

News Release

Singapore, February 24, 2025

Proposed sale of Olam Group's remaining 64.57% stake in Olam Agri to SALIC

- ***Olam Group to sell a 44.58% stake in Olam Agri to SALIC for approximately US\$1.78 billion, at an implied 100% equity valuation for Olam Agri of US\$4.00 billion***
- ***Olam Group to sell its remaining 19.99% stake in Olam Agri to SALIC at the end of three years¹ from completion of the above mentioned sale at the Closing Valuation² plus 6% IRR***
- Saudi Agriculture & Livestock Investment Company ("SALIC") to acquire a 44.58% stake in Olam Agri Holdings ("Olam Agri") for approximately US\$1.78 billion (S\$2.35 billion³) ("Tranche 1"). Upon completion of Tranche 1, SALIC will own a controlling 80.01% stake in Olam Agri.
- Olam Group Limited ("OGL") will, upon the completion of the sale of Tranche 1, have a put option¹ to sell its remaining 19.99% stake in Olam Agri to SALIC ("Tranche 2") which is exercisable on the third anniversary of completion of the sale of Tranche 1 at the Closing Valuation² plus 6% IRR.
- SALIC will, upon the completion of the sale of Tranche 1, have a call option to buy the 19.99% stake in Olam Agri on or before the third anniversary of the completion of the sale of Tranche 1.¹
- Implied 100% equity valuation for Olam Agri of US\$4.00 billion (S\$5.28 billion³) is 23% higher than the US\$3.25 billion (S\$4.30 billion³) market capitalisation⁴ of OGL, which currently consists of Olam Agri, **ofi** and the Remaining Olam Group.
- The 100% equity valuation of US\$4.00 billion reflects a 14% premium to the US\$3.50 billion valuation at which SALIC first acquired a 35.43% stake in Olam Agri in December 2022, which closed at a total final consideration of US\$1.29 billion (inclusive of post-closing adjustments in H1 2023). This valuation also represents a 3.47x price-to-book value multiple to Olam Agri's book value of US\$1.15 billion as at December 31, 2023.

¹ The full details of the terms of the put option and call option are set out in the announcement accompanying this release.

² Refer to the Closing Valuation as illustrated in the media and analysts briefing presentation, February 24, 2025.

³ All S\$ figures in this release are based on an indicative US\$-to-S\$ exchange rate of US\$1:S\$1.3203 as at December 31, 2023.

⁴ Computed based on the total of 3,792,531,485 issued shares (excluding treasury shares) multiplied by the weighted average price of each ordinary share of the Company on the SGX-ST of approximately S\$1.1329 per share as of February 21, 2025.

⁵ Gain before non-cash accounting adjustments, transaction costs and on proforma basis using book value of equity as at December 31, 2023.

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- On completion of the sale of Tranche 1, OGL would realise an estimated gain on disposal of US\$1.84 billion (S\$2.43 billion³) which will accrete to the equity reserves of OGL⁵.
- OGL would raise estimated total gross cash proceeds of US\$2.58 billion (S\$3.41 billion³) from the sale of Tranche 1 and 2.
- The OGL Board will take into consideration various factors including the level of the Group's future earnings, cash flows, capital requirements for maintenance and growth, other financial and general business conditions before making any decision on the use of the proceeds which may include debt repayment, right-sizing the capital structure of OGL and **ofi**, as well as the provision of a possible one-time special dividend distribution.
- Transformative deal represents a significant value realisation for OGL shareholders: OGL's divestment of a 100% interest in Olam Agri at the end of Tranche 2, including the initial sale of 35.43% stake in 2022, would raise total gross proceeds of US\$3.87 billion (S\$5.11 billion³), accreting a total gain of US\$2.72 billion (S\$3.59 billion³) to the equity reserves of the Group.
- OGL continues to hold a 100% interest in **ofi** and the Remaining Olam Group. It will now focus on seeking strategic options to unlock value for the Remaining Olam Group businesses and **ofi**, including the pursuit of an **ofi** IPO.

Management Comments: OGL and SALIC

OGL's Co-Founder and Group CEO, Sunny Verghese said: "Since SALIC's investment in Olam Agri in 2022, our partnership with SALIC has unveiled new avenues of growth. With its strategic mandate as a global agrifoods investor and related complementary strengths, SALIC and Olam Agri share the same vision and focus on sustainable sourcing and commitment to meet the rising demand for food, feed and fibre. Importantly, this transaction is transformative for Olam Agri.

"The sale of Olam Agri to SALIC marks another key milestone in Olam's Re-organisation journey announced in January 2020. With this transaction, we can now focus our attention on seeking strategic options to unlock value for the Remaining Olam Group businesses and **ofi**, including the pursuit of an **ofi** IPO."

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Group CEO of SALIC, Sulaiman AIRumaih said: “The full acquisition agreement of Olam Agri aligns with SALIC’s strategic objectives of diversifying sources of essential commodities, strengthening supply chain integration, and enhancing logistical efficiency across its local and international investments. Furthermore, this acquisition underscores SALIC’s ambition to secure a key position in the global grains sector.”

“Olam Agri, a global player in trading essential commodities, aligns with SALIC’s strategic investment approach, which prioritises high-potential companies addressing future food security needs through innovation and integrated supply chains both locally and globally. We are confident that this partnership will contribute to achieving national and global objectives while continually enhancing production efficiency for the benefit of all stakeholders.”

Overview of Transaction

OGL (the “Company”, or together with its subsidiaries, “the Group”) today announced that its wholly-owned subsidiaries, Olam Holdings Pte. Ltd. and Olam Agri Pte. Ltd. have entered into a definitive agreement for the sale of a 44.58% stake in Olam Agri to SALIC, the food and agriculture investment arm of Public Investment Fund of the Kingdom of Saudi Arabia (“KSA”), for a base consideration of approximately US\$1.78 billion (S\$2.35 billion³) (“Tranche 1”). This implies a 100% equity valuation for Olam Agri of US\$4.00 billion (S\$5.28 billion³).

OGL will, upon the completion of the sale of Tranche 1, have a put option to sell its remaining 19.99% stake in Olam Agri to SALIC (“Tranche 2”) on the third anniversary of the completion of the sale of Tranche 1 at the Closing Valuation² plus a 6% IRR, providing certainty of proceeds to OGL. SALIC will, upon the completion of the sale of Tranche 1, have a call option to acquire the remaining 19.99% stake in Olam Agri on or before the third anniversary of the completion of the sale of Tranche 1 at the same consideration.

In addition, the parties have agreed based on the full year 2024 performance to allow a dividend payout from Olam Agri in respect of profits generated in the second half of 2024, of up to a maximum of US\$110 million.

Post completion of the sale of Tranche 2, Olam Agri will be a 100% owned subsidiary of SALIC. OGL continues to hold a 100% interest in **ofi** and the Remaining Olam Group of companies, comprising Olam Global Holdco, Nupo Ventures and Mindsprint.

Olam Agri is one of the three operating groups formed in early 2020 following the announcement of the Re-organisation of the Group to unlock and maximise its long-term value. Led by its purpose, ‘Transform food, feed, and fibre for a more food secure and

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sustainable future', Olam Agri is a key agribusiness player, focused on high-growth consumption markets with a deep understanding of market needs, a global origination, trading and marketing footprint, with best-in-class logistics, processing and risk management capabilities. It transforms food, feed, and fibre to create value for its customers, enables farming communities to prosper sustainably, and strives for a more food secure future.

In 2023, Olam Agri generated volumes in excess of 39 million metric tonnes, revenues of S\$31.3 billion and Earnings Before Interest and Tax of S\$967.7 million.

Completion of the sale of Tranche 1 is conditional upon, *inter alia*, approval by OGL's shareholders and other customary closing conditions, including regulatory approvals. Subject to these conditions being fulfilled, the sale of Tranche 1 is expected to complete in Q4 2025.

Rothschild & Co Singapore Limited is acting as the lead-financial advisor, along with Citigroup Global Markets Singapore Pte. Ltd and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as joint-financial advisors to OGL for this transaction.

Strategic Rationale

A. Transformative Step in OGL's Re-organisation Plan

The proposed transaction is a transformative step forward in the Group's Re-organisation Plan and delivers the following outcomes:

1. Illuminates and unlocks value for OGL shareholders

Implied 100% equity valuation for Olam Agri of US\$4.00 billion (S\$5.28 billion³) is 23% higher than the US\$3.25 billion (S\$4.30 billion³) market capitalisation⁴ of OGL, currently consisting of Olam Agri, **ofi** and the Remaining Olam Group.

The valuation is a 14% premium to the US\$3.50 billion valuation based on SALIC's original acquisition of a 35.43% stake in Olam Agri in December 2022 which closed at a total final consideration of US\$1.29 billion (inclusive of post-closing adjustments in H1 2023). This valuation uplift has been achieved on the back of continued profitable growth of Olam Agri despite an increase in global geopolitical and macroeconomic headwinds, commodity and currency volatility, high interest rates and elevated inflation over the last two years.

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The valuation is also a 3.47x price-to-book multiple to Olam Agri's book value of US\$1.15 billion as at December 31, 2023.

Post the completion of the sale of Tranche 1, OGL would realise a gain on disposal of US\$1.84 billion (S\$2.43 billion³)⁵ which will accrete to the equity reserves of OGL⁵.

2. Sale of Tranche 1 and 2 raises significant gross cash proceeds, estimated to be US\$2.58 billion (S\$3.41 billion³) in total

The OGL Board will take into consideration various factors, including the level of the Group's future earnings, cash flows, capital requirements for maintenance and growth, other financial and general business conditions before making any decision on the use of the proceeds, which may include debt repayment, right-sizing the capital structure of OGL and **ofi**, as well as the provision of a possible one-time special dividend distribution.

3. The divestment of the entire 100% interest in Olam Agri raises total gross proceeds of US\$3.87 billion (S\$5.11 billion³)⁶, thereby accreting a total gain of US\$2.72 billion (S\$3.59 billion³) to the equity reserves of the Group

B. SALIC as a strategic, long-term investor to drive growth in Olam Agri

SALIC was established in 2009 as a Saudi joint-stock company wholly owned as the food and agriculture investment arm of PIF with the aim of supporting KSA's strategies to enhance food security and resilience through investing in both domestic and international opportunities.

The proposed transaction achieves the following key strategic objectives for Olam Agri:

- 1. Strengthens Olam Agri's position as a differentiated global agribusiness**
With a key focus on emerging markets and trade corridors with significant growth, Olam Agri aligns with SALIC's focus on long-term strategic investments to support global and domestic food security. Olam Agri is a first-mover in some of the highest-growth markets in Africa and Asia. With a track record of operational excellence, longstanding customer and supplier relationships, and risk management capabilities, Olam Agri is well-positioned for continued growth to meet rising demand and greater importance for food security across key markets.

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2. **Become a sustainable and fully integrated food security leader and a key grains and diversified player**

SALIC and Olam Agri share a commitment and focus on food security. Olam Agri is strategically well-positioned to become a sustainable and fully integrated food security leader and a key grains and diversified player.

3. **Enhance domestic agri food capabilities in KSA, providing further growth opportunities for Olam Agri**

Olam Agri can use its key capabilities to enhance the domestic agri food ecosystem in KSA, thereby providing additional growth opportunities. Olam Agri's expertise in sustainable agriculture practices aligns with KSA's ambitions to reduce the country's environmental impact and enhance agricultural productivity.

Notes to Editors

1. This release should be read and understood only in conjunction with the full text of Olam Group Limited's announcement on the same subject lodged with SGXNET on February 24, 2025.
2. Olam Group will host a webcast on this corporate development on February 24, 2025 at 2.30 pm SGT accessible at www.olamgroup.com.

About Saudi Agricultural and Livestock Investment Company (SALIC)

The Saudi Agriculture & Livestock Investment Company (SALIC) is a global agrifood investor, combining industry expertise with long-term capital deployment across the globe. SALIC invests in growth companies to meet the world's future nutrition needs, enabling innovation and supply chain integration within Saudi Arabia and across the world. SALIC investments stimulate industry development, while supporting strategies to enhance food security and resilience.

About Olam Agri

Olam Agri is a market leading, differentiated food, feed and fibre agri-business with a global origination footprint, processing capabilities and deep understanding of market needs built over 33 years. With a strong presence in high-growth emerging markets and products across grains & oilseeds, animal feed & protein, rice, edible oils, specialty grains & seeds, cotton, wood products, rubber and commodity financial services, Olam Agri is at the heart of global food and agri-trade flows with c.40 million MT in volume traded in 2023.

Focused on transforming food, feed and fibre for a more sustainable future, it aims at creating value for customers, enable farming communities to prosper sustainably and strive for a food-secure future. Olam Agri is a 64.57%-owned subsidiary of Olam Group.

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About Olam Group

Olam Group is a leading, global 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 sourcing network of an estimated 5.0 million farmers.

Through our purpose to 'Re-imagine Global Agriculture and Food Systems', Olam Group 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 Group 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 its supply chain activities, impact on the environment and governance transparency.

To subscribe to the Olam Group Newsroom please visit www.olanmgroup.com (privacy statement here). If you do not wish to receive information from Olam Group, please contact media@olanmnet.com.

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