



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

FIRST ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2022

RESPONSES TO QUESTIONS

Olam Group Limited (“Olam Group” or the “Company”, together with its subsidiaries “the Group”) would like to thank all shareholders who have submitted their questions ahead of the Company’s First Annual General Meeting (“AGM”) to be held by electronic means on 25 April 2022 at 2:00 pm Singapore time.

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

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

By Order of the Board

Michelle Tanya Kwek
Company Secretary

Singapore, 20 April 2022

About Olam Group Limited

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

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

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

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

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



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APPENDIX¹

IMPACT OF UKRAINE-RUSSIA CONFLICT AND RISING COMMODITY PRICES

- 1 As a global player in the food and agri-supply chain, the Group is increasingly exposed to accelerating de-globalisation trends, rising geopolitical tensions and the war between Russia and Ukraine. With more than a month since the start of the war, can management provide shareholders with an update on the Group's operations?

ANSWER: Olam Group's business is organised across three operating groups **ofi**, Olam Agri and the Remaining Businesses of Olam Group (Remaining Olam Group). **ofi** operates a dairy farming operation and an agri-farming operation to mainly grow the feed for our dairy herd in Russia. It also imports and distributes cocoa, coffee, dairy products and nuts into Russia. In Ukraine, it imports and distributes cocoa, dairy products and nuts. Olam Agri exports grains and oilseeds, including wheat, barley, corn and sunflower oil from both Russia and Ukraine. In Russia, it operates an export terminal in Azov. In Ukraine, it operates warehouses, silos and a grains elevator in Kyiv. The Remaining Olam Group does not have a presence in Ukraine or Russia.

In 2021, our direct exposure to these two countries accounted for 1.0% of Group volumes, 0.8% of Group revenue and 2.7% of Group invested capital.

One of the key objectives of Olam Group's Purpose is to strive for a more food secure future for all. In line with our Purpose, we will focus only on those activities that are directly associated with our duty of care to our employees, our dairy herd, our farmer suppliers, and the customers we serve for essential food and basic nutrients.

In Russia, **ofi** continues to supply milk from its dairy farm to its customers in the domestic market. We have ceased imports of **ofi** products into Russia. For Olam Agri, there has been a severe disruption of the export of the grains and oilseeds as all ships have stopped operations in the Black Sea region. With the closure of ports in the Azov Sea, we have stopped operating our export terminal in Azov. We will continue to monitor the situation closely in Russia and comply with all applicable sanctions, laws, and regulations.

In Ukraine, our first concern and overriding priority remains the safety, health and wellbeing of our people and their families. As all the ports have been shut down by the government, all our operations in the country, including imports, exports and grains elevator, have ceased. We have managed to move all our 170 employees out of Ukraine to live and operate from our offices in Europe.

¹ These questions include those submitted by the Securities Investors Association (Singapore) which have been summarised and are carried in full on their website at <https://sias.org.sg/qa-on-annual-reports/>.

To support humanitarian efforts in the region, we are committing US\$5 million to emergency aid initiatives with international partners, including the World Food Programme and UNICEF. We have also launched an employee giving drive, where all money raised will go directly to supporting UNICEF's critical work on the ground. Every US\$1 donated by employees is matched by the Group to further provide assistance to those most in need.

- 2 If the planting cycle is disrupted (as expected), what are the repercussions to global commodity prices in the next 1-2 years? How is the Group positioning itself to minimise any potential supply chain disruption?

ANSWER: The impacts of the war are expected to add to an already high food price inflation situation that was developing before the war, primarily driven by adverse weather conditions in major production origins, such as La Niña in South America, and COVID-19. We are closely monitoring the situation regarding the short-term impacts and potential longer-term implications for global food and agri supply chains. Given our global network, diversified sourcing and origination footprint, we are focused on serving our customers by offering other sources of these products from alternative origins to cope with the expected supply disruption from this region.

- 3 How is the Group responding to the volatility in the prices of commodities? Are higher prices and volatility generally beneficial to the Group? It has also been widely reported in the media that commodities/energy firms are faced with large margin requirements as prices spiked. This has led to severe stress in the system affecting even some of the global players. Is the Group faced with a similar issue of needing significantly more working capital?

ANSWER: Generally, changes in commodity prices do not have a direct impact on our profits, as any increase/decrease can be passed down to suppliers or customers, albeit with a lagged effect. However, higher commodity prices will increase our working capital needs, thereby impacting our return on invested capital.

We have ample liquidity to support our working capital needs in times of rising prices, with a total of S\$22.5 billion in available liquidity, including unutilised bank lines of S\$11.2 billion and a clear S\$5.8 billion of headroom over and above our gross borrowings as at end-2021. During the year we had also continued to diversify our funding sources and explore innovative financing solutions. We will operate and manage our working capital in a disciplined fashion to ensure our gearing stays within our target.

- 4 Has Management adjusted to the stress in the sector and be more selective in granting credit, especially to counterparties who may be weakened by the recent developments?

ANSWER: We generally do not grant credit as our customers pay with letters of credit through banks or cash against documents. Counterparties who are rated A in our internal ranking system would pay upon delivery of goods and inspection or on average 30-60 days after shipment and invoicing. We will exercise the same discipline and due diligence as we have over our 32+ years of operating in the global commodity markets.

- 5 Current market volatility and disruptions are a huge concern, and we also hear of Force Majeure being invoked by market players annulling some of the commitments. Higher working capital needs also would be a strain. What is the extent of impact to Olam due to these forces in your hedging activities and operations? Are you forced to walk away from deals that you could have taken up otherwise?

ANSWER: It is true that Force Majeure has been invoked by some market players mainly in the trade flows in Russia and Ukraine. However, this has not had a material impact to the Group's revenues and profits at this point. The market risks and opportunities given this developing situation is quite uncertain and we are monitoring the situation closely and taking steps to reduce our risk and trading exposure in these origins.

- 6 Given the Company operates in many geographies and jurisdictions, how does it manage and cope with rising geopolitical tensions and trade sanctions? Is the Company affected, directly or indirectly, by rising geopolitical tensions and trade sanctions?

ANSWER: Olam Group operates in the agri-value chain in more than 60 countries with a direct presence – this has helped us to monitor the markets closely and developed internal infrastructure and expertise to comply with all local and international sanctions, laws and regulations. While trade sanctions do not impact the trade in essential food and food related services, geopolitical tensions, such as the current Russia-Ukraine crisis, have global repercussions, including the impact on supply chains, commodity prices, energy and shipping costs, and potentially a significant drag to global GDP growth in 2022 and a severe supply crunch with its attendant consequences. These consequences may then have longer term impact on our rate of growth.

RE-ORGANISATION PLAN

- 7 On 24 March 2022, the Company posted a general announcement with the title stating that **ofi** appointed additional board members. The announcement by **ofi**, and posted on SGXNet by the Company, also included a significant update:

“ofi intends to seek a primary listing on the premium segment of the London Stock Exchange, and a concurrent secondary listing in Singapore. However, in light of current market conditions as a result of the ongoing conflict in Ukraine, we do not currently expect the IPO of ofi to take place during Q2 2022, as previously anticipated. We remain committed to pursuing a public listing of the business and will evaluate the appropriate timing of such a listing on an ongoing basis, taking into account prevailing market conditions.”

Did the Company and the Board consider providing shareholders and investors a clear and concise update on the listing plans of **ofi** as part of its disclosure obligations on the SGX? For future updates on the IPO of **ofi**, would the Board be making clear and explicit announcements, with the appropriate titles, to update shareholders on the latest development?

ANSWER: The Company and the Board are committed to the provision of clear, timely and relevant information and update to shareholders and investors, hence the above announcement on the delay of the **ofi** IPO was posted on SGXNet which coincided with the appointment of additional directors to **ofi**'s board, given that the communication of the timing for the IPO is closely related to the aforesaid appointment. Following this announcement, we had provided a status update of the Re-organisation which included information on the planned IPO for **ofi** and the sale of substantial minority stake of Olam Agri. We will continue to make clear and timely announcements on the progress of the Re-organisation and other material developments in the Group.

- 8 Following the March 24 announcement by **ofi**, the Company announced, a day later on 25 March 2022, that it had entered into a strategic partnership with Saudi Agricultural and Livestock Investment Company ("SALIC") for the latter to invest US\$1.24 billion for an estimated 35.4% stake in Olam Agri. This has been a key step of the Group's Re-organisation Plan although there had been no indication that a sale/tie-up was imminent. The focus has been the IPO of **ofi** which was just announced a day ago. On 24 March 2022, the Company and its Directors would most likely be aware that the sale of Olam Agri was in advanced stages. Did the Company/Board consider it prudent to request a trading halt to the Company's shares from 24 March and only to resume trading of the Company's shares after the announcement of both material developments?

ANSWER: On 24 March, although the Company and the Board were aware that the transaction with SALIC was in its advanced stages, there was still no complete certainty that the signing of the transaction would take place for an announcement to be made that day or the day after. Requesting a trading halt to the shares on 24 March when the market was reacting to a different set of information, which in this case was the delay in the **ofi** IPO, would not have been prudent given that there was no certainty of announcing the potential investment by SALIC.

- 9 As for the IPO of **ofi** on the London Stock Exchange, does the Board now have better visibility of the timing of the spin-off and demerger? What are the factors being considered by the Board? Does the Company intend for the Russian-Ukraine war to be over before listing **ofi**? When does the Company think the war will end?

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

- 10 Further to the Management intention of monetising **ofi** through IPO and Olam Agri, does it have any other mitigating plans if the IPO is further delayed due to the prolonged Ukraine war?

ANSWER: The overall Re-organisation within the Olam Group, including the proposed plans for the **ofi** IPO and the Olam Agri IPO, are part of the deliberate long-term plan to unlock the intrinsic value for each of its operating groups and for all our shareholders. We continue to monitor closely the developments and remain prepared and committed to monetise the fair and optimum value for **ofi** and Olam Agri based on prevailing market conditions.

OLAM AGRICULTURE AND PROPOSED SALE OF SHARES TO SALIC

- 11 The S\$4.7 billion equity value of Olam Agri is equivalent to 69% of the market capitalisation of Olam Group. Management believes the sale of Olam Agri illuminates and unlocks the value for Olam Group. Can management elaborate further on the sale process? How was SALIC selected? Was there an auction process where strategic buyers were invited to bid for Olam Agri?

ANSWER: We appointed financial advisers Rothschild & Co and Credit Suisse to run a robust competitive process. A wide pool of potential investors from around the world was accessed through this process, and SALIC was identified on the basis of the alignment of its strategy with Olam Agri and the competitiveness of its offer. We are very proud to be partnering with SALIC, which is a strategic global investor renowned for its investments in the food and agricultural sector.

- 12 Would the Board be considering a special dividend for shareholders as the Group successfully concludes another key step in its strategic Re-organisation?

ANSWER: We do not expect to declare special dividends as the sale proceeds will be used to pay down the Group's debt, substantially bring down its leverage and right size its balance sheet.

- 13 With the proposed sale of 35.4% Olam Agri, how will future cash flow from Olam Agri to the holding company be affected? Will Olam Agri be restricted in declaring and paying dividends to the holding company?

ANSWER: Future cash flow from Olam Agri to the parent will not be affected and there is no restriction on the declaration of dividends to the Group.

- 14 How will Olam Agri benefit from a transition in dietary habits from carbohydrates and cereals based diets to more protein-based diets given Olam Agri primarily trade in carbo rich products?

ANSWER: Given the world population continues to grow with Africa and Asia projected to drive more than 90% of global population growth between 2020 and 2050, the demand for cereals and food staples will continue to grow and hence, grains, rice, speciality grains and seeds and edible oils will still be an important part of our business in Olam Agri. In addition, as the middle class populations in these emerging markets are also growing and prospering, there is a growing shift in diets from carbohydrates to proteins and fats, and we would like to position

ourselves to capture this high-growth potential by expanding our integrated animal feed and protein business, including poultry and aquafeed, as well as our oilseeds and edible oils business.

- 15 After the announcement of the proposed sale of part of Olam Agri to SALIC, it does seem that on a sum of the parts basis, Olam is undervalued. However, besides Mr Nihal, none of the other Directors are buying shares of Olam. Are the other Directors confident (or otherwise) of the prospects and outlook of the Company? Do these Directors take a dim view of Olam's prospects and outlook?

ANSWER: The dealings in Olam shares by Directors remain their personal investment decision based on his/her outlook on the business and sector the Company is in. Shareholders may wish to note that all Directors, excepting Directors representing Mitsubishi Corporation (MC), had subscribed to their entitlements in the 2021 rights issue. Similarly, these Directors continue to own Olam shares issued to them through the 30% directors' fees paid in the form of shares.

- 16 SALIC has agreed to buy a stake in Olam Agri. When will the EGM for this transaction be held? I note Temasek's undertaking ends in June 2022, can I take it that the EGM will be held by June 2022? Does this transaction with SALIC include a non-compete agreement preventing us from dealing in certain commodities?

ANSWER: We will despatch a shareholder circular for the EGM which will be held before end-June 2022. The transaction does not have a non-compete agreement that prevents us from dealing in certain commodities which Olam is not currently participating.

REMAINING OLAM GROUP

- 17 How cash generative are the Remaining Businesses of Olam Group (comprising Olam Ventures, Olam Technology and Business Services (OTBS) and Olam Global Holdco)?

ANSWER: The remaining business of Olam Group comprises of the following three parts:

- **Olam Global Holdco (OGH)** – holds and develops our gestating assets consisting of our Infrastructure & Logistics platform (Arise), our Packaged Foods business and Olam Palm Gabon (OPG) with a view to partially and/or fully monetise these assets over time and also oversee the responsible divestment of our de-prioritised businesses and assets over the next few years. Given the gestating nature of these assets, they are not cash flow generating at this time.
- **Olam Ventures** – an independent incubator for our Engine 2 businesses and start-up growth initiatives focusing on our leading edge digital and sustainability capabilities. Currently, this includes Jiva (Farmer Services Platform), Adva (Sustainable Lifestyle

platform), Terrascope (Smart carbon management platform – previously GreenPass), Re~ (purpose brand food business), and a co-created food and agri industry digital sustainability platform built on our proprietary sustainability solutions. Given the venture build nature of these investments, we are investing in these growth initiatives and this segment is also currently cash flow negative.

- **Olam Technology and Business Services (OTBS)** – delivers digital and technology services to each operating group and will utilise its capabilities to offer services to third-parties in the future. This business generates positive cash flow and is a profitable business today.

- 18 The Remaining Olam Group - Gestating businesses: Volume has dropped from 197,300 MT in H2 2020 to 178,200 MT in H2 2021; this trend is contrary to the expectation of more and more contributions from these assets coming on stream. Can you please elaborate on this trend going forward?

ANSWER: Volume declined in H2 2021 against H2 2020 mainly on account of the loss of volumes from our existing businesses and reduced industrial activities in the ARISE infrastructure and logistics business in Africa as a result of the continued economic impact on the region's ports, logistics and industrial sectors from COVID-19. We have since entered into an agreement to divest our entire investments in the ARISE Integrated Industrial Platform and ARISE Infrastructure Services for US\$189 million and are looking at divesting our remaining stake in ARISE Ports & Logistics. Volumes at OPG and Packaged Foods had increased during 2021 on improved production yields and recovery from COVID-19 impact in 2020 respectively.

- 19 Can Management provide shareholders an update on the developments in Olam Palm Gabon (OPG)? In the previous financial year, an impairment of S\$483.9 million was recognised for the Group's investment in OPG.

ANSWER: In 2021, OPG achieved the milestone recommendation for certification for all its palm plantations, becoming the largest fully certified RSPO player in Africa. It also delivered 34% year-on-year growth in yields. Net volumes of CPO produced were close to 100,000 MT including 22,000 MT of refined palm oil. The business strengthened its customer relationships and retained its preferred supplier status for customers in Europe and Cameroon. A third palm oil mill has been commissioned, which will increase processing capacity to meet the future increase in yields. Supply chain facilities are being enhanced to offer fully segregated as well as identify preserved palm products.

OPG also initiated a two-year project to implement sub-surface drip irrigation for 23,089 ha of planted area to improve yields, the largest irrigation project in palm plantations in the world. The introduction of mechanical spraying improved productivity eight-fold. One third of the plantation was included in the project in 2021, which will be extended to half the plantation in 2022. Productivity and efficiency are being enhanced by the construction and repair of 1,700 km of roads for efficient crop transportation.

- 20 Was the huge write-off of OPG in 2020 due to irrigation issues? If these are being gradually addressed through drip irrigation and as CPO prices are reaching record highs now from their languishing levels in 2020, is OPG operationally profitable? Why is there no corresponding review and revaluation of these carrying assets in 2021? Is it possible to write-back or dispose the OPG asset at favourable prices with current high prices?

ANSWER: The impairment of our investment in OPG was mainly due to the impact of prolonged dry conditions on its plantations. The implementation of the drip irrigation project to address this issue was also delayed due to COVID-19, further impacting its yields and returns. The Group therefore recorded a one-off impairment of S\$483.9 million arising from a reduction in the recoverable value of the Company's investment in OPG for 2020.

As part of our periodic review of all our investments, we reviewed our investment in OPG in 2021. Despite the increase in CPO prices during the second half of 2021, it was still too early to predict that the prices would sustain at these elevated levels for structural reasons for revaluation gains of the assets to be booked in 2021. We will continue to do periodic reviews of OPG.

- 21 Terrascope is a digital platform to enable companies to measure, monitor, manage and verify the impact of their climate action strategies (page 54 of 2021 Annual Report). What is the potential of Terrascope to be scaled up outside of the Group?

ANSWER: Terrascope is a smart carbon measurement, management and reporting platform that empowers corporations to decarbonise their operations, portfolios and supply chains in their net zero journey. Terrascope builds on Olam's leadership and experience in sustainability and climate action. There is substantial scope for Terrascope to be scaled outside of Olam, which is the intention of this venture. Terrascope is still in the early stage of venture development.

- 22 Around a quarter billion dollars of the Gabon Fertiliser Project have not been included as part of invested capital from the time the decision was taken a long back to discontinue and dispose it. There is a fertiliser shortage now and there could be keen interest based on the locational and other advantages highlighted earlier. How confident are you about convincing a potential investor who sees its real worth and concluding a deal within a reasonable time, say within this accounting year? Are you ready to take up a minority stake, if needed, or are we looking only at complete disposal?

ANSWER: While we have indicated in the past that we were seeking strategic options to de-consolidate/sell down our stake in the Gabon Fertiliser business and have joint control with strategic partners/industry players, we are also exploring the possibility in developing alternatives for a full divestment of this business.

MISCELLANEOUS

- 23 In the recent rights issue, second largest shareholder Mitsubishi Corporation (MC) did not take up its pro-rata share of its rights entitlement. Why is it so? Are they not supportive of Olam's restructuring? Do they take a dim view on Olam's prospects and outlook? Do they intend to sell out their stake in Olam in the open market or via a married deal? Is MC currently represented in Olam's Board, whether directly or by proxy?

ANSWER: MC currently has 2 nominees on Olam's Board, namely, Mr Norio Saigusa and Mr Kazuo Ito, who are Non-Executive Directors. We are unable to respond to the remaining questions on behalf of our shareholder. We however understand that MC decided not to subscribe to the rights issue considering their capital allocation priorities at that time. Notwithstanding their decision, the importance of MC as a strategic partner supporting the growth of Olam remains unchanged. The MC Agri Alliance, a joint venture between Olam and MC in Japan, is a good example where both companies have partnered to serve the Japanese market.

- 24 Going forward, for Olam Group (without **ofi**), what is the optimal leverage to support its business and the growth opportunities? If and when **ofi** is spun off and demerged, what would be the proforma leverage of the Company?

ANSWER: The proforma gearing of the Group would be 1.13 times, assuming **ofi** was demerged from the Group and the sale of substantial minority stake in Olam Agri to SALIC took place on December 31, 2021.

- 25 Similarly, for the IPO of **ofi**, what is the targeted range of leverage that would allow **ofi** to fetch a good valuation and have sufficient working capital to support its growth?

ANSWER: We have not communicated the target leverage at which **ofi** will operate post IPO, but based on its unaudited 2020 and 2021 balance sheet, its net debt to equity is approximately 1.83 times and 1.41 times, respectively.

- 26 How is Olam Management going to manage the debt level if the Fed keeps on hiking interest rate? Can the cost of debt be further reduced and managed?

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

- 27 What's the bottomline impact with rise in interest rate and increased working capital requirement arising from high commodity prices? Any need to raise additional capital as a result?

ANSWER: Overall interest costs will correspondingly reduce with the reduction in net debt after the sale of the substantial minority stake in Olam Agri. Also, changes in commodity prices do not have a direct impact on our profits, as any increase/ decrease can be passed down to suppliers or customers, albeit with a lagged effect. However, higher commodity prices will increase our working capital needs, thereby impacting our return on invested capital.

- 28 Given the Company operates in many geographies and jurisdictions, how does it manage and cope with the increased shipping and logistics costs? Is the Company affected, directly or indirectly, by increased shipping and logistics costs?

ANSWER: Shipping and logistics costs are generally passed through in the supply chain to suppliers and customers as the case may be. However, unexpected disruptions or shipment delays can lead to higher inventory carrying costs and longer cycle times. In Olam Agri, one of our principal business activities is the bulk ocean freight business where the Group selectively invests in vessels or enters into long term charters mainly for handling and risk management of our own captive requirements as well as for third party volumes. This operation would help us cope with the increased costs as well as provide an opportunity for us to meet increased external demand for shipping. We are actively monitoring the current situation and working closely with our supply chain partners to minimise any negative impact.

- 29 In recent years, the Company has paid total dividends of between 7.5 cents and 8.5 cents per share per year. Going forward, would the Company's ability to maintain its dividends be affected by the corporate actions? Would the Board be in a position to establish a dividend policy following the re-organisation?

ANSWER: The Directors had recommended past dividend payouts after taking into consideration, inter alia, the Company's cash and financial position, working capital requirements and future expansion. Shareholders should note that past dividend distributions should not be taken as an indication of future dividend distributions.

The board of **ofi** when it is publicly listed and demerged from the Group may independently draw up their dividend policy. The Board of Olam Group Limited may determine a dividend policy appropriate for the Group.

- 30 As the Olam business model is quite complex for us to understand, can the Chairman/CEO simplify it in 1 or 2 sentences?

ANSWER: The business model of Olam Group is now simplified through the Re-organisation of its diverse business portfolio into three distinct operating groups – 1) **ofi** aims to meet the growing demand for more plant-based, on-trend, natural, healthy and sustainably sourced food ingredients with its growth driven by its ability to co-create ingredient solutions and accrete margins; 2) Olam Agri aims to meet rising demand for food, feed and fibre from a growing population, the transition of dietary habits from cereals to more protein-based diets and growing concern for food security, with its growth is driven by volume growth and value-added

processing in destination markets; and 3) Remaining Businesses of Olam Group which the Group will look to divest, monetise and explore strategic options to release cash and realise further value for shareholders.

- 31 Does Olam own agriculture land assets (which is asset heavy model) or an asset-light model? What is the weightage of the land assets?

ANSWER: The Group has invested selectively in land assets for agricultural production. As at end-2021, the Group owns approximately S\$251.6 million in freehold land and S\$278.5 million in leasehold land. Between the two key operating groups **ofi** and Olam Agri, **ofi** pursues a more fixed asset-intense business model with upstream assets, such as almond orchards, coffee and pepper plantations while Olam Agri adopts an asset-light strategy, although its working capital requirements are higher.

- 32 Olam's peers such as Archer Daniel Midlands (ADM, from which you acquired your cocoa business in 2015) have done very well. ADM's share price has increased more than 60% over the past year. Why is Olam's share price languishing and not performing as well compared to its peers? Is the management concerned? What is the Management doing to improve share price performance?

ANSWER: Olam's share price has been range bound mainly because the **ofi** IPO is not expected to take place in Q2 2022 as anticipated earlier. Also, the market has not fully priced in the impact of SALIC's investment in Olam Agri given that the transaction would take some six to nine months to be completed. There is also no special dividend arising from the transaction. In addition, the market is generally concerned with the performance of the gestating assets.

Currently, there are no sell-side equity analysts following our stock – this has been a result of the stock's low free float and the exit of several experienced sell-side analysts covering the sector. The stock, with its relatively higher dividend payout in recent years, has also mainly attracted retail interest instead of an institutional investor following.

As the free float of the stock and daily market traded volume and value have increased, we will intensify our efforts to engage stock market participants, both the sell-side analysts and buy-side investors, on our restructuring story and the growth prospects for both **ofi** and Olam Agri, and seek to provide regular updates on the Re-organisation Plan. We expect interest to pick up as we get closer to achieving the next milestones of the Re-organisation, be it the IPO, the strategic options for the Remaining Businesses of Olam Group or the progress on the strategic partnership with SALIC, as there will be greater visibility on the execution of the Re-organisation Plan and appreciation of these efforts consequently.

AGM RESOLUTIONS

- 33 Shareholders are asked to approve one-off special fees of S\$1.75 million to all Non-executive directors (including Chairman). Is this payment contingent on the successful IPO of **ofi**? Why are we paying this special fees when many key milestones of this Re-organisation, such as the successful IPO of **ofi**, have not materialised?

ANSWER: The proposed payment of the one-off special fees is not contingent on the successful IPO of **ofi** or achievement of other key milestones of the Re-organisation Plan. Rather, the one-off special fees are in recognition and appreciation of the Non-Executive Directors' significant contribution of time and effort towards the envisioning, structuring, planning and implementation of the Re-organisation Plan. Their added contribution and involvement in this regard was over and above their usual responsibility in, amongst others, providing Board leadership to Management and overseeing the process and framework for evaluating the adequacy of internal controls, which included financial, operational, compliance and information technology controls, and risk management systems, etc.