKO SPOL S.R.O, and 51% in ADAMA KOREA INC.
ADAMA (NANJING) AGRICULTURAL SCIENCE AND TECHNOLOGY CO. LTD
TARGETGENE BIOTECHNOLOGIES LTD., 50.1%,
ENERGIN.R TECHNOLOGIES 2009 LTD., 15%.

ADAMA AGRICULTURAL SOLUTIONS LTD. (formerly MAKHTESHIM – AGAN INDUSTRIES LTD.), parent
company, also owns some 60 subsidiaries worldwide, among them (all fully owned unless otherwise stated):
ADAMA AGAN LTD., which together with subject responsible for Group's main activities. Manufacturers,
exporters and marketers of chemicals for agricultural purposes: plant growth regulators, plant protection
chemicals, herbicides, etc.

ADAMA (AGAN) MARKETING CHEMICALS LTD.

AGAN AROMA & FINE CHEMICALS LTD., developers, manufacturers, marketers and exporters of aroma
substances for detergents.

INTERCONNECT AROMA LTD.

NEGEV AROMA (RAMAT HOVAV) LTD., 50%, manufacturing aroma products.

ADAMA FAHRENHEIT B.V., holds 100% in ADAMA QUENA N.V.,

ADAMA (CHINA) INVESTMENT CO. LTD.

MAGAN HB B.V., ADAMA ARGENTINA S.A., KOLLANT SRL, ADAMA ANDINA B.V., ADAMA HUNGARY ZRT.
ADAMA AGRICULTURE ESPANA S.A., ADAMA BRASIL S.A., ROFICOL VENEZUELA S.A., ADAMA
AGRICULTURE PERU S.A., ADAMA ECUADOR ADAMACUDOR S.A., ADAMA AGRICULTURE EAST AFRICA
LTD., ADAMA COLOMBIA S.A.S, ADAMA MADAGASCAR SRL, ADAMA GUATEMALA SA, AGRICUR
DEFENSIVOS AGRICOLAS LTD, ADAMA PARAGUAY S.R.L, ADAMA DOMINICAN REPUBLIC S.R.L,
MAKHTESHIM AGAN DE MEXICO S.A, ADAMA INDIA PRIVATE LTD., ADAMA POLSKA SO Z.O.O, ADAMA
AGRICULTURE SOLUTIONS U.K. LTD., ADAMA ITALIA SRL, ADAMA PORTUGAL LDA, ADAMA
AGRICULTURE B.V., ADAMA NEW ZEALAND LTD., ADAMA CZ S.R.O., ADAMA DEUTSCHLAND GMBH,
MAGAN KOREA CO LTD., ADAMA SRB DOO BEOGRAD, ADAMA RUS LLC, ADAMA AUSTRALIA PTY LTD.,
ADAMA MANUFACTURING POLAND S.A. (55%), ADAMA NORTHERN EUROPE B.V. (55%), ADAMA CROP
SOLUTIONS ACC S.A., ADAMA FRANCE S.A.S., ADAMA REGISTRATIONS B.V., ADAMA JAPAN K.K.,
MAKHTESHIM AGAN OF NORTH AMERICA INC., ADAMA AGRICULTURAL SOLUTIONS S.R.L., ADAMA
(SHANGHAI) TRADING CO LTD., ADAMA SOUTH AFRICA PTY LTD., ADAMA AGRICULTURE SWISS AG,
ADAMA ASIA PACIFIC PTE LTD., ADAMA (THAILAND) LTD., ADAMA UKRAINE LLC, ADAMA WEST AFRICA
LTD., MAKHTESHIM AGAN CHILE SPA, ADAMA PLANT PROTECTION SERVICES ZAMBIA LTD, ADAMA
ZIMBABWE (PRIVATE) LTD., ADAMA TURKEY TARIM SANAYI VE TICARET LIMITED ŞİRKETİ, ADAMA

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

WEST AFRICA BURKINA SARL., CHILEAGRO BIOSCIENCE S.A., ADAMA CHILE SA (60%), PT. ROYAL AGRO INDONESIA, ADAMA SERVICIOS S.A. DE C.V., and few more subsidiaries.

LYCORED LTD., holds 100% of LYCORED BIO LTD., jointly leading ADAMA Group's non-agro activities, e.g. natural food additives, micro encapsulation of natural health materials, DALIDAR PHARMA ISRAEL (1995) LTD., developers, manufacturers of photo pharmaceuticals (herbal based remedies), 100% in ALB HOLDINGS U.K., LYCORAD CORP. (USA), LYCORED Sarl, VN BIOTECH LTD., LYCORED ASIA LTD., PROTEIN DYNAMIX LTD.

HUBEI SANONDA CO. LTD., of China, parent company, engaged in similar line as ADAMA, with annual sales of US\$ 300 million, having several subsidiaries.

BANKERS

Bank Leumi Le'Israel Ltd., Beer Sheva Business Branch (No. 607), Beer Sheva.

Bank Hapoalim Ltd., Beer Sheva Business Branch (No. 177), Beer Sheva

Above 2 are the main branches, also working with local banks CitiBank N.V., HSBC Bank Plc, Israel Discount Bank Ltd. and Mizrahi Tefahot Bank Ltd.

CHARACTER AND REPUTATION

Nothing unfavorable learned.

ADAMA is considered as the world's largest producer of generic products for plant conservation and one of the leading companies in the agro-chemical sector, ranked 6th in world in 2017, with estimated global market share of 5%.

Subject is certified with TI 18000, ISO 14001, ISO 9002 and other standard.

ADAMA expects to benefit from the transaction with ChemChina, as leverage for entering the Chinese market valued US\$ 4 billion, as well as Asian other markets. ADAMA announced in August 2013 on negotiations with Chinese distribution company NOPOSITION, for cooperation in distribution in China.

In October 2014 it was announced that CNAC will sell ADAMA 4 Chinese companies in total value of around US\$ 300 million (still pending). In December 2015 ADAMA announced on an agreement with CNAC, according to which subject will gradually become the sole distributor of CNAC's formulated agrochemical products in China.

A major move is ADAMA's merger with Chinese publicly traded agro-chemical manufacturing and marketing company SANONDA, completed in mid-2017. The merged company, now managed by ADAMA's management headed by Chen Lichtenstein, is presently traded under SANONDA name, but expected to change the name to ADAMA.

Also as part of its strategy and the global competition in the sector, ChemChina acquired 80% in ADAMA's rival SYNGENTA for US\$ 43 billion (in cash).

Following a similar transaction in the US earlier in 2017, ADAMA has entered into agreements for the transfer of certain crop protection products and distribution rights from SYNGENTA, in exchange for entering into agreements for the divestiture of certain products in Europe to NUFARM.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

SYNGENTA and ADAMA are each divesting certain products as required by the EC for their approval of the acquisition of SYNGENTA by CHEMCHINA.

In 2000 ADAMA acquired Brazilian MILENIA PARTICPACOES S.A. for US\$ 45 million, through which ADAMA operates in Brazil, one of its strongest markets.

In 2002, ADAMA completed the acquisition of FEINCHIMI, of Germany, for a sum of US\$ 21 million. Also in 2002, ADAMA acquired several products (including stock, licenses, distribution rights, etc.) from BAYER, for a sum of over €200 million. In 2005, ADAMA signed a strategic deal to distribute BAYER CropScience's agricultural insecticides.

During 2004-2007, ADAMA made several acquisitions:

- * 3 Agro-chemical American Companies of the FARM SAVER Group, for a total sum of US\$ 60 million.
- * 67% in CONTROL SOLUTIONS INC. (CSI), an American pesticide company, for around US\$ 15 million.
- * FARMOZ, Australia 4th largest Agrochemical Company for US\$ 16 million.
- * 50.1% of RICECO of the USA, developers and manufacturers of herbicides for rice growing.
- * 49% of Dutch company MABENO in shares swap deal (and later in 2008 increased stakes to 55%).
- * 70% of Hungarian distribution company BIOMARK TRADING (and later in 2007 increased stakes to 100%).
- * 30% of ALLIGARE, non-agricultural pesticide manufacturer of the USA in 2006 (later increased to 80%)
- * 60% of Italian KOLLANT, non-agricultural pesticide manufacturer, for US\$ 15 million in 2006 (in October 2008 increased stake to 100%).
- * The activities from FARMACHEM/ REISMAN in 2006 for US\$ 15.7 million.
- * In 2006 75% of distribution of plant protection products company AGROVITA of Czech Republic (in 2009 reached 100%). In December 2013 acquired also the parallel sister company in Slovakia AROVITA SPOL.
- * In January 2007 100% of marketing firm in Ecuador for US\$ 6 million.

In 2009, ADAMA completed the acquisition of 2 companies in Poland (ROKITA, established 1946, plant protection products manufacturers, US\$ 50 million annual turnover) and in Serbia (MAGAN YU) for US\$ 20 million. In addition, ADAMA acquired in 2009 the American company BOLD FORMULATORS LLC, dealing in formulation of products for plant protection.

ADAMA announced in September 2009 on a strategic cooperation agreement with CIBUS GLOBAL, according to which ADAMA will invest up to US\$ 37 million over five years in a Joint Venture with CIBUS to develop proprietary crop traits in five major crops with a European focus. Separately, in another agreement, ADAMA entered into a Strategic Equity Alliance with CIBUS that allows ADAMA to gradually acquire up to 50.1% of CIBUS equity.

In October 2010 ADAMA announced it signed a cooperation agreement with its global rival MONSANTO, in which ADAMA will be sole supplier to some of MONSANTO's key products.

In November 2010 ADAMA announced on 2 acquisitions, one is 100% of BRAVO Group of Mexico (US\$ 30 million sales), and the other is 51% of JK INC. of Korea (US\$ 10 million sales).

In June 2011 ADAMA signed an exclusive license agreement with Italian ISAGRO, for using the Italian company's developed active substance.

ADAMA Group, including subject, started to utilize natural gas in its plants (gas from "Tamar" resource, agreement signed in 2013 for 7 years), which brings to major saving in energy costs. ADAMA launched its

initiative for the erection of private power plants based on natural gas in subject's Ramat Hovav plant (110mW) and AGAN's plant (55mW), with an investment of US\$ 200 million (erected jointly with EDELTEK and Turkish company ZORLO). ADAMA investment in the natural gas systems amounts to NIS 70 million.

In March 2013 ADAMA and Australian STARPHRAMA announced a collaboration program, where STARPHARMA's Priostar dendrimer technology will be applied to novel crop protection formulations across its product portfolio.

ADAMA has a cooperation agreement with Swiss partner FIRMENICH for development, manufacturing and marketing aroma products. The joint venture, NEGEV AROMA, established jointly in 2010 and is erecting a production facility in ADAMA Group compound in Ramat Hovav, with investment of US\$ 34 million.

In May 2013 ADAMA signed agreement to acquire control in ChileAgro of Chile, which provides ADAMA access to the Latin American agro-chemical market.

In October 2013 ADAMA acquired the agricultural activities of AGRON, which markets pesticides based on natural environmental friendly materials and are not toxic for human, thus could be sprayed days prior to the fruit-picking.

In March 2014 ADAMA reached full ownership in Colombian PROFICOL S.A., paying US\$ 30 million in acquiring the remaining 25% from its owner. ADAMA first invested in PROFICOL in 1998, in view of expanding into the Latin American market, and since then increased its stakes till reaching full ownership.

SUMMARY

Good for trade engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.68
UK Pound	1	INR 89.26
Euro	1	INR 79.38
ILS	1	INR 18.64

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	KET

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.