

News Release

Singapore, August 13, 2021

Olam reports record Operational PATMI¹ for H1; Re-organisation progresses with OFI listing venues decided

Strong growth momentum from new Operating Groups

- H1 2021 Operational PATMI increased 116.0% to \$436.6 million, its highest since inception
- Reported PATMI for H1 2021 up 26.7%, despite a high base a year ago from exceptional gains
- Strong EBIT growth
 - Olam Food Ingredients (OFI): EBIT up 22.9%
 - Olam Global Agri (OGA): EBIT up 58.9%
- Board of Directors declares interim dividend of 4.0 cents per share (H1 2020: 3.5 cents)

Continued progress on Re-organisation Plan

- OFI is seeking a primary listing on the premium segment of the London Stock Exchange with concurrent listing on the Singapore Exchange²; the IPO and concurrent demerger of OFI remains on course for H1 2022
- OGA is evaluating various strategies to maximise its long-term growth potential and value enhancement within the Group, including a potential IPO and concurrent demerger from the Group in H1 2023

H1 2021 Financial Highlights

| | | | | | |
|--|--|---|---|--|--|
| Revenue + 33.7% YoY <hr/> 22.8 Bn (S\$) | EBIT + 51.4% YoY <hr/> 641.6 Mn (S\$) | PATMI + 26.7% YoY <hr/> 421.5 Mn (S\$) | Op PATMI + 116.0% YoY <hr/> 436.6 Mn (S\$) | FCFE -1.2 Bn <hr/> (398.3) Mn (S\$) | Gearing + 0.31 <hr/> 1.60 times |
|--|--|---|---|--|--|

Management Comments on Consolidated Olam Group Performance and Outlook

Olam Co-Founder and Group CEO, Sunny Verghese said: “Our strongest operational earnings since inception reflect the underlying strength and resilience of our businesses despite the impacts of Covid-19 and is a testament to the strength of our business model,

¹ Operational PATMI is Net Profit After Tax and Minority Interest excluding exceptional items, which are one-off and non-recurring

² Refer to news release at <https://www.olamgroup.com/news/all-news.html> entitled “Olam International announces Olam Food Ingredients’ intention to seek primary listing on the London Stock Exchange, with concurrent listing in Singapore”

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commitment of our people and depth of our customer and supplier partnerships across more than 60 countries.

“We continue to execute our Re-organisation with OFI’s planned concurrent listings in London and Singapore, representing the best combination of listing venues. We are excited about the prospects of listing OFI as an attractive play for the growing demand for natural, plant-based ingredients and value-added solutions, which are sustainably sourced and traceable. Separately, we are evaluating various strategies to maximise OGA’s long-term growth potential and value enhancement within the Group as it continues with its plan for carve-out, potential IPO and demerger by H1 2023.”

"Looking forward, we expect our industry to continue its recovery in the second half of the year, benefiting from the tailwind of favourable macro conditions following the snap back from the worst impacts of Covid-19. Notwithstanding the differential impact of Covid-19 globally, Olam continues to play an important role in providing essential food staples, food ingredients, feed and fibre to customers around the world in a safe, responsible and sustainable way."

Olam Group CFO, N Muthukumar said: *“Even as we deployed significant capital expenditure for organic growth and strategic acquisitions, we continued to maintain a robust balance sheet, further strengthened by the recently concluded rights issue.*

“We continued to diversify funding sources and innovate on financing, including a unique two-tier AtSource-linked sustainability financing facility aggregating US\$1,450 million. We continue to make good progress on our Re-organisation Plan and will formalise the cost plans and capital structure for OFI and OGA, to meet their respective needs, while driving profitable growth and improving returns.”

Olam Group Financial Performance

Global food and agri-business, Olam Group, today reported its strongest H1 Operational PATMI since inception as it moved forward with its Re-organisation Plan, announced in January 2020.

- Revenue increased 33.7% year-on year (YoY), reflecting strong growth from both OGA and OFI. OGA contributed 67.8% of total Group revenue, OFI 29.8%, and OIL 2.4% respectively.
- PATMI grew 26.7% on robust operating profit and lower net finance costs in H1 2021, even against a high base in H1 2020 that had net exceptional gains of S\$130.6 million.

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- Excluding non-recurring exceptional items, Operational PATMI more than doubled to a record S\$436.6 million, a 116.0% growth over the prior corresponding period.
- EBIT jumped 51.4% to S\$641.6 million on strong growth at both OFI and OGA and lower OIL losses: OFI contributed to 49.3% of total Group EBIT, OGA contributed 63.5%, and OIL -12.8%.
- FCFE was negative at S\$398.3 million due to the significant increase in capital expenditure on investment and acquisitions, including the Olde Thompson acquisition.
- Net gearing increased to 1.60 times compared to a year ago (1.29 times).

H1 2021 Performance by Operating Group

Olam Food Ingredients (OFI)³

A global leader at the forefront of food and beverage consumer trends, delivering sustainable, natural, and plant-based ingredients and solutions and serving large, attractive and high growth end-use categories.

| | |
|---|--|
| Revenue + 12.6% YoY <hr/> 6.8 Bn (S\$) | EBIT + 22.9% YoY <hr/> 316.3 Mn (S\$) |
|---|--|

- Revenue increased 12.6% to S\$6.8 billion, driven principally by stronger sales from the Ingredients & Solutions segment, which made up for the reduction in contribution from Global Sourcing segment.
- EBIT grew strongly at 22.9% to S\$316.3 million in H1 2021, demonstrating a strong recovery from the impact that Covid-19 had on some of its businesses in H1 2020.

Olam Group Executive Director and CEO of OFI, A. Shekhar said: “We had a strong first-half as we continued to integrate and drive synergies across our portfolio. We are also making disciplined investments in specific product, channel and category expansion opportunities identified across OFI’s on-trend and growing portfolio. This includes our newly acquired business in Olde Thompson, the green chilli pepper business from Mizkan and the dried onion ingredients business in the US, all of which already started contributing positively to our earnings in H1 2021.

³ Consisting of the Cocoa, Coffee, Nuts, Spices and Dairy businesses, OFI is made up of two segments – Global Sourcing and Ingredients & Solutions.

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“The results further demonstrate that OFI is a strong business that is uniquely positioned to take advantage of long-term consumer trends within the food and beverage industry. The integrated global network, servicing large, attractive and growing end-use categories, within an expanding on-trend ingredients portfolio, makes us a compelling investment case for anyone looking to tap into growing global demand for food that is healthier, traceable and sustainable.”

Olam Global Agri (OGA)⁴

OGA is a market leading and differentiated global food, feed and fibre agri-business with a proven track record delivering high returns focused on high-growth emerging markets.

| | |
|-------------------------------|----------------------------|
| Revenue + 48.2% YoY | EBIT + 58.9% YoY |
| 15.5 Bn (S\$) | 407.5 Mn (S\$) |

- Continued strong operating performance with revenue growing 48.2% to S\$15.5 billion. All businesses under OGA contributed to the growth, including the Grains, Integrated Feed & Proteins business, the all-round strong performance from the Rice business, and the Cotton and Edible Oils businesses turning the corner amid a recovery in demand post the worst impacts of Covid-19.
- EBIT surged by 58.9% to S\$407.5 million on higher contribution from all segments, including an exceptional performance by the Fibre, Industrial & Ag Services.

Mr Verghese, who is CEO of OGA and OIL said: *“OGA delivered another strong set of results across all its segments as it continues to take advantage of key secular trends underpinning the food and agricultural sector: The food security agenda, rising protein consumption, emerging markets food staples and industrial and fibre demand growth, rising technology adoption and sustainability focus. Together with strong risk and operational management capabilities, this will continue to drive OGA’s continued success.*

“We are particularly pleased with the strong recovery of our Fibre, Industrial & Ag Services segment from the worst impacts of Covid-19 in the prior period.”

⁴ Consisting of the Grains and Integrated Feed & Proteins, Edible Oils, Rice, Cotton, Rubber, Wood Products and Commodity Financial Services businesses, OGA has three segments – Food & Feed - Origination & Merchandising; Food & Feed - Processing & Value-added; and Fibre, Industrial & Ag Services.

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Olam International (OIL)⁵

As parent company of OFI and OGA, OIL plays a key role to unlock the full value of the Olam Group by providing interim stewardship to the new operating groups until carve-out, IPO and demergers are completed, responsibly divesting the de-prioritised businesses and assets, nurturing gestating businesses to full potential, incubating new engines for future growth, developing key cross cutting initiatives, and providing shared services to the new operating groups.

Revenue

- 7.3% YoY

551.0

Mn (S\$)

EBIT

+ 8.8% YoY

(82.2)

Mn (S\$)

- Lower revenue of 7.3% at S\$551.0 million, with the divestments and closures of de-prioritised assets, including Olam Tomato Processors in the US, the exit from sugar refining in Indonesia and the disposal of a sugar mill in India in 2020.
- EBIT losses narrowed to \$82.2 million as De-prioritised/Exiting assets reduced losses from S\$35.8 million to S\$12.8 million in H1 2021.

Notes to Editors

Re-organisation of Olam

Olam Group has been re-organised into two new operating groups Olam Food Ingredients (“OFI”) and Olam Global Agri (“OGA”) with the Company Olam International (“OIL”) as parent holding the two groups until carve-out, IPO and demergers are completed.

OFI is a global leader at the forefront of food and beverage consumer trends, delivering sustainable, natural, and plant-based ingredients and solutions and serving large, attractive and high growth end-use categories.

OGA is a market leading and differentiated global food, feed and fibre agri-business with a particular focus in high-growth emerging markets with proven expertise, processing capabilities and a global origination footprint.

⁵ As parent company holding OFI and OGA until carve-out, IPO and demerger, OIL consists of De-prioritised/Exiting Assets, Gestating Businesses (Olam Palm Gabon, Packaged Foods, Infrastructure and Logistics business), and Incubating Businesses (Engine 2 growth platforms) segments. OIL financials are standalone financials and do not include the consolidation of OFI and OGA.

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OIL plays a key role to unlock the full value of the Olam Group. OIL provides interim stewardship to the operating groups until carve-out, IPO and demergers are completed. In addition, it will responsibly divest the de-prioritised businesses and assets ear-marked for exit, nurture gestating businesses to full potential, incubate new engines for future growth, develop key cross cutting initiatives, and provide shared services to the new operating groups.

H1 2021 Financials for Olam Group Consolidated and Operating Groups

| | Revenue (S\$ million) | | EBIT (S\$ million) | |
|-------------------|-----------------------|-------------|--------------------|-------------|
| | H1 2021 | YoY % | H1 2021 | YoY % |
| Olam Group | 22,833.4 | 33.7 | 641.6 | 51.4 |
| OFI | 6,791.3 | 12.6 | 316.3 | 22.9 |
| OGA | 15,491.1 | 48.2 | 407.5 | 58.9 |
| OIL | 551.0 | (7.3) | (82.2) | 8.8 |

About Olam International

Olam International is a leading food and agri-business supplying food, ingredients, feed and fibre to 17,300 customers worldwide. Our value chain spans over 60 countries and includes farming, processing and distribution operations, as well as a sourcing network of an estimated 5.0 million 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 International 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 can be found at www.olamgroup.com. Follow @olam:



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