



OLAM GROUP LIMITED
(Company registration number: 202180000W)
(Incorporated in the Republic of Singapore)

EXTRAORDINARY GENERAL MEETING TO BE HELD ON 20 JUNE 2022

RESPONSES TO QUESTIONS

Olam Group Limited (“Olam Group” or the “Company”, together with its subsidiaries “the Group”) would like to thank all shareholders who have submitted their questions ahead of the Company’s Extraordinary General Meeting (“EGM”) to be held by electronic means on 20 June 2022 at 3:00 pm Singapore time.

The responses to the questions are set out in the Appendix of this announcement. Some questions have been slightly edited for clarity.

Mr. Sunny Verghese, Co-founder and Group Chief Executive Officer and Executive Director will deliver a brief presentation to shareholders at the EGM. A copy of the presentation along with the results of the EGM will be made available after the conclusion of the EGM. Minutes of the EGM will be available on the Company’s website on our Investors page at: <https://www.olamgroup.com/investors.html> within a month from the date of the EGM.

By Order of the Board

Michelle Tanya Kwek
Company Secretary

Singapore, 15 June 2022

About Olam Group Limited

Olam Group is a leading food and agri-business supplying food, ingredients, feed and fibre to 20,900 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a global sourcing network of farmers.

Through our purpose to ‘Re-imagine Global Agriculture and Food Systems’, Olam 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 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. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

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



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APPENDIX

- 1 What is the impact to shareholders on the proposed partial sale of Olam Agri holdings?

ANSWER: The transaction is expected to benefit shareholders and the Company in the following ways:

(a) illuminate and unlock value for our shareholders, thereby completing one of the key milestones of the Re-organisation Plan;

(b) crystallise a benchmark valuation for the Olam Agri Business today, and create a strong shareholder base for a potential future listing and/or demerger of Olam Agri;

(c) raise significant net cash proceeds to repay debt at the Group level and right-size its capital structure, thereby strengthening its balance sheet, improving credit profile and enhancing financial flexibility to capture future growth opportunities; and

(d) generate synergies and catalyse access for Olam Agri to new markets through a long-term strategic supply and cooperation agreement with SALIC.

- 2 Please explain why none of the proceeds of the sale of a portion of Olam Agri to SALIC is allocated as dividends to reward shareholders.

ANSWER: We do not expect to declare special dividends as one of the key objectives of the substantial minority stake sale of Olam Agri is to use the sale proceeds to pay down the Group's debt, and substantially bring down its leverage and right size its balance sheet.

- 3 The proceeds of the sale of a portion of Olam Agri to SALIC is 100% allocated for debt repayment. Please advise what is the target capital structure and target gearing ratio that the Company aims to achieve for the Group?

ANSWER: While the Group currently operates within an overall gearing target of under 2.0 times, our long-term target is to reduce the gearing ratio as we execute the Re-organisation Plan and continue to divest de-prioritised assets and unlock value from existing investments, including the future IPO and demerger of **ofi** and Olam Agri, and potential strategic options for the gestating assets, Olam Ventures and Olam Technology and Business Services (OTBS), to release cash into the Group.

- 4 Why is SALIC buying a stake in Olam Agri and not buying a stake in Olam Group?

ANSWER:

The Saudi Agricultural and Livestock Investment Company (SALIC) invests in and outside Saudi Arabia in order to achieve their food security goals for the Kingdom of Saudi Arabia

(KSA). It pursues this strategy by investing and developing both local and international partnerships. It aims to supply the growing requirements of identified food commodities that are strategic to their food security agenda through its foreign investments, increase the operational efficiency of existing investments, and build partnerships with leading international companies in grains, feed and food processing. SALIC's intention is to expand its investments, including those in agricultural technologies that aim to rationalise water usage, raise production efficiency, and preserve the environment.

It is therefore interested in Olam Agri for its food and agricultural supply chain capabilities, operational footprint and global reach, its high-growth profile in emerging markets and its purpose to transform food, feed and fibre to achieve a more sustainable and food-secure world. As you will note from the strategic supply and cooperation agreement entered by both parties, there is a two-way partnership that has been formed as a result of this transaction which will catalyse Olam Agri's access to new markets.

The objective of the transaction for the Group is to unlock value for shareholders and crystallise a robust valuation for Olam Agri, which will help in setting a benchmark for its future fund-raises and/or an IPO. In addition, it brings a very high quality investor into our register, which sends a strong signal to the market regarding the inherent value in the Olam Agri growth story.

- 5 Please indicate the current progress of the Company in getting the requisite regulatory approvals for the Olam Agri partial sale transaction.

ANSWER: We are on track to obtaining the necessary regulatory approvals for the transaction and therefore expect to complete the transaction by end-2022.

- 6 For the additional stake sale in Olam Agri, can I confirm that any new buyer(s) will pay a price that values Olam Agri minimally at a valuation equal or higher than what SALIC will be paying?

ANSWER: Yes, for the proportionate 10% of the proposed enterprise valuation.

- 7 Is it (still) the current intention of the Company to spin off Olam Agri via an IPO? If so, when is it intended to take place?

ANSWER: We still maintain the option of a future IPO for Olam Agri based on prevailing market conditions. SALIC is aware of the IPO plans for Olam Agri.

- 8 Please provide updates on the status of the **ofi** IPO. When is it scheduled to take place?

ANSWER: We are fully prepared and committed to pursue the **ofi** IPO as announced previously. However, we would like to do so under conducive market conditions. The IPO activity in London and in other global markets has been severely impacted as a result of the evolving Russia-Ukraine crisis and most new issuances have been postponed or delayed as a result. We are closely watching and monitoring the developments and remain fully prepared and ready to pursue the IPO based on prevailing market conditions.

- 9 Is the Company anxious and/or concerned about the rising interest rate environment? What plans or measures are in place for the Company to cope with the rising interest rate environment?

ANSWER:

Most of our short-term loans are on floating rates where changes in interest rates can be passed down the supply chain to suppliers or customers, as the case may be. Long-term loans are on fixed interest rates.

One of the objectives for the sale of a substantial minority stake in Olam Agri to SALIC was to raise proceeds to repay debt at the Group level, thereby reducing its overall debt levels. We will continue to divest de-prioritised assets and monetise existing investments, including the proposed vendor sale of ofi shares at its IPO, and potential strategic options for the gestating assets, Olam Ventures and OTBS, to release cash into the Group and reduce its leverage.

- 10 How would the Board and Management address the future needs and constraints of Olam Ventures, Olam Agri and **ofi** in terms of using the common resources, such as Jiva and AtSource? Currently, a stop gap agreement for the next 10 years has been worked out, but it is still unclear as to how the effective investments and utilisation of these common resources would be guided and regulated without causing potential disputes in the long-run. How confident are the Board and Management that such issues would not create future road blocks? It is important to address such gaps satisfactorily before concluding the sale to SALIC and the **ofi** IPO.

ANSWER: We are entering into specific Long-Term Services Agreement (LTSA) or other Transitional Service Agreements (TSA) to provide IT services and access to AtSource Platform etc. between the various operating groups. For example, please refer to the Circular to Shareholders dated 27 January 2022 (pages 47 to 50) which explains the long-term services agreement (LTSA) entered into between **ofi** and OTBS. The LTSA is intended to leverage cost synergies from a shared network of services accessible by **ofi** and provided by OTBS. The LTSA has an initial term of 10 years, following which it will automatically renew for the next two years, unless either party serves notice to terminate such automatic renewal. It is important to note that the LTSA has been drawn up such that **ofi** is not obliged contractually to accept the proposal or services provided by OTBS, even as OTBS provides the services on a non-exclusive basis although a “right to bid” framework has been agreed with respect to **ofi** procuring new adjacent service areas. The framework will provide OTBS with a lead time within which it can prepare and submit a proposal to **ofi** before it goes to market. We believe the arrangement is fair and beneficial to both sides as the operating group can achieve independence and yet continue to benefit from OTBS’s experience in providing the relevant services without limiting OTBS’s ability to pursue growth in its own field with other third parties in the future.

- 11 We have spent enormous time, money, and effort in the carve-out of **ofi**, Olam Agri, Olam

Ventures, OTBS and Olam Global Holdco as part of the Re-organisation. Have the carve-outs and will the Re-organisation change “the Olam Way”? If there are negative effects, how are these being addressed?

ANSWER: Although the operating groups are expected to demerge and be independent from the Group as a result of the Re-organisation, fundamentally, we continue to abide by the principles of “the Olam Way” that have guided us so far, ie we believe our success has and always will come from innovating our business model. Whether we are **ofi**, Olam Agri, Olam Ventures or OTBS, we have and will continue to build deep industry expertise, distinctive capabilities and differentiate our business sufficiently to ensure profitable growth. We will focus on businesses with leadership positions, develop differentiated value-added solutions and services to customers and have a business with a repeatable and profitable model that is distinct from competition.

- 12 What efforts are being made to convince the other key substantial shareholders such as Mitsubishi Corporation (MC) on our current and future broader plans? MC did not subscribe to our recent rights issue and has also made a Board member change. Clarifications on this will help investors understand MC’s objectives and improve sentiments on the ground.

ANSWER: MC currently has two nominees on Olam’s Board, namely, Mr Kazuo Ito, and Mr Hideyuki Hori, who are Non-Executive Directors. Mr Hori was recently appointed to the Board as part of MC’s board member rotation in investee companies. As was announced previously, the replacement of MC’s Board nominee was due to the internal restructuring of roles and responsibilities.

We understand that MC decided not to subscribe to the rights issue considering their capital allocation priorities at that time. Notwithstanding their decision, the importance of MC as a strategic partner supporting the growth of Olam remains unchanged. The MC Agri Alliance, a JV between Olam and MC in Japan, is a good example where both companies have partnered to serve the Japanese market.

- 13 What is the criteria used by the Company to determine if it is worthwhile to buy back its shares?

ANSWER: While there is no fixed criteria to determine when and how many shares the Group will buy back, the Board and Management will be guided by the objectives of improving shareholder return and profitability, the degree of financial attractiveness of a share buy-back against other investment opportunities, the financial position of the Group to support share buy-backs and the minimum free float requirements to maintain our listed status.