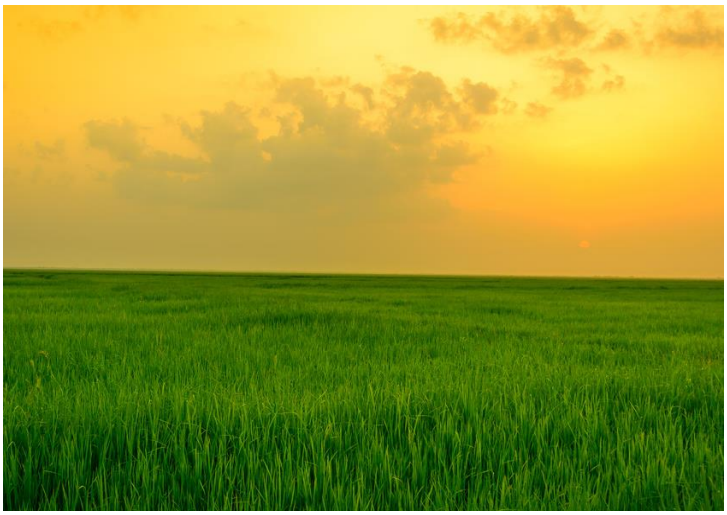
Olam

Management Discussion and Analysis

February 28, 2022

Group Results for the Year ended December 31, 2021















MANAGEMENT DISCUSSION AND ANALYSIS

Results for the Second-Half ("H2 2021") and Full Year ended December 31, 2021 ("2021")[1]

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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 International Limited's Financial Statements for the Second-Half and Full Year ended December 31, 2021" lodged on SGXNET on February 28, 2022.

www.olamgroup.com/investors.html

ir@olamnet.com

[1] 2020 financial results for the operating groups have been re-stated to reflect intra-group adjustments.

Re-organisation of Olam: Progress Update

On December 14, 2021, Olam International Limited ("the Company" or "OIL", together with its subsidiaries "the Group") announced that it was proposing to seek the approval of shareholders to carry out the following transactions:

(a) the Proposed Restructuring by way of a Scheme of Arrangement ("the Scheme"), which will interpose two recently incorporated companies – Olam Group Limited ("OG"), which is incorporated in Singapore and its wholly-owned subsidiary, Olam Food Ingredients Group Limited ("OFIGL"), which is incorporated in the UK, between OIL and the shareholders. OFIGL holds the Olam Food Ingredients business.

(b) the Proposed Dividend in Specie as an intra-Group dividend declared by OIL to its immediate holding company OFIGL for OIL to distribute P-Notes to OFIGL after the Scheme has come into effect. This distribution of P-Notes is a necessary step in the restructuring of the Group in order to facilitate the separation of the Group's businesses into three coherent operating groups – Olam Food Ingredients ("**ofi**"), Olam Global Agri (now known as "Olam Agri") and the remaining Group businesses that are not part of **ofi** or Olam Agri.

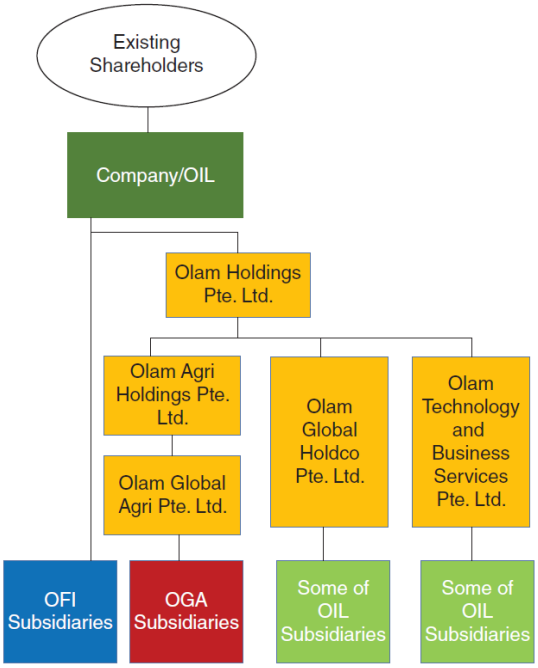
(c) the Proposed Disposal, by which OG will dispose of all or some of its OFIGL Shares in the **ofi** IPO;

(d) the Proposed Dilution, by which OG's stake in OFIGL will be reduced through the issue of new OFIGL shares; and

(e) the Proposed Demerger via the Proposed Capital Reduction of OG, by which OG will distribute all of its remaining OFIGL Shares after the Proposed Disposal to shareholders.

On January 1, 2022, the Group completed the carve-out and separation of its businesses into the three operating groups (see next page for the Group structure).

Group structure after completion of Separation

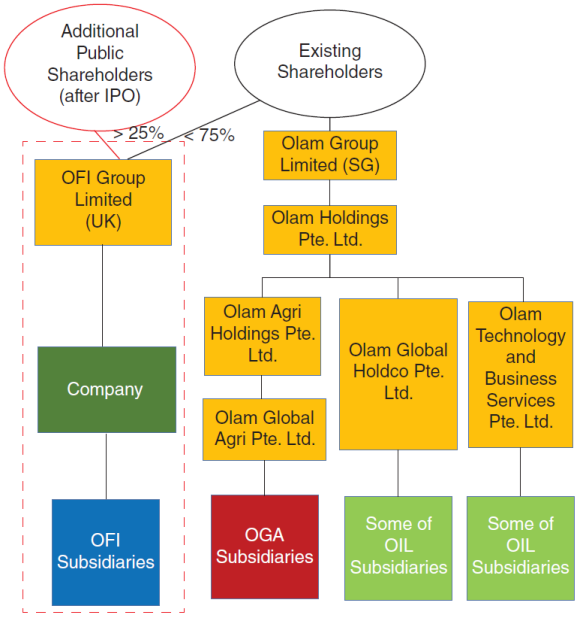


On February 18, 2022, the above five resolutions were approved by shareholders at a Scheme Meeting and an Extraordinary General Meeting. Subject to the conclusion of the Court hearing to sanction the Scheme, the Scheme will take effect on or around March 15, 2022. OG will replace OIL as the listed company entity, which will be delisted, and hold 100% of OFIGL and Olam Holdings Pte Ltd, which through separate subsidiaries, will hold Olam Agri and the remaining Group businesses that are not part of **ofi** or Olam Agri. The new Group structure will allow OG to explore the sequential sale, spin-off or IPO of **ofi**, Olam Agri and potentially the other businesses of the remaining Olam Group, so as to unlock long-term shareholder value.

OFIGL to list in Q2 2022 concurrently in London and Singapore

OFIGL is seeking a primary listing on the premium segment of the London Stock Exchange and concurrently a secondary listing in Singapore in Q2 2022. Upon listing, OFIGL will become a public limited company ("plc"). Post the planned IPO of a primary issuance of new shares and potentially a secondary sale of shares, the enlarged share capital of OFIGL will be held by investors who will purchase or subscribe for OFIGL Shares in the IPO, with the remaining shares of the enlarged share capital of OFIGL, which are not part of the IPO, distributed pro-rata to OG shareholders. The next page shows the Group structure post the proposed IPO.

Olam Group structure post proposed IPO of OFIGL



Exploring various strategic options to maximise value for Olam Agri

OG will continue to explore various strategic options to maximise the value of Olam Agri and find opportunities for further investment that would allow Olam Agri to profitably grow its business in areas where it has a proven track record. In connection with this, the options being explored include the potential introduction of strategic minority partner(s) by way of a secondary sale of shares by OG for a significant minority stake in Olam Agri and/or the potential IPO and demerger of Olam Agri. These strategic options would grant Olam Agri the potential to tap capital markets for funds to accelerate its growth, unlock significant value for OG's shareholders, and raise proceeds for OG to optimise its capital structure by de-gearing and right-sizing its balance sheet.

2021 Key Highlights

Financial Highlights

Consolidated Olam Group

S$ million	2021	2020	% Change	H2 2021	H2 2020	% Change
Volume ('000 MT)	45,425.3	44,409.7	2.3	23,057.9	24,351.3	(5.3)
Revenue	47,002.0	35,820.0	31.2	24,168.5	18,739.5	29.0
EBITDA^	2,049.8	1,630.8	25.7	1,114.3	934.5	19.2
EBIT^	1,422.6	1,069.5	33.0	781.0	645.8	20.9
PAT	602.8	178.2	238.3	220.1	(117.2)	n.m.
PATMI	**686.4**	**245.7**	**179.4**	**264.9**	**(87.0)**	**n.m.**
Operational PATMI^	**961.1**	**677.8**	**41.8**	**524.5**	**475.7**	**10.3**

^Excluding exceptional items

Performance by Operating Group[2]

	Sales Volume ('000 MT)				EBIT (S$ million)			
S$ million	2021	% Share	2020 Restated	% Change	2021	% Share	2020 Restated	% Change
Olam Group	**45,425.3**	**100.0%**	**44,409.7**	**2.3%**	**1,422.6**	**100.0%**	**1,069.5**	**33.0%**
- ofi	4,132.6	9.1%	3,647.0	13.3%	875.3	61.5%	749.5	16.8%
- Olam Agri	40,607.1	89.4%	39,925.5	1.7%	752.9	52.9%	497.0	51.5%
- OIL	685.6	1.5%	837.2	-18.1%	(205.6)	-14.4%	(177.0)	-16.2%

- **Group Profit After Tax and Minority Interests (PATMI) grew by 179.4% to a record S$686.4 million** (2020: S$245.7 million) on strong operating profit growth and significantly reduced exceptional losses in 2021 compared with 2020.

- Excluding the non-recurring exceptional items, **Group Operational PATMI grew by 41.8% to a new record of S$961.1 million** in 2021 (2020: S$677.8 million).

- **2021 recorded net exceptional losses of S$274.7 million** mainly due to one-off exit and closure costs of de-prioritised assets, and costs related to the Re-organisation. These were partly offset by gains from the partial stake sale of Indonesian cocoa plantation PT Sumber Daya Wahana ("PT SDW") and the sale of our entire stake in Long Son (Vietnam). The previous year had recorded higher net exceptional losses of S$432.1 million mainly on account of the impairment on our investment in Olam Palm Gabon ("OPG"), that was offset in part by gains from divestments of de-prioritised assets.

- **Group Sales Volume grew by 2.3% to 45.4 million metric tonnes** (MT). Both **ofi** and Olam Agri contributed to the increase in volumes. Olam Agri's share of Group volume was 89.4% while **ofi** and OIL accounted for 9.1% and 1.5% respectively.

[2] 2019 and 2020 financial results for the operating groups have been re-stated to reflect intra-group adjustments.

- **Group Earnings Before Interest and Tax (EBIT) rose by 33% to S$1.4 billion**. **ofi**'s share of Group EBIT was 61.5% with Olam Agri at 52.9%, and OIL at negative 14.4%.

- **ofi reported a healthy set of results in 2021 as EBIT grew 16.8% to S$ 875.3 million** (2020: S$ 749.5 million) with both its segments contributing to this growth. **Olam Agri delivered a strong EBIT growth of 51.5% to a record S$752.9 million** (2020: S$ 497.0 million) with increased contributions from all its segments. OIL's losses amounted to S$205.6 million (2020: -S$177.0 million).

- **Net Operating Cash Flow in 2021 improved by S$761.7 million to S$1.3 billion.** Gross Capex amounted to S$1.9 billion mainly from the acquisition of Olde Thompson ("OT") (2020: S$753.5 million). As a result, **Free Cash Flow to Equity (FCFE**) was **negative at S$1.0 billion** in 2021 (2020: -S$592.2 million).

- **Net gearing** as at December 31, 2021 **remained unchanged at 1.72 times** with adjusted gearing net of readily marketable inventories (RMI) and secured receivables at 0.75 times (December 31, 2020: 0.63 times).

- The Board of Directors has declared a **second interim dividend of 4.5 cents** per share, bringing the **total dividend to 8.5 cents** per share for 2021 (2020: 7.5 cents).

Strategic Investments and Divestments

During the year, the Company completed the following transactions:

Investments

- Acquisition of US-based dehydrated onion ingredients business in January 2021 (Cascade Specialties) which diversifies Spices' growing regions in the US, expands its manufacturing capabilities and deepens its supply of organic onion products so as to meet rising demand for dehydrated onions;

- Acquisition of US-based green chilli pepper business from Mizkan America, Inc., for US$108.5 million in February 2021;

- Formation of a 50:50 joint venture with Mondēlez International, Inc. to develop a sustainable commercial cocoa farm in Indonesia through the subscription of 50.0% interest in AztecAgri B.V. for an aggregate consideration of US$10.8 million;

- Acquisition of OT, a leading US private label spices and seasonings manufacturer, at an enterprise value of US$950.0 million. Building on the two recent acquisitions in the North American spices sector, OT is a transformative acquisition for **ofi**'s Spices business, enabling further expansion of its private label offerings across the portfolio, and accelerating its growth strategy of delivering sustainable, natural, value-added food ingredients and solutions; and

- Acquisition of 10.0% of Food Security Holding Company, one of the flour milling companies tendered for privatisation by the National Centre for Privatization and the Saudi Grains Organization, for approximately US$13.3 million. The remaining 90.0% is owned by the other members of the consortium, comprising National Agricultural Development Company, Al Rajhi International for Investment Company and Ajlan & Bros. As the technical partner, Olam will have responsibility for managing plants and operations.

The Group continued to develop a new greenfield soluble coffee manufacturing facility in Brazil and a greenfield dairy processing plant in New Zealand. Both projects are undertaken by **ofi** and expected to complete in H1 2023.

Divestments

- Sale of Coffee plantations in Brazil to a third party;

- Sale of our entire 15.19% stake in Open Country Dairy ("OCD") to Talley Group Limited ("Talley's") for approximately NZ$80.9 million through Talley's takeover offer;

- Disposal of 100.0% stake in Ahenk Helva whose main business is sesame processing in Turkey;

- Disposal of 50.0% stake in wholly owned subsidiary PT SDW; and

- Disposal of our entire 30.0% interest in Long Son (Vietnam).

2021 Rights Issue

In July 2021, the Company completed a renounceable, fully underwritten S$601.7 million three-for-20 rights issue ("Rights Issue") to strengthen Olam's balance sheet, enhance its credit profile and provide financial flexibility to capture future growth in line with its Strategic Plan. The Rights Issue obtained an acceptance and excess application rate of 118.3%. A total of 481,364,524 new shares at the price of S$1.25 each were issued, raising gross proceeds of S$601.7 million. Proceeds were primarily used to partially repay the debt raised to fund the acquisition of OT.

Business Prospects and Outlook

Even as the Covid-19 pandemic continues to affect different economies at varying degrees and the pace of economic recovery across the world is uneven, we have observed a discernible pick-up in demand since 2021 as the major economies, including the US, EU, UK, China and Japan, as well as emerging markets in Asia and Africa recover from the worst impacts of Covid-19 in 2020.

There has been an increase in food service sector demand as economies open up across the globe, as well as shifting consumer patterns such as placing greater emphasis on quality of food products that are safe, natural, healthy and sustainable. The Group's customers have had to adapt quickly to these rapidly changing trends, and are on the lookout to partner innovative, purpose-driven producers and suppliers, who have the global resources and networks to help them navigate the immediate and longer-term challenges in the food and agri-supply chain.

ofi, whose strategy is to be a global leader in providing sustainable, natural, value-added food and beverage ingredients and solutions, is expected to benefit from these trends. Most of the growth is expected to come from the Ingredients & Solutions segment as the business continues to focus on fulfilling the growing needs of its priority customers by selling more, cross-selling and up-selling across the key categories that it its serves. This segment is also expected to realise the annualisation impact of OT's earnings contribution in 2022. The Global Sourcing segment is expected to stabilise on the back of a strong performance in 2021.

Olam Agri is expected to benefit from a different set of trends specific to its sector, including the growing demand for food, feed, fibre and other staples arising from a growing population, rising per capita incomes, transition in dietary habits from carbohydrates and cereals based diets to more protein-based diets, lack of arable land, scarcity of water and climate change impacts, all leading to rising food security issues.

Both the food and feed segments in Olam Agri are expected to show strong performance due to growing global trade volumes, enhanced freight management capabilities, normalised consumption levels, high utilisation of its wheat mills, improved efficiency from its investments in logistics capacity for flour and pasta distribution, as well as higher volumes in animal feed production and rice milling in Africa as it expands its production capacities. Its recent into the Saudi flour mill industry will also support growth in 2022.

The non-food segment, which now includes Cotton, Wood Products and Rubber processing and supply chain, is also expected to record strong performance in 2022 as it sees continued demand across these products as the overall global economy continues to expand. Olam Agri is therefore poised to continue to deliver a strong performance in 2022.

OIL is expected to record lower revenues from further sales of de-prioritised assets ear-marked for exit. However, Gestating Assets are expected to post higher revenues on the increase in mature acreage in OPG and continued organic growth in Packaged Foods compared with 2021.

As the Group continues to execute the Re-organisation Plan, it is expected to continue to incur one-off and non-recurring restructuring expenses in 2022.

The Group is closely monitoring the situation in the Black Sea region and its overriding priority continues to be the safety of its people and their families in Ukraine. The overall region is not a material contributor to the Group's revenues and assets.

Overall, barring unforeseen circumstances, including adverse impacts of the Ukraine-Russia crisis on the markets, new Covid-19 variants of concern and consequent hard lockdowns across the world, the economic outlook and prospects for the Group for 2022 remain positive, with the industry continuing to see strong demand and tight commodity supplies amid supply chain disruptions. With 80-85% of the Group's revenues in the food category, where demand is less sensitive to recession or economic downcycles, the Group believes that it will be able to better navigate the market uncertainties in 2022.

Summary of Financial and Operating Results

Profit and Loss Analysis

S$ million	2021	2020	% Change	H2 2021	H2 2020	% Change
Volume ('000 MT)	**45,425.3**	**44,409.7**	**2.3**	**23,057.9**	**24,351.3**	**(5.3)**
Revenue	**47,002.0**	**35,820.0**	**31.2**	**24,168.5**	**18,739.5**	**29.0**
Other income^	63.8	61.2	4.2	31.2	37.4	(16.6)
Cost of sales^	(43,095.1)	(32,586.3)	32.2	(21,963.2)	(17,081.4)	28.6
Selling, general and administrative expenses^	(1,842.1)	(1,583.9)	16.3	(1,040.1)	(879.9)	18.2
Other operating expenses	(196.3)	(38.7)	407.7	(200.3)	172.2	n.m.
Net (loss)/gain in fair value of biological assets^	97.7	(60.3)	n.m.	104.1	(64.1)	n.m.
Share of results from joint ventures and associates^	19.8	18.8	5.3	14.1	10.8	30.6
EBITDA^	**2,049.8**	**1,630.8**	**25.7**	**1,114.3**	**934.5**	**19.2**
Depreciation & amortisation	(627.2)	(561.3)	11.7	(333.3)	(288.7)	15.5
EBIT^	**1,422.6**	**1,069.5**	**33.0**	**781.0**	**645.8**	**20.9**
EBIT %	3.0%	3.0%		3.2%	3.4%	
Exceptional items	(274.7)	(432.1)	(36.4)	(259.6)	(562.7)	(53.9)
Net Finance costs^	(411.2)	(415.7)	(1.1)	(214.0)	(185.5)	15.4
PBT	**736.7**	**221.7**	**232.3**	**307.4**	**(102.4)**	**n.m.**
Taxation^	(133.9)	(43.5)	207.8	(87.3)	(14.8)	489.9
PAT	**602.8**	**178.2**	**238.3**	**220.1**	**(117.2)**	**n.m.**
PAT %	1.3%	0.5%		0.9%	-0.6%	
Non-controlling interests	(83.6)	(67.5)	23.9	(44.8)	(30.2)	48.3
PATMI	**686.4**	**245.7**	**179.4**	**264.9**	**(87.0)**	**n.m.**
PATMI %	1.5%	0.7%		1.1%	-0.5%	
Operational PATMI^	**961.1**	**677.8**	**41.8**	**524.5**	**475.7**	**10.3**
Operational PATMI %	2.0%	1.9%		2.2%	2.5%	

^Excluding exceptional items

Sales Volume

Sales volume grew by 2.3% to 45.4 million MT (2020: 44.4 million MT) as both **ofi** and Olam Agri contributed to the growth during 2021.

Revenue

Revenue rose by 31.2% to reach S$47.0 billion (2020: S$35.8 billion) on higher prices across most products and commodities, particularly grains, rice, cotton, cocoa and edible oils in 2021.

Other Income

Other income was marginally higher at S$63.8 million (2020: S$61.2 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 2021, cost of sales increased by 32.2%, largely in tandem with the growth in revenue.

Selling, General & Administrative Expenses

Selling, General & Administrative Expenses was up by 16.3% or S$258.2 million to S$1.8 billion in 2021 (2020: S$1.6 billion). The increase was a result of acquisitions and organic growth initiatives, including corporate growth initiatives, such as digitalisation, co-manufacturing, food service, e-commerce and sustainability-based solutions. The increase in Selling, General & Administrative expenses was also due to a larger headcount and dis-synergies associated with the carve-out and separation of the Group's businesses into **ofi**, Olam Agri and OIL.

Other Operating Expenses

Other Operating Expenses amounted to S$196.3 million arising from higher unrealised foreign exchange losses recorded in 2021 on the devaluation of emerging market currencies and the Euro against the US dollar. Unrealised foreign exchange movements generally have a compensating effect in Cost of Sales.

Net Changes in Fair Value of Biological Assets

There was a net gain on the fair value of biological assets of S$97.7 million in 2021 as opposed to a net loss of S$60.3 million in 2020. This was mainly because of the increase in the fair valuation of our almond orchards in Australia as almond prices recovered during the year from its lows on the Covid-19 impact in 2020.

Share of Results from Joint Ventures and Associates

Joint ventures and associates included Long Son (Vietnam), Guzman Coffee & Nuts, MC Agri Alliance (MCAA – our joint venture with Mitsubishi Corporation), Stamford Panasia, a 49.0% joint venture with Stamford Shipping for freight management, ARISE P&L, ARISE IIP and ARISE IS. The share of results from joint ventures and associates increased from S$18.8 million in 2020 to S$19.8 million in 2021 due to better performance by Stamford Panasia and MCAA. This is in spite of the absence of earnings from Far East Agri and OCD after they were divested.

Depreciation and Amortisation

Depreciation and amortisation expenses increased 11.7 % to S$627.2 million in 2021 (2020: S$561.3 million) as a result of acquisitions and organic Capex.

EBIT

EBIT grew by 33% to S$1.4 billion (2020: S$1.1 billion). **ofi** reported a healthy growth of 16.8% at S$875.3 million (2020: S$749.5 million) while Olam Agri delivered a strong 51.5% growth at S$752.9 million (2020: S$497.0 million). OIL's losses increased from S$177.0 million to S$205.6 million.

Finance Costs

Despite higher gross debt to fund growth in volumes and higher working capital due to higher commodity prices, total net finance costs continued to decline from S$415.7 million in 2020 to S$411.2 million in 2021 due to lower benchmark interest rates.

Taxation

Tax expenses were substantially higher at S$133.9 million in 2021 (2020: S$43.5 million) as pre-tax income increased by more than three-fold, in addition to changes in the earnings composition in terms of business mix and geographical contribution.

Non-controlling Interest

Non-controlling interest, which comprises mainly the minority share of results from OPG, Olam Rubber Gabon ("ORG"), Caraway (Packaged Foods), BT Cocoa, Cotontchad and Nouvelle Société Cotonnière du Togo ("NSCT"), stood at a negative S$83.6 million in 2021 (2020: -S$67.5 million) due to higher losses at OPG and ORG, part of which was offset by improved earnings at Caraway, BT Cocoa and NSCT.

Exceptional Items

Net exceptional items amounted to a loss of S$274.7 million in 2021 mainly due to one-off exit and closure costs of de-prioritised assets, namely the closure of Olam Tomato Processors ("OTP") in the US and the restructuring and impairment of dairy farming assets in Uruguay ("NZFSU"), and costs incurred for the Re-organisation exercise, including one-off separation costs. These were offset in part by net gains from the partial stake sale in PT SDW and sale of our remaining interest in Long Son (Vietnam). 2020 had recorded net exceptional losses of S$432.1 million arising mainly from the impairment on OPG, which was in part offset by gains from the divestments of de-prioritised assets.

S$ million	2021	2020	H2 2021	H2 2020
Profit on sale of partial stake in ARISE P&L	-	121.0	-	(2.0)
Profit on sale of stake in Subsidiary,net	4.9	-	-	-
Profit on sale of Sugar plant in India	-	1.5	-	1.5
Profit on Sale of stake in JV/Associate,net	8.6	48.3	8.6	(0.7)
Acquisition related cost	(6.3)	-	(0.1)	-
Re-organisation cost	(134.1)	-	(134.1)	-
Exit/Closure costs	(147.8)	(119.0)	(134.0)	(77.6)
OPG Impairment	-	(483.9)	-	(483.9)
Exceptional Items	**(274.7)**	**(432.1)**	**(259.6)**	**(562.7)**

PATMI

As a result of the strong EBIT growth and lower net exceptional losses, PATMI increased by 179.4% to S$686.4 million (2020: S$245.7 million) in 2021.

Operational PATMI

Operational PATMI, which excludes the exceptional items in both years, was up 41.8% to a new record of S$961.1 million in 2021 (2020: S$677.8 million).

Balance Sheet Analysis

S$ million	31-Dec 2021	31-Dec-2020	Change vs Dec 20
Uses of Capital			
Fixed Capital	9,532.9	8,309.9	1,223.0
Right-of-use assets	782.7	712.2	70.5
Working Capital	8,120.6	7,455.7	664.9
Cash	4,317.5	3,115.9	1,201.6
Others	735.1	601.7	133.4
Total	**23,488.8**	**20,195.4**	**3,293.4**
Sources of Capital			
Equity & Reserves	7,210.5	6,425.4	785.1
Non-controlling interests	7.4	73.5	(66.1)
Short term debt	6,937.6	6,466.5	471.1
Long term debt	8,794.8	6,780.9	2,013.9
Short term lease liabilities	138.0	96.5	41.5
Long term lease liabilities	839.8	815.5	24.3
Fair value reserve	(439.3)	(462.9)	23.6
Total	**23,488.8**	**20,195.4**	**3,293.4**

"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 assets[3] as at December 31, 2021 were S$23.5 billion, comprising S$9.5 billion of fixed capital, S$ 782.7 million of right-of-use assets, S$8.1 billion of working capital and S$4.3 billion of cash.

The total assets were funded by S$7.2 billion of equity, S$6.9 billion of short-term debt, S$8.8 billion of long-term debt, as well as short-term and long-term lease liabilities of S$138.0 million and S$839.8 million respectively.

Compared with a year ago, the overall balance sheet as at December 31, 2021 grew by S$3.3 billion. Driven by the acquisitions of the US-based dehydrated onion ingredients business and chilli pepper business, as well as of OT, fixed capital increased by S$1.2 billion during the year. The fixed capital base also increased on organic growth Capex across prioritised businesses. Cash position was higher at S$4.3 billion (2020: S$3.1 billion) to meet ongoing business requirements and manage near-term repayment obligations on borrowings. Working capital also rose by S$664.9 million on higher commodity prices.

[3] 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.

Working Capital

S$ million	31-Dec 2021	31-Dec-2020	Change vs Dec 20
Stock	8,857.2	7,380.6	1,476.6
Advance to suppliers	543.5	621.9	(78.4)
Receivables	2,441.4	1,910.4	531.0
Trade creditors	(4,679.7)	(3,070.1)	(1,609.6)
Others	958.2	612.9	345.3
Working Capital	**8,120.6**	**7,455.7**	**664.9**

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

Despite higher levels in stock and receivables due to increasing commodity prices, the resumption of supplier credit in 2021 as against 2020, which saw less favourable credit terms on liquidity concerns, helped moderate the increase in overall working capital. Due to our disciplined capital management, working capital cycle shortened from 73 days as at December 31, 2020 to 58 days as at December 31, 2021.

Days	31-Dec 2021	31-Dec-2020	Change vs Dec 20
Stock	75	82	(7)
Advance to suppliers	4	6	(2)
Receivables	18	19	(1)
Trade creditors	(39)	(34)	(5)
Total cash cycle	**58**	**73**	**(15)**

Debt, Liquidity and Gearing

S$ million	31-Dec 2021	31-Dec-2020	Change vs Dec 20
Gross debt	16,710.2	14,159.4	2,550.8
Less: Cash	4,317.5	3,115.9	1,201.6
Net debt	12,392.7	11,043.5	1,349.2
Less: Readily marketable inventory (RMI)	5,937.9	5,849.6	88.3
Less: Secured receivables	1,064.7	1,138.5	(73.8)
Adjusted net debt	5,390.1	4,055.4	1,334.7
Equity (before FV adj reserves)	7,210.5	6,425.4	785.1
Net debt / Equity (Basic)	**1.72**	**1.72**	**-**
Net debt / Equity (Adjusted)	**0.75**	**0.63**	**0.12**

Compared with December 31, 2020, while net debt grew by S$1.3 billion to finance acquisitions and organic Capex as well as increases in working capital due to higher commodity prices, equity also increased by S$785.1 million on higher retained earnings as well as the Rights Issue during 2021. As a result, net gearing remained unchanged at 1.72 times.

Of the S$8.9 billion inventory position, approximately 67.0% or S$5.9 billion were RMI that were liquid, hedged and/or sold forward, operating as near-cash assets on our balance sheet. In addition, approximately 43.6% of the S$2.4 billion in trade receivables were secured. Adjusting for RMI and secured receivables, our net gearing as at December 31, 2021 would be 0.75 times (December 31, 2020: 0.63 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$22.5 billion in available liquidity as at December 31, 2021, including unutilised bank lines of S$11.2 billion.

During 2021, the Company refinanced its borrowing facilities by securing revolving credit facilities (RCF), and bank loans, while issuing notes and perpetual securities to support not only its working capital and capital expenditure (Capex) requirements, but also ensuring that the facilities are supportive of the Group's sustainability objectives and can be allocated to the operating groups post the carve-out, separation, demerger and IPO of **ofi**:

- Benchmark S$250.0 million of subordinated perpetual securities which bears a distribution rate of 5.375% for 5.5 years, before it is reset and subject to a step-up margin at the end of this period and on each date falling every five years thereafter, with an option to redeem in whole on each distribution payment date. The Company further issued an additional S$100.0 million, S$50.0 million, S$125.0 million and S$25.0 million separately to form a single series, aggregating S$550.0 million of 2021 perpetuals.

- Additional S$100.0 million 4.0% fixed rate senior notes due 2026 via a private placement on the existing consolidated S$500.0 million issued in August and September 2020.

- US$100.0 million 5-year notes due 2026 via a private placement under Olam's US$5.0 billion Euro Medium Term Note Programme at a fixed coupon of 3.25% payable semi-annually in arrears.

- Unique two-tier AtSource-linked sustainability financing facility aggregating US$1,450.0 million and consisting of a multi-year RCF of US$950 million and a three-year term loan facility of US$500.0 million. The RCF is further split into three tranches – a one-year tranche of US$190.0 million, a two-year tranche of US$380 million and a three-year tranche of US$380.0 million. Proceeds from this Facility will be used to procure various agricultural raw materials under the Company's proprietary AtSource digital sustainability platform.

- A two-year committed loan facility aggregating US$1.0 billion to finance the acquisition of OT, which will be partially repaid with proceeds from the Rights Issue.

- Annual refinancing of its European RCF aggregating US$375.0 million by wholly owned subsidiary Olam Holdings.

- Three committed loan facilities aggregating US$5.2 billion which comprise a US$1.2 billion 3-year term loan and two 18-month bridge loan facilities of US$2.0 billion each. The term loan facility will be used for general corporate purposes of the Group while the bridge loan facilities will be used to facilitate the Re-organisation. The terms of all the facility agreements include provisions that allow Olam to allocate the facilities to the three operating groups post the carve-out, separation, demerger and IPO of **ofi**.

- JPY 9 billion (approximately US$81.0 million) five-year notes due 2026 via a private placement at a fixed coupon of 1.61% payable semi-annually in arrears which will mature in September 2026.

- Second sustainability-linked fixed rate issuance of JPY 5.5 billion (approximately US$50.0 million) Medium Term Notes issued at a fixed coupon of 1.403% payable semi-annually in arrears, with a tiered, one-time step-down adjustment to the coupon rate linked to the achievement of agreed Sustainability Performance Targets.

- Medium-term samurai loan facility aggregating JPY 26.7 billion (approximately US$231.0 million) consisting of two tranches: (i) a three-year tranche of JPY 20.7 billion, and (ii) a five-year tranche of JPY 6.0 billion.

- A multi-tranche RCF aggregating US$1,250.0 million consisting of a multi-year of US$1,025.0 million and a three-year term loan facility of US$225.0 million. The RCF is further split into three tranches – a one-year tranche of US$205.0 million, a two-year tranche of US$410.0 million and a three-year tranche of US$410.0 million.

- Two-year US$150.0 million loan to support its purchase of sustainable cotton under the Better Cotton Initiative.

- A one-year club loan referencing the USD Secured Overnight Financing Rate (SOFR*) of US$150.0 million which also allows Olam to allocate the facilities to the three operating groups post the carve-out, separation, demerger and IPO of **ofi**.

In July 2021, the Company exercised its option to fully redeem and cancel its US$500.0 million perpetual securities which were issued in July 2016, and completed the Rights Issue.

Post 2021, the Company 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%. It also secured multiple bank facilities aggregating US$4.0 billion, as it continues to progress on its Re-organisation Plan. The facilities comprise a US$1.5 billion committed facility with a flexible tenor of up to three years, a US$1.0 billion working capital facility and an US$1.5 billion total increase across the two bridge loan facilities described above and will be used to facilitate the allocation of existing debt to the operating groups.

The Company is currently in the process of obtaining relevant consents for the novation of existing bank facilities to the new operating groups. The relevant consents required from bondholders and perpetual securities holders have been obtained, save for the 2023 bonds which will remain under OIL.

Cash Flow Analysis

S$ million	2021	2020	YoY
Operating Cash flow (before Interest & Tax)	1,787.3	1,697.3	90.0
Changes in Working Capital	(489.2)	(1,160.9)	671.7
Net Operating Cash Flow	**1,298.1**	**536.4**	**761.7**
Tax paid	(179.9)	(177.8)	(2.1)
Capex/ Investments	(1,721.0)	(513.8)	(1,207.2)
Free cash flow to firm (FCFF)	**(602.8)**	**(155.2)**	**(447.6)**
Net interest paid	(427.7)	(437.0)	9.3
Free cash flow to equity (FCFE)	**(1,030.5)**	**(592.2)**	**(438.3)**

Net operating cash flow for 2021 improved by S$761.7 million to S$1.3 billion as working capital requirements returned to normal following a Covid-19 impacted year during which working capital had increased significantly. Gross Capex was significantly higher at S$1.9 billion due to the strategic acquisitions completed during 2021, including the acquisition of OT (2020: S$753.5 million). Net Capex after disposals and divestments came to S$1.7 billion in 2021 (2020: S$513.8 million). Free Cash Flow to Firm (FCFF) became negative at S$602.8 million (2020: -$155.2 million). Net of interest, FCFE ended negative at S$1.0 billion (2020: -S$592.2 million).

Segmental Review and Analysis[4]

2021

Segment	Sales Volume ('000 MT)		Revenue		EBIT		Invested Capital (IC)		EBIT/IC	
S$ million	**2021**	**2020 Restated**	**2021**	**2020 Restated**	**2021**	**2020 Restated**	**31-Dec-2021**	**31-Dec-2020 Restated**	**31-Dec-2021**	**31-Dec-2020 Restated**
ofi	**4,132.6**	**3,647.0**	**14,606.2**	**12,290.4**	**875.3**	**749.5**	**11,186.8**	**9,312.1**	**8.5%**	**8.2%**
Global Sourcing	3,443.5	3,417.1	10,013.1	9,804.3	454.7	367.5	5,094.9	5,490.6	8.6%	6.7%
Ingredients & Solutions	1,260.1	993.1	6,665.4	5,254.2	420.6	382.0	6,091.9	3,821.5	8.5%	10.6%
Inter-segmental sales	(571.0)	(763.2)	(2,072.3)	(2,768.1)	-	-	-	-	-	-
Olam Agri	**40,607.1**	**39,925.5**	**31,276.9**	**22,407.9**	**752.9**	**497.0**	**5,242.0**	**4,210.7**	**15.9%**	**13.4%**
Food & Feed - Origination & Merchandising	33,878.1	33,617.8	21,952.6	15,267.5	266.9	187.0	851.1	813.2	32.1%	34.7%
Food & Feed - Processing & Value-added	4,500.2	4,294.9	4,124.3	3,166.5	275.1	250.9	2,074.0	1,859.1	14.0%	13.3%
Fibre, Industrial & Ag Services	2,228.8	2,012.8	5,200.0	3,973.9	210.9	59.1	2,316.9	1,538.4	10.9%	4.6%
OIL	**685.6**	**837.2**	**1,118.9**	**1,121.7**	**(205.6)**	**(177.0)**	**2,578.3**	**3,142.9**	**-7.2%**	**-5.2%**
De-prioritised/Exiting Assets	195.7	473.1	322.4	535.5	(26.5)	(34.7)	563.9	923.2	-3.6%	-3.2%
Gestating Businesses	442.5	351.8	773.6	581.6	(102.1)	(86.5)	2,000.2	2,219.2	-4.8%	-3.7%
Incubating Businesses (including corporate adjustments)	47.4	12.3	22.9	4.6	(77.0)	(55.8)	14.2	0.5	n.m	n.m
Total	**45,425.3**	**44,409.7**	**47,002.0**	**35,820.0**	**1,422.6**	**1,069.5**	**19,007.1**	**16,665.7**	**8.0%**	**6.6%**

Notes:

IC excludes:
(a) Gabon Fertiliser Project (31-Dec-21: S$253.7 million; 31-Dec-20: S$262.6 million), and
(b) Long-term Investment (31-Dec-21: S$31.3 million; 31-Dec-20: S$24.3 million)

[4] 2019 and 2020 financial results for the operating groups have been re-stated to reflect intra-group adjustments.

H2 2021

Segment	Sales Volume ('000 MT)		Revenue		EBIT		Invested Capital (IC)	
S$ million	**H2 2021**	**H2 2020 Restated**	**H2 2021**	**H2 2020 Restated**	**H2 2021**	**H2 2020 Restated**	**31-Dec-2021**	**31-Dec-2020 Restated**
ofi	**2,236.0**	**1,895.5**	**7,797.4**	**6,252.6**	**555.2**	**508.0**	**11,186.8**	**9,312.1**
Global Sourcing	1,859.9	1,699.7	5,299.7	4,684.8	326.3	297.8	5,094.9	5,490.6
Ingredients & Solutions	647.4	525.7	3,476.1	2,743.3	228.9	210.2	6,091.9	3,821.5
Inter-segmental sales	(271.3)	(329.9)	(978.4)	(1,175.5)	-	-	-	-
Olam Agri	**20,500.4**	**22,085.4**	**15,785.8**	**11,953.9**	**345.4**	**239.4**	**5,242.0**	**4,210.7**
Food & Feed - Origination & Merchandising	17,224.7	18,649.4	11,021.8	8,337.7	121.6	97.0	851.1	813.2
Food & Feed - Processing & Value-added	2,233.6	2,480.6	2,240.9	1,841.0	145.1	135.6	2,074.0	1,859.1
Fibre, Industrial & Ag Services	1,042.1	955.4	2,523.1	1,775.3	78.7	6.8	2,316.9	1,538.4
OIL	**321.5**	**370.5**	**585.3**	**533.0**	**(119.5)**	**(101.6)**	**2,578.3**	**3,142.9**
De-prioritised/Exiting Assets	105.2	161.0	178.8	198.8	(13.9)	(31.5)	563.9	923.2
Gestating Businesses	178.2	197.3	387.9	329.6	(66.4)	(41.3)	2,000.2	2,219.2
Incubating Businesses (including corporate adjustments)	38.2	12.2	18.6	4.6	(39.2)	(28.8)	14.2	0.5
Total	**23,057.9**	**24,351.3**	**24,168.5**	**18,739.5**	**781.0**	**645.8**	**19,007.1**	**16,665.7**

Notes:

IC excludes:
(a) Gabon Fertiliser Project (31-Dec-21: S$253.7 million; 31-Dec-20: S$262.6 million), and
(b) Long-term Investment (31-Dec-21: S$31.3 million; 31-Dec-20: S$24.3 million)

Overview of Operating Groups: ofi, Olam Agri and OIL

Sales Volume

In 2021, Olam Agri accounted for the largest share of the Group's sales volume at 89.4% while **ofi** and OIL accounted for 9.1% and 1.5% respectively.

Revenue

In 2021, Olam Agri's share of Group revenue was 66.5% while **ofi** and OIL accounted for the balance at 31.1% and 2.4% respectively.

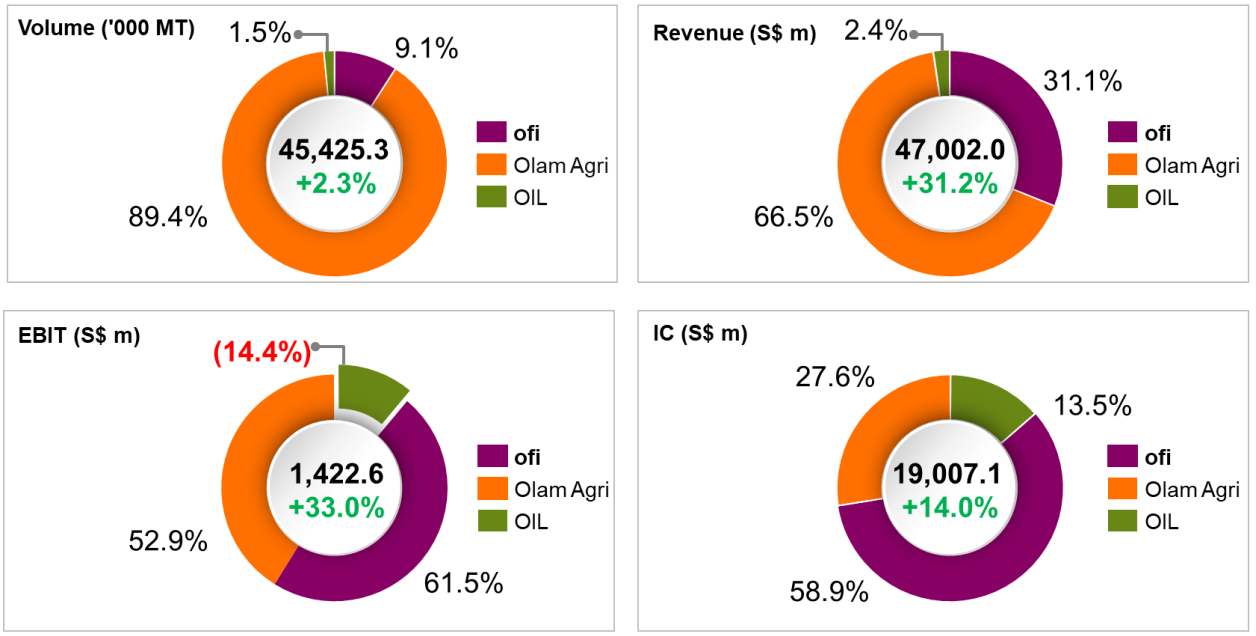
EBIT

In 2021, **ofi**'s share of Group EBIT was 61.5% while Olam Agri's share was 52.9%. OIL's share was a negative 14.4% due to the nature of its role of carrying de-prioritised, gestating and incubating businesses and assets.

Invested Capital

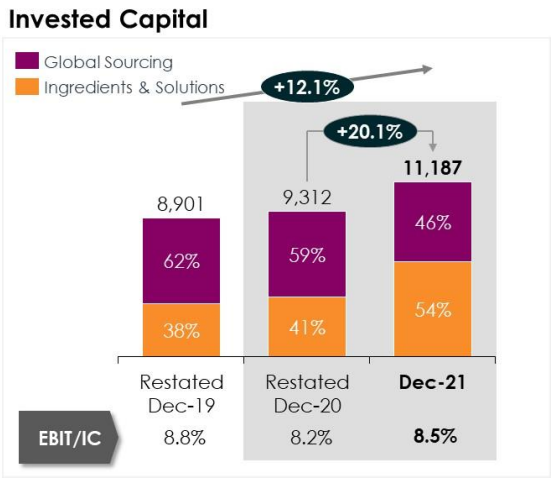
For 2021, **ofi**'s share of Invested Capital was 58.9% while Olam Agri's share was 27.6%. OIL accounted for the balance of 13.5%.

Overview of ofi, Olam Agri and OIL in 2021



ofi: Operating Group Level Highlights[5]





Sales volume in **ofi** increased 13.3% with strong growth coming predominantly from the Ingredients & Solutions segment. Similarly, revenues rose 18.8% to S$14.6 billion by the increase in sales revenues from both segments.

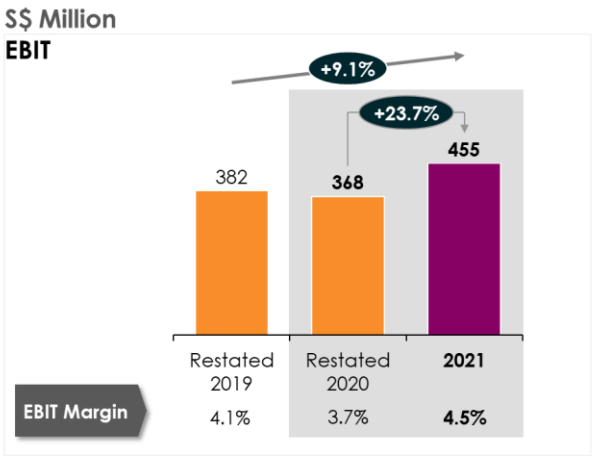
ofi posted strong EBIT growth of 16.8% to S$875.3 million year-on-year, demonstrating a strong recovery from the impact that Covid-19 had on some of its businesses in 2020 with growth coming from both the Global Sourcing and Ingredients & Solutions segments.

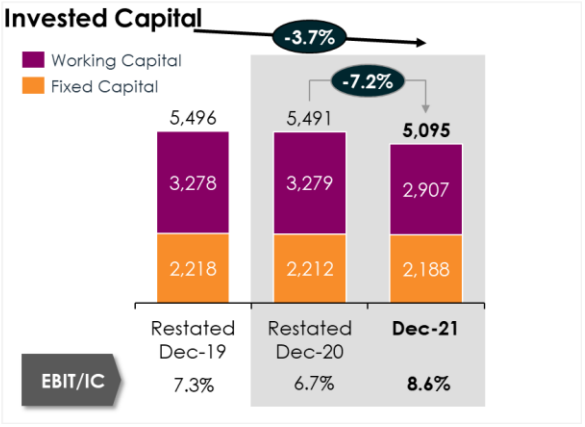
Invested capital increased by 20.1% or S$1.9 billion reflecting the investments in the Ingredients & Solutions segment and in particular the acquisition of OT and higher input prices leading to increased working capital.

EBIT on average invested capital (EBIT/IC) for the year increased from 8.2% in 2020 to 8.5% in 2021 driven by the strong growth in EBIT, despite higher invested capital.

[5] **ofi's** segments Ingredient Sourcing & Supply chain have been renamed as Global Sourcing and Value-added Ingredients & Solutions to Ingredients & Solutions.

ofi Segmental Level Highlights: 1) Global Sourcing[6]





Global Sourcing reported a 0.8% increase in sales volume in 2021 with increase in Dairy production and strong demand for some nut products being offset by reduced Cocoa volumes. Revenues grew 2.1%, slightly higher than volume growth, due to higher prices for some products like Coffee and Dairy.

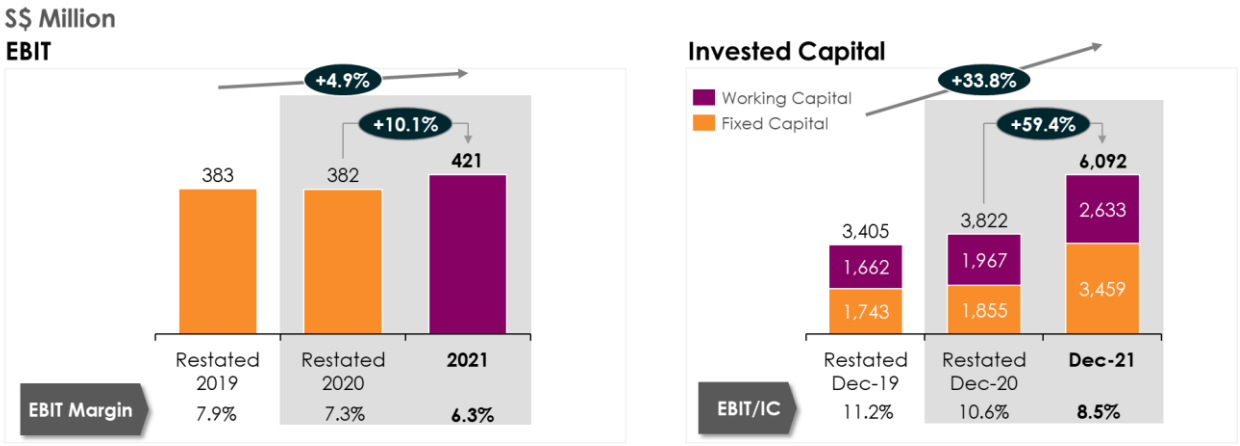
The segment registered strong EBIT growth of 23.7% to S$454.7 million, reflecting a strong bounce-back from the impact of Covid-19 in the prior year particularly in the Coffee, Cocoa, Dairy and Nuts platforms. The Nuts upstream (almonds) business on the other hand performed below plan due to lower selling prices.

Invested capital decreased by 7.2% or S$395.7 million during 2021 driven principally by improvements in operational cycle times which were partly offset by increased input prices for some products.

EBIT/IC for the year increased from 6.7% in 2020 to 8.6% in 2021 driven by a combination of strong growth in EBIT as well as a lower invested capital base.

[6] The segment now includes coffee plantations, which were previously classified under OIL's De-prioritised/Exiting Assets.

ofi Segmental Level Highlights: 2) Ingredients & Solutions



The Ingredients & Solutions segment reported a strong 26.9% growth in both volumes and revenues in 2021, driven by capacity expansion, product extensions and acquisitions. EBIT increased by 10.1% to S$420.6 million in 2021.

The segment saw improved performances from the Cocoa, Coffee, Dairy and Nuts ingredients and solutions platforms.

The margins in the Spices business especially in the US were impacted by lower farming and manufacturing yields, increasing costs and supply chain disruptions, which were partially offset by contribution from the new acquisitions.

Integration of the OT acquisition continues to proceed well, and the business has been able to identify additional synergies from the transaction. However, in 2021, labour cost inflation and supply chain disruptions in the US had an adverse impact on margins, which are expected to return to normal levels in 2022.

Invested capital increased significantly by 59.4% or S$2.3 billion on higher fixed and working capital. Fixed capital grew with the acquisitions in the US, as well as organic growth initiatives, such as the greenfield projects in Soluble Coffee and Dairy processing in Brazil and New Zealand respectively, and capacity expansion in its Cocoa processing and co-manufacturing facilities in Cote d'Ivoire and Vietnam respectively. Working capital also grew on acquisitions as well as increased inventory carrying value, mainly due to higher input prices.

Despite EBIT growth, EBIT/IC for the year reduced from 10.6% in 2020 to 8.5% in 2021 due to the organic and inorganic growth investments made during the year, the annualised earnings from which are yet to come in.

Olam Agri: Operating Group Level Highlights



2021 was a record year for Olam Agri as it continued to deliver on a strong growth trajectory in its Food & Feed segments and its non-food segment, now known as Fibre, Industrial & Ag Services, bounced back strongly from the adverse impacts from Covid-19 in 2020.

Olam Agri's revenue grew by 39.6% to S$31.3 billion on higher prices in food staples and industrial products, particularly in Grains, Rice, Cotton, Edible Oils and Rubber, even as sales volume grew at a moderated pace of 1.7% in 2021. All three segments contributed to the growth in volumes and revenues.

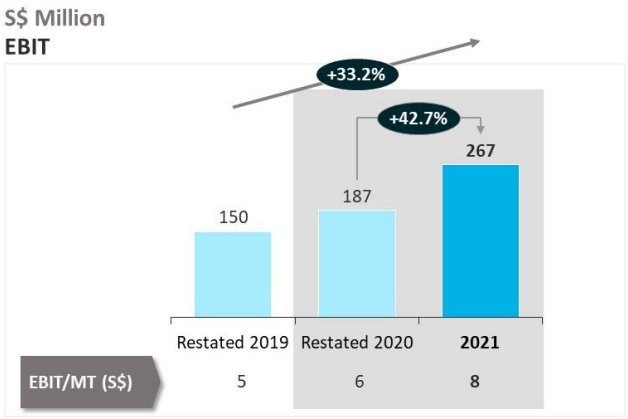
Olam Agri recorded a strong EBIT growth rate of 51.5% at S$752.9 million in 2021 with per tonne margin rising from S$12 in 2020 to S$19 in 2021.

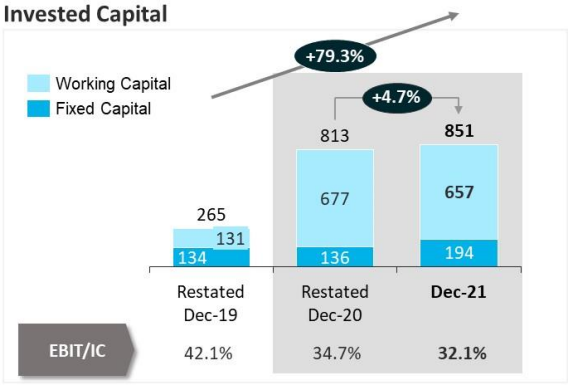
In Food & Feed segments, Grains, Integrated Feed & Proteins had an exceptional year in 2021. The Rice business reported an all-round, strong performance across its farming, milling, origination and merchandising, and distribution activities, which continued to benefit from our sourcing capabilities, strong demand, market share gains from the exit of certain market participants and the resulting market consolidation in Africa since the second half of 2020. Edible Oils experienced a recovery amid strong market demand growth in key markets.

Fibre, Agri-industrials & Ag Services segment showed a sharp turnaround from the prior year with strong growth in Cotton, Rubber and Wood Products.

Invested capital increased by 24.5% or S$1.0 billion in 2021 primarily due to the significant rise in invested capital in the Fibre, Industrial & Ag Services segment, which was largely caused by the decade-high cotton prices. Despite higher invested capital, overall EBIT/IC grew from 13.4% in 2020 to 15.9% in 2021 on the strong improvement in earnings.

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





The Food & Feed - Origination & Merchandising segment of Olam Agri posted a revenue growth of 43.8% as a result of higher grains, rice and edible oils prices. Sales volumes were up marginally in 2021. Volume growth is expected to stabilise going forward in existing markets.

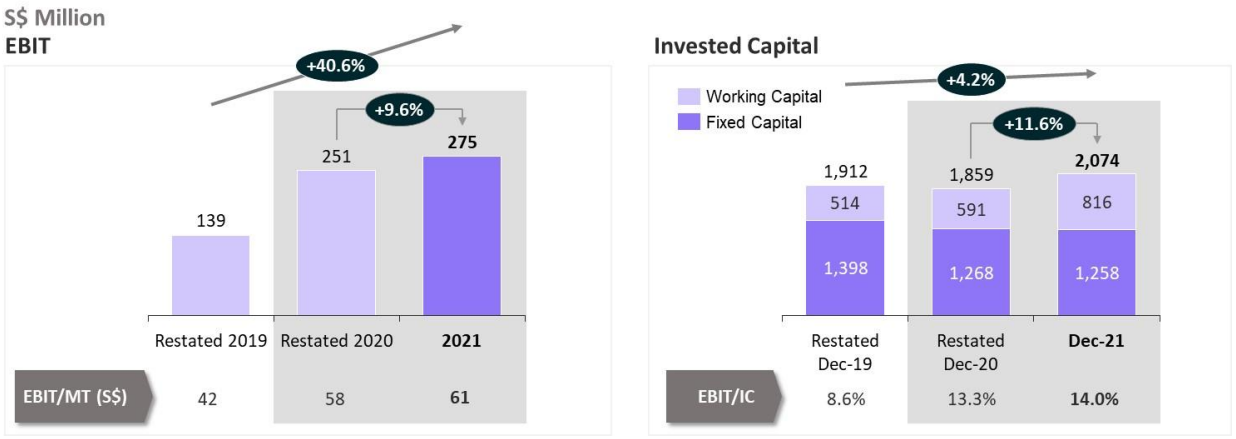
EBIT was up by 42.7% at S$266.9 million, raising margin per tonne from S$6 in 2020 to S$8 in 2021. Our strong Grains origination & merchandising volumes in corn and wheat between Brazil and the Black Sea into Asia and Middle-East, combined with a strong customer relationships, disciplined risk management and good freight management led to its improved performance in both top line and EBIT compared with the prior year.

The surge in rice exports from India amid the supply squeeze in the key producing countries in Asia in 2020 positioned us well for entering new markets, including North Africa and the Middle-East during 2021 where there was a strong pick up in demand. Overall, our margins for Rice were up, resulting in a significant improvement in EBIT over 2020.

Edible Oils trading also contributed to the growth in EBIT as out-of-home consumption of edible oils largely resumed in Asia and Africa to pre-Covid-19 levels. The Indian ban on refined palm olein imports was also lifted in June 2021, boosting its results.

Invested capital increased by 4.7% or S$ 37.9 million in 2021 as fixed capital increased with the recognition of right-of-use assets on freight vessels. The segment ended the year with an EBIT/IC of 32.1% against 34.7% in 2020.

***Olam Agri Segmental Level Highlights: 2) Food & Feed - Processing & Value-added*[7]**



The Food & Feed - Processing & Value-added segment recorded a 4.8% increase in sales volume as we gained higher market share for Wheat milling & Pasta, Animal Feed & Proteins, Edible Oils processing, Rice milling and distribution in 2021. Revenues surged by 30.2% primarily due to higher selling prices and market share growth.

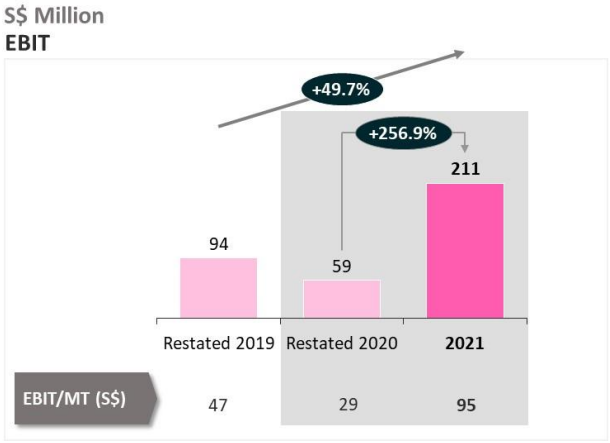
EBIT rose by 9.6% to S$275.1 million in 2021 and margin per tonne increased from S$58 in 2020 to S$61 in 2021. Grains' Wheat Milling & Pasta manufacturing and the Animal Feed business performed well during the year as capacity utilisation across these operations and margins for poultry and fish feed manufacturing improved. Our branded and premium Rice distribution business continued to enjoy all-round performance across markets in Africa, particularly in Ghana, Cameroon and Mozambique where we have built our own distribution networks along with a strong brand franchise. Amid growing local demand, our integrated Rice farming and milling in Nigeria also fared better than 2020. Despite the ban on the import of CPO into Nigeria, our Edible Oil processing business was able to source CPO locally for processing and distribution to meet the increase in local consumption.

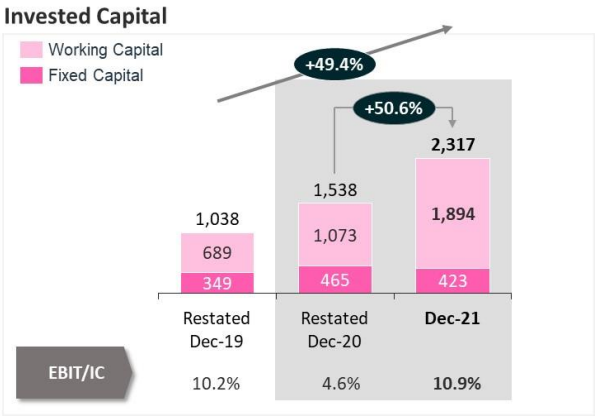
The good performance by Animal Feed & Proteins, Rice and Edible Oils was however partly offset by the underperformance of the sesame business. The sesame business has since been restructured to focus on trading from selected origins and value-added processing in Nigeria.

Invested capital increased by 11.6% or S$214.9 million in 2021 as Olam Agri expanded its Rice inventory in Africa to ensure it could meet anticipated demand in the face of Covid-19 and supply chain disruptions. Olam Agri also procured additional paddy at competitive prices to ensure certainty of feedstock availability for its expanded milling capacity in 2022. Overall, returns for the segment improved as EBIT/IC grew from 13.3% in 2020 to 14.0% in 2021.

[7] The segment includes specialty grains and seeds, such as sesame, chia seeds and quinoa, which were previously under **ofi**.

Olam Agri Segmental Level Highlights: 3) Fibre, Agri-industrials & Ag Services[8]





Sales volume at Olam Agri's Fibre, Industrial & Ag Services segment grew by 10.7% in 2021 on higher Cotton volumes while revenues went up by 30.9% on both volume growth and higher prices across most products.

EBIT more than trebled during the year to reach S$210.9 million. Strong recovery in cotton demand and the significant improvement in capacity utilisation of textile mills in the major textile producing centres, such as China, the Indian sub-continent, Vietnam and Indonesia, supported the recovery and growth of our Cotton business. Australia's cotton production, which was affected by the drought in 2020, also normalised during the year, leading to higher ginning income compared with 2020. Its results were further enhanced by a strong full year contribution from the integrated ginning operations in Cote d'Ivoire, Chad, and NSCT in 2021.

The Rubber processing business in Cote d'Ivoire benefited from improved volumes and margins as prices rebound during the year. Our sustainable forestry concessions and saw milling operations in the Republic of Congo fared better than the year before as the demand for sustainable forestry products in developed markets improved on higher government spending for the construction sector, particularly in Europe. Commodity Financial Services had a steady performance in 2021.

As a result of the above, EBIT per tonne jumped from S$29 in 2020 to S$95 in 2021. Invested capital was significantly higher, rising by 50.6% or S$ 778.6 million during 2021. This was mainly due to working capital rising as a result of the decade-high cotton prices in Q4 2021 as well as prepayment for cotton purchases to secure the contracts. Despite the increase in invested capital, EBIT/IC recovered strongly from a low of 4.6% in 2020 to deliver 10.9% in 2021.

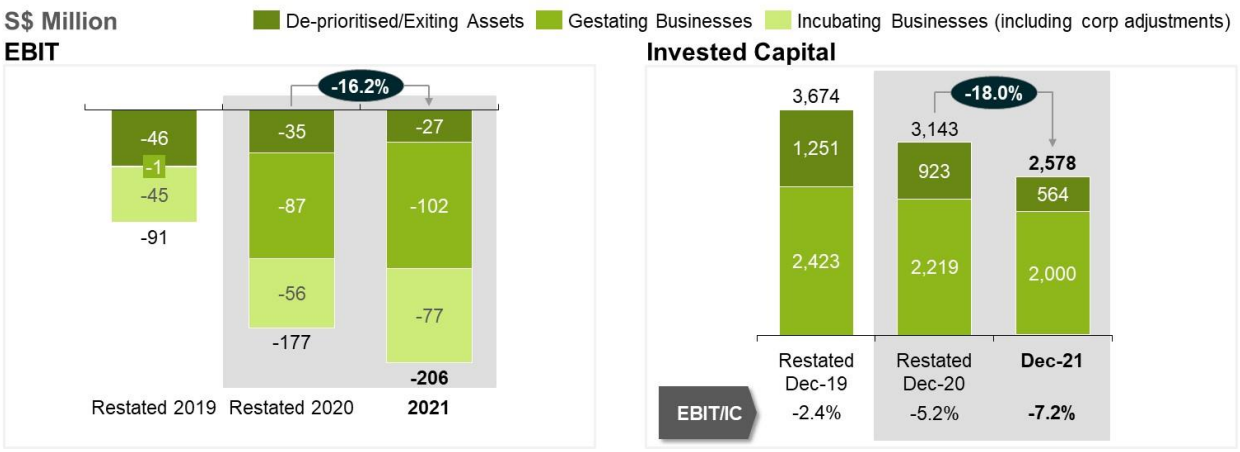
[8] Fibre & Ag Services has been renamed as Fibre, Industrial & Ag Services to include the Wood Products sustainable forestry concessions and saw milling operations in the Republic of Congo, Rubber processing in Cote d'Ivoire and its related supply chain operations.

OIL: Operating Group Level Highlights

OIL continued to see its top line decline as sales volumes fell by 18.1% in 2021 post the divestments and closures of de-prioritised assets, including the shutdown OTP and the restructuring of NZFSU in 2021, the exit from sugar refining in Indonesia and the disposal of one of our two sugar mills in India in 2020. However, revenues were down just slightly, helped by higher prices during 2021.

OIL ended the year with EBIT losses of S$205.6 million (2020: -S$177.0 million) as it continued to invest in developing Gestating Assets to maturity and incubating new Engine 2 initiatives.

Invested capital decreased by 18.0% or S$564.7 million primarily on divestments, closures and the related restructuring.



OIL Segmental Level Highlights: 1) De-prioritised/Exiting Assets

The reduction in losses for the De-prioritised/Exiting Assets from S$34.7 million in 2020 to S$26.5 million in 2021 was primarily due to lower operational losses from NZFSU and Wood Products business in Southeast Asia, and higher profits from Edible Oil processing in Mozambique.

Approximately S$359.3 million in invested capital was released during 2021. By end-2021, we have fully exited most of the de-prioritised assets ear-marked for divestments in the Strategic Plan and are expected to complete the divestment of the remaining seven assets by end-2024.

OIL Segmental Level Highlights: 2) Gestating Businesses[9]

Gestating Assets reported higher losses at S$102.1 million (2020: -S$86.5 million) due to the rising period costs incurred by OPG as its plantations reached maturity levels, although some of these costs were offset by Packaged Foods' better performance. Packaged Foods reported higher volumes, revenues and margins. Most of its product categories improved their market shares across both Nigeria and Ghana.

The ARISE infrastructure and logistics businesses, however, continued to be affected by the Covid-19 restrictions and the associated economic impact on the region's ports, logistics and industrial sectors. The ARISE group's airport, general cargo and mineral cargo operations had therefore been operating below capacity since the onset of the pandemic, resulting in the overall weaker performance by the segment.

Invested Capital in Gestating Businesses came down by 9.9% or S$219.0 million mainly on depreciation and currency translation impact.

Post 2021, in early February 2022, the Group announced that it has entered into definitive agreements with Africa Transformation and Industrialization Fund, a management led buy-out group, for the 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 an aggregate cash consideration of US$189.0 million, which is in line with the carrying value of the investments. Upon completion in Q2 2022, Olam will fully exit its investments in ARISE IIP and ARISE IS. Its remaining investment in the group is a minority 32.4% stake in ARISE Ports & Logistics ("ARISE P&L").

OIL Segmental Level Highlights: 3) Incubating Businesses

We continued to invest and make good progress in incubating 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 business, and a food and agri sector Digital and Sustainability platform.

[9] Results of Gestating Businesses include those of shared services provided by Olam Technology and Business Services (OTBS), to all operating groups, including ofi post its demerger through a long-term service agreement. OTBS will also provide and build technology and business solutions for third parties.

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	2021	2020	H2 2021	H2 2020
Other Income^	63.8	61.2	31.2	37.4
Other Income	77.5	136.2	39.9	36.1
Less: Exceptional items	13.7	75.0	8.7	(1.3)
Cost of sales^	(43,095.1)	(32,586.3)	(21,963.2)	(17,081.4)
Cost of sales	(43,095.1)	(32,663.2)	(21,949.3)	(17,116.8)
Less: Exceptional items	-	(76.9)	13.9	(35.4)
Selling, general and administrative expenses^	(1,842.1)	(1,583.9)	(1,040.1)	(879.9)
Other operating expenses^	(196.3)	(38.7)	(200.3)	172.2
Other expenses	(2,271.3)	(2,147.6)	(1,467.0)	(1,231.8)
Less: Exceptional items	(232.9)	(525.0)	(226.6)	(524.1)
Net gain in fair value of biological assets^	97.7	(60.3)	104.1	(64.1)
Net gain in fair value of biological assets	69.2	(60.3)	75.5	(64.1)
Less: Exceptional items	(28.5)	-	(28.5)	-
Share of results from joint ventures and associates^	19.8	18.8	14.1	10.8
Share of results from joint ventures and associates	19.8	113.9	14.1	9.2
Less: Exceptional items	-	95.1	-	(1.6)
Net Finance costs^	(411.2)	(415.7)	(214.0)	(185.5)
Finance income	92.3	102.8	50.2	45.0
Finance costs	(530.4)	(518.5)	(291.1)	(230.5)
Less: Exceptional items	(26.9)	-	(26.9)	-
Taxation^	(133.9)	(43.5)	(87.3)	(14.8)
Income tax expense	(133.9)	(44.0)	(87.3)	(15.3)
Less: Exceptional items	-	(0.5)	-	(0.5)

^ as stated in MD&A

Annex 2: Olam Group Segmentals and Consolidated Financials (2019-2021)[10]

'000 MT / S$ m

Olam Food Ingredients (ofi)	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	3,584.3	3,647.0	4,132.6	1,895.5	2,236.0
Revenue	11,765.3	12,290.4	14,606.2	6,252.6	7,797.4
EBIT	764.8	749.5	875.3	508.0	555.2
EBIT Margin	6.5%	6.1%	6.0%	8.1%	7.1%
Fixed Capital	3,961.2	4,066.9	5,646.8	4,066.9	5,646.8
Working Capital	4,940.1	5,245.2	5,540.0	5,245.2	5,540.0
Invested Capital	8,901.3	9,312.1	11,186.8	9,312.1	11,186.8
EBIT/IC	8.8%	8.2%	8.5%	-	-

ofi - Global Sourcing	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume*	3,449.0	3,417.1	3,443.5	1,699.7	1,859.9
Revenue*	9,381.6	9,804.3	10,013.1	4,684.8	5,299.7
EBIT	382.3	367.5	454.7	297.8	326.3
EBIT Margin	4.1%	3.7%	4.5%	6.4%	6.2%
Fixed Capital	2,218.3	2,212.0	2,187.8	2,212.0	2,187.8
Working Capital	3,278.0	3,278.6	2,907.1	3,278.6	2,907.1
Invested Capital	5,496.3	5,490.6	5,094.9	5,490.6	5,094.9
EBIT/IC	7.3%	6.7%	8.6%	-	-

*Includes inter-segmental sales volume and revenue

ofi - Ingredients & Solutions	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume*	922.9	993.1	1,260.1	525.7	647.4
Revenue*	4,826.5	5,254.2	6,665.4	2,743.3	3,476.1
EBIT	382.6	382.0	420.6	210.2	228.9
EBIT Margin	7.9%	7.3%	6.3%	7.7%	6.6%
Fixed Capital	1,743.0	1,854.9	3,459.0	1,854.9	3,459.0
Working Capital	1,662.1	1,966.6	2,632.9	1,966.6	2,632.9
Invested Capital	3,405.1	3,821.5	6,091.9	3,821.5	6,091.9
EBIT/IC	11.2%	10.6%	8.5%	-	-

*Includes inter-segmental sales volume and revenue

[10] The excel spreadsheet of the Olam Group segmentals and consolidated financials (2019-2021) can be downloaded from https://www.olamgroup.com/investors/company-information/financials-dashboard.html

'000 MT / S$ m

Olam Global Agri (Olam Agri)	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	34,948.0	39,925.5	40,607.1	22,085.4	20,500.4
Revenue	19,862.2	22,407.9	31,276.9	11,953.9	15,785.7
EBIT	383.6	497.0	752.9	239.4	345.4
EBIT/MT	11	12	19	11	17
Fixed Capital	1,881.1	1,869.4	1,874.4	1,869.4	1,874.4
Working Capital	1,333.1	2,341.3	3,367.6	2,341.3	3,367.6
Invested Capital	3,214.2	4,210.7	5,242.0	4,210.7	5,242.0
EBIT/IC	13.2%	13.4%	15.9%	-	-

Olam Agri - Food & Feed - Origination & Merchandising	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	29,639.4	33,617.8	33,878.1	18,649.4	17,224.7
Revenue	13,413.8	15,267.5	21,952.6	8,337.7	11,021.8
EBIT	150.4	187.0	266.9	97.0	121.6
EBIT/MT	5	6	8	5	7
Fixed Capital	134.1	136.2	193.5	136.2	193.5
Working Capital	130.5	677.0	657.6	677.0	657.6
Invested Capital	264.6	813.2	851.1	813.2	851.1
EBIT/IC	42.1%	34.7%	32.1%	-	-

Olam Agri - Food & Feed - Processing & Value-added	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	3,326.1	4,294.9	4,500.2	2,480.6	2,233.6
Revenue	2,246.4	3,166.5	4,124.3	1,841.0	2,240.9
EBIT	139.1	250.9	275.1	135.6	145.1
EBIT/MT	42	58	61	55	65
Fixed Capital	1,398.0	1,268.3	1,257.7	1,268.3	1,257.7
Working Capital	513.6	590.8	816.3	590.8	816.3
Invested Capital	1,911.6	1,859.1	2,074.0	1,859.1	2,074.0
EBIT/IC	8.6%	13.3%	14.0%	-	-

Olam Agri - Fibre, Industrial & Ag Services	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	1,982.5	2,012.8	2,228.8	955.4	1,042.1
Revenue	4,202.0	3,973.9	5,200.0	1,775.3	2,523.1
EBIT	94.1	59.1	210.9	6.8	78.7
EBIT/MT	47	29	95	7	76
Fixed Capital	349.0	464.9	423.2	464.9	423.2
Working Capital	689.0	1,073.5	1,893.7	1,073.5	1,893.7
Invested Capital	1,038.0	1,538.4	2,316.9	1,538.4	2,316.9
EBIT/IC	10.2%	4.6%	10.9%	-	-

'000 MT / S$ m

Olam International (OIL)	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	1,219.6	837.2	685.6	370.5	321.5
Revenue	1,365.2	1,121.7	1,118.9	533.0	585.3
EBIT	(91.1)	(177.0)	(205.6)	(101.6)	(119.5)
Fixed Capital	3,180.4	2,798.8	2,509.4	2,798.8	2,509.4
Working Capital	493.3	344.1	68.9	344.1	68.9
Invested Capital	3,673.7	3,142.9	2,578.3	3,142.9	2,578.3
EBIT/IC	-2.4%	-5.2%	-7.2%	-	-

OIL - De-prioritised/Exiting Assets	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	902.7	473.1	195.7	161.0	105.2
Revenue	852.8	535.5	322.4	198.8	178.8
EBIT	(45.9)	(34.7)	(26.5)	(31.5)	(13.9)
Fixed Capital	936.8	793.5	532.5	793.5	532.5
Working Capital	313.9	129.7	31.4	129.7	31.4
Invested Capital	1,250.6	923.2	563.9	923.2	563.9
EBIT/IC	-3.3%	-3.2%	-3.6%	-	-

OIL - Gestating Businesses	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	316.9	351.8	442.5	197.3	178.2
Revenue	512.4	581.6	773.6	329.6	387.9
EBIT	(0.6)	(86.5)	(102.1)	(41.3)	(66.4)
Fixed Capital	2,243.6	2,004.5	1,961.7	2,004.5	1,961.7
Working Capital	179.5	214.7	38.5	214.7	38.5
Invested Capital	2,423.1	2,219.2	2,000.2	2,219.2	2,000.2
EBIT/IC	0.0%	-3.7%	-4.8%	-	-

OIL - Incubating Businesses (including corporate adjustments)	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	-	12.3	47.4	12.2	38.2
Revenue	-	4.6	22.9	4.6	18.6
EBIT	(44.6)	(55.8)	(77.0)	(28.8)	(39.2)
Fixed Capital	0.0	0.8	15.2	0.8	15.2
Working Capital	-	(0.3)	(1.0)	(0.3)	(1.0)
Invested Capital	0.0	0.5	14.2	0.5	14.2
EBIT/IC	n.m	n.m	n.m	-	-

'000 MT / S$ m

Olam Group Consolidated	2019 Restated	2020 Restated	2021	H2 2020 Restated	H2 2021
Volume	39,751.8	44,409.7	45,425.3	24,351.3	23,057.9
Revenue	32,992.7	35,820.0	47,002.0	18,739.6	24,168.5
EBIT	1,057.3	1,069.5	1,422.6	645.8	781.0
EBIT/MT	27	24	31	27	34
EBIT Margin	3.2%	3.0%	3.0%	3.4%	3.2%
Fixed Capital	9,022.8	8,735.1	10,030.6	8,735.1	10,030.6
Working Capital	6,766.6	7,930.6	8,976.5	7,930.6	8,976.5
Invested Capital	15,789.3	16,665.7	19,007.1	16,665.7	19,007.1
EBIT/IC	6.9%	6.6%	8.0%	-	-
ROIC	4.9%	3.7%	5.8%	-	-
Return on Beginning-of-period Equity	4.7%	3.4%	11.7%	-	-
Operational Return on Beginning-of-period Equity (ROE)	7.9%	11.2%	16.8%	-	-
Free cash flow before capex/ investments	1,200.5	161.3	868.3	-	-

Invested Capital excludes:					
1. Gabon Fertiliser Project	240.7	262.6	253.7	262.6	253.7
2. Long Term Investment	71.5	24.3	31.3	24.3	31.3

Annex 3: Description of Operating Groups

ofi: Comprising industry-leading Cocoa, Coffee, Dairy, Nuts and Spices businesses, **ofi** is a global leader offering sustainable, natural, value-added food ingredients so consumers can enjoy the healthy and indulgent products they love. **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 emerging markets, especially Asia and Africa, to meet the rising demand and 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 30 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.

OIL: As the holding company of **ofi** and Olam Agri, Olam International ("OIL") provides interim stewardship to the operating groups until IPOs and demergers are completed. OIL is responsible for the divestment of non-core assets and businesses identified in the 2019-2024 Strategic Plan and redeploying the capital released. In addition, it will focus on developing our three gestating businesses – Olam Palm Gabon ("OPG"), Packaged Foods and the Infrastructure and Logistics business ARISE Ports & Logistics while exploring opportunities to partially or fully monetise these investments over time. OIL is also responsible for incubating new platforms for growth (Olam Ventures) and providing shared services to the operating groups as well as building technology and business solutions to third party services (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

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.*