

News Release

Olam Food Ingredients accelerates its growth strategy with a transformative US acquisition

- ***OFI to acquire Olde Thompson, a leading US private label spices and seasonings manufacturer, at an Enterprise Value (EV) of US\$950 million***
- ***Aligned with OFI's vision and accelerates its growth strategy of delivering sustainable, natural, value-added food and beverage ingredients and solutions***
- ***Transformative for OFI's spices business – an attractive and growing part of its portfolio; and expands private label capabilities across the OFI portfolio***
- ***Expected to be earnings and margin accretive from the first-year onwards***

Singapore, April 29, 2021 - Olam Food Ingredients ("OFI")¹ is acquiring a leading US private label spices and seasonings manufacturer Olde Thompson at an EV of US\$950 million through its wholly owned subsidiary Olam Holdings Inc.

This acquisition reinforces OFI's growth strategy of being a global leader in providing sustainable, natural, value-added food and beverage ingredients and solutions so that consumers can enjoy the healthy and tasty products that they love.

This acquisition will be transformative for OFI's spices business, which is an attractive and growing part of OFI's overall portfolio. It will also create a substantive growth platform for OFI to provide similar sustainable and innovative retail solutions across OFI's other products.

OFI CEO A. Shekhar said: "This transaction builds on our long 15-year partnership with Olde Thompson and is a logical move to combine our 'back-end' strengths in global origination and sustainable supply chains, with Olde Thompson's 'front-end' capabilities in providing retail spice solutions to many major US retailers.

"Growing our offerings of private label solutions is right at the heart of OFI's strategy – and within that spices is one of the most attractive and growing categories, especially in the US. This will enable us to offer consumers a comprehensive range of bold, authentic, natural taste and flavours with end-to-end traceability."

Established in 1944, Olde Thompson is a leading manufacturer of private label spices, seasonings, baking ingredients and spice-related housewares in the US. It has led and benefited from the increased penetration of private label in the spices and seasonings

¹ OFI is the new operating group, created after the re-organisation of global food and agri-business Olam International, with revenues of S\$12.5 billion and sales volume of 3.8 million metric tonnes in 2020.

space², as well as the growing demand for healthy, natural, organic, clean-label spices and ethnic, savoury flavours. With two highly automated bi-coastal facilities in Bayonne, New Jersey and Oxnard, California, Olde Thompson has built a significant formulation, blending, packaging and distribution capacity to serve customers across the US. It has also built long-term relationships with a diverse group of blue-chip retail customers across the club, mass, grocery, discount and dollar store channels.

CEO of Olde Thompson David Sugarman said: "The acquisition of Olde Thompson by OFI is a terrific outcome for all of our key stakeholders. For our customers, this partnership pushes Olde Thompson to the forefront of sustainable innovation as it provides access to OFI's extraordinary international sourcing capabilities and spice expertise that will allow us to provide a new level of traceability and transparency to the marketplace. Our employees will benefit from additional resources and opportunities that will accelerate our growth and their careers even further."

Greg Estep, CEO of OFI's spices business said: "Our global origination and sustainable spice supply chain along with Olde Thompson's expertise in private label is going to be truly complementary and transformative for our spices business. We can now deliver greater value to our customers by combining Olde Thompson's reach and capabilities in blending, product formulation and packaging to our seed and field management programmes, ingredient processing capabilities and the differentiated transparency and traceability that our AtSource platform delivers.

"I am very pleased that Olde Thompson's senior executive leadership will continue at the helm, supported by dedicated teams who are domain experts in the retail space and committed to operational excellence and customer service. I am hugely excited with the prospects of integrating the two organisations which will open many new avenues of growth for the combined business and all the employees as well."

Key financial information relating to the acquisition

Olam Holdings Inc. will acquire Olde Thompson from Kainos Capital and Olde Thompson's management shareholders at an EV of US\$950 million, subject to net working capital adjustment at closing. The consideration was arrived at on a willing-buyer, willing-seller basis and implies an EV/EBITDA multiple³ of approximately 11.5 times, or approximately 8.5 times including expected synergies.

² Private label currently accounts for approximately 26% of the US spices and seasonings industry and has been growing at an annual rate of approximately 15% between 2015 and 2019 (Source: IRI industry data; OFI estimates).

³ EV/EBITDA multiple is Enterprise Value on diligence adjusted 2020 Earnings Before Interest, Tax, Depreciation and Amortisation.

The acquisition of Olde Thompson is expected to be earnings and margin accretive to OFI from the first year onwards and generate potential EBITDA synergies of US\$25-30 million.

Subject to customary closing conditions, the transaction is expected to close in Q2 2021.

Notes to Editors

This release should be read and understood only in conjunction with the full text of the announcement and presentation on this transaction lodged on SGXNET by Olam International Limited on April 29, 2021.

Olam Food Ingredients (OFI) is a new operating group born out of Olam International Limited. OFI offers sustainable, natural, value-added food and beverage ingredients and solutions so that consumers can enjoy the healthy and indulgent products they love. It consists of Olam's industry-leading businesses of Cocoa, Coffee, Nuts, Spices and Dairy.

OFI has built a unique global value chain presence including its own farms, farm-gate origination and manufacturing facilities. OFI partners with customers, leveraging its complementary and differentiated portfolio of "on-trend" food and beverage products, to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that's traceable and sustainable.

About Olam International Limited ("Olam")

Olam 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 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 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.

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