



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

EXTRAORDINARY GENERAL MEETING TO BE HELD ON 4 JULY 2025

RESPONSES TO QUESTIONS

Olam Group Limited (“Olam Group” or the “Company”, together with its subsidiaries “the Group”) would like to thank all shareholders who have submitted their questions by 26 June 2025, 3.00 pm Singapore time ahead of the Company’s Extraordinary General Meeting (“EGM”), which will be held in person and virtually on 4 July 2025 at 3:00 pm Singapore time.

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

The minutes of the EGM will also be made available as described above within a month from the date of the EGM.

By Order of the Board

Michelle Tanya Kwek
Company Secretary

Singapore, 29 June 2025

About Olam Group Limited

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

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

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

Since June 2020, Olam Group has been included in the FTSE4Good Index Series, a global sustainable investment index series developed by FTSE Russell, following a rigorous assessment of Olam’s supply chain activities, impact on the environment and governance transparency. The FTSE4Good Index Series identifies companies that demonstrate strong Environmental, Social and Governance (ESG) practices and is used by a variety of market participants to create and assess responsible investment funds.

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



Olam is located at 7 Straits View, Marina One East Tower #20-01, Singapore 018936.
Telephone: +65 63394100, Facsimile: +65 63399755.

APPENDIX

1. What is the selling price proposed to the buyer?

ANSWER:

Olam Group has proposed to sell a 44.58% stake in Olam Agri (Tranche 1) to SALIC for approximately US\$1.78 billion, at an implied 100% equity valuation for Olam Agri of US\$4.0 billion and sell its remaining 19.99% stake in Olam Agri (Tranche 2) to SALIC on exercise of the Call/Put Option at the same valuation. In addition, the final valuation will include closing adjustments for both tranches plus 6% IRR for the Call/Put Option (refer to page 29 of the EGM Circular for the sales consideration for both tranches).

The implied 100% equity valuation of US\$4.0 billion represents a 14% premium to the US\$3.5 billion equity valuation for 100% of Olam Agri at which SALIC first acquired a 35.43% stake in the company, which was completed in December 2022, and a 3.47x price-to-book value multiple to Olam Agri's book value of US\$1.15 billion (S\$1.52 billion) as of 31 December 2023.

2. On page 36, kindly explain the net profit attributable to shareholders upon SPA completion and upon SPA and Option completion.

ANSWER:

Page 36 of the EGM Circular illustrates the proforma financial impact of the SPA completion on the Group's adjusted net profit attributable to shareholders as well as the proforma financial impact of both the SPA completion and Option completion, ie combined sale totalling 64.57% stake based on the Group's 2024 financial results. (Adjusted net profit refers to profit after tax, non-controlling interests and accrued capital securities distribution.) On SPA completion, the proforma adjusted net profit attributable to shareholders would reduce from S\$53.8 million to negative S\$57.7 million, after adding back interest cost savings on approximately US\$1.76 billion (approximately S\$2.41 billion) of debt estimated to be repaid using the net proceeds from the proposed sale, but excludes the gain on disposal of US\$1.84 billion (approximately S\$2.43 billion).

On completion of both SPA and Option, the proforma adjusted net profit attributable to shareholders would come down to negative S\$43.8 million after adding back interest cost savings on approximately US\$1.88 billion (approximately S\$2.56 billion) of debt estimated to be repaid using the net proceeds from the proposed sale, without the gain on disposal of US\$1.84 billion (approximately S\$2.43 billion).

3. The share price has been suppressed for a long time. How is the Company going to increase the ROE for the shareholders.

ANSWER:

The proposed sale of Olam Agri to SALIC was done at an implied 100% equity valuation of US\$4.0 billion for Olam Agri alone. It is difficult to ascertain what proportion of this, if any, the

market has imputed into Olam Group's share price at this stage, but we do believe the current share price does not fully reflect the intrinsic value comprising the expected proceeds from the Olam Agri stake sale, the **ofi** business and the Remaining Olam Group assets and businesses.

It is difficult to speculate as to why this is the case, but one reason could be the application of a "conglomerate discount" at the Olam Group level. Going forward, as we execute the Updated 2025 Reorganisation Plan, further information will become available, as appropriate, which should allow for a better understanding of the standalone value potential of **ofi** and the value from the potential proceeds from the divestment of the Remaining Olam group's assets and businesses. We believe that this would eventually get reflected in the Olam Group share price.

As announced on 14 April 2025, the Company will, as part of its Updated 2025 Reorganisation Plan, focus on achieving three key objectives, all of which would contribute to improving ROE:

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

In addition, the continued focus by **ofi** to improve its margins in existing businesses and by investing in higher-return growth initiatives would also help improve ROE.

4. This transaction has a detrimental effect on earnings. If this transaction is approved, it will result in Olam making a loss of 1.53 cents. However, the gearing would improve 2.79x to 1.29x. Is the Company desperately selling off Olam Agri to SALIC because it needs to raise cash to pare down its debt obligations? Please explain and elaborate.

ANSWER:

The above-mentioned EPS of (1.53) cents is illustrative 2024 proforma financial impact from the transaction, which does not include capital gains estimated at 64 cents per share from the proposed sale.

The core elements of our Re-organisation Plan as explained at the AGM include: 1) Clear separation of Olam Group into three distinct operating entities – **ofi**, Olam Agri and Remaining Olam Group; 2) Attract natural, long-term owners for each operating entity and business, who are fully aligned with the long-term strategy of these businesses, via private and public capital raising options; 3) Illuminate standalone intrinsic value of **ofi** and Olam Agri; and 4) Remove conglomerate and holdco discount with steps 2 and 3.

The sale of Olam Agri is consistent with the above core elements of our Re-organisation Plan.

Proceeds from the sale of 64.57% stake in Olam Agri are a critical enabler for achieving the three key objectives under the Updated 2025 Re-organisation Plan.

5. Post the sale of Olam Agri, the Company did not explicitly mention that they would pay any dividends to shareholders. However, it was eluded that dividends might be paid from monetising the remaining Olam Group. Besides our 60% stake in Olam Rubber Gabon and our Gabon Fertiliser Project, please indicate what other assets constitute the remaining Olam Group? And what are the carrying values of the various assets in the remaining Olam Group? Please detail and elaborate.

ANSWER:

As stated in our responses to shareholders' questions dated 20 April 2025, we remain committed to our goal of responsibly divesting all the businesses and assets in the Remaining Olam Group and distributing the proceeds to our shareholders as special dividends as part of the Updated Reorganisation Plan.

Collectively, the Remaining Olam Group has assets and businesses consisting of Olam Global Holdco (Olam Palm Gabon, Olam Rubber Gabon, Rusmolco, Caraway, ARISE P&L, Mantra, Gabon Fertiliser Project), Mindsprint and Nupo Ventures (Jiva, Terrascope), with a total invested capital of approximately S\$2.7 billion as of end-2024.

As we are embarking on a process of responsibly divesting these assets and businesses of the Remaining Olam Group, a further disaggregation at the level of individual assets/businesses would not be appropriate as it could compromise our ability to secure the best value for these assets.

6. The Company announced the divestment of the remaining 32.4% stake in ARISE P&L for US\$175 million on 17 April 2025. "ARISE P&L" is classified as part of the remaining Olam Group. Will special dividends be paid out from the proceeds of the divestment of the remaining 32.4% stake in ARISE P&L? Please detail and elaborate.

ANSWER:

Yes, the proceeds from the sale of ARISE P&L will form part of the special dividends to be paid to shareholders progressively upon completion of the planned divestments.

7. Post the transaction of the sale of Olam Agri, Mr Sunny Verghese and Mr N. Muthukumar will no longer be the CEO and CFO of the Company respectively. As they hold substantial shares in the company (especially Mr Sunny Verghese), what are their intentions with regards to their Olam shares? Do they intend to sell them away? Please detail and elaborate.

ANSWER:

Mr Sunny Verghese currently owns 4.5% stake in Olam Group while Mr N. Muthukumar holds approximately 2.2 million shares in the Company. Post the transaction, Mr Verghese will cease to be the Group CEO and Executive Director but will remain as Non-executive Director on the Olam Group Board and Muthu will also cease to be the Group CFO. Both Mr Verghese's and

Mr Muthukumar's shareholding is not tied to their current role as Group CEO and Group CFO respectively now or as Non-Executive Director for Mr Verghese in the future.

8. The US dollar (USD) has weakened from 1.32 against the Singapore dollar (SGD) – the exchange rate indicated in your circular – to 1.28 today. US\$1.78 billion at 1.32 is S\$2.35 billion whilst US\$1.78 billion at 1.28 is S\$2.28 billion. This is a difference of around S\$70 million. For comparison, this amount is more than double the total comprehensive income of the Company for the last financial year. The sale was announced on 24 February 2025 and the USD then was at 1.34. Can I confirm if the Company will receive the proceeds in USD? Given the Company anticipates the sale of Olam Agri, and that the Company's reporting currency is in SGD, did the Company hedge the USD it expects to receive to prevent declines in the value of SGD it will receive when the USD is converted to SGD? Please explain and elaborate.

ANSWER:

The Company will receive the sale proceeds in USD. As mentioned in the EGM circular, these proceeds will be primarily used to repay the debt of Remaining Group. This debt is denominated in USD and therefore no FX hedges are needed. Accordingly, the Company has not suffered any loss in value in respect of the Olam Agri sale proceeds.

Further USD is the functional currency of the Olam Group. Our base financial statements (FS) are therefore stated in USD. The base USD FS are converted to and reported in SGD for statutory reporting purposes based on prevailing USD/SGD rates. While USD's depreciation will currently result in lower reported SGD values, this does not signify any loss of value. This is because any USD appreciation in the future will automatically result in higher reported SGD values. There is therefore no need to hedge for this purpose.

Finally, the Company has hedges in place for its material SGD obligations (eg) repayment of perpetual securities falling due in 2026.

9. Given the Company is selling away Olam Agri and monetising the Remaining Olam Group, what remains in the Company would naturally be **ofi**. After selling all the assets (Olam Agri and the Remaining Olam Group), the Company would be able to achieve the same objective of having **ofi** as a standalone listed entity. In my view, an IPO of **ofi** is a waste of time and money and would only enrich our financial advisors, bankers etc, and would not benefit shareholders. Hence, why does the Company still desire to conduct an IPO of **ofi**? Please explain and elaborate.

ANSWER:

We believe Olam Group's share price today is not reflective of its intrinsic or fair value due to multiple factors, including possibly a conglomerate or multi-business discount and lack of adequate free float, resulting in, among other things, the absence of analyst coverage and effective price discovery. By listing **ofi** as a pure play, standalone entity or attracting new investors in the private market, we believe most of these factors that are currently depressing the share price could be satisfactorily addressed.

As explained at the AGM, we do not believe it is feasible to sell all the businesses and assets of the Remaining Olam Group at the same time to the same buyer. We therefore envisage that these will be sold progressively. Therefore, it is important for us to have full flexibility and optionality of pursuing capital raising options (both public and private) for **ofi** at a timeline of our choosing subject to market conditions to maximise **ofi**'s value.

10. When does the Company expect the **ofi** IPO to take place? Please explain and elaborate.

ANSWER:

In our responses to shareholders' questions dated 20 April 2025, we had explained that Olam Group was expected to infuse US\$500 million of equity into **ofi** in the next three to four months. One of the objectives of this equity infusion is to provide greater flexibility to pursue various strategic initiatives to unlock the full potential value of **ofi** for Olam Group shareholders via both private and/or public routes, for example exploring a concurrent listing in Europe and in Singapore at an appropriate time. We have already demonstrated the value of this flexibility in the case of Olam Agri where we successfully concluded the value unlock through the private route when the IPO option was delayed due to regulatory considerations. We will continue to update shareholders on the progress of the options being explored in respect of **ofi**, as appropriate, going forward.

Questions submitted by Securities Investors Association Singapore (SIAS)

11. The proposed transaction will unlock value for shareholders by monetising Olam Agri Holdings Limited (OAHL) at an implied 100% equity value of US\$4.0 billion. This represents a 14% premium to the US\$3.5 billion valuation at which Saudi Agricultural & Livestock Investment Company (SALIC) first acquired a 35.43% stake in OAHL in 2022.

- (i) Can the Board elaborate on how the US\$4.0 billion valuation for 100% of OAHL was determined? Was a competitive or price discovery process conducted to ensure the best value was achieved for the remaining 64.57% stake for the benefit of shareholders?
- (ii) What are the Board's criteria for triggering the Put Option, and how is the timing aligned with OAHL's (believed to refer to Olam Group's) value creation trajectory?
- (iii) Could management confirm if the Put Option excludes any valuation adjustment mechanisms such as performance-linked earn-outs or price resets? If not, is there a risk of asymmetric value capture favouring the buyer should OAHL materially outperform given that the Put Option can only be exercised after 2 years?

ANSWER:

- (i) The base consideration at an implied 100% equity valuation of US\$4.0 billion was arrived at between Olam Group and SALIC on a willing-buyer and willing-seller basis. While there was no competitive process for the sale, there was initial price discovery based on the sale of the 35.43% stake in Olam Agri in 2022 at US\$3.5 billion. The

implied 100% equity valuation of US\$4.0 billion represents a 14% premium to the US\$3.5 billion equity valuation for 100% of Olam Agri at which SALIC acquired the 35.43% stake in the company and a 3.47x price-to-book value multiple to Olam Agri's book value of US\$1.15 billion (S\$1.52 billion) as of 31 December 2023. This compares favourably to precedent transactions in the industry and to our peer group.

Olam Group appointed Deloitte & Touche Financial Advisory Services Pte. Ltd. as the independent valuer to value Tranche 1 and 2 shares, as the bases set out in Rule 1006(b) and Rule 1006(c) of the Listing Manual for the proposed sale exceeds 75% (see page 31 of the EGM Circular). Deloitte's independent valuation concluded that the market value of equity (100%) of Olam Agri is in the range of US\$ 3.538 billion to US\$ 4.319 billion.

- (ii) It is the intention of the Board to trigger the Put Option as and when it becomes exercisable as per the provisions of the new shareholders' agreement (refer to Page 27 of the EGM Circular dated 19 June 2025 for details). Additionally, SALIC can exercise its Call option any time after SPA completion (refer to Page 28 of the EGM Circular dated 19 June 2025 for details).

The option valuation does not have performance-linked earn-outs. It does not similarly have clawbacks. The option valuation does not also have price resets for under-performance or out-performance scenarios.

The Put option can be exercised at a base valuation of US\$ 4 billion plus additional option consideration as explained in Page 28 of the EGM Circular dated 19 June 2025. In addition, the Put option valuation also includes a 6% IRR irrespective of whether Olam Agri underperforms or outperforms in the future. This structure provides value certainty and a reasonable return for time value for our shareholders.

- 12. The gross cash proceeds from the sale of the 44.58% stake of OAHL are estimated to be US\$1.78 billion (approximately S\$2.35 billion). When the Call/Put option is exercised, an additional US\$0.80 billion may be raised, bringing total gross cash proceeds to be US\$2.58 billion (approximately S\$3.41 billion).

The Board has stated that the proceeds will be used to:

- 1. de-leverage and optimise the capital structure of the remaining OG Group, making it debt-free and self-sustaining;
- 2. invest US\$500 million of equity into **ofi** to provide strategic flexibility; and
- 3. responsibly monetise the remaining assets of OG Group and progressively return the net proceeds from divestments to shareholders via special dividends.

- (i) What is the current free cash flow profile and ROIC of the remaining OG Group, and how does this justify further capital injection? What hurdle rate or return metrics justify the reinvestment of part of the proceeds into these remaining businesses?

- (ii) What valuation gap or listing condition hurdles have held back the **ofi** IPO? How does the Board assess the likelihood of a successful listing within the next 12-18 months?
- (iii) Did the Board consider giving shareholders a special dividend in 2025 after the completion of the sale? What prevented the Board from declaring a special dividend to shareholders given that the Re-organisation Plan was to unlock value for shareholders?

ANSWER:

- (i) As mentioned in the AGM, one of the key objectives of the Updated 2025 Reorganisation Plan is to “Responsibly divest and monetise all of the Remaining Olam Group’s assets and businesses over time and progressively distribute the net proceeds to shareholders via special dividends”. We do not therefore intend to undertake further capital injection into any of the Remaining Group businesses except Rusmolco, where there are currently repatriation restrictions (It is also a profitable business with attractive returns.) Apart from Rusmolco, we would make maintenance capital investments to maintain the integrity of our assets and safety of our businesses as well as to complete ongoing projects.
- (ii) The timing and execution of a successful IPO is a function of these factors:
 - a. Underlying performance of the business
 - b. Capital market conditions at the time of IPO
 - c. Macroeconomic conditions
 - d. Geopolitical developments
 - e. Regulatory approvals

The Updated 2025 Re-organisation Plan announced on 14 April 2025 supports various strategic initiatives to unlock the full potential value of **ofi**, which include both private and public avenues to do so. The Board is reviewing all these options while it continually monitors all relevant conditions for a successful IPO and will update shareholders of any major developments on this front.

- (iii) The Board has identified three priorities: 1) Ensure Remaining Olam Group is debt-free and self-sustaining. US\$2 billion from the sale of Olam Agri will be allocated for this purpose. This will also enable the subsequent steps of the Updated Re-organisation Plan to be executed; 2) Inject equity of US\$500 million into **ofi** to support its growth; 3) Divest all businesses and assets of the Remaining Olam Group and pay the proceeds from the sale as special dividends to shareholders. We believe this is a more balanced and prudent approach to achieving our goals.

13. Following the proposed transaction, Mr Sunny George Verghese will cease to be the Group CEO and executive director of Olam Group Limited but will remain on the Board as a non-executive director.

Mr Sunny George Verghese has been appointed as the Group CEO and executive director of Olam Agri Holdings Limited.

Under the Updated 2025 Re-organisation Plan announced on 14 April 2025, the nomination and remuneration committee (NRC) has been tasked to re-assess and determine the future leadership and organisation structure of the Remaining Olam Group based on the future plans.

- (i) Can the Board provide an update on the NRC's progress in defining the organisation structure and appointing the future leadership team of Olam Group?
- (ii) What are the critical leadership traits and experiences the NRC is prioritising in selecting the next Group CEO? How will the leadership profile differ from the current CEO and leadership, given the Group's evolving strategic priorities, post the sale of Olam Agri and growing geopolitical and macroeconomic uncertainties?
- (iii) Will the new CEO be expected to drive value through strategic asset monetisation and business transformation? Is growth still a strategic focus for the new Group CEO?

ANSWER:

- (i & ii) As stated on page 40 of the EGM Circular, the nomination and remuneration committee of the Board ("NRC") is in the process of assessing and determining the leadership team and executive officers of the Company including the selection of the Group CEO and Group CFO of the Company, based on the future plans of the Company. The Company will provide an update on the executive officers of the Company including the Group CEO who will succeed Mr Sunny Verghese and the Group CFO who will succeed Mr N. Muthukumar when the Board and the NRC complete their process, which is expected to be prior to or at SPA completion. The Company intends that the transition of leadership from Mr Sunny Verghese and Mr N. Muthukumar to their successors to be smooth and not to materially affect the operations and financial performance of the Olam Group.

To this end, we are in the process of finalising advisors to deliver three outcomes: 1) recommend and align on the leadership structure for the new Olam Group that befits a go-forward operating model post the sale of Olam Agri; 2) align on the scope and requirements of the key roles in the new structure; and 3) assess potential internal candidates for the roles and access the market to identify external potential candidates for these roles and to support the Board to make these selections and appointments.

- (iv) Yes, the new CEO will be expected to drive value through responsible divestments of the Remaining Olam Group.

.