

LT Foods to enter into a Strategic Partnership with Saudi Agricultural and Livestock Investment Company (SALIC)

SALIC to hold 9.22% equity stake in LT Foods through a primary and secondary investment of ₹455.5 crore, equivalent to c. SAR 208 million

New Delhi, 10th November, 2022: The Board of Directors of LT Foods in its meeting today approved the preferential issuance of 27,408,164 equity shares, i.e. 7.89% equity stake in LT Foods, at Rs. 142.23 per share to SALIC, a Saudi Joint Stock Company that is owned by the Public Investment Fund of the Kingdom of Saudi Arabia. In addition, SALIC will acquire 1.33% equity stake through a secondary share purchase from the Promoters Group. Post completion of this transaction, SALIC will hold 9.22% equity stake in LT Foods. The Promoters of the Company will continue to hold the majority equity stake of 51%.

In a related transaction, LT Foods will purchase 29.52% equity stake in its subsidiary, Daawat Foods Ltd., from SALIC which was acquired in February 2020 through its subsidiary 'United Farmers Investment Company'. LT Foods will acquire this stake for ₹175.8 crore and post completion of the transaction it will hold 100% equity stake in Daawat Foods Limited.

Further, the Company will also enter into a Strategic Supply & Cooperation Agreement with SALIC to further support SALIC in its food security agenda along with giving LT Foods a significant access to a large market.

The relevant transactions are subject to necessary regulatory approvals.

This transaction will reflect a successful collaboration and partnership between LT Foods and SALIC as the equity injection will accelerate LT Foods' organic and inorganic expansion plans across business segments, give a boost to its future growth plans specifically in the Middle East and Saudi Arabia region and fortify its position as one of the leading players in the industry. On the other hand, it will enable SALIC to have greater exposure to the Specialty Rice sector and secure larger quantities of Specialty Basmati Rice to Kingdom of Saudi Arabia.

Speaking on the occasion, Chairman, Mr. Vijay Kumar Arora said that, "Our partnership with SALIC is strategic in nature and goes beyond financial investment. The tripling of investment in LT Foods by SALIC is an expression of their confidence in our ability to grow faster than the market. Together, we have developed a deep understanding of the needs of





consumers in the Middle East related to food products and it will open doors for LT Foods to further strengthen its presence in this segment.

“I take this opportunity to thank the management of SALIC for showing confidence in LT Foods’ business model and growth strategy,” he further added.

Speaking on the occasion, Group CEO of SALIC, Sulaiman AlRumaih said that, “The extension of our partnership with LT Foods is in-line with SALIC’s strategy to contribute to the food security objectives. Our 3 years old investment in Daawat Foods Ltd., gave us an understanding of the management style of LT Foods, their market and business understanding and their deep commitment to sustainability, innovation to always serve its consumers better. This gave us the confidence to increase our investment in LT Foods and build a strong strategic partnership with the Company.”

Aventus Capital and Kotak Investment Banking acted as exclusive financial advisors to LT Foods and SALIC respectively. Additionally, AZB & Partners and Cyril Amarchand Mangaldas acted as exclusive legal advisors respectively.

About LT Foods Limited:

LT Foods Ltd. [NSE: DAAWAT, BSE: 532783], LT Foods is into Consumer Food business for the last 70 years, a leading player in the specialty rice and rice food products and organic business across the globe, delivering the finest quality and taste experiences in more than 60 countries. The Company portfolio includes a range of power brands that include Daawat - one of India’s most loved and consumed Basmati brands, Royal - North America’s no. 1 Basmati player and other regional leading brands. The Company is also proudly expanding its organic play by supplying organic food ingredients to leading businesses as well as offering organic staples to consumers in markets across the globe. The Company has consolidated revenue of around Rs. 5,451 crore as on FY22. The Company has an integrated “Farm to Fork” approach with well-entrenched Distribution Network with Global Supply Chain Hubs backed by automated state-of-the art and strategically located Processing Units in India, the US and Europe, and a robust distribution network with 1,300+ distributors across globe.

About SALIC:

Saudi Agricultural Livestock and Investment Co. "SALIC" was established by Royal Decree in 2009 as a Saudi joint stock company owned by the Public Investment Fund. Its doctrine



stipulates that all its investment activities should be both inside and outside the Kingdom of Saudi Arabia in order to achieve a food security strategy by providing food products and stabilizing their prices. SALIC began its investment journey in 2012, with many global companies in the field of agriculture, grain trading, rice, and red meat in multiple countries, such as: Ukraine, Canada, India, Australia, Brazil, Singapore, and The United Kingdom. Locally, with national grain companies such as, AIMarai, NADEC and Saudi Fisheries Co. (Alasmak) and in addition to National Grains Company.

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