OLAM GROUP LIMITED

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

THIRD ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2024

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 17 April 2024 2.00 pm Singapore time ahead of the Company's Third Annual General Meeting ("AGM"), which will be held in person and virtually on 25 April 2024 at 2:00 pm Singapore time.

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

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 issued on SGXNET and made available on the Company's website on our Investors page at: https://www.olamgroup.com/investors.html after the conclusion of the AGM. The minutes of the AGM will also be made available as described above within a month from the date of the AGM.

By Order of the Board

Michelle Tanya Kwek
Company Secretary

Singapore, 19 April 2024

About Olam Group Limited

Olam Group is a leading food and agri-business supplying food, ingredients, feed and fibre to 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:

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APPENDIX

RE-ORGANISATION OF OLAM

1 According to the responses to questions posted before the Second AGM last year, five remaining de-prioritised assets ear-marked for exit as part of the 2019-2024 Strategic Plan, namely 1) sugar mill in India; 2) edible oil refinery in Mozambique; 3) remaining 32.4% stake in ARISE P&L; 4) 60.0% stake in Olam Rubber Gabon; and 5) Gabon Fertiliser Project were to be responsibly divested in the next two years. Would you please detail and elaborate on the progress of the divestment of these de-prioritised assets and when the divestments will be completed?

ANSWER: The sugar mill in India and the edible oil refinery in Mozambique are complementary assets to the Olam Agri business. Olam Agri, now with SALIC as a strategic partner and substantial 35.4% shareholder, will be in a better position to steward these businesses to their full potential. Therefore, the Group transferred the sugar mill in India from the Remaining Olam Group into Olam Agri in 2023 and is looking to transfer the edible oil refinery in Mozambique from the Remaining Olam Group into Olam Agri later this year.

The divestment of the Group's interests in ARISE P&L, Olam Rubber Gabon and the Gabon Fertiliser Project as well as the partial or full monetisation of its gestating assets is taking longer than expected due to adverse macroeconomic factors, high interest rate environment over the past two years and the coup in Gabon last year.

INTEREST COSTS

2 I note that we are currently in a high interest rate environment, and recent CPI/PPI/Inflation data seems to suggest that interest rates would remain high for quite some time more. It is stated in the 2023 Annual Report page 15 that interest coverage has worsened from 1.9 times to 1.3 times, the net debt to equity has increased from 1.47 times to 1.73 times and the total debt of the company has increased. Page 202 shows finance costs jump significantly from S$849.6 million to S$1,291.1 million. In addition, page 260 states that "at the balance sheet date, if interest rates had moved by 25 basis points with all other variables held constant, the Group's profit net of tax would have changed inversely by $34,640,000". The debt situation of the Company seems to have worsened, and the proceeds that we have gotten from SALIC appears to have been fully utilised. Is the management concerned about the gearing ratios and debt situation of the company? Please explain and elaborate.

ANSWER: In 2023, while total debt increased 0.9% to S$16.3 billion, net debt was S$12.7 billion, an increase of 12.1% over 2022. Net finance costs (finance costs less finance income) grew significantly from S$728.2 million to S$1.1 billion due to the full year impact of higher interest rates. The Group's net gearing was 1.73 times compared to 2022's 1.47 times, which was due to the significant divestment proceeds from the sale of 35.4% stake in Olam Agri in 2022. Our 2023 net gearing remained at similar levels as 2021 and 2020 (1.72 times in both years).

In addition, it is important in our industry to assess gearing by adjusting for liquid, hedged and/or sold forward inventory or readily marketable inventory ("RMI") operating as near-cash assets on the balance sheet since a substantial proportion of the Group's debt is used to finance working capital, namely inventory and trade receivables. In 2023, of the S$9.8 billion inventory position, approximately 61.6% or S$6.0 billion were RMI. Also, approximately 56.6% of the S$3.3 billion in receivables were secured by letters of credit or documents through banks. Adjusting for RMI and secured receivables, net gearing would be 0.65 times (2022: 0.64 times), reflecting the true indebtedness of the Group.

3 Between share buyback to boost the share price and lowering the interest costs and improving our gearing ratio, which should the Company prioritise? Please explain and elaborate on your thinking.

ANSWER: The Company believes its share price is currently trading at a discount to both its intrinsic value and book value. Under these circumstances, the share buyback programme will offer higher returns to continuing shareholders. We therefore prioritise share buyback programme up to a maximum 5.0% of our outstanding shares within our current mandate and renewal of this mandate at the upcoming Annual General Meeting in April 2024 as it provides a higher return than our weighted average cost of capital (cost of equity plus cost of debt).

DIVIDENDS

4 Dividends have dropped from 8.5 cents to 7.0 cents. It is stated in the 2023 Annual Report that the Company does not have a fixed dividend policy. The historical dividends were 8.5 cents for 2022, 8.5 cents for 2021 and 7.5 cents for 2020. Would the Company articulate a dividend policy to provide predictability and re-assure shareholders that dividends would not be cut significantly going forward? Please comment.

ANSWER: The Company does not have a fixed dividend policy. The Directors' policy is to recommend dividends consistent with the Company's overall governing objective of maximising intrinsic value for continuing shareholders. Dividend payments are affected by matters such as the level of our earnings, capital requirements, cash flows, financial conditions and general business conditions, which our Directors may consider appropriate in the interest of our Company. The Directors will consider all these factors before proposing any dividends. The Directors have recommended a final dividend of 4.0 cents per share, bringing total dividends to 7.0 cents per share for 2023, after considering the Group's future capital needs for growth and expansion.

COCOA PRICES

5 What is the impact of skyrocketing cocoa prices on the Company? Please detail and elaborate.

ANSWER: **ofi**'s vertically integrated business model and global leadership positions in cocoa bean origination and cocoa processing, affords strong insights and understanding of crop performance in sourcing origins. There are well-established processes to monitor, control and hedge input prices in a timely manner and **ofi**'s cocoa team has been well positioned to successfully navigate these challenging market dynamics while providing close support and surety of supply to customers. **ofi**'s ingredients and solutions teams can also collaborate with customers to find innovative product development solutions. Increases in input prices do have a short-term impact on working capital which would normalise once the products are sold to customers.

6 Have the Company thought about how it could capitalise and take advantage of the high cocoa prices? Have management thought about monetising or selling our cocoa-related assets at a high, and booking good profits from its sales? Please explain and elaborate.

ANSWER: Cocoa is a critical and integral part of **ofi**'s portfolio and is core to its strategy. Our integrated cocoa business is a significant contributor to the **ofi** business and is central to its strategy to pivot towards a more solutions-led and customer centric organisation. It is part of **ofi**'s integrated platforms combining a strong Global Sourcing network and delivering value-added Ingredients & Solutions to customers, offering potential significant value to Olam Group and its shareholders.

NIGERIA

7 On 13 September 2023, the Company posted on SGXNET that "it has been notified by Olam Nigeria that it has posted a bond for Mr. Kanth on or about 5.00 p.m. Nigeria time (midnight Singapore time), to secure the continued cooperation of Mr. Kanth with any legitimate requests from relevant Nigerian authorities for information or assistance". Can you confirm the status of your Olam Nigeria director, Prakash Kanth? Is he still out on bail? Has he been charged? If he is no longer out on bail, has the bail money been refunded in full to the Company? Please detail and clarify.

ANSWER: Olam Nigeria posted a bond for Mr Prakash Kanth in September 2023 as a guarantee for his continued cooperation with the Nigerian authorities. The company did not post bail for Mr Kanth as he was not and has not been charged or arrested. No charges have been brought against Olam Nigeria or any of its officers by the authorities. All our businesses in Nigeria continue to operate normally and so does Mr Kanth.

8 Reference is made to the Bloomberg report published in the Business Times on 4 March 2024. Olam operates in many emerging countries, including but not limited to those named in the article – Ghana, Nigeria and South Africa. Last year, according to page 203 of the 2023 Annual Report, foreign currency translation adjustments losses increased from S$305.6 million to S$440.9 million. How does the Company manage its currency exposure and risks whilst operating in these developing countries? Please explain and elaborate.

ANSWER: The foreign currency translation losses mentioned above arose mainly from the devaluation of the US dollar, Nigerian Naira and Russian Ruble against the reporting currency (Singapore dollar).

To manage currency risk, the Group's Risk Office monitors and controls transactional currency risk, among other market risks including trading, credit and counterparty risks. Value-at-Risk ("VaR") is measured for trading risks and transactional currency risk. The Group's functional currency is the US dollar, which is also the dominant transactional currency. The Board sets Group-level risk limits (including transactional currency risk in VaR) as part of the annual risk budgeting exercise. The Risk Office allocates risk limits for transactional non-US dollar exposures across businesses, and tracks exposures for adherence to set limits. The Group accesses spot and forward forex markets as well as local currency borrowings to hedge transactional currency risk.

Owing to change in the economic environment and the currency that mainly influences the costs of production, sales prices and financing activities of certain Africa-based subsidiaries in the Group, their functional currencies have been changed from their local currencies to US dollar from 1 January 2023, thereby reducing the extent of the impact on the Group's equity position. In particular, the sharp devaluation of the Nigerian Naira during June 2023, followed by a continuing slide through the second half of the year, impacted volumes and margins in the food and feed businesses. The Group therefore switched the functional currency for the majority of our businesses in Nigeria from Naira to US dollar to mitigate the translation exposure for our Nigerian businesses.

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