

Singapore, April 14, 2025

Update on Olam Group's Re-organisation plan

In January 2020, Olam Group Limited ("OGL", together with its subsidiaries "Olam Group" or "the Group") had announced the Re-organisation of its diverse business portfolio into three distinct operating groups – **ofi** (Olam Food Ingredients), Olam Agri and the Remaining Olam Group – to maximise and unlock Olam Group's underlying shareholder value via potential carve-outs, capital raising options and asset divestments. The separation and carve-outs of the three operating entities was completed in January 2022.

Following the recent announcement of the proposed sale of the remaining 64.57% stake in Olam Agri to Saudi Agricultural & Livestock Investment Company ("SALIC") on February 24, 2025, Olam Group today announces details on the next steps in its Re-organisation plan ("**Updated Re-organisation Plan**"), to achieve **three key objectives**:

- 1) Right-size the Remaining Olam Group's capital structure by allocating approximately **US\$2 billion** to de-lever its balance sheet and make it debt-free and self-sustaining.
- 2) **Invest US\$500 million of equity** into **ofi** and continue to support various strategic initiatives to unlock the full potential value of **ofi**, for example, exploring a concurrent listing in Europe and in Singapore at an appropriate time.
- 3) Responsibly divest and monetise all of the Remaining Olam Group's assets and businesses over time and progressively distribute the net proceeds to shareholders via special dividends.

The plans for **ofi** and the Remaining Olam Group described above (including the timing of such plans) may change depending on market conditions and opportunities, and are subject to the receipt of regulatory and shareholder approvals (if required).

The Updated Re-organisation Plan is expected to be financed from **two main sources of funds** that are expected to become available to the Olam Group:

- 1) Gross cash proceeds estimated at US\$2.58 billion **from the sale of 64.57% stake in Olam Agri** (taking into account the proceeds of the Tranche 2 call/put option when exercised). Completion of Tranche 1 is expected to take place as soon as closing conditions and requisite regulatory approvals have been received.
- 2) Net sale proceeds from the divestment of assets and businesses in the Remaining Olam Group.

Given the intended 100% sale of Olam Agri to SALIC and the plan to divest all the assets and businesses of the Remaining Group over time, the Group's focus will be to prioritise the value creation plan for **ofi** going forward.

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In addition, the Group will re-initiate share buybacks under the existing share buyback mandate, which shareholders' approval will be sought for the renewal of its mandate at the upcoming annual general meeting.

Rationale for the Updated Re-organisation Plan

1) Right-size Remaining Olam Group's capital structure to make it debt-free

In order to fully unlock value from the Group via the pursuit of the other interdependent initiatives, it is imperative for the Remaining Olam Group to be debt-free and therefore self-sustaining on a stand-alone basis.

To that end, an allocation of approximately US\$2 billion is envisaged to be made towards de-leveraging the Remaining Olam Group. This would enable steps 2 and 3 of the Updated Re-organisation Plan to be executed in an optimal manner.

2) US\$500 million equity investment in ofi

Since its formation in 2020, **ofi** has navigated various external challenges including Covid-19, the Russia/Ukraine conflict, volatile commodity prices, among others, while continuing to deliver on its medium-term earnings guidance of high single digit Adjusted EBIT growth, underscoring the resilience of its business model.

It has also been investing behind its planned strategy in a disciplined manner via a combination of organic and in-organic investments almost entirely focused on its Ingredients & Solutions segment as part of its journey towards becoming a more value-added food and beverage ingredients company.

This equity investment provides greater flexibility to pursue various strategic initiatives to unlock the full potential value of **ofi** for OGL's shareholders via both private and/or public routes, for example exploring a concurrent listing in Europe and in Singapore at an appropriate time.

The equity investment will also bolster **ofi**'s balance sheet during periods of high and volatile commodity prices.

3) Divest and monetise all assets and businesses of the Remaining Olam Group

The Board of OGL has determined that the best course of action to achieve its overall objective to unlock full shareholder value would be via the orderly and responsible divestment and monetisation of the Remaining Olam Group's businesses and assets over time and to progressively distribute the net proceeds to shareholders via special dividends.

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The **Updated Re-organisation Plan** provides greater clarity on the steps to be taken to unlock value for OGL's shareholders and strikes an optimal balance between the need to strengthen the Group's balance sheet and the resilience of its operating groups in the face of unprecedented macroeconomic uncertainties including tariffs, support continued profitable growth and return capital to shareholders.

The Company will issue announcements to update shareholders on any material developments on the Updated Re-organisation Plan as required.

Notes to Editors

Overview of Re-organisation Plan and progress

In January 2020, OGL announced the Re-organisation of its diverse business portfolio into three distinct operating groups – **ofi** (Olam Food Ingredients), Olam Agri and the Remaining Olam Group – to maximise and unlock Olam Group's long-term shareholder value via potential carve-outs and capital raising options and asset divestments ("2020 Re-organisation Plan"). Separation and carve-outs were completed and the three operating entities were created in January 2022.

To-date, the Group has executed the following:

- Sale of a substantial minority stake of 35.43% in Olam Agri to Saudi Agriculture & Livestock Investment Company ("SALIC") for US\$1.3 billion at an implied 100% equity valuation of US\$3.5 billion in December 2022;
- Sale of OGL's remaining stakes in ARISE IIP and ARISE IS to the Africa Transformation and Industrialization Fund for US\$189 million in early 2023;
- Disposal and transfer of assets in Remaining Olam Group, namely the sugar milling assets in India and edible oil refinery in Mozambique, into Olam Agri in 2023 and 2024 respectively;
- Signed definitive agreements on February 24, 2025 for the proposed sale of its remaining 64.57% stake in Olam Agri to SALIC at a higher implied 100% equity valuation of US\$4.0 billion over two tranches. OGL will sell 44.58% stake in Olam Agri to SALIC for US\$1.78 billion ("Tranche 1") and the balance 19.99% stake to SALIC through an irrevocable call/put option within three years from completion of Tranche 1 at the same base valuation with closing adjustments plus 6.0% IRR ("Tranche 2"). The sale of Tranche 1 and 2 would raise estimated total gross cash proceeds of US\$2.58 billion, accreting a gain of US\$1.84 billion to the equity reserves of the Group.

This release should be read and understood only in conjunction with the full text of Olam Group Limited's announcement on the same subject lodged with SGXNET on April 14, 2025. Olam Group will host a webcast on this corporate development on April 14, 2025 at 11.30 am SGT accessible at www.olamgroup.com.

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About Olam Group

Olam Group is a leading food and agri-business supplying food, ingredients, feed and fibre to almost 22,000 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a global network of farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam Group aims to address the many challenges involved in meeting the needs of a growing global population, while achieving positive impact for farming communities, our planet and all our stakeholders.

Headquartered and listed in Singapore, Olam Group currently ranks among the top 30 largest primary listed companies in terms of market capitalisation on SGX-ST.

Since June 2020, Olam Group has been included in the FTSE4Good Index Series, a global sustainable investment index series developed by FTSE Russell, following a rigorous assessment of Olam's supply chain activities, impact on the environment and governance transparency.

More information on Olam can be found at www.olamgroup.com. Follow @olam:



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