



Management Discussion and Analysis

February 27, 2023

Group Results for the Year Ended December 31, 2022



Cocoa
Indonesia
Olam

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MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Second-Half (“H2 2022”) and Full Year ended December 31, 2022 (“2022”)

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This **Management Discussion and Analysis (MD&A)** should be read and understood only in conjunction with the full text of “Olam Group Limited’s Financial Statements for the Second-Half and Full Year ended December 31, 2022” lodged on SGXNET on February 27, 2023.

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Re-organisation of Olam Group: Progress Update

In January 2020, Olam had announced a transformational Re-organisation Plan to re-organise its diverse business portfolio into three distinct operating groups that are Purpose-led and future ready in order to maximise Olam's long-term value on a sustained basis. During 2022, the Group continued to make significant progress in executing the Plan.

On January 1, 2022, the Group substantially completed the carve-out and separation of its businesses into the three operating groups – **ofi** (olam food ingredients), Olam Agri and the Remaining Olam Group, which comprises Olam Global Holdco ("OGH"), Olam Ventures and Olam Technology and Business Services (now known as "MindSprint").

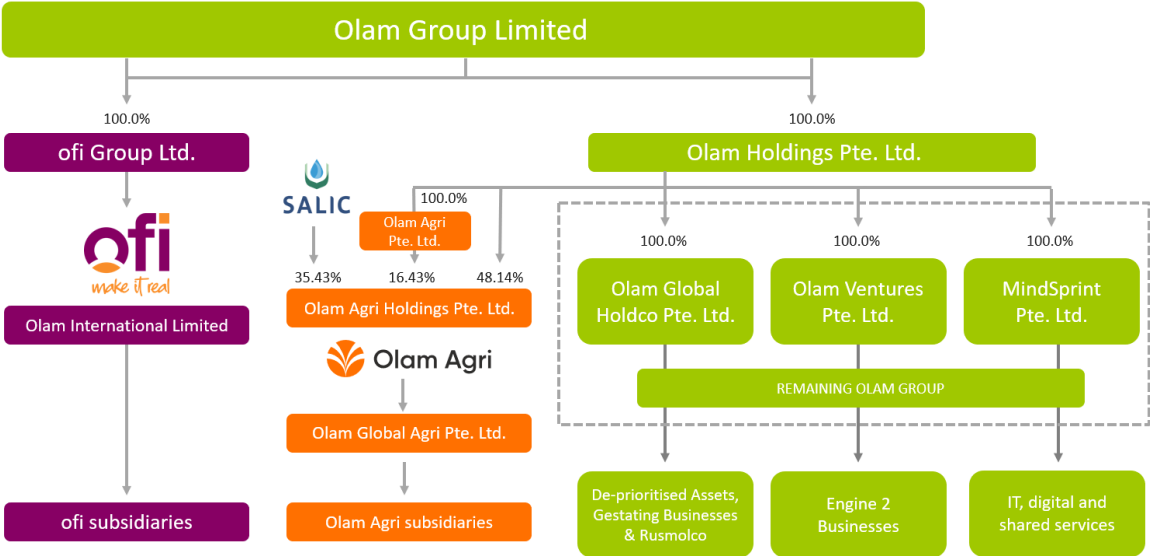
On February 18, 2022, the Company's shareholders approved the proposed restructuring of the Group by way of a Scheme of Arrangement ("the Scheme") as well as the proposed listing of **ofi** Group Ltd, which holds the **ofi** business, on the premium segment of the London Stock Exchange ("LSE"), with a concurrent listing in Singapore, subject to market conditions, and the proposed demerger of **ofi** from the Group.

On March 15, 2022, the Scheme became effective with Olam Group Limited as new parent company holding 100.0% each of **ofi** Group Ltd, Olam Agri Holdings, Olam Global Holdco, Olam Ventures and MindSprint. Shares of Olam Group Limited was listed on the Mainboard of the SGX-ST on March 16, 2022 with Olam International Limited delisted at the same time.

On March 24, 2022, the Group announced that in light of the market conditions as a result of the ongoing Russia-Ukraine war, the IPO of **ofi** was therefore not expected to take place in Q2 2022 as previously planned. Notwithstanding this development, the Group remains prepared and committed to pursuing the **ofi** listing on the premium segment of the London Stock Exchange, with a concurrent listing in Singapore.

On March 25, 2022, the Group announced a strategic partnership for Olam Agri with Saudi Agricultural and Livestock Investment Company ("SALIC") with the sale of a substantial minority stake of 35.4% in Olam Agri for US\$1.24 billion (approximately S\$1.72 billion), valuing Olam Agri at an equity valuation of US\$3.5 billion. SALIC is a wholly-owned subsidiary of the Public Investment Fund, the sovereign wealth fund of the Kingdom of Saudi Arabia, which ranks among one of the largest sovereign wealth funds globally. This transaction delivers four outcomes: (i) Illuminate and unlock value in Olam Agri, (ii) Crystallise a benchmark valuation and create a strong shareholder base ahead of a potential future IPO and demerger of Olam Agri; (iii) Right-size Olam Group's capital structure and reduce its leverage and (iv) Capitalise on partnership synergies to support growth including access to new markets.

On June 20, 2022, shareholders of the Company approved the transaction. On December 23, 2022, the transaction was completed. The Group continues to hold a majority stake of 64.57% in Olam Agri, through two wholly owned subsidiaries: Olam Holdings directly holding a stake of approximately 48.14% Agri and Olam Agri Pte. Ltd. directly holding a stake of approximately 16.43% (See revised Group structure on page 4). Additionally, Olam Agri and SALIC entered into a Strategic Supply and Cooperation Agreement, which will accelerate Olam Agri’s access into the large and high-growth Middle East markets.



On January 10, 2023, the Group announced that it planned to list Olam Agri Holdings Pte. Ltd. (“OAHPL”), which holds the Olam Agri business, as early as H1 2023 (the “Olam Agri IPO”) with a primary listing on the mainboard of the Singapore Exchange (“SGX”) and a possible concurrent listing on the Saudi Exchange of the Kingdom of Saudi Arabia. The Olam Agri IPO is an opportunity to unlock shareholder value by tapping into global agri-industry trends, enhanced global focus on food security and Olam Agri’s position as a growing company with a consistent performance track record. The Group will seek shareholder approval for the concurrent Olam Agri IPO on SGX and demerger of OAHPL from the Group by distribution in specie of shares in OAHPL to shareholders.

The **ofi** listing on the LSE and SGX is planned to take place following the Olam Agri IPO, subject to prevailing market conditions.

Any listing and demerger, including the timing, venues and other terms thereof, are subject to inter alia prevailing market conditions, all requisite approvals and clearances from regulatory authorities, and relevant approvals of shareholders.

Should the IPOs for Olam Agri and **ofi** go through, the Group will remain listed on the SGX with OGH, Olam Ventures and MindSprint as its businesses.

2022 Key Highlights

Financial Highlights

Consolidated Olam Group

S\$ million	2022	2021	% Change	H2 2022	H2 2021	% Change
Volume ('000 MT)	42,873.3	45,425.3	(5.6)	20,383.3	23,057.9	(11.6)
Revenue [^]	54,901.0	47,002.0	16.8	26,454.2	24,168.5	9.5
EBITDA [^]	2,317.7	2,049.8	13.1	1,161.0	1,114.3	4.2
EBIT [^]	1,608.7	1,422.6	13.1	798.2	781.0	2.2
Adjusted EBIT [^]	1,658.8	1,459.9	13.6	824.6	807.8	2.1
PAT	551.6	602.8	(8.5)	157.2	220.1	(28.6)
PATMI	629.1	686.4	(8.3)	200.0	264.9	(24.5)
Operational PATMI[^]	781.5	961.1	(18.7)	303.0	524.5	(42.2)

[^]Excluding exceptional items

Performance by Operating Group¹

S\$ million	Sales Volume ('000 MT)				Revenue (S\$ million)				EBITDA (S\$ million)				EBIT (S\$ million)			
	2022	% Share	2021	% Change	2022	% Share	2021	% Change	2022	% Share	2021	% Change	2022	% Share	2021	% Change
Olam Group	42,873.3	100.0%	45,425.3	(5.6%)	54,901.0	100.0%	47,002.0	16.8%	2,317.7	100.0%	2,049.8	13.1%	1,608.7	100.0%	1,422.6	13.1%
- ofi	3,585.1	8.4%	3,676.9	(2.5%)	16,391.7	29.9%	14,216.8	15.3%	1,112.2	48.0%	1,145.4	(2.9%)	746.5	46.4%	820.7	(9.0%)
- Olam Agri	38,175.6	89.0%	40,607.1	(6.0%)	36,904.0	67.2%	31,276.9	18.0%	1,068.2	46.1%	929.6	14.9%	857.7	53.3%	752.9	13.9%
- Remaining Olam Group	1,112.6	2.6%	1,141.3	(2.5%)	1,605.3	2.9%	1,508.3	6.4%	137.3	5.9%	(25.2)	(644.8%)	4.5	0.3%	(151.0)	103.0%

- Olam Group's reported net profit or **Group Profit After Tax and Minority Interests (PATMI) declined by 8.3% to S\$629.1 million** (2021: S\$686.4 million) against a strong prior period and as operating profit growth was offset by significantly higher net finance costs and the increase in taxes in 2022 compared with 2021.
- **Compared with the prior year, Olam Group recorded lower net exceptional losses of S\$152.4 million** (2021: -S\$274.7 million), which comprised mainly the costs related to the Re-organisation and the share-based expenses arising from the accelerated vesting of the employee performance share awards due to the completion of the Scheme process.
- Excluding the non-recurring items, underlying net profit or **Operational Profit After Tax and Minority Interests decreased by 18.7% to S\$781.5 million** (2021: S\$961.1 million).

¹ During 2021 and 2022, certain businesses were transferred between operating groups. The Coffee plantation business was transferred from OGH to **ofi** (as part of Global Sourcing) and **ofi**'s Russian operations (primarily comprising the Rusmolco dairy farming operations, also a part of Global Sourcing) were transferred from **ofi** to OGH. The results for **ofi** and Remaining Olam Group for 2022 and 2021 are presented after incorporating these changes and for 2020-2022 on a retrospective basis (See Annexure 2).

- **Group Sales Volume declined by 5.6% to 42.9 million metric tonnes (MT)** in 2022 (2021: 45.4 million MT) as the recovery in demand post the pandemic slowed down in response to the Russia-Ukraine crisis and hard lockdowns in China.
- **Group Earnings Before Interest and Tax (EBIT) rose by a healthy 13.1% to S\$1,608.7 million** in 2022. The Remaining Olam Group turned around to report positive EBIT at S\$4.5 million (2021: -\$151.0 million). Compared to an exceptional prior year performance, Olam Agri maintained a strong performance in 2022 and achieved EBIT growth of 13.9% to S\$857.7 million (2021: S\$752.9 million). **ofi** reported lower EBIT of S\$746.5 million against a very strong comparative prior year (2021: S\$820.7 million), impacted by increased depreciation and amortisation from new investments and inflationary pressures, especially the sudden surge in energy costs. Excluding amortisation of acquired intangibles, **ofi's** Adjusted EBIT was S\$788.5 million in 2022 compared with S\$849.0 million in 2021. The Group's Adjusted EBIT would have been S\$1,658.8 million in 2022 or 13.6% higher compared with S\$ 1,459.9 million in the previous year.
- The Group generated strong free cash flows in 2022 with **Free Cash Flow to Firm (FCFF) and Free Cash Flow to Equity (FCFE) swinging back to positive at S\$2.7 billion (2021: -\$602.8 million) and S\$1.9 billion** (2021: -\$1.0 billion) respectively on improved net operating cash flow due to EBITDA growth, lower capital expenditure (Capex) and divestment proceeds from the sale of substantial minority stake in Olam Agri.
- Compared to a year ago (December 31, 2021: 1.72 times), **net gearing as at December 31, 2022 decreased to 1.47 times** with adjusted gearing net of readily marketable inventories (RMI) and secured receivables at 0.64 times (December 31, 2021: 0.75 times).
- The Board of Directors recommends a **final dividend of 4.5 cents** per share for 2022, taking the total dividend for the year to 8.5 cents per share (2021: 8.5 cents).

Strategic Investments and Divestments

Investments

- **ofi** completed the acquisition of Club Coffee L.P. (“Club Coffee”), one of Canada’s largest roasters and packaging solutions providers to the ‘At Home’ segment, serving private label customers and retail brands. **ofi** acquired Club Coffee at an enterprise value of CA\$150.0 million. The acquisition is aligned with ofi’s growth strategy in which the private label and co-manufactured channel is an attractive, high value and growing part of its portfolio.
- **ofi** also completed the acquisition of Märsch Importhandels GmbH (“Märsch”), one of Europe’s leading private label nuts manufacturers, with manufacturing facilities in Germany at an enterprise value of EUR93.0 million. The acquisition complements **ofi**’s current footprint in private label and manufacturing operations in the US and Asia and provides **ofi**’s nuts business with a solid platform for an accelerated entry into Europe.
- **ofi** continues to invest in new greenfield facilities for soluble coffee manufacturing in Brazil and dairy ingredient manufacturing in New Zealand, both of which are expected to commence operations in 2023.
- Olam Agri’s strategic investments in 2022 were made in its Processing & Value-added segment, including the expansion of its fish feed milling capacity in Nigeria, which was commissioned in the second half of 2022; expansion of its fleet of trucks in Nigeria to more than 1,000 to support the logistics needs of its wheat milling and pasta business; and the expansion of its rice milling capacity in Nigeria.

Divestments

- Sale of its remaining equity stakes in ARISE Integrated Industrial Platforms (“ARISE IIP”) and ARISE Infrastructure Services (“ARISE IS”), part of the ARISE group, for US\$189.0 million to Africa Transformation and Industrialization Fund (“ATIF”), an equity investment fund set up by the management team of the ARISE group to invest in assets supporting Africa’s industrialisation, decarbonisation and economic development.
- Sale of its entire long-term investment in PureCircle made up of 26,408,751 ordinary shares, which represents an interest of 5.9% in Ingredion SRSS, to Ingredion Inc. in a tender offer for a cash consideration of approximately US\$23.0 million.
- On December 23, 2022, the Group completed the sale of 35.43% in Olam Agri to SALIC for US\$1.24 billion (S\$1.7 billion). The transaction resulted in a net gain of S\$1.2 billion recorded in capital reserves in the statement of changes in equity.

Business Prospects and Outlook

Impact of Russia-Ukraine War

The Group continues to operate its dairy farming operations in Russia and supply milk to its customers in the domestic market. This is consistent with one of the key objectives of our Purpose to strive for food security for all and with our duty of care to our employees, herd population, customers and farmers who deliver these food staple crops to us.

The Olam Agri operations in the Black Sea were impacted in 2022 by shipment disruptions from both Russia and Ukraine. The recent agreement between Russia and Ukraine brokered by the UN and Turkey to reopen the Ukraine grains shipment corridor which took effect in July 2022 and renewed in November 2022 is expected to gradually ease future shipments of essential food staples and grains from Ukraine and Russia to improve the current global food security crisis and restore global trade flows.

Outlook for 2023

We saw post-pandemic demand growth rate and pick-up slowed down in 2022 after the Russia-Ukraine war started and the hard pandemic lockdowns in China. The year was also characterised by heightened geopolitical risks and significant macroeconomic volatility, including unprecedented inflationary pressures in many economies and monetary tightening by central governments, leading to volatile markets, higher interest rates and elevated commodity prices until late 2022 when these prices began to ease. For 2023, the Group expects commodity prices and supply chain disruptions to ease from the highs of 2021/2022 although geopolitical uncertainties, volatile market conditions and high interest rates are likely to persist.

ofi has entered 2023 with good momentum. The timing and execution of new customer contracts, which pass through the higher energy and other costs, are proceeding to plan and there are clear signs that supply chain disruptions are easing. **ofi** retains a clear focus on cost discipline and has taken steps to ensure it remains as efficient as possible. **ofi** remains confident about its future growth prospects and its ability to deliver sustainable value creation for all stakeholders. Its guidance remains unchanged at low to mid-single digit total volume growth and high single-digit adjusted total EBIT growth over the medium-term.

Building on strong growth and outperformance in 2022, Olam Agri expects to capture the significant growth opportunity that exists in the market to further strengthen operating performance for 2023 while continuing to successfully navigate geopolitical and macroeconomic risks. The Strategic Supply and Cooperation agreement with strategic partner SALIC will also catalyse its growth in the Gulf region.

In view of the market uncertainties and high interest rates environment, the Group will continue to focus on managing its working capital in a disciplined manner.

The Group expects to continue to incur one-off and non-recurring expenses associated with the execution of the Re-organisation Plan, including the planned listing(s) in 2023.

Barring any unforeseen circumstances or unfavourable geopolitical, macroeconomic and roll-back on post-pandemic borders reopening by major economies, the Group is cautiously optimistic about its prospects for 2023.

Summary of Financial and Operating Results

Profit and Loss Analysis

S\$ million	2022	2021	% Change	H2 2022	H2 2021	% Change
Volume ('000 MT)	42,873.3	45,425.3	(5.6)	20,383.3	23,057.9	(11.6)
Revenue ^	54,901.0	47,002.0	16.8	26,454.2	24,168.5	9.5
Other income ^	93.3	63.8	46.2	57.5	31.2	84.3
Cost of sales ^	(50,552.1)	(43,095.1)	17.3	(24,157.4)	(21,963.2)	10.0
Selling, general and administrative expenses ^	(2,019.8)	(1,842.1)	9.6	(1,148.3)	(1,040.1)	10.4
Other operating expenses ^	(223.0)	(196.3)	13.6	(171.4)	(200.3)	(14.4)
Net Gain/(loss) in fair value of biological assets	90.9	97.7	(7.0)	115.6	104.1	11.0
Share of results from joint ventures and associates	27.4	19.8	38.4	10.8	14.1	(23.4)
EBITDA ^	2,317.7	2,049.8	13.1	1,161.0	1,114.3	4.2
EBITDA %	4.2%	4.4%		4.4%	4.6%	
Depreciation & amortisation ^	(709.0)	(627.2)	13.0	(362.8)	(333.3)	8.9
EBIT ^	1,608.7	1,422.6	13.1	798.2	781.0	2.2
EBIT %	2.9%	3.0%		3.0%	3.2%	
Exceptional items	(152.4)	(274.7)	(44.5)	(103.0)	(259.6)	(60.3)
Net Finance costs ^	(728.2)	(411.2)	77.1	(457.6)	(214.0)	113.8
PBT	728.1	736.7	(1.2)	237.6	307.4	(22.7)
Taxation ^	(176.5)	(133.9)	31.8	(80.4)	(87.3)	(7.9)
PAT	551.6	602.8	(8.5)	157.2	220.1	(28.6)
PAT %	1.0%	1.3%		0.6%	0.9%	
Non-controlling interests	(77.5)	(83.6)	(7.3)	(42.8)	(44.8)	(4.5)
PATMI	629.1	686.4	(8.3)	200.0	264.9	(24.5)
PATMI %	1.1%	1.5%		0.8%	1.1%	
Operational PATMI ^	781.5	961.1	(18.7)	303.0	524.5	(42.2)
Operational PATMI %	1.4%	2.0%		1.1%	2.2%	

^Excluding exceptional items

Sales Volume

Sales volume declined by 5.6% to 42.9 million MT (2021: 45.4 million MT) mainly due to the disruption in trade flows as a result of the Russia-Ukraine war and an impact on demand arising from hard lockdowns in China and unprecedented inflationary pressures.

Revenue

Despite lower sales volumes, revenue increased by 16.8% to S\$54.9 billion (2021: S\$47.0 billion) on higher selling prices across many products and commodities, including grains and oilseeds, cotton, edible oils, coffee and dairy in 2022.

Other Income

Other income amounted to S\$93.3 million in 2022 compared 2021 at S\$63.8 million.

Cost of Sales

The change in cost of sales normally follows the corresponding change in revenue for a given period net of any impact from fair value changes due to foreign exchange movements. In 2022, cost of sales increased by 17.3% in tandem with the growth in revenue net of corresponding offsets from currency movements.

Selling, General & Administrative Expenses

Selling, General & Administrative Expenses rose by 9.6% or S\$177.7 million to S\$2.0 billion in 2022 (2021: S\$1.8 billion). The increase was mainly due to a larger headcount, adjustments for inflationary effects and dis-synergies associated with the carve-out and separation of the Group's businesses into the three operating groups.

Other Operating Expenses

Other Operating Expenses were higher at S\$223.0 million for the year under review (2021: - S\$196.3 million). 2022 recorded higher unrealised foreign exchange losses on the devaluation of emerging market currencies, such as the Egyptian pound and Nigerian naira, and other currencies, such as the Japanese yen and the Euro, against the US dollar compared with 2021.

Net Changes in Fair Value of Biological Assets

2022 recorded a net gain on the fair value of biological assets of S\$90.9 million, which was lower than 2021 at S\$97.7 million, primarily due to the reduction in fair value in the almond orchards in Australia, offset by gains recorded on the dairy farms in Russia.

Share of Results from Joint Ventures and Associates

Joint ventures and associates included Guzman Coffee & Nuts, MC Agri Alliance ("MCAA" – joint venture with Mitsubishi Corporation), Stamford Panasia, a 49.0% joint venture with Stamford Shipping for freight management, ARISE Ports & Logistics ("ARISE P&L"), ARISE IIP and ARISE IS. The share of results from these joint ventures and associates increased from S\$19.8 million in 2021 to S\$27.4 million in 2022 as Stamford Panasia and MCAA contributed higher income than in the previous year.

Depreciation and Amortisation

Depreciation and amortisation expenses increased 13.0% to S\$709.0 million in 2022 (2021: S\$627.2 million) on account of the acquisitions and organic Capex completed in 2022 and the full year impact of depreciation and amortisation charges from the acquisitions and investments made in 2021.

EBIT

Group EBIT grew by 13.1% to S\$1.6 billion in 2022 (2021: S\$1.4 billion) mainly due to the improved earnings from the Remaining Olam Group and Olam Agri, which offset the lower contribution from **ofi**. Remaining Olam Group significantly improved its performance to record EBIT at S\$4.5 million from losses a year ago (2021: -S\$151.0 million). Olam Agri's EBIT were 13.9% higher at S\$857.7 million. **ofi**'s EBIT declined 9.0% to S\$746.5 million (2021: S\$820.7 million).

Excluding the amortisation of acquired intangibles, Group Adjusted EBIT increased by 13.6% to S\$1.7 billion (2021: S\$1.5 billion). Remaining Olam Group contributed to the growth at S\$4.4 million (2021: -S\$149.8 million). Olam Agri and **ofi** reported an Adjusted EBIT of S\$865.9 million (2021: S\$760.7 million) and S\$788.5 million (2021: S\$849.0 million) respectively.

Finance Costs

Despite reduced gross debt level, net finance costs were up by a significant 77.1% from S\$411.2 million in 2021 to S\$728.2 million in 2022 due to the sharp increase in interest rates as compared with the prior year.

Taxation

Tax expenses increased from S\$133.9 million in 2021 to S\$176.5 million in 2022 mainly because of the changes in the earnings composition in terms of business and geographical contribution.

Non-controlling Interest

Non-controlling interest, which comprises mainly the minority share of results from Olam Palm Gabon ("OPG"), Olam Rubber Gabon ("ORG"), Caraway (Packaged Foods), BT Cocoa, Cotontchad and Nouvelle Société Cotonnière du Togo, stood at a negative S\$77.5 million in 2022, slightly improved from a year ago (2021: -S\$83.6 million) on account of improved performance by OPG during this period.

Exceptional Items

The period under review recorded a lower net exceptional loss of S\$152.4 million in 2022 (2021: -S\$274.7 million) mainly on the Re-organisation costs of S\$149.3 million, including share-based expenses from accelerated vesting of the employee performance share awards after the Scheme process was completed.

S\$ million	2022	2021	H2 2022	H2 2021
Acquisition related cost	(3.2)	(6.3)	(3.2)	(0.1)
Profit on sale of stake in Subsidiary, net	-	13.6	-	8.6
Re-organisation cost	(149.3)	(134.1)	(99.9)	(134.1)
Exit/Closure costs	-	(147.9)	-	(134.0)
Exceptional Items	(152.4)	(274.7)	(103.0)	(259.6)

PATMI

PATMI declined 8.3% to S\$629.1 million (2021: S\$686.4 million) as the growth in EBIT was partly offset by the significantly higher net finance costs and taxes in 2022.

Operational PATMI

Excluding the exceptional items in both years, Operational PATMI was down 18.7% to S\$781.5 million in 2022 for the above reasons (2021: S\$961.1 million).

Balance Sheet Analysis

S\$ million	31-Dec-22	31-Dec-21	Change vs Dec 21
Uses of Capital			
Fixed Capital	9,459.3	9,537.9	(78.6)
Right-of-use assets	846.3	782.7	63.6
Working Capital	8,538.9	8,115.6	423.3
Cash	4,805.6	4,317.5	488.1
Others	578.5	735.1	(156.6)
Total	24,228.6	23,488.8	739.8
Sources of Capital			
Equity & Reserves	7,700.0	7,210.5	489.5
Non-controlling interests	423.6	7.4	416.2
Short term debt	5,052.0	6,937.6	(1,885.6)
Long term debt	10,066.8	8,794.8	1,272.0
Short term lease liabilities	140.8	138.0	2.8
Long term lease liabilities	886.3	839.8	46.5
Fair value reserve	(40.9)	(439.3)	398.4
Total	24,228.6	23,488.8	739.8

"Others" are deferred tax assets and liabilities, other non-current assets and liabilities, derivative financial instruments (assets and liabilities) and provision for taxation.

The Group's total assets² as at December 31, 2022 stood at S\$24.2 billion, comprising S\$9.5 billion of fixed capital, S\$846.3 million of right-of-use assets, S\$8.5 billion of working capital and S\$4.8 billion of cash.

The total assets were funded by S\$7.7 billion of equity, S\$5.1 billion of short-term debt, S\$10.1 billion of long-term debt, as well as short-term and long-term lease liabilities of S\$140.8 million and S\$ 886.3 million respectively.

Compared with a year ago, the overall balance sheet as at December 31, 2022 grew by S\$ 739.8 million mainly from the increase in cash position and working capital. Our cash position increased to S\$4.8 billion (December 31, 2021: S\$4.3 billion) to meet potentially higher working

² Total assets are net of trade payables and accruals, derivative financial instruments (current liabilities), provision for taxation, other current liabilities and non-current liabilities, and deferred tax liabilities.

capital and operating costs as well as to manage near-term repayment obligations on borrowings. Working capital also rose by S\$423.3 million, driven by higher commodity prices.

Working Capital

S\$ million	31-Dec-22	31-Dec-21	Change vs Dec 21
Stock	8,947.3	8,857.2	90.1
Advance to suppliers	582.6	543.5	39.1
Receivables	2,855.5	2,441.4	414.1
Trade creditors	(4,327.2)	(4,679.7)	352.5
Others	480.7	953.2	(472.5)
Working Capital	8,538.9	8,115.6	423.3

"Others" include other current assets, non-current assets held for sale, changes to margin accounts with brokers and other current liabilities.

The increase in working capital over the past year was mainly due to the higher receivables, partly driven by the rise in commodity prices, as payables came down. This was mitigated in a large part by the improvement in margin accounts. We remained disciplined in our capital management. Our working capital cycle time was 55 days (December 30, 2021: 58 days).

Days	31-Dec-22	31-Dec-21	Change vs Dec 21
Stock	64	75	(11)
Advance to suppliers	4	4	-
Receivables	18	18	-
Trade creditors	(31)	(39)	8
Total cash cycle	55	58	(3)

Debt, Liquidity and Gearing

S\$ million	31-Dec-22	31-Dec-21	Change vs Dec 21
Gross debt	16,145.9	16,710.2	(564.3)
Less: Cash	4,805.6	4,317.5	488.1
Net debt	11,340.3	12,392.7	(1,052.4)
Less: Readily marketable inventory (RMI)	5,636.2	5,937.9	(301.7)
Less: Secured receivables	770.0	1,064.7	(294.7)
Adjusted net debt	4,934.1	5,390.1	(456.0)
Equity (before FV adj reserves)	7,700.0	7,210.5	489.5
Net debt / Equity (Basic)	1.47	1.72	(0.25)
Net debt / Equity (Adjusted)	0.64	0.75	(0.11)

Against December 31, 2021, net gearing improved to 1.47 times (December 31, 2021: 1.72 times). Net debt decreased by S\$1.1 billion to S\$11.3 billion as cash proceeds from the sale of the substantial minority stake in Olam Agri were channelled to repay debt.

Of the S\$8.9 billion inventory position, approximately 63.0% or S\$5.6 billion were RMI that were liquid, hedged and/or sold forward, operating as near-cash assets on our balance sheet. In addition, approximately 27.0% of the S\$2.9 billion in trade receivables were secured. Adjusting for RMI and secured receivables, our net gearing as at December 31, 2022 would be 0.64 times (December 31, 2021: 0.75 times), reflecting the true indebtedness of our Group.

Financing

We maintained sufficient liquidity to support our working capital and Capex requirements, with a total of S\$24.6 billion in available liquidity as at December 31, 2022, including unutilised bank lines of S\$13.4 billion.

In 2022, the Company and its operating groups refinanced their borrowing facilities by securing revolving credit facilities (RCF) and loans that also align with their Purpose:

- **ofi** through its subsidiary priced a US\$275.0 million fixed rate notes via a private placement, which comprised US\$200.0 million of five-year fixed rate notes at a coupon of 3.05% and US\$75.0 million of seven-year fixed rate notes at a coupon of 3.25%.
- **ofi** secured a multi-tranche sustainability-linked facility aggregating US\$1,975 million to refinance its existing loans and to support general corporate purposes. The facility comprises a two- and three-year revolving credit facility and a three-year term loan. The interest margin is linked to meeting sustainability targets across environmental, social and governance areas.
- Olam Agri secured a financing facility from banks in the United Arab Emirates of approximately US\$745.0 million, which builds upon its increasing activity in the Gulf Cooperation Council region, and diversifies its funding mix.
- Olam Agri obtained a loan of US\$200.0 million from the International Finance Corporation Olam Agri to finance the purchase of essential food staples for delivery to its processing operations in developing markets, thereby ensuring food security to some of the most populous countries in Asia and Africa most at risk of global food inflation.
- Olam Agri secured US\$2.9 billion loan based on Poseidon Principles, which provide a framework for integrating climate considerations to improve carbon management in our freight business, while promoting international shipping's decarbonisation efforts.
- Olam Agri also entered into a US\$2.0 billion bridge financing facility to support the Re-organisation Plan and its general corporate purposes.

The Company also obtained relevant consents for the novation of existing bank facilities to the new operating groups, including those required from bondholders and perpetual securities holders.

On July 12, 2022, the Company redeemed and cancelled all outstanding 5.5% S\$350.0 million perpetual securities.

Post 2022, ofi secured a two-year loan facility aggregating US\$600.0 million and comprising a revolving credit facility tranche and a term loan tranche. It also signed a two-year revolving credit facility aggregating US\$250 million for refinancing and general corporate purposes.

Cash Flow Analysis

S\$ Million	2022	2021	YoY
Operating Cash flow (before Interest & Tax)	2,193.3	1,787.3	406.0
Changes in Working Capital	(265.2)	(489.2)	224.0
Net Operating Cash Flow	1,928.1	1,298.1	630.0
Tax paid	(214.0)	(179.9)	(34.1)
Capex/Investments/Divestments	984.8	(1,721.0)	2,705.8
Free cash flow to firm (FCFF)	2,698.9	(602.8)	3,301.7
Net interest paid	(749.5)	(427.7)	(321.8)
Free cash flow to equity (FCFE)	1,949.4	(1,030.5)	2,979.9

Net operating cash flow for 2022 grew by S\$630.0 million to S\$1.9 billion on account of lower working capital requirements during the year compared with 2021. Gross Capex was significantly lower at S\$1.1 billion compared with S\$1.9 billion in 2021 when sizeable, strategic acquisitions were completed. Cash proceeds from sale of substantial stake in Olam Agri, along with improved net operating cash flow and lower Capex, resulted in both FCFF and FCFE returning to positive territory at significantly improved levels of S\$2.7 billion (2021: -\$602.8 million) and S\$1.9 billion (2021: -\$1.0 billion) respectively.

Segmental Review and Analysis³

2022

Segment S\$ million	Sales Volume ('000 MT)		Revenue		EBIT		Invested Capital (IC)		EBIT/IC	
	2022	2021	2022	2021	2022	2021	31-Dec-22	31-Dec 2021	31-Dec-22	31-Dec 2021
ofi	3,585.1	3,676.9	16,391.7	14,216.8	746.5	820.7	11,545.9	10,761.5	6.7%	8.3%
Global Sourcing	2,974.2	2,999.5	11,077.5	9,676.9	339.0	412.6	4,475.5	4,673.4	7.4%	8.4%
Ingredients & Solutions	1,270.3	1,248.4	7,532.7	6,612.2	407.5	408.1	7,070.4	6,088.1	6.2%	8.2%
Inter-segmental sales	(659.4)	(571.0)	(2,218.5)	(2,072.3)	-	-	-	-	-	-
Olam Agri	38,175.6	40,607.1	36,904.0	31,276.9	857.7	752.9	5,123.5	5,242.1	16.5%	15.9%
Food & Feed - Origination & Merchandising	31,785.7	33,878.1	24,811.6	21,952.6	262.7	266.9	1,410.7	851.1	23.2%	32.1%
Food & Feed - Processing & Value-added	4,031.7	4,500.2	4,873.9	4,124.3	423.0	275.1	2,306.7	2,074.0	19.3%	14.0%
Fibre, Industrial & Ag Services	2,358.2	2,228.8	7,218.5	5,200.0	172.0	210.9	1,406.1	2,317.0	9.2%	10.9%
Remaining Olam Group	1,112.6	1,141.3	1,605.3	1,508.3	4.5	(151.0)	2,663.1	3,008.6	0.2%	-4.6%
De-prioritised/Exiting Assets	169.4	195.7	291.1	322.4	13.9	(26.5)	551.3	564.0	2.5%	-3.6%
Continuing/Gestating Businesses	688.2	898.2	1,213.0	1,163.0	52.2	(47.5)	2,097.5	2,430.4	2.3%	-1.9%
Incubating Businesses (including corporate adjustments)	255.0	47.4	101.2	22.9	(61.6)	(77.0)	14.3	14.2	n.m.	n.m.
Total	42,873.3	45,425.3	54,901.0	47,002.0	1,608.7	1,422.6	19,332.5	19,012.2	8.4%	8.0%

Note: IC excludes:

- (a) Gabon Fertiliser Project (31-Dec-22: S\$239.5 million; 31-Dec-21: S\$253.7 million); and
 (b) Long-term Investment (31-Dec-22: nil; 31-Dec-21: S\$31.3 million)

³ During 2021 and 2022, certain businesses were transferred between operating groups. The Coffee plantation business was transferred from OGH to **ofi** (as part of Global Sourcing) and **ofi**'s Russian operations (primarily comprising the Rusmolco dairy farming operations, also a part of Global Sourcing) were transferred from **ofi** to OGH. The results for **ofi** and Remaining Olam Group for 2021 and 2022 are presented after incorporating these changes and for 2020-2022 on retrospective basis (See Annexure 2).

H2 2022

Segment	Sales Volume ('000 MT)		Revenue		EBIT		Invested Capital (IC)		
	S\$ million	H2 2022	H2 2021	H2 2022	H2 2021	H2 2022	H2 2021	31-Dec-22	31-Dec 2021
ofi		1,788.4	1,935.2	8,277.2	7,571.6	478.3	520.3	11,545.9	10,761.5
Global Sourcing		1,433.6	1,569.2	5,303.0	5,117.5	211.3	304.1	4,475.5	4,673.4
Ingredients & Solutions		640.8	637.2	3,941.9	3,432.4	267.0	216.2	7,070.4	6,088.1
Inter-segmental sales		(286.0)	(271.2)	(967.7)	(978.3)	-	-	-	-
Olam Agri		17,969.0	20,500.3	17,347.8	15,785.8	243.6	345.4	5,123.5	5,242.1
Food & Feed - Origination & Merchandising		14,875.1	17,224.7	11,444.2	11,021.8	33.4	121.6	1,410.7	851.1
Food & Feed - Processing & Value-added		1,951.4	2,233.6	2,530.8	2,240.9	246.4	145.1	2,306.7	2,074.0
Fibre, Industrial & Ag Services		1,142.5	1,042.1	3,372.8	2,523.1	(36.2)	78.7	1,406.1	2,317.0
Remaining Olam Group		625.9	622.4	829.2	811.1	76.3	(84.7)	2,663.1	3,008.6
De-prioritised/Exiting Assets		64.3	105.2	131.9	178.7	10.0	(13.9)	551.3	564.0
Continuing/Gestating Businesses		403.8	479.0	637.9	613.8	98.1	(31.6)	2,097.5	2,430.4
Incubating Businesses (including corporate adjustments)		157.8	38.2	59.4	18.6	(31.8)	(39.2)	14.3	14.2
Total		20,383.3	23,057.9	26,454.2	24,168.5	798.2	781.0	19,332.5	19,012.2

Note: IC excludes:

(a) Gabon Fertiliser Project (31-Dec-22: S\$239.5 million; 31-Dec-21: S\$253.7 million); and

(b) Long-term Investment (31-Dec-22: nil; 31-Dec-21: S\$31.3 million)

Overview of Operating Groups: ofi, Olam Agri and Remaining Olam Group

Sales Volume

In 2022, Olam Agri accounted for the largest share of the Group's sales volume at 89.0% while **ofi** and Remaining Olam Group accounted for 8.4% and 2.6% respectively.

Revenue

In 2022, Olam Agri's share of Group revenue was 67.2% while **ofi** and Remaining Olam Group accounted for the balance at 29.9% and 2.9% respectively.

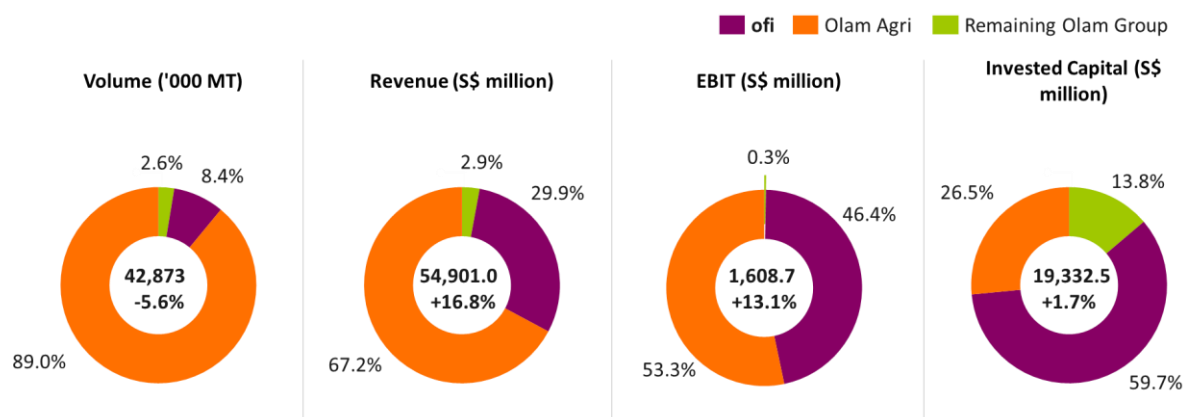
EBIT

In 2022, Olam Agri's share of EBIT was 53.3% while **ofi**'s share was 46.4%. Remaining Olam Group's share was 0.3% due to the nature of its role of carrying de-prioritised, gestating and incubating businesses and assets.

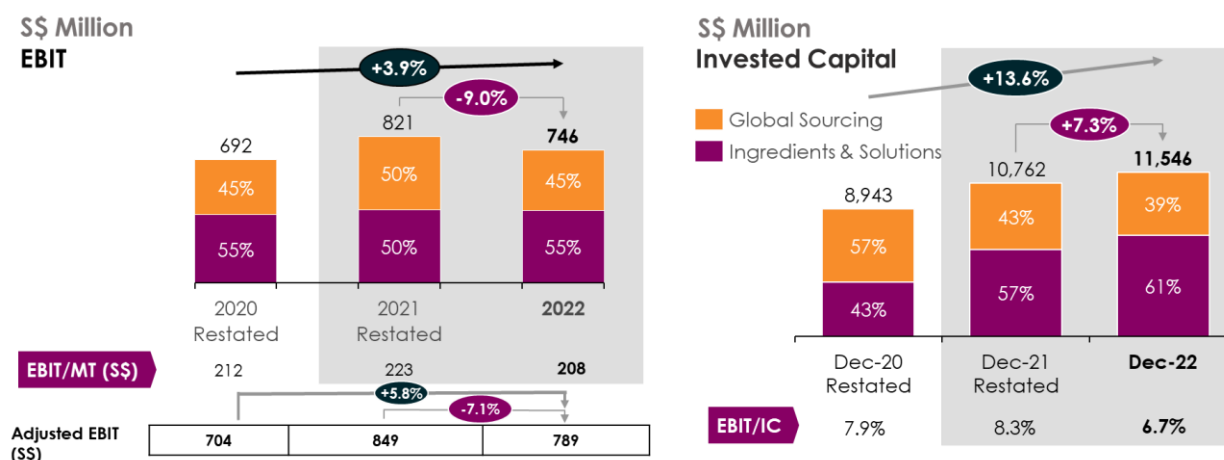
Invested Capital

For 2022, **ofi**'s share of Invested Capital was 59.7% while Olam Agri's share was 26.5%. Remaining Olam Group accounted for the balance of 13.8%.

Overview of ofi, Olam Agri and Remaining Olam Group in 2022



ofi: Operating Group Level Highlights



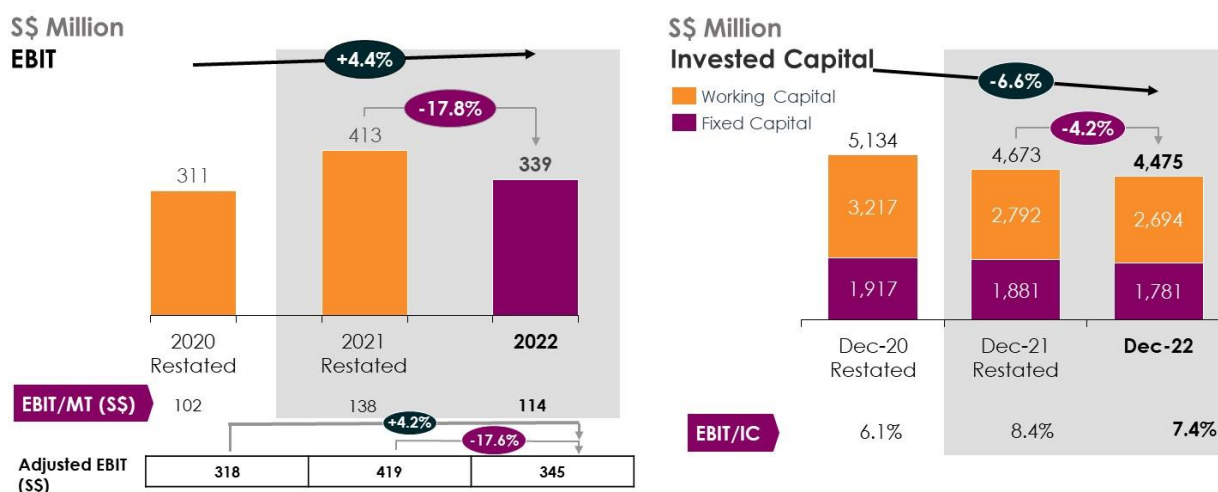
Sales volume in **ofi** decreased 2.5% predominantly driven by the decline in Global Sourcing volumes, in particular from the green coffee business. Revenues grew strongly, up 15.3% to S\$16.4 billion led by pricing growth from both segments.

ofi EBIT decreased 9.0% to S\$746.5 million against a high base of 2021 which had benefited from the bounce-back from Covid-19. The Global Sourcing segment saw a decline of 17.8% as the headwinds from China’s unexpected lockdown impacted parts of the Global Sourcing segment while the Ingredients & Solutions segment remained flat after accounting for the impact of the sudden and unprecedented surge in energy costs which impacted pre-sold contracts in H1 2022. New contracts signed from the second quarter of 2022 are already passing through input cost inflation, including energy, in line with the expected lag as pre-sold contracts roll off. This, together with contribution from acquisition and the organic business growth has driven a H2 2022 recovery in EBIT per tonne which gives management confidence for improved performance in 2023. Growth in EBIT per tonne was adversely impacted by additional depreciation and amortisation arising from acquisitions concluded in the prior year as well as in H2 2022. Adjusted EBIT declined 7.1% year-on-year.

Invested capital increased by 7.3% or S\$784.4 million, driven by the Ingredients & Solutions segment which saw higher fixed and working capital from recent acquisitions of Club Coffee and Märsch Importhandels, as well as ongoing greenfield investments, primarily the new Dairy processing facility in New Zealand and soluble Coffee facility in Brazil. The increase was partly offset by lower capital deployed in the Global Sourcing segment as we maintained strong operational control on working capital, even with an inflationary backdrop.

EBIT on average invested capital (EBIT/IC) for the year decreased from 8.3% in 2021 to 6.7% in 2022 reflecting the challenges during the year and the recognition of recently acquired assets that had a partial contribution as well as greenfield investments that are yet to generate earnings.

ofi Segmental Level Highlights: 1) Global Sourcing⁴



Global Sourcing reported a 0.8% decrease in sales volume in 2022, with a decline in green coffee volumes as well as the Dairy and Almond supply chain businesses that were impacted by the lockdown in China. This was largely offset by strong growth in Cocoa. Revenue grew by 14.5%, reflecting the inflationary environment that led to higher selling prices to customers, primarily in Coffee and Dairy.

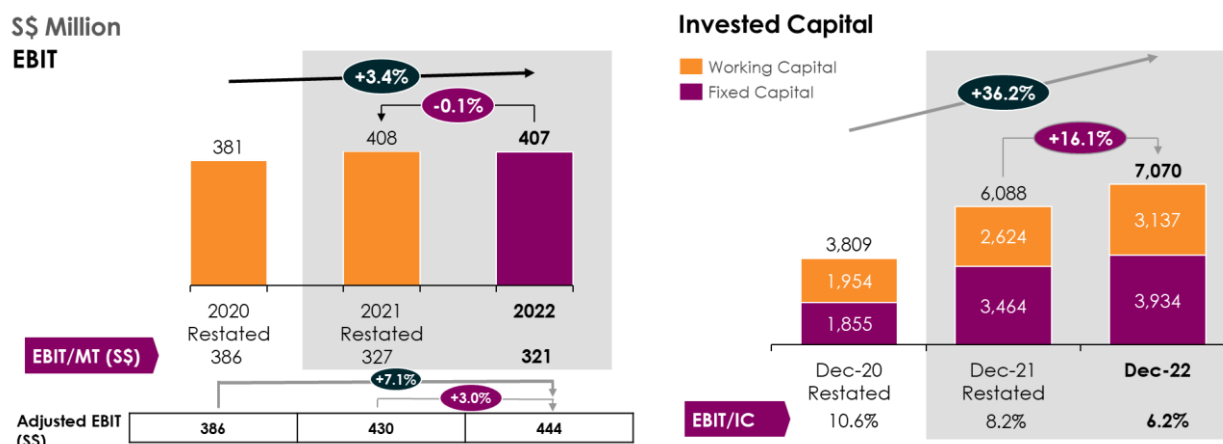
Segment EBIT decreased by 17.8% year-on-year to S\$339.0 million, driven by impacts that outweighed a strong start to the year. Firstly, an unexpected China lockdown in Q3 impacted parts of our Almonds and Dairy operations. Secondly, we saw a reduction in green coffee volumes particularly in Brazil. Finally, our Nuts product platform was impacted by higher operating costs in cashew and peanut shelling, along with a reduced contribution from almond orchards where prices continued to remain depressed. These were partly offset by strong growth from our Cocoa bean & Dairy supply chain businesses. Adjusted EBIT in Global Sourcing decreased 17.6% year-on-year.

Invested capital decreased year-on-year by 4.2% to S\$4.5 billion, reflecting strong working capital management despite the inflationary impact on input raw materials

EBIT/IC for the year decreased from 8.4% in 2021 to 7.4% in 2022 driven by the decrease in EBIT.

⁴ During 2021 and 2022, certain businesses were transferred between operating groups. The Coffee plantation business was transferred from OGH to **ofi** (as part of Global Sourcing) and **ofi**'s Russian operations (primarily comprising the Rusmolco dairy farming operations, also a part of Global Sourcing) were transferred from **ofi** to OGH. The results for **ofi** and Remaining Olam Group for 2021 and 2022 are presented after incorporating these changes and for 2020-2022 on retrospective basis.

ofii Segmental Level Highlights: 2) Ingredients & Solutions



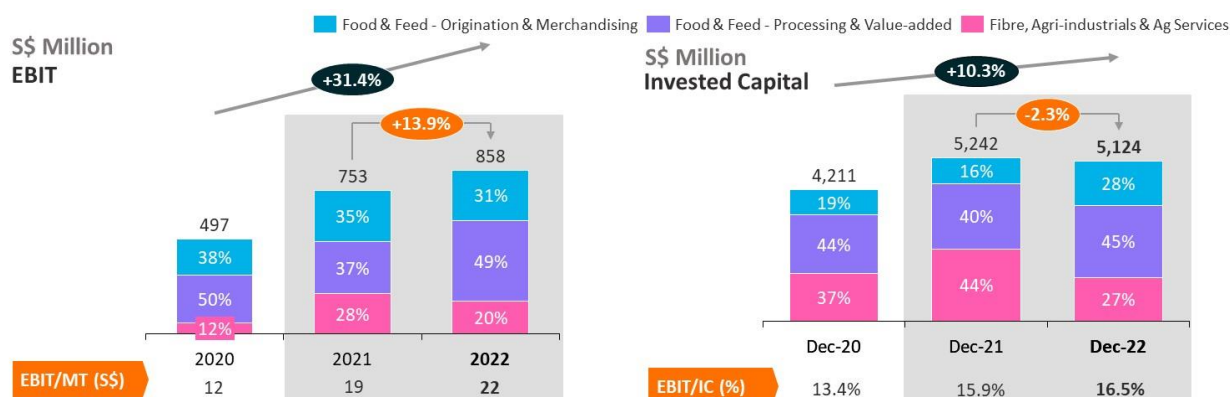
Ingredients & Solutions reported a marginal volume increase of 1.8% in 2022, supported by increased captive consumption and consolidation of Olde Thompson as well as mid-year acquisitions of coffee roaster ‘Club Coffee’ and Nuts private label manufacturer ‘Märsch Import’. Revenue grew by 13.9%, primarily reflecting ongoing pricing pass through of input cost inflation.

Segment EBIT maintained at S\$407.5 million. Strong growth in our spices business in the US as well as hazelnut processing in Turkey were offset by our cocoa and soluble coffee processing facilities in Europe that were impacted by the war-led spike in energy costs in the first half. Depreciation and amortisation costs saw a significant step up over the prior year due to recent acquisitions that have not yet contributed for the full year. Adjusted EBIT in Ingredients & Solutions grew 3.0% year-on-year.

Invested Capital increased by 16.1% to S\$7.1 billion driven by recent acquisitions, as well as ongoing greenfield investments in a Dairy processing facility in New Zealand and soluble coffee facility in Brazil. Both investments are progressing well and are expected to commence operations in 2023.

EBIT/IC for the year decreased from 8.2% in 2021 to 6.2% in 2022, reflecting the recognition of recently acquired assets with partial year performance.

Olam Agri: Operating Group Level Highlights



Olam Agri delivered yet another strong set of results in 2022 despite growing geopolitical risks and significant macroeconomic volatility during the year. Revenue grew by 18.0% to S\$36.9 billion in 2022. The increase in revenue was driven mainly by the increase in commodity prices across the grains and oilseeds complex, as well as edible oils and cotton. Sales volume declined by 6.0% from 40.6 million metric tonnes in 2021 to 38.2 million metric tonnes in 2022 driven by disruption in grains and oilseeds flows from Russia and Ukraine, offset partly by higher volumes in other trade flows in the Food & Feed segments and the Fibre, Agri-Industrials & Ag Services segment.

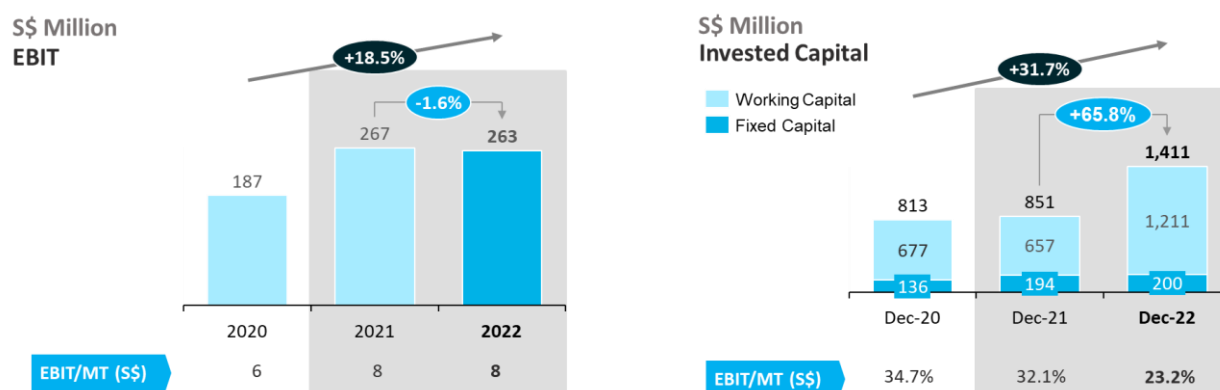
EBIT grew 13.9% to S\$857.7 million in 2022. The increase in EBIT was mainly attributable to the increase in contribution from the Processing & Value-added segment, partly offset by a reduction in contribution from the Fibre, Agri-industrials & Ag Services segment. The Food & Feed - Origination & Merchandising performed well as they did in 2021 despite the volatile market conditions faced by the business during the year. EBIT per tonne grew from S\$19 in 2021 to S\$22 in 2022.

In the Food & Feed segments, the Freight business, Wheat Milling & Pasta, Rice and Edible Oils businesses performed better than 2021 with improved EBIT contribution. Against a strong prior year, the Grains & Oilseeds trading business was down marginally primarily due to the reduced exports out of Russia and Ukraine as a consequence of the war in Ukraine.

The Fibre, Agri-industrials & Ag Services segment reported lower earnings in 2022 against an exceptionally strong year in 2021.

Total invested capital declined by 2.3% or S\$118.6 million to S\$5.1 billion in 2022 as working capital deployed in the Fibre, Agri-industrials & Ag Services segment reduced substantially on account of lower inventory levels in cotton and rubber, thereby compensating for the increase in working capital from the Food & Feed - Origination & Merchandising segment as grains and oilseeds prices rose. Overall EBIT/IC grew from 15.9% in 2021 to 16.5% in 2022 on the improvement in EBIT.

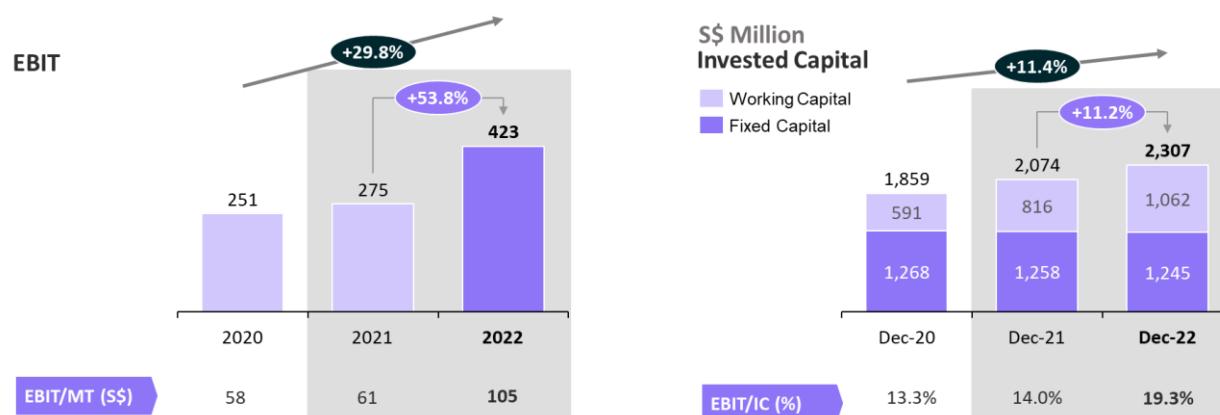
Olam Agri Segmental Level Highlights: 1) Food & Feed - Origination & Merchandising



Revenues from the Food & Feed - Origination & Merchandising segment increased 13.0% to S\$24.8 billion in 2022. Sales volume decreased by 6.2% from 33.9 million metric tonnes in 2021 to 31.8 million metric tonnes. The reduction in volumes in 2022 was primarily due to lower traded volumes in grains and oilseeds as the exports out of Russia and Ukraine were significantly lower since the war in Ukraine began in late February 2022. Some of the reduced sourcing volumes from this region were compensated by higher sales volumes out of other origins within our global origination network, including North and South America, India and Australia. The increase in revenue was primarily due to higher grains and oilseeds prices, with improved revenue contribution from rice and edible oils trading.

EBIT from the segment decreased marginally to S\$262.7 million compared with a strong 2021 for the segment. (2021: S\$266.9 million). The Grains & Oilseeds trading reported lower earnings in 2022 on reduced sales volumes. These reductions in contribution were partly offset by higher EBIT from the Freight business, Rice and Edible Oils trading. The Freight business grew earnings on account of a larger freight capacity compared with 2021, supported by higher freight rates. Despite the recent ban by India on the export of certain grades of rice, such as broken rice, our rice volumes remained resilient on account of our market position as an exporter out of the three key origins, India, Thailand and Vietnam. The Rice trading business had also established strong footholds in new markets across North Africa and the Middle East where demand is rising. Demand and sales for Edible Oils remained buoyant during the year despite elevated prices, which underpinned its improved performance during this period. On a per tonne basis, our margin remained firm and steady at S\$8 in 2022, unchanged from 2021.

Invested capital was markedly higher at S\$1.4 billion, an increase of 65.8% or S\$559.6 million from S\$851.1 million a year ago. This was mainly driven by significantly higher working capital arising from the steep rise in grains and oilseeds prices following the Russia-Ukraine war and continuing supply chain disruptions. As a result, EBIT/IC came down from 32.1% in 2021 to 23.2% in 2022.

Olam Agri Segmental Level Highlights: 2) Food & Feed - Processing & Value-added


Our revenue from the Food & Feed - Processing & Value-added segment increased by 18.2% to S\$4.9 billion in 2022 compared with 2021. The revenue increase was primarily due to higher average selling prices for our products, offset in part by the decrease in volumes. All businesses recorded higher revenues, including processing businesses which were able to adjust selling prices to compensate for the increase in raw materials and manufacturing expenses, including energy costs. Sales volumes were down 10.4% from 4.5 million metric tonnes in 2021 to 4.0 million metric tonnes in 2022, primarily due to the impact on the demand for flour and pasta in Nigeria from higher prices.

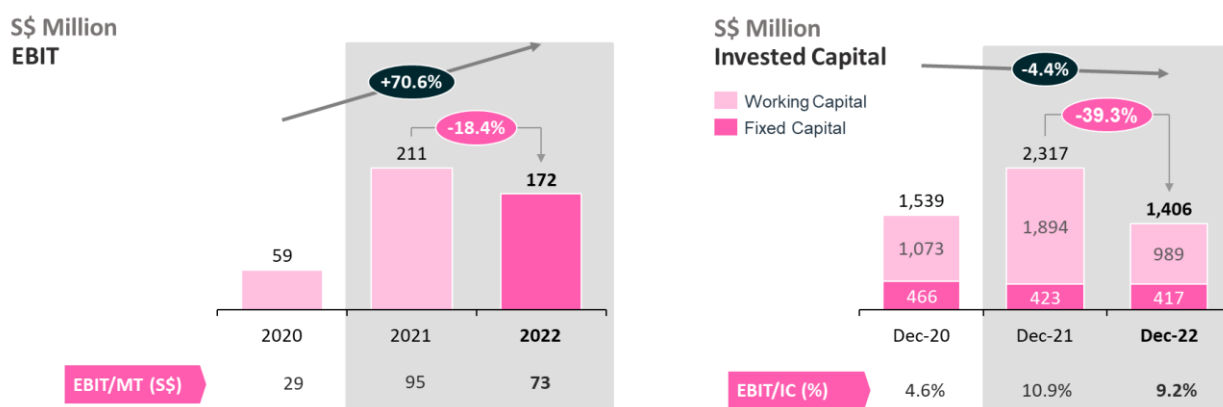
EBIT for the segment grew strongly by 53.8% to S\$423.0 million in 2022. EBIT per metric tonne was up from S\$61 in 2021 to S\$105 in 2022. The increase in EBIT in 2022 was primarily due to a significant improvement in contribution from the Wheat Milling & Pasta business as it was able to adjust its selling prices to compensate for its increased raw materials and manufacturing expenses, including energy costs. The wheat milling and pasta business was also able to improve its margins by operating and expanding its own fleet of trucks, and by selling more value-added products, such as branded pasta and semolina, to consumers directly through retail channels. All flour and pasta operations across Nigeria, Ghana, Senegal and Cameroon posted an increase in EBIT contribution.

The increased contribution from Wheat milling & Pasta was however offset by marginally lower contribution from the Integrated Feed & Protein business. The poultry industry, particularly the day-old-chicks segment, was adversely impacted by the avian influenza in Nigeria. The impact was partly compensated by a healthy growth in the fish feed segment and broiler feed segments due to our market position in the country. Our Edible Oils processing operation in Nigeria registered higher EBIT. Despite the continued ban on the import of CPO into Nigeria, it focused on sourcing and processing local CPO, and supplied a larger variety of oils and palm-based products to cater to domestic demand.

Rice, Specialty grains & Seeds also performed better in 2022 as the sesame business which underperformed in 2021 has been restructured to focus on trading from selected origins and value-added processing in Nigeria. The branded rice distribution business also performed well, particularly in Cameroon. These improvements helped offset the lower contribution from the rice farming in Nigeria, where severe flooding in the Nasarawa State in October 2022 had submerged our rice farm and destroyed the crop, causing damage to the farming infrastructure. The rice milling operation in Nigeria improved its EBIT performance, partly offsetting the impact on rice farming.

Invested capital increased by 11.2% or S\$232.7 million to S\$2.3 billion in 2022 on account of higher working capital due to higher rice prices as well as higher input prices across Wheat Milling & Pasta, Integrated Feed & Protein and Edible Oils processing businesses. Despite higher invested capital, EBIT/IC improved from 14.0% in 2021 to 19.3% in 2022.

Olam Agri Segmental Level Highlights: 3) Fibre, Agri-Industrials & Ag Services



The Fibre, Agri-Industrials & Ag Services segment reported an increase in revenue from S\$5.2 billion in 2021 to S\$7.2 billion in 2022. Sales volumes increased from 2.2 million metric tonnes in 2021 to 2.4 million metric tonnes in 2022. The increase in revenue in 2022 was primarily due to higher prices for cotton and increased volumes. Our global cotton business, the sustainability forestry concessions and saw milling business in the Republic of Congo, and the rubber business in Côte d'Ivoire contributed to the increase in revenue.

Compared against strong results in the prior year, EBIT for the segment declined 18.4% to S\$172.0 million in 2022. EBIT per metric tonne also declined from S\$95 in 2021 to S\$73 in 2022. The decrease in EBIT in 2022 was primarily due to the reduction in contribution from the funds management business and the Cotton business compared against a robust performance in 2021. The Funds Management business saw lower earnings due to the unprecedented market volatility.

Cotton demand from mills in China, which is one of our major cotton markets, was significantly impacted by the lockdowns imposed to control Covid-19 outbreaks. As a result, cotton prices fell from its decade-high levels from March 2022 and remained volatile throughout the year. However, cotton demand remained firm in our domestic US operation and across textile mills in the other major textile producing centres, including India, Pakistan, Vietnam, Indonesia and Turkey. Integrated ginning in Africa reported a higher EBIT with Cote d'Ivoire posting an increase in cotton output. Our ginning operations in Australia also reported higher income on a bumper crop this season.

Our rubber business reported increased sales volume, particularly into Asia. The sustainable forestry concessions and saw milling business in the Republic of Congo contributed to the growth in EBIT in 2022. Our wood products volumes grew as demand for certified timber for housing and construction material in the US and several European countries, including the Netherlands and the United Kingdom, remained steady.

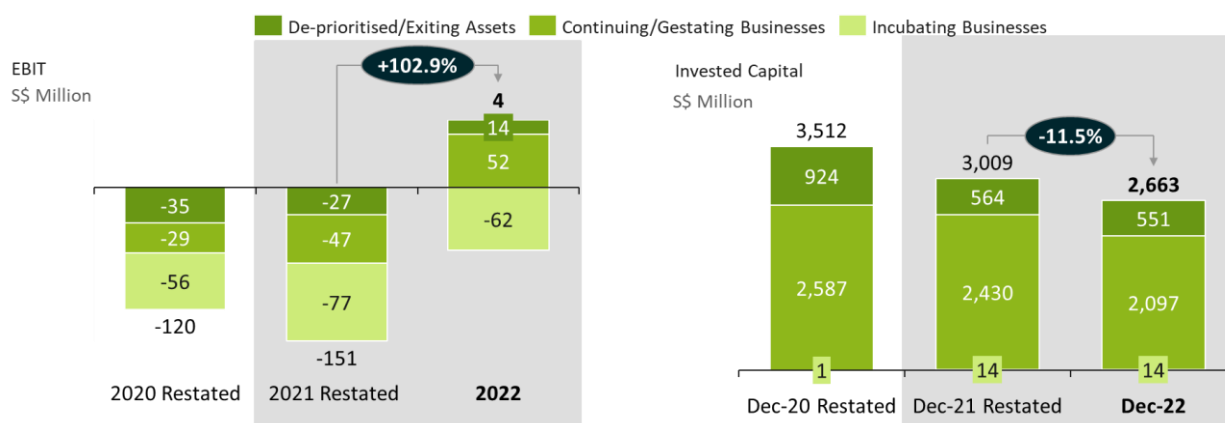
The segment posted substantially lower invested capital of S\$1.4 billion in 2022, a reduction of 39.3% or S\$910.9 million from 2021. This was mainly driven by reduced inventory levels in cotton and rubber. EBIT/IC declined from 10.9% in 2021 to 9.2% in 2022.

Remaining Olam Group: Operating Group Level Highlights

Remaining Olam Group continued to see sales volumes drop by 2.5% in 2022 post the divestments and closures of de-prioritised assets. However, revenues were up 6.4%, supported by higher prices during the period.

The operating group reported positive EBIT of S\$4.5 million (2021: -\$S151.0 million) as all segments registered an improvement in EBIT in 2022.

Invested capital decreased by 11.5% or S\$345.5 million primarily on the continued restructuring of the Continuing/Gestating Assets as well as divestments and closures of de-prioritised assets.



Remaining Olam Group Segmental Level Highlights: 1) De-prioritised/Exiting Assets

The De-prioritised/Exiting Assets segment reported EBIT of S\$13.9 million in 2022 (2021: - \$26.5 million), an improvement of S\$40.4 million due to better performance by the sugar assets in India and absence of losses from assets that were divested or shut down during 2021.

Invested capital was S\$12.6 million lower as of December 31, 2022 on account of reduced working capital as a result of the full year impact of these divestments and closures. Five remaining assets are expected to be divested.

Remaining Olam Group Segmental Level Highlights: 2) Continuing/Gestating Businesses⁵

Continuing/Gestating Assets recorded positive EBIT of S\$52.2 million in 2022 (2021: -\$47.5 million) mainly because of the higher fair value gains on biological assets from Rusmolco and improved contribution by OPG, which benefited from increased sales volumes and palm oil prices, as well as higher production yields.

MindSprint also reported better results in 2022 as it continues to provide IT, digital and shared services to the new operating groups under a long-term service agreement and gears up to offer similar services to third-party clients.

Invested Capital in Continuing/Gestating Businesses decreased by 13.7% or S\$333.0 million. The Group has sold its remaining equity stakes in ARISE IIP and ARISE IS for US\$189.0 million to the ARISE management led buy-out group ATIF. The Group will look to divest its remaining 32.4% stake in ARISE P&L.

Remaining Olam Group Segmental Level Highlights: 3) Incubating Businesses

We continued to invest and incubate the six Engine 2 growth initiatives through Olam Ventures, including a digital farmer services platform "Jiva", a B2C sustainability lifestyles platform "Adva", a B2B smart carbon management platform Terrascope (formerly "GreenPass"), a carbon trading and sustainable landscapes investment platform, the "Re-" B2C purpose brands, and a food and agri sector Digital and Sustainability platform.

⁵ **ofi's** Russian operations (primarily comprising the Rusmolco dairy farming operations, also a part of Global Sourcing) were transferred from **ofi** to OGH (to be part of Continuing/Gestating Businesses). Results of the Remaining Olam Group for 2021 and 2022 are presented after incorporating these changes. Results of Continuing/Gestating Businesses also include those of MindSprint.

Incubating Businesses recorded a jump in revenue from S\$22.9 million to S\$101.2 million, primarily driven by higher sales volumes from Jiva. Jiva increased its procurement volume five-fold and deepened its market penetration in Indonesia from two to seven provinces. Its AgriCentral app surpassed 8 million farmers in India, becoming one of the largest farmer advisory platforms in India in 2022.

Overall, EBIT losses from the Incubating Businesses narrowed from S\$77.0 million in 2021 to S\$61.6 million in 2022.

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Annexures

Annexure 1: SGXNET Financial Statements and MD&A Reconciliation

The table below summarises the differences between the financial statements on SGXNET and MD&A due to adjustments for exceptional items.

S\$ million	2022	2021	H2 2022	H2 2021
Other Income[^]	93.3	63.8	57.5	31.2
Other Income	93.3	77.4	57.5	39.8
Less: Exceptional items	-	13.6	-	8.6
Cost of sales[^]	(50,552.1)	(43,095.1)	(24,157.4)	(21,963.2)
Cost of sales	(50,552.1)	(43,095.1)	(24,153.9)	(21,949.3)
Less: Exceptional items	-	-	3.5	13.9
Selling, general and administrative expenses[^]	(2,019.8)	(1,842.1)	(1,148.3)	(1,040.1)
Other operating expenses[^]	(223.0)	(196.3)	(171.4)	(200.3)
Other expenses	(2,378.6)	(2,271.3)	(1,417.0)	(1,467.1)
Less: Exceptional items	(135.8)	(232.9)	(97.3)	(226.7)
Net gain in fair value of biological assets[^]	90.9	97.7	115.6	104.1
Net gain in fair value of biological assets	90.9	69.2	115.6	75.5
Less: Exceptional items	-	(28.5)	-	(28.6)
Net Finance costs[^]	(728.2)	(411.2)	(457.6)	(214.0)
Finance income	103.9	92.3	54.6	50.1
Finance costs	(849.6)	(530.4)	(522.3)	(291.0)
Less: Exceptional items	(17.5)	(26.9)	(10.1)	(26.9)
Taxation[^]	(176.5)	(133.9)	(80.4)	(87.3)
Income tax expense	(175.6)	(133.9)	(79.5)	(87.3)
Less: Exceptional items	0.9	-	0.9	-

[^] as stated in MD&A

Annex 2: Olam Group Segmentals and Consolidated Financials (2020-2022)⁶

	'000 MT / S\$ m				
Olam Food Ingredients (ofi)	2020	2021	2022	H2 2021	H2 2022
	Restated	Restated		Restated	
Volume	3,265.1	3,676.9	3,585.1	1,935.2	1,788.4
Revenue	11,993.6	14,216.8	16,391.6	7,571.6	8,277.2
EBITDA	970.8	1,145.4	1,112.2	694.3	666.7
EBIT	692.1	820.7	746.5	520.3	478.3
Adjusted EBIT	704.0	849.0	788.5	542.5	500.6
EBIT/MT	212	223	208	269	267
Fixed Capital	3,771.2	5,345.4	5,715.2	5,345.4	5,715.2
Working Capital	5,172.2	5,416.1	5,830.7	5,416.1	5,830.7
Invested Capital	8,943.4	10,761.5	11,545.9	10,761.5	11,545.9
EBIT/IC	7.9%	8.3%	6.7%	-	-
Adjusted EBIT/IC	8.1%	8.6%	7.1%	-	-
ofi - Global Sourcing	2020	2021	2022	H2 2021	H2 2022
	Restated	Restated		Restated	
Volume*	3,039.8	2,999.5	2,974.2	1,569.2	1,433.6
Revenue*	9,534.0	9,676.9	11,077.5	5,117.5	5,303.0
EBITDA	446.9	559.2	478.6	378.5	280.3
EBIT	311.0	412.6	339.0	304.1	211.3
Adjusted EBIT	317.7	418.5	345.0	307.0	214.3
EBIT/MT	102	138	114	194	147
Fixed Capital	1,916.6	1,881.7	1,781.5	1,881.7	1,781.5
Working Capital	3,217.7	2,791.7	2,694.0	2,791.7	2,694.0
Invested Capital	5,134.3	4,673.4	4,475.5	4,673.4	4,475.5
EBIT/IC	6.1%	8.4%	7.4%	-	-
Adjusted EBIT/IC	6.2%	8.5%	7.5%	-	-
*Includes inter-segmental sales volume and revenue					
ofi - Ingredients & Solutions	2020	2021	2022	H2 2021	H2 2022
	Restated	Restated		Restated	
Volume*	988.5	1,248.4	1,270.3	637.2	640.8
Revenue*	5,227.7	6,612.2	7,532.6	3,432.4	3,941.9
EBITDA	523.9	586.2	633.6	315.8	386.4
EBIT	381.1	408.1	407.5	216.2	267.0
Adjusted EBIT	386.3	430.5	443.5	235.5	286.3
EBIT/MT	386	327	321	339	417
Fixed Capital	1,854.6	3,463.7	3,933.7	3,463.7	3,933.7
Working Capital	1,954.5	2,624.4	3,136.7	2,624.4	3,136.7
Invested Capital	3,809.1	6,088.1	7,070.4	6,088.1	7,070.4
EBIT/IC	10.6%	8.2%	6.2%	-	-
Adjusted EBIT/IC	10.7%	8.7%	6.7%	-	-
*Includes inter-segmental sales volume and revenue					

⁶ The excel spreadsheet of the Olam Group segmentals and consolidated financials (2020-2022) can be downloaded from <https://www.olamgroup.com/investors/financial-performance.html>.

'000 MT / \$S m

Olam Agri (Olam Agri)	2020 Restated	2021	2022	H2 2021	H2 2022
Volume	39,925.5	40,607.1	38,175.6	20,500.4	17,969.0
Revenue	22,407.9	31,276.9	36,904.0	15,785.8	17,347.8
EBITDA	649.0	929.7	1,068.2	441.0	350.6
EBIT	497.0	752.9	857.7	345.4	243.6
Adjusted EBIT	503.2	760.7	865.9	349.3	247.8
EBIT/MT	12	19	22	17	14
Fixed Capital	1,869.5	1,874.4	1,861.2	1,874.4	1,861.2
Working Capital	2,341.2	3,367.7	3,262.3	3,367.7	3,262.3
Invested Capital	4,210.7	5,242.1	5,123.5	5,242.1	5,123.5
EBIT/IC	13.4%	15.9%	16.5%	-	-
Adjusted EBIT/IC	13.6%	16.1%	16.7%	-	-
Olam Agri - Food & Feed - Origination & Merchandising	2020 Restated	2021	2022	H2 2021	H2 2022
Volume	33,617.8	33,878.1	31,785.7	17,224.7	14,875.1
Revenue	15,267.5	21,952.6	24,811.6	11,021.8	11,444.2
EBITDA	216.8	316.4	343.4	153.8	72.7
EBIT	187.0	266.9	262.7	121.6	33.4
Adjusted EBIT	187.0	266.9	262.8	121.6	33.4
EBIT/MT	6	8	8	7	2
Fixed Capital	136.2	193.5	199.7	193.5	199.7
Working Capital	677.0	657.6	1,211.0	657.6	1,211.0
Invested Capital	813.2	851.1	1,410.7	851.1	1,410.7
EBIT/IC	34.7%	32.1%	23.2%	-	-
Adjusted EBIT/IC	34.7%	32.1%	23.2%	-	-
Olam Agri - Food & Feed - Processing & Value-added	2020 Restated	2021	2022	H2 2021	H2 2022
Volume	4,294.9	4,500.2	4,031.7	2,233.6	1,951.4
Revenue	3,166.5	4,124.3	4,873.9	2,240.9	2,530.8
EBITDA	335.7	357.8	508.2	186.8	290.1
EBIT	250.9	275.1	423.0	145.1	246.4
Adjusted EBIT	252.2	276.4	424.3	145.7	247.1
EBIT/MT	58	61	105	65	126
Fixed Capital	1,267.7	1,257.7	1,244.7	1,257.7	1,244.7
Working Capital	590.8	816.3	1,062.0	816.3	1,062.0
Invested Capital	1,858.5	2,074.0	2,306.7	2,074.0	2,306.7
EBIT/IC	13.3%	14.0%	19.3%	-	-
Adjusted EBIT/IC	13.4%	14.1%	19.4%	-	-
Olam Agri - Fibre, Industrial & Ag Services	2020 Restated	2021	2022	H2 2021	H2 2022
Volume	2,012.8	2,228.8	2,358.2	1,042.1	1,142.5
Revenue	3,973.9	5,200.0	7,218.5	2,523.1	3,372.8
EBITDA	96.5	255.5	216.6	100.4	(12.2)
EBIT	59.1	210.9	172.0	78.7	(36.2)
Adjusted EBIT	64.0	217.4	178.8	82.0	(32.7)
EBIT/MT	29	95	73	76	(32)
Fixed Capital	465.6	423.2	416.8	423.2	416.8
Working Capital	1,073.4	1,893.8	989.3	1,893.8	989.3
Invested Capital	1,539.0	2,317.0	1,406.1	2,317.0	1,406.1
EBIT/IC	4.6%	10.9%	9.2%	-	-
Adjusted EBIT/IC	5.0%	11.3%	9.6%	-	-

'000 MT / \$\$.m

Remaining Olam Group	2020 Restated	2021 Restated	2022	H2 2021 Restated	H2 2022
Volume	1,219.1	1,141.3	1,112.6	622.4	625.9
Revenue	1,418.6	1,508.3	1,605.3	811.1	829.2
EBITDA	11.0	(25.2)	137.3	(21.0)	143.7
EBIT	(119.7)	(151.0)	4.5	(84.7)	76.3
Adjusted EBIT	(118.4)	(149.8)	4.4	(83.9)	76.2
Fixed Capital	3,094.5	2,815.8	2,489.8	2,815.8	2,489.8
Working Capital	417.4	192.8	173.3	192.8	173.3
Invested Capital	3,511.9	3,008.6	2,663.1	3,008.6	2,663.1
EBIT/IC	-3.2%	-4.6%	0.2%	-	-
Adjusted EBIT/IC	-3.1%	-4.6%	0.2%	-	-

Remaining Olam Group - De-prioritised/Exiting Assets	2020 Restated	2021 Restated	2022	H2 2021 Restated	H2 2022
Volume	473.1	195.7	169.4	105.2	64.3
Revenue	535.5	322.4	291.1	178.7	131.9
EBITDA	(5.5)	(4.5)	28.3	(2.7)	17.7
EBIT	(34.8)	(26.5)	13.9	(13.9)	10.0
Adjusted EBIT	(33.5)	(25.3)	13.9	(13.3)	10.1
Fixed Capital	794.0	532.4	523.8	532.4	523.8
Working Capital	129.7	31.6	27.5	31.6	27.5
Invested Capital	923.7	564.0	551.3	564.0	551.3
EBIT/IC	-3.2%	-3.6%	2.5%	-	-
Adjusted EBIT/IC	-3.1%	-3.4%	2.5%	-	-

Remaining Olam Group - Continuing/Gestating Businesses	2020 Restated	2021 Restated	2022	H2 2021 Restated	H2 2022
Volume	733.8	898.2	688.2	479.0	403.8
Revenue	878.5	1,163.0	1,213.0	613.8	637.9
EBITDA	69.6	54.0	166.1	19.9	155.1
EBIT	(29.2)	(47.5)	52.2	(31.6)	98.1
Adjusted EBIT	(29.2)	(47.5)	52.2	(31.4)	98.1
Fixed Capital	2,299.8	2,268.2	1,940.0	2,268.2	1,940.0
Working Capital	287.7	162.2	157.5	162.2	157.5
Invested Capital	2,587.5	2,430.4	2,097.5	2,430.4	2,097.5
EBIT/IC	-1.1%	-1.9%	2.3%	-	-
Adjusted EBIT/IC	-1.1%	-1.9%	2.3%	-	-

Remaining Olam Group - Incubating Businesses (including corporate adjustments)	2020 Restated	2021 Restated	2022	H2 2021 Restated	H2 2022
Volume	12.2	47.4	255.0	38.2	157.8
Revenue	4.6	22.9	101.2	18.6	59.4
EBITDA	(53.1)	(74.7)	(57.1)	(38.2)	(29.1)
EBIT	(55.7)	(77.0)	(61.6)	(39.2)	(31.8)
Adjusted EBIT	(55.7)	(77.0)	(61.7)	(39.2)	(32.0)
Fixed Capital	0.7	15.2	26.0	15.2	26.0
Working Capital	-	(1.0)	(11.7)	(1.0)	(11.7)
Invested Capital	0.7	14.2	14.3	14.2	14.3
EBIT/IC	n.m	n.m	n.m	-	-
Adjusted EBIT/IC	n.m	n.m	n.m	-	-

'000 MT / S\$ m

Olam Group Consolidated	2020 Restated	2021 Restated	2022	H2 2021	H2 2022
Volume	44,409.7	45,425.3	42,873.3	23,058.0	20,383.3
Revenue	35,820.1	47,002.0	54,900.9	24,168.5	26,454.2
EBITDA	1,630.8	2,049.9	2,317.7	1,114.3	1,161.0
EBIT	1,069.4	1,422.6	1,608.7	781.0	798.2
Adjusted EBIT	1,088.8	1,459.9	1,658.8	807.9	824.6
EBIT/MT	24	31	38	34	39
Fixed Capital	8,735.2	10,035.6	10,066.2	10,035.6	10,066.2
Working Capital	7,930.8	8,976.6	9,266.3	8,976.6	9,266.3
Invested Capital	16,666.0	19,012.2	19,332.5	19,012.2	19,332.5
EBIT/IC	6.6%	8.0%	8.4%	-	-
Adjusted EBIT/IC	6.7%	8.2%	8.7%	-	-
ROIC	3.7%	5.8%	6.3%	-	-
Return on Beginning-of-period Equity	3.4%	11.7%	9.3%	-	-
Operational Return on Beginning-of-period Equity (ROE)	11.2%	16.8%	11.7%	-	-
Free cash flow before capex/ investments	161.3	868.3	3,034.1	-	-

Invested Capital excludes:

1. Gabon Fertiliser Project	262.6	253.7	239.5	253.7	239.5
2. Long Term Investment	24.3	31.3	-	31.3	-

Annex 3: Description of Operating Groups

ofi: Comprising industry-leading Cocoa, Coffee, Dairy, Nuts and Spices businesses, **ofi** is a global leader in ingredients at the forefront of food and beverage consumer trends offering sustainable, natural and plant-based ingredients and solutions and serving large, attractive and high growth end-use categories. **ofi** has built a unique and complementary portfolio across the full ingredients value chain, including its own farms, farm-gate origination, manufacturing facilities and innovation centres. It partners with customers, leveraging its differentiated portfolio of “on-trend” food products, to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that is traceable and sustainable.

Olam Agri: Consisting of Grains & Oilseeds, Integrated Feed & Proteins, Edible Oils, Rice, Specialty Grains & Seeds, Cotton, Rubber, Wood Products and Commodity Financial Services businesses, Olam Agri is a market leading and differentiated food, feed, and fibre global agri-business focused on high-growth emerging end-consumption markets to meet the rising demand for food staples, agri-industrials raw materials and the shift to protein-based diets in these countries. It has built proprietary and differentiated operating capabilities including significant strengths in farming, global origination, processing, trading, logistics (inland and marine), distribution, risk management, and a deep understanding via its on-the-ground presence of these origins and markets over the last 33 years. It supports customers in addressing their growing needs, building on its proven track record, deep supply chain expertise, embedding sustainability and digitalising its business.

Remaining Olam Group: The Remaining Olam Group is responsible for the divestment of non-core assets and businesses (“De-prioritised/Exiting Assets”), nurturing and partially or fully monetising three gestating businesses Olam Palm Gabon, Packaged Foods, and ARISE Ports & Logistics (“Gestating businesses”) and developing Rusmolco, the Russian dairy farming business (“Continuing Business”). It is also responsible for incubating new sustainability and digital platforms for growth (Olam Ventures) and providing IT, digital and shared services to the operating groups as well as to third parties (MindSprint, formerly known as Olam Technology and Business Services).

Currently Olam Ventures is working on six Engine 2 initiatives, including a digital farmer services platform “Jiva”, a B2C sustainability lifestyles platform “Adva”, a B2B smart carbon management platform Terrascope (formerly “GreenPass”), a carbon trading and sustainable landscapes investment platform, the “Re” B2C purpose brands business, and a food and agri sector Digital and Sustainability platform.

Annex 4: Key Definitions

Sales Volume: Sale of goods in metric tonne (MT) equivalent. There are no associated volumes for CFS and Infrastructure and Logistics businesses.

Revenue: Sale of goods and services

Other Income: Includes sale of scrap materials, commissions and claims income and fair value gain on investments held for trading. Negative goodwill, gain on sale of assets and other non-recurring, exceptional items which are part of Other Income in the Profit & Loss statement on SGXNet are classified as Exceptional Items in the MD&A.

Cost of Sales: Cost of goods sold, shipping and logistics, commissions and claims expenses and the net measurement of derivative assets

Overhead (Selling, General & Administrative) Expenses: Employee benefit costs, manufacturing overheads, travel expenses and other direct expenses

Other Operating Expenses: Unrealised foreign exchange gain/loss and other expenses

Net changes in fair value of biological assets: Records changes in the fair value of agricultural produce growing on bearer plants and livestock

Exceptional Items: One-off, non-recurring items, including negative goodwill and related transaction costs, gain/loss on sale of assets/business, gain/loss on buyback of bonds, impairment loss, finance charges on pre-payment of loans and non-recurring business restructuring expenses. Tax expenses associated with these items are also presented as Exceptional Items.

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation, excludes Exceptional Items

EBIT: Earnings Before Interest and Tax, excludes Exceptional Items

Adjusted EBIT: Earnings Before Interest and Tax, excludes Exceptional Items, and adjusted for amortisation of acquired intangibles.

PATMI: Net Profit After Tax (PAT) less minority interest

Operational PATMI: PATMI excluding Exceptional Items

Total Assets: Total assets are net of trade payables and accruals, derivative financial instruments (current liabilities), provision for taxation, other current liabilities and non-current liabilities, and deferred tax liabilities.

Invested Capital (IC): Excludes cash and bank balances, deferred tax assets, fixed deposits, other current/non-current assets and fair value of derivative assets on bonds

EBIT/IC: EBIT on average invested capital based on beginning and end-of-period invested capital

Net Gearing: Ratio of Net Debt (gross debt less cash) to Equity (before fair value adjustment reserves)

Net Gearing (adjusted): Net gearing adjusted for readily marketable inventories that are liquid, hedged and/or sold forward, operating as near-cash assets on the balance sheet, and secured receivables are supported by letters of credit or documents through banks

Free Cash Flow to Firm (FCFF): Operating cash flow less changes in working capital, cash taxes, capital expenditures and investments

Free Cash Flow to Equity (FCFE): FCFF less net interest paid

Note: Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.