THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this circular apply throughout this circular, including this cover page.

Action required

If you have disposed of all of your Omnia shares, this circular, together with the attached notice of general meeting and form of proxy, should be handed to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker but who have not elected own-name registration who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their agreement with their CSDP or broker.

Shareholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of the transaction and ancillary matters set out in this circular. If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

Omnia does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised shares to notify such shareholder of the action required of them in respect of the transaction and ancillary matters set out in this circular.

OMNIA HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1967/003680/06)
JSE share code: OMN
ISIN: ZAE000005153
("**Omnia**" or the "**Company**")

CIRCULAR TO OMNIA SHAREHOLDERS

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relating to:

- **the disposal by the Omnia Group of Oro Agri, which disposal constitutes a category 1 transaction for Omnia in terms of the JSE Listings Requirements; and**
- **a general authority to repurchase Omnia shares**

and enclosing:

- **a notice of general meeting of Omnia shareholders; and**
- **a form of proxy to attend and vote at the general meeting of Omnia shareholders, for use only by certificated shareholders and dematerialised shareholders who have elected own-name registration.**

Corporate Advisor and Transaction Sponsor	Legal Advisor	Independent Reporting Accountants
JAVA CAPITAL	WEBBER WENTZEL in alliance with Linklaters	pwc

Date of issue: Friday, 13 November 2020

This circular is available in English only. Copies of this circular may be obtained from Omnia's registered office between 09:00 and 16:30 on business days from Friday, 13 November 2020 to Friday, 11 December 2020, both days inclusive. This circular will also be available on Omnia's website (https://www.omnia.co.za/investors-and-media/press-releases/2020) from Friday, 13 November 2020.

CORPORATE INFORMATION

Registered office of Omnia
Omnia Holdings Limited
(Registration number 1967/003680/06)
2nd Floor, Omnia House
Epsom Downs Office Park
13 Sloane Street
Epsom Downs
Bryanston, 2021
(PO Box 69888, Bryanston, 2021)

Corporate advisor
Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6th Floor
1 Park Lane
Wierda Valley
Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

Legal advisor
Webber Wentzel
90 Rivonia Road
Sandton, 2196
(PO Box 61771, Marshalltown, 2107)

Transfer secretaries
Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor
19 Ameshoff Street, Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Date and place of incorporation of Omnia
Incorporated on 10 April 1967 in South Africa

Company secretary
Michelle Nana
FCIS, BA (Ind Psych and Socio) CD IODSA

Sponsor
Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6th Floor
1 Park Lane
Wierda Valley
Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

Independent reporting accountants
PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
4 Lisbon Lane
Waterfall City
Jukskei View, 2090
(Private Bag X36, Sunninghill, 2157)

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The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used in the following table of contents.

ACTION REQUIRED BY OMNIA SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used in this section.

THE VIRTUAL GENERAL MEETING

A virtual general meeting of Omnia shareholders will be held at 10:00 on Monday, 14 December 2020, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to be approved by shareholders in order to authorise and implement the transaction. The notice of general meeting is attached to and forms part of this circular.

Certificated shareholders and own-name dematerialised shareholders who are unable to attend the general meeting but who wish to be represented thereat are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Thursday, 10 December 2020. Forms of proxy not lodged with the transfer secretaries by this time may be emailed to **meetfax@linkmarketservices.co.za** up until the commencement of the general meeting.

Dematerialised shareholders who have not elected own-name registration and who wish to attend the general meeting must instruct their CSDP or broker timeously in order that such CSDP or broker issues them with the necessary letter of representation.

Dematerialised shareholders who have not elected own-name registration and who do not wish to attend the general meeting but wish to vote thereat, must provide their CSDP or broker with their instruction for voting at the general meeting in the manner stipulated in the agreement governing the relationship between such shareholders and his/her CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. Such shareholders should **not** complete the form of proxy.

Omnia does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

ELECTRONIC PARTICIPATION

Shareholders or their proxies who wish to participate in the virtual general meeting via electronic communication ("**participants**"), must apply to the company's meeting scrutineers to do so by delivering the form which is attached to and forms part of this circular (the "**electronic application form**") to the offices of the Company's meeting scrutineers, The Meeting Specialist Proprietary Limited ("**TMS**"), JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, 2196, by no later than 10:00 on Thursday, 10 December 2020.

- Shareholders or their proxies may also submit their requests to TMS via email to **proxy@tmsmeetings.co.za;**
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, should contact their central securities depository participant (CSDP) or broker in the manner and time stipulated in their agreement with their CSDP or broker:
  - to furnish them with their voting instructions,
  - in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Participants will be able to vote during the virtual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the general meeting, must provide TMS with the information requested in the electronic participation form.

Each shareholder, who has complied with the requirements above, will be contacted between Thursday, 10 December 2020 and Friday, 11 December 2020 via email/cellphone with a unique link to allow them to participate in the virtual general meeting.

The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.

The cut-off time, for administrative purposes, for receipt of applications to participate in the meeting will be 10:00 on Thursday, 10 December 2020.

VOTING PROCEDURE AND QUORUM FOR THE VIRTUAL GENERAL MEETING

The quorum requirement for the general meeting to begin or for a matter to be considered at the general meeting is at least three persons entitled to vote being present virtually. In addition:

- the general meeting may not begin until sufficient persons are present virtually or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the general meeting; and
- a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present virtually or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every shareholder present virtually or represented by proxy and entitled to exercise voting rights at the general meeting shall be entitled to vote by way of a poll. On a poll, any person who is present virtually at the general meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

A shareholder is entitled to attend virtually and to vote at the virtual general meeting subject to the provision of suitable identification to the transfer secretaries at 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4484, Johannesburg, 2000) or via email to **meetfax@linkmarketservices.co.za**. A shareholder entitled to attend and vote at the virtual general meeting may appoint one or more proxies to attend, speak and to vote in his/her stead. A proxy need not be a shareholder of the company. A form of proxy is enclosed.

Shareholders or their proxies who wish to participate and vote in the virtual general meeting through the electronic participation platform, must email an electronic participation application form to **proxy@tmsmeetings.co.za.**

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own-name registration who are unable to attend the virtual general meeting but wish to be represented thereat.

The form of proxy must be completed in accordance with its instructions and received by the company secretary at the registered office or by the transfer secretaries at 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000), before the commencement of the virtual general meeting (or any adjournment thereof). It is recommended that such proxy be returned to the company secretary or transfer secretaries by no later than 10:00 on Thursday, 10 December 2020.

Registered certificated shareholders and dematerialised shareholders with own-name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote at the virtual general meeting to the exclusion of their appointed proxy/(ies) should such shareholder wish to do so. Dematerialised shareholders, other than with own-name registrations, must inform their CSDP or broker of their intention to participate in the virtual general meeting and obtain the necessary authorisation from their CSDP or broker to participate in the virtual general meeting or provide their CSDP or broker with their voting instructions should they not be able to participate in the virtual general meeting, but wish to be represented. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Certificated shareholders whose shares are held through a nominee or broker must inform their nominee or broker of their intention to attend the virtual general meeting and obtain the necessary letter of representation from their nominee or broker, or provide their nominee or broker with their voting instructions should they not be able to attend the virtual general meeting.

A company that is a shareholder wishing to attend and participate in the virtual general meeting should ensure that a resolution authorising a representative to so attend and participate at the virtual general meeting on its behalf, is passed by its directors.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used in this section.

	2020
Record date to receive the circular and notice of general meeting	Friday, 6 November
Circular and notice of general meeting issued	Friday, 13 November
Announcement relating to the issue of the circular and notice of general meeting released on SENS	Friday, 13 November
Last day to trade in order to be eligible to participate in and vote at the general meeting	Tuesday, 1 December
Voting record date	Friday, 4 December
Last day to lodge forms of proxy for the general meeting with the transfer secretaries, by 10:00. Forms of proxy and applications for electronic participation not submitted by this date may be emailed to **meetfax@linkmarketservices.co.za** and **proxy@tmsmeetings.co.za** respectively, up until the commencement of the general meeting	Thursday, 10 December
General meeting held at 10:00	Monday, 14 December
Results of the general meeting released on SENS	Monday, 14 December
Closing date	15th business day following the date of fulfilment or waiver of the last of the conditions precedent

Notes:

1. All dates and times in this circular are local dates and times in South Africa and are subject to change. Any changes will be released on SENS.
2. **Omnia shareholders are referred to page 2 of this circular for information on the action required to be taken by them.**
3. Shares may not be dematerialised or rematerialised between Wednesday, 2 December 2020 and Friday, 4 December 2020, both days inclusive.
4. The implementation of the transaction is subject to the fulfilment or waiver of the conditions precedent, as further detailed in paragraph 4.4 of the circular.
5. Shareholders who acquired their shares after the last day to trade will not be able to participate in or vote at the general meeting.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column:

"**board**" or "**board of directors**" or "**directors**"	the board of directors of Omnia;
"**BME**"	Bulk Mining Explosives;
"**business day**"	any day other than a Saturday, Sunday or an official public holiday in South Africa;
"**category 1 transaction**"	a transaction in respect of which the value of the consideration payable is equal to 30% or more of the market capitalisation of a company listed on the JSE or results in an issue of shares constituting 30% or more of the number of issued shares of a company listed on the JSE prior to the transaction, as defined in terms of the JSE Listings Requirements;
"**certificated shareholders**"	shareholders who hold certificated shares;
"**certificated shares**"	shares which have not been dematerialised into the Strate system, title to which is represented by physical documents of title;
"**circular**"	this circular dated Friday, 13 November 2020, including all annexures, notice of general meeting and form of proxy attached hereto;
"**closing date**"	the 15th business day following the day on which the last of the conditions precedent is fulfilled or waived, or such other date that may be agreed in writing between the Sellers and the Purchaser;
"**Companies Act**"	the Companies Act, No. 71 of 2008, as amended from time to time;
"**Competition Authorities**"	collectively, the Austrian Federal Competition Authority (*Bundeswett-bewerbsbehörde*) and the Commission for the Protection of Competition (C.P.C.) of the Republic of Cyprus;
"**conditions precedent**"	the conditions precedent set out in paragraph 4.4 of this circular;
"**CSDP**"	a Central Securities Depositary Participant in South Africa, appointed to hold and administer dematerialised shares;
"**cut-off date**"	17:00 on 31 March 2021, or such other date as may be agreed in writing by the parties to the SPA;
"**dematerialised shareholder**"	a shareholder who holds dematerialised shares;
"**dematerialised shares**"	shares which have been incorporated into the Strate system, title to which is not represented by physical documents of title;
"**disposal consideration**"	the consideration payable by the purchaser to the sellers for Oro Agri, being an amount in USD to be calculated on the closing date from a base disposal price to be increased depending on specified pre-closing date cash flows as per the disclosure in paragraph 4.2 of this circular
"**documents of title**"	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares acceptable to the board;
"**EBITDA**"	earnings before interest, taxes, depreciation and amortisation;
"**effective date**"	1 April 2020;
"**EUR**"	euro, the official currency of the Eurozone and certain other countries;

"**financial year**" or "**FY**"	the financial year of Omnia and for the time being ending on 31 March of each year;
"**general meeting**"	the virtual general meeting of Omnia shareholders to be held at 10:00 on Monday, 14 December 2020, convened for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out in the notice of general meeting which is attached to and forms part of this circular;
"**Group**" or "**Omnia Group**"	Omnia and its subsidiaries;
"**IFRS**"	International Financial Reporting Standards;
"**independent reporting accountants**" or "**PwC**"	PricewaterhouseCoopers Inc. (Registration number 1998/012055/21), full details of which are set out in the "Corporate Information" section;
"**Java Capital**" or "**corporate advisor**"	Java Capital Proprietary Limited (Registration number 2012/089864/07), in its capacity as corporate advisor to Omnia, a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the "Corporate Information" section;
"**JSE**"	the exchange operated by JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"**JSE Listings Requirements**"	the Listings Requirements of the JSE, as amended from time to time;
"**JSE sponsor**"	Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), in its capacity as sponsor to Omnia, a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the "Corporate Information" section;
"**last practicable date**"	Friday, 6 November 2020, being the last practicable date prior to the finalisation of the circular;
"**legal advisor**" or "**Webber Wentzel**"	Webber Wentzel, full details of which are set out in the "Corporate Information" section;
"**major subsidiaries**"	a major subsidiary as defined in the JSE Listings Requirements, namely a subsidiary that represents 25% or more of total assets or revenue of the consolidated group based on the latest published interim or year-end financial results;
"**MOI**"	the memorandum of incorporation of Omnia;
"**OGIL**"	Omnia Group Investments Limited (Registration number 1964/003371/06), a public company incorporated and registered in accordance with the laws of South Africa;
"**Omnia**"	Omnia Holdings Limited (Registration number 1967/003680/06), a public company incorporated and registered in accordance with the laws of South Africa, the shares of which are listed on the JSE;
"**Omnia payables**"	collectively, the Omnia Group's claims against certain members of Oro Agri Group for the amounts of: • USD 995 096.83; • USD 2 076 625 (plus interest thereon from 1 August 2020 at the rate of 4.04% per annum); • EUR 1 138 648 (plus interest thereon from 1 August 2020 at the rate of 1.603% per annum); • EUR 1 758 700 (plus interest thereon from 1 August 2020 at the rate of 1.603% per annum); and • ZAR 10 449 754;
"**Oro Agri**" or "**combined entity**"	collectively, Oro Agri South Africa, Oro Agri India, Oro Agri Mexico, Oro Agri USA and Oro Agri International and its subsidiaries, all of which are owned by the Omnia Group currently;

"**Oro Agri India**"	Oro Agri India Private Limited, a company incorporated and registered in accordance with the laws of the Republic of India;
"**Oro Agri International**"	Oro Agri International, Ltd., an exempted company incorporated and registered in accordance with the laws of the Cayman Islands;
"**Oro Agri Mexico**"	Oro Agri S. De C.V., a company incorporated and registered in accordance with the laws of the United Mexican States;
"**Oro Agri South Africa**"	Oro Agri SA Proprietary Limited (Registration number 2001/027414/07), a private company incorporated and registered in accordance with the laws of South Africa;
"**Oro Agri USA**"	Oro Agri, Inc., a company incorporated and registered in accordance with the laws of the State of Missouri, United States of America;
"**own-name dematerialised shareholders**"	dematerialised shareholders who have elected own-name registration;
"**Price**"	The base purchase price payable by ECP to Omnia for the disposal of Oro Agri, being USD146 900 000;
"**purchaser**" or "**ECP**"	European Crops Products 2 S. à r.l., a private limited liability company (*société à responsabilité limitée*) organised under the laws of the Grand Duchy of Luxembourg, with registered office at 2, Avenue Charles de Gaulle, L-1653 Luxembourg, Grand Duchy of Luxembourg and registered with the RCS under number B 210260;
"**R&D**"	research and development;
"**Rand**" or "**R**" or "**ZAR**"	South African Rand;
"**register**"	the share register of Omnia;
"**Rovensa**"	Rovensa S.A., a wholly-owned subsidiary of the purchaser;
"**SADC**"	the Southern African Development Community;
"**SAICA**"	the South African Institute of Chartered Accountants;
"**seller 1**"	K2017443268 (South Africa) Proprietary Limited (Registration number 2017/443268/07), a private company incorporated and registered in South Africa, which holds approximately 52.08% of the issued share capital of Oro Agri South Africa, and is a wholly-owned subsidiary of Omnia;
"**seller 2**"	K2017448055 (South Africa) Proprietary Limited (Registration number 2017/448055/0), a private company incorporated and registered in South Africa, which owns 100% of the issued share capital of Oro Agri India, and is a wholly-owned subsidiary of Omnia;
"**seller 3**"	Oro Agri SEZC Limited, a special economic zone company incorporated and registered in accordance with the laws of the Cayman Islands, which owns 100% of the issued share capital of Oro Agri USA and 0.1% of the rights of membership units of Oro Agri Mexico, and is a wholly-owned subsidiary of Omnia;
"**sellers**"	collectively seller 1, seller 2 and seller 3;
"**SENS**"	the Stock Exchange News Service operated by the JSE;
"**shares**" or "**Omnia shares**"	Omnia ordinary shares of no par value;
"**shareholders**" or "**Omnia shareholders**"	the registered holders of shares;
"**South Africa**"	the Republic of South Africa;

"**SPA**"	the sale and purchase agreement entered into between seller 1, seller 2, seller 3, Omnia, OGIL and the purchaser on 19 October 2020, which sets out the terms and conditions of the transaction, the salient terms of which are set out in paragraph 4 of this circular;
"**Strate**"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, a registered central securities depositary responsible for the electronic settlement system used by the JSE;
"**transaction**"	the disposal by the sellers of Oro Agri to the purchaser, as more fully described in paragraph 4 of this circular;
"**transfer secretaries**" or "**Link Market Services**"	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the "Corporate Information" section;
"**USD**"	United States Dollars;
"**VAT**"	value added tax as defined in the Value Added Tax Act, No. 89 of 1991 as amended from time to time; and
"**voting record date**"	the date on which Omnia shareholders must be recorded in the register in order to participate in and vote at the general meeting, being Friday, 4 December 2020.

OMNIA HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1967/003680/06)
JSE share code: OMN
ISIN: ZAE000005153
("**Omnia**" or the "**Company**")

Directors
Ralph Havenstein *(Independent Non-executive Chairman)*
Seelan Gobalsamy *(Chief Executive Officer)*
Stephan Serfontein *(Chief Financial Officer)*
Ronnie Bowen *(Independent Non-executive Director)*
Prof. Nick Binedell *(Independent Non-executive Director)*
George Cavaleros *(Independent Non-executive Director)*
Linda de Beer *(Independent Non-executive Director)*
Tina Eboka *(Independent Non-executive Director)*
Sizwe Mncwango *(Independent Non-executive Director)*
Thoko Mokgosi-Mwantembe *(Independent Non-executive Director)*
Willem Plaizier *(Independent Non-executive Director)*
Bernard Swanepoel *(Independent Non-executive Director)*

CIRCULAR TO OMNIA SHAREHOLDERS

PART I: THE TRANSACTION

1. INTRODUCTION

1.1. The Omnia Group comprises a balanced and diversified range of complementary chemical, organic material, technology, and service businesses with a broad geographic spread. It has been in business since 1953 and is listed in the Chemicals sector of the JSE.

1.2. In its SENS announcement dated 22 June 2020, Omnia advised that it had received a non-binding indicative offer for Oro Agri, the international AgriBio business that Omnia acquired in 2018. This offer was received from Rovensa, a European-headquartered multinational AgriBio business backed by private equity funds, Bridgepoint and Partners Group. Through a combination of organic growth and M&A, Rovensa has established itself as a leading provider of crop protection, bio nutrition and bio control products.

1.3. Following the completion of a due diligence investigation and transaction negotiations, and as announced on SENS on Monday, 19 October 2020, the Omnia Group has entered into the SPA, in terms of which, subject to the fulfilment or waiver of the conditions precedent by the cut-off date, the sellers will dispose of Oro Agri, as one indivisible transaction, to the purchaser with effect from the effective date, for the disposal consideration.

1.4. The transaction constitutes a category 1 transaction in terms of section 9 of the JSE Listings Requirements.

1.5. The purpose of this circular is to:

1.5.1. provide Omnia shareholders with information relating to the transaction and the manner in which it will be implemented, so as to enable shareholders to make an informed decision as to whether or not they should vote in favour thereof; and

1.5.2. give notice convening the general meeting at which the resolutions necessary to approve and implement the transaction, as more fully detailed in this circular, will be considered and, if deemed fit, approved with or without modification by Omnia shareholders. The notice convening the general meeting is attached to and forms part of this circular.

2. RATIONALE FOR THE TRANSACTION

2.1. In the context of its 2019 rights issue, the initial phase of Omnia's strategy has been to stabilise the group. Having completed the first phase, Omnia has commenced the second phase which is to restructure and renew Omnia's underlying businesses.

2.2. Omnia's current core debt is at a level that, while not impacting Omnia's trading, requires careful capital allocation to support growth opportunities across its businesses.

2.3. Omnia has been a relatively passive investor since acquiring Oro Agri in 2018 and, in order to enable its full potential, Omnia would have to invest significant additional capital in Oro Agri and fully integrate it into its operations.

2.4. Based on the above factors, the receipt of Rovensa's non-binding indicative offer for Oro Agri brought Omnia to an inflection point with regards to its investment, requiring an evaluation of the available options of either funding and fully integrating or disposing of Oro Agri.

2.5. In Omnia's view, the factors that have impacted the negotiations and the disposal price include that Rovensa has synergies with Oro Agri that Omnia does not have and has the capacity to fully fund Oro Agri's growth plan. In this context, the disposal price is aligned with Rovensa's perceived opportunities for Oro Agri and is attractive to Omnia in that it exceeds Omnia's internal valuation of Oro Agri.

2.6. Omnia has concluded that the risk profile of the Oro Agri business, the attractive price offered by Rovensa, as well as the benefits to Omnia of a de-leveraged balance sheet outweigh the potential long term upside to Omnia from its investment in Oro Agri.

2.7. Oro Agri contributed less than 15% of Omnia's EBITDA (excluding impairments) in FY20 and is budgeted to remain at similar levels in FY21 in contrast to the enterprise value placed on Oro Agri by the purchaser which was close to 40% of Omnia's enterprise value prior to the SENS announcement on Monday, 19 October 2020.

2.8. Oro Agri constitutes only a portion of Omnia's global presence, contributing approximately 30% of the international earnings Omnia reported for FY20. The balance of Omnia's international market and currency diversification is in its Agriculture International ("**Agri International**") and BME International divisions.

2.9. Agri International supplies biostimulant, speciality nutrient and fertiliser coating products such as K-Humate™, Humate™, Bacstim™ and FERTICOAT™, for which there is high global demand. This demand is reflected in increasing exports to India, Europe, Brazil and SADC from Omnia's Australian operations. Capital projects under assessment by Agri International include microbial and speciality nutrition product ranges developed in South Africa and Europe.

2.10. Omnia's BME international business is growing in Africa, Canada and Australia and is anticipated to play a bigger role in these markets with partnerships in other global mining regions in development. BME's technology advantage positions the Company well in global markets, underpinned by its reputation for outstanding operational safety and customer centricity.

3. APPLICATION OF PROCEEDS

3.1. Omnia's intention is to use the disposal proceeds to repay its existing core term debt which will reduce its interest expenses as well as its weighted average cost of debt going forward. When repaying debt, Omnia will also be able to settle interest rate hedges where appropriate. After debt repayments, Omnia is likely to be in a net cash position.

3.2. From this strong financial base, Omnia can fund selective, organic expansionary capital expenditure and working capital. Omnia will continue to ensure that it maintains an efficient capital structure whilst remaining extremely conservative regarding inorganic opportunities.

3.3. When announcing its results for the financial year ending in March 2021, Omnia will have finalised its evaluation of its capital requirements and will set out its decisions regarding a return of any surplus cash to shareholders, which may include a special dividend and/or share buyback. This circular includes a shareholder resolution giving Omnia a general authority to repurchase its shares.

4. SALIENT TERMS OF THE SPA

4.1. Effective date

In terms of the SPA, Oro Agri will be disposed of with effect from the effective date.

4.2. The disposal consideration

The base purchase price payable by ECP to Omnia for the disposal of Oro Agri is USD146 900 000. In addition to the Price, Omnia is entitled to the repayment of the Omnia payables totalling the aggregate of USD3 071 722 and EUR2,897,348 (together with certain interest accruals thereon). The Price was calculated with reference to an Oro Agri enterprise value of USD165 100 000, which was reduced by the value of a 25% minority interest in Oro Agri Brazil and the net debt in Oro Agri.

4.3. **Settlement of the disposal consideration**

4.3.1. The disposal consideration will be settled by the purchaser in cash on the closing date.

4.3.2. In addition to receiving the disposal consideration, the Omnia Group is entitled to repayment by Oro Agri of the Omnia payables prior to the closing date. If any of those Omnia payables are not settled in full on the date that is 10 business days prior to the closing date ("**remaining Omnia payables**"), those remaining Omnia payables will, subject to paragraph 4.3.3 below, be capitalised by transferring them to Oro Agri International in exchange for shares in Oro Agri International. In that event, those additional Oro Agri International shares will also be sold to the purchaser and the disposal consideration will be increased by an amount (in USD) equal to the aggregate face value (including accrued interest) of those remaining Omnia payables that are so capitalised.

4.3.3. However, as an exception to the potential capitalisation referred to in paragraph 4.3.2, the purchaser is entitled to elect that, if the Group's claim against Oro Agri USA for the amount of USD2 076 625 is a remaining Omnia payable, that such claim not be capitalised as referred to in paragraph 4.3.2. If the purchaser makes that election, then that claim will remain owing by Oro Agri USA to the Group after the closing of the transaction, and the purchaser will be responsible for procuring that Oro Agri USA repays that Omnia payable within six months after closing of the transaction.

4.4. **Conditions precedent**

The implementation of the transaction is subject to the fulfilment or waiver (as the case may be) of the following conditions precedent:

4.4.1. Omnia shareholders having adopted an ordinary resolution approving the transaction by simple majority;

4.4.2. all necessary third-party consents from certain financiers of Omnia and financiers and distributors of Oro Agri having been received:

4.4.2.1. Omnia's financing parties;

4.4.2.2. Hillcrest Bank;

4.4.2.3. Wells Fargo;

4.4.2.4. Banco Santander Brasil S.A;

4.4.2.5. PSA Financial Services Nederland B.V.;

4.4.2.6. Cebeco Agrochemie B.V.;

4.4.2.7. Shiman (Pty) Limited;

4.4.2.8. Henning & Henning cc;

4.4.2.9. Grasses & Greens Supplies cc;

4.4.2.10. Farm-ag International (Pty) Ltd; and

4.4.2.11. Inteligro (Pty) Ltd;

4.4.3. applicable merger control clearances having been received from the relevant competition authorities in respect of the transaction; and

4.4.4. the Financial Surveillance Department of the South African Reserve Bank having granted written approval for the implementation of the SPA.

4.5. **Other salient term(s)**

The SPA contains undertakings, warranties and indemnities that are typical for disposals of this nature.

5. APPROVALS REQUIRED

At the general meeting, an ordinary resolution in terms of paragraph 9.20 of the JSE Listings Requirements will be put to shareholders in order to approve the transaction.

6. NATURE OF BUSINESS OF ORO AGRI

6.1. Oro Agri is involved in the research and development, production, distribution and sales of a differentiated range of bio-agri products, many of which are patented. Its product ranges include biological crop protection products, adjuvants, liquid foliar fertilizers and soil conditioners for all major crop types. Two key products, WETCIT® and PREV-AM®, have orange oil as their key patented active ingredient and are registered for use in over 25 countries on a variety of crops.

6.2. Oro Agri owns and operates in-house production and R&D facilities in South Africa, Brazil, the United States and Europe. Oro Agri has a pipeline of new products and has strategic and operational plans for business development based on new registrations and expanding its sales footprint.

7. PROSPECTS

7.1. **Introduction**

7.1.1. In the near-term, Omnia will continue to restructure and unlock value from its existing portfolio by implementing and bedding down efficiency enhancing changes in manufacturing, growing the SADC businesses as well as stabilising and increasing the value generated from Omnia's and BME's international operations.

7.1.2. Omnia is fortunate in that it enjoys a sound financial position and supplies critical products and services to the agriculture, mining and chemical industries. The Group's products are key inputs for food production, electricity supply, clean water and the production of fuel. As such, specific areas are classified as essential services. As such, the COVID-19 pandemic's impact on Omnia's trading has not been significant.

7.2. **Agriculture**

7.2.1. *Agriculture SADC*

Omnia's management's strategy is to steer the existing business to higher margins through increased sales of speciality products whilst developing a new business model in parallel that will leverage Omnia's agriculture supply and marketing core competencies to create growth within current markets with new products, as well as creating opportunities to expand across adjacent markets through a variety of new marketing channels.

Omnia recently registered its humate products in South Africa with registration in other SADC countries to follow swiftly. This provides an opportunity to supply existing and new customers with products that are environmentally friendly and that have an established track record of increasing yields. A number of organic products developed in Australia are currently in the process of SADC registration and, if successful, will become part of Omnia's speciality product programme.

Other opportunities exist in the AgTech sector, a market growing at close to 10% compounded annual growth rate (CAGR). Digital innovation is starting to impact agriculture on various fronts with remote sensing technologies allowing growers to receive feedback on the status of crops before any issues are visible to the human eye. "Smart" farms use various digital and digitally linked technologies to closely monitor crops throughout the entire season and carefully control inputs like water, pesticides and nutrients. Axioteq, a business in Omnia's stable, is operating in this arena in SADC as well as in Brazil, with good growth opportunities if further capital can be invested.

7.2.2. *Omnia International*

Omnia is a global leader in the development and manufacture of speciality fertilisers and biostimulants including humates, fulvates and kelp (seaweed) products, produced in Australia and exported around the world. In addition, the business offers a full range of trace elements, biostimulants and plant health products which are used globally to improve crop health, yields and improve soil health in a sustainable and environmentally conscious way. Omnia's humates are sourced and produced from the richest Australian leonardite, which in trials across the globe is acknowledged to achieve better results than other humate sources.

The export business for these products has grown rapidly over the last few years with additional production capacity installed recently. The humate-based biostimulant coating product FERTICOAT™ specifically has high demand from large fertiliser manufacturers looking for a value-added proposition and is exported to more than 20 countries globally.

In recent years, Omnia has established a strong presence in Brazil by leveraging its Australian produced products. Omnia intends to build on this success to increase its distribution into other key agriculture markets, particularly in the European Union and member countries of the North American Free Trade Agreement (NAFTA), via direct sales to end users in some regions, targeted wholesale expansion, increased dry product capacity and new distribution infrastructure.

New products (e.g. microbials) are currently in trial stage with promising early results. In addition, with low capital investment, the business could invest vertically in its supply chain through, for example, own seaweed extraction.

7.3. **Mining**

7.3.1. *BME SADC*

BME's restructured business model, implemented last year, has positioned the business to extract further efficiencies as well as take advantage of growth opportunities.

Competition is expected to remain intense, which has had the knock-on effect of giving rise to opportunities within the mining subsectors. Recent new long-term contract wins in South Africa and in SADC have secured the medium-term demand but will require capital to execute thereon.

BME's AXXIS™ electronic initiation system – which improves the safety, ease of use and accuracy of blasts – was a key contributor to recent contract wins. The latest iteration of the initiation system – AXXIS Titanium™ (designed to provide longer lead times, greater control and better data) – is currently undergoing final trials ahead of its global market launch later this year. BME also supplies other necessary equipment for explosions, including boosters and surface wire.

Investing further into AXXIS™ software and blast reporting technology will be critical to BME's long-term success.

7.3.2. *BME International*

BME has a presence in five West African countries, with Cote d'Ivoire being Africa's fastest growing mining market, offering significant expansion opportunities.

Beyond Africa, BME's focus is on executing and optimising current projects in Indonesia, ramping up for the first project in Canada with its joint venture partner Consbec, following the successful conclusion of trials. The BME business in Australia has made good inroads through collaboration, emerging as a welcomed alternative to entrenched large competitors. In addition, new AXXIS™ contracts and partnerships are being explored in Australia and Indonesia. New opportunities have also been identified in India, Colombia, Papua New Guinea, Mexico and the United States of America.

7.4. **Chemicals**

The focus placed over the last few years by Protea Mining Chemicals on developing high performance, value-adding chemicals and reagents that consistently deliver meaningful and measurable benefits to customers, continues to provide opportunities in the base metals, gold and the platinum group metals (PGM) markets. The business has developed a solution that assists copper and cobalt mines to reduce product contamination (improving metal purity levels) and maximise output in the solvent extraction process. This discovery will significantly extend the life of copper and cobalt mines globally and boost profitability.

The refinement of Protea Chemical's operating model continues, including the possible reduction in the business's footprint, reassessing its product range and exploring new joint venture opportunities. New opportunities have been identified to service demand for specialised product and service solutions across various sectors including industrial water and wastewater treatments and animal nutrition, both providing large opportunities for expansion both in the chemicals and organic product supplies as well as with regards to technical services provision. The refined strategy is yielding improved free cash flows with lower net working capital requirements.

Umongo Petroleum is evidencing improved trading and is targeting increased volume in the sub-Saharan Africa market. Its long-term principal relationship with Chevron provides new opportunities in synthetic and bio-based lubricant markets, while new product registrations for crop spray oils using Umongo Petroleum's supply has opened another market opportunity.

7.5. **Conclusion**

Omnia has long moved beyond supplying chemicals and commodity products in SADC. Its range of agriculture and blasting technology, patents and registrations for AgriBio products (beyond those of Oro Agri) and the provision of associated services to customers, all give testimony to a well-diversified and innovative organisation. Our international footprint remains strong through Omnia International product registrations, exports and distribution footprint as well as through the global expansion of BME International.

The COVID-19 pandemic has resulted in revised economic and industry forecasts accounting for the impact on current operations, as well as the uncertainty relating to the trading conditions going forward. In particular, the fuel sector in which Umongo Petroleum operates, has experienced increased volatility and risk, resulting in unprecedented forecasting uncertainty. In the near-term, Omnia will continue to restructure and unlock value from its existing portfolio by implementing and bedding down efficiency enhancing changes in manufacturing, growing the SADC businesses as well as stabilising and increasing the value generated from Omnia's and BME's international operations.

8. CONFIRMATION OF SUPPORT FOR THE DISPOSAL FROM INSTITUTIONAL SHAREHOLDERS

Omnia has received letters from institutional shareholders and asset managers, acting not as principal but on behalf of their clients, confirming their support for the transaction and intention or undertaking to vote in favour, or recommend to their clients that they vote in favour, of the resolutions required to approve the disposal.

Shareholder	Number of shares under management as at 12 October 2020	Percentage holding[1]
Kagiso Asset Management	22 085 095	13.2%
Foord Asset Management	20 806 852	12.3%
Prudential Investment Managers	18 717 255	11.2%
Allan Gray Proprietary Limited	18 031 830	10.8%
Old Mutual (various funds)	15 811 873	9.4%
Perpetua Investment Managers	4 770 868	2.8%
Total	**100 223 773**	**59.8%**

Notes:
(1) *Net of shares held in treasury*

9. OPINION AND RECOMMENDATION

9.1. The board has concluded that the risk profile of the Oro Agri business, the attractive price offered by Rovensa, as well as the benefits to Omnia of a de-leveraged balance sheet outweigh the potential long term gains to Omnia from its investment in Oro Agri.

9.2. Accordingly, the board is of the opinion that the transaction is beneficial to Omnia and recommends that Omnia shareholders vote in favour of the resolution necessary to approve the transaction.

9.3. Those directors that hold Omnia shares intend voting their shares in favour of the resolution necessary to approve the transaction.

10. THE GENERAL MEETING

10.1. A general meeting of Omnia shareholders will be held at 10:00 on Monday, 14 December 2020, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to be approved by shareholders in order to authorise and implement the transaction. The notice of general meeting is attached to and forms part of this circular.

10.2. Details of the actions required by Omnia shareholders are set out on page 2 of this circular.

PART II: FINANCIAL INFORMATION

11. *PRO FORMA* FINANCIAL EFFECTS OF THE TRANSACTION

11.1. The consolidated *pro forma* statement of financial position and statement of comprehensive income of Omnia, showing the *pro forma* effects of the transaction (the "*pro forma* financial information"), is set out in **Annexure 1** of this circular.

11.2. The *pro forma* financial information has been provided for illustrative purposes only, to provide information on how the transaction may have affected the results and financial position of Omnia, assuming it was implemented on 31 March 2020. Because of its nature, the *pro forma* financial information may not fairly represent Omnia's financial position, changes in equity, results of operations or cash flows after the transaction.

11.3. The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the board. The *pro forma* financial information has been prepared in accordance with the JSE Listings Requirements, the Guide on *Pro forma* Financial Information issued by SAICA and Omnia's accounting policies, which are in compliance with IFRS.

11.4. The *pro forma* financial information should be read in conjunction with the independent reporting accountant's assurance report thereon, as contained in **Annexure 2** of the circular.

11.5. Extracts from the *pro forma* financial information of Omnia are set out below:

***Pro forma* financial effects on Omnia shareholders**

	Before	***Pro forma*** **After the Transaction**	% Change
	Note 1	**Note 2**	
Basic earnings per share	99	576	482%
Diluted earnings per share	99	576	482%
Headline earnings per share	189	234	24%
Diluted headline earnings per share	189	234	24%
Net asset value per share (cents)	57	60	5%
Net tangible asset value per share (cents)	42	54	31%
Weighted average number of shares in issue ('000)	125 615	125 615	
Weighted average number of diluted shares in issue ('000)	125 615	125 615	
Number of shares in issue ('000) (excluding treasury shares)	167 717	167 717	

Notes:

1. The financial information in the "Before" column has been extracted, without adjustment, from the audited consolidated financial statements of Omnia Holdings Limited for the year ended 31 March 2020.
2. The financial information in the "*Pro forma* After the Transaction" column reflects the impact of the *pro forma* adjustments on Omnia as a consequence of the transaction. The effects of the transaction are calculated on the assumption that the disposal consideration will be utilised to reduce interest-bearing borrowings.
3. *Pro forma* earnings and headline earnings per share are based on the principal assumption that the transaction was effective on 1 April 2019.
4. *Pro forma* net asset and net tangible asset value per share are based on the principal assumption that the transaction was effective on 31 March 2020.

11.6. Detailed notes and assumptions regarding the *pro forma* financial information are set out in **Annexure 1**.

12. HISTORICAL FINANCIAL INFORMATION

12.1. The combined carve-out historical financial information of the combined entity, for the 11-month period ended 31 March 2019 and the year ended 31 March 2020 is set out in **Annexure 3** of this circular.

12.2. The combined carve-out historical financial information is the responsibility of the board.

12.3. The independent reporting accountant's review opinion on the combined carve-out historical financial information of the combined entity is presented in **Annexure 4** of this circular.

13. MATERIAL LOANS

Details of all material loans are disclosed in **Annexure 5** of this circular.

14. MATERIAL CHANGES

Save as disclosed in Omnia's trading statement published on SENS on Tuesday, 11 November 2020, there has been no material change in the financial or trading position of the Omnia Group that has occurred since the financial year ended 31 March 2020, being the last financial period in respect of which Omnia has published audited annual financial statements.

PART III: GENERAL

15. DIRECTORS' INFORMATION

15.1. Directors' remuneration

The table below sets out directors' remuneration for the financial year ended 31 March 2020. There will be no variation to directors' remuneration as a result of the transaction.

Executive Directors	Guaranteed salary R'000	Retirement funding R'000	Medical aid R'000	Car allowance R'000	Other R'000	Total R'000
A de Lange[1]	1 435	140	20	123	4	1 722
W Koonin [2]	–	–	–	32	–	32
S Gobalsamy [3]	4 674	–	78	165	–	4 917
S Serfontein[4]	212	21	5	18	–	256
R Humphris[5]	–	–	–	–	–	–

Non-executive Directors	Fees R'000	Total R'000
N Binedell	492	492
R Bowen	671	671
F Butler	808	808
L de Beer	1 005	1 005
T Eboka	670	670
S Gobalsamy[3]	–	–
R Havenstein	1 359	1 359
R Humphris[5]	870	870
S Mncwango	464	464
W Plaizier	506	506
T Mokgosi-Mwanetembe	722	722
Z Swanepoel[6]	266	266
G Cavaleros[7]	445	445

Notes:

1. Resigned 21 August 2019.
2. Resigned 28 February 2019.
3. Appointed 10 September 2018 as independent non-executive director. Appointed as Group finance director on 1 March 2019. Appointed Chief Executive Officer on 21 August 2019.
4. Appointed as Group finance director on 1 March 2020.
5. Retired 30 September 2019.
6. Appointed 1 October 2019.
7. Appointed 5 August 2019.

15.2. **Directors' interests in securities**

As at the last practicable date, directors' interests, including directors who have resigned in the last 18 months, were as follows:

	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total
R Havenstein	1 922	–	–	1 922
F Butler	15 913	–	–	15 913
N Binedell	16 000	–	–	16 000
B Swanepoel[1]	10 000	–	–	10 000
S Gobalsamy[2]	288 000	–	–	288 000
R Humphris[3]	1 427 383	89 128	–	1 516 511
A de Lange[4]	–	–	–	–
Total	1 759 218	89 128	–	1 848 346

Notes:
1. Appointed as an independent non-executive director on 1 October 2019.
2. Appointed as Chief Executive Officer on 21 August 2019.
3. Retired as non-executive director on 30 September 2019.
4. Resigned as Group managing director on 21 August 2019.

15.3. **Directors' interests in transactions**

There are no material beneficial interests, whether direct or indirect, of directors, including any directors who have resigned in the last 18 months, in transactions that were effected by Omnia during the current or immediately preceding year or during an earlier financial year and which remain in any respect outstanding or unperformed.

16. MAJOR AND CONTROLLING SHAREHOLDERS

16.1. Set out below are the names of Omnia shareholders, other than directors, that were, directly or indirectly, beneficially interested in 5% or more of the issued shares as at 31 March 2020:

Shareholder	Number of shares – direct	Number of shares – indirect	Total	% of issued share capital
Public Investment Corporation	380 094	27 143 774	27 523 868	16,28%
Foord Asset Management	12 414 842	9 370 164	21 785 006	12,89%
Old Mutual Investment Group	15 908 152	2 137 975	18 046 127	10,67%
Allan Gray	9 284 406	8 480 441	17 827 037	10,55%
Prudential Investment Managers	–	17 114 833	17 114 833	10,12%
Kagiso Asset Management	–	15 495 284	15 495 284	9,17%
Total	38 049 684	79 742 471	117 792 155	69,68%

16.2. As at the last practicable date, Omnia does not have a controlling shareholder(s).

16.3. The transaction will not result in a change in the controlling shareholder(s) of Omnia or any of its major subsidiaries.

17. MATERIAL CONTRACTS

Save for the transaction, there are no material contracts that have been entered into either verbally or in writing by Omnia, any of its major subsidiaries or by any subsidiary where it is material to Omnia, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of business carried on or proposed to be carried on by Omnia or any of its subsidiaries, within the two years prior to the date of issue of this circular or entered into at any time and containing an obligation or settlement which is material to Omnia or its subsidiaries at the date of issue of this circular.

18. STATEMENT AS TO WORKING CAPITAL

The board has considered the effects of the transaction and in their opinion, the working capital available to Omnia Group and its subsidiaries is sufficient for the Omnia Group's present requirements, that is, for at least the next 12 months from the date of issue of this circular.

19. LITIGATION

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the board is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Omnia Group's financial position.

20. RESPONSIBILITY STATEMENT

The directors, whose names are given on page 9 of this circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made, and that the circular contains all information required by law and the JSE Listings Requirements.

21. CONSENTS

21.1. The corporate advisor, sponsor, legal advisor, independent reporting accountants and the transfer secretaries have each consented in writing to act in the capacities stated and to their names appearing in this circular, which consent has not been withdrawn prior to the issue of this circular.

21.2. The independent reporting accountants have consented to the inclusion of their reports in the circular in the form and context in which they appear, which consent has not been withdrawn prior to the issue of this circular. The independent reporting accountants have confirmed that the contents of the circular are not contradictory to the information contained in their reports.

22. PRELIMINARY AND ISSUE EXPENSES

22.1. The estimated total amount of preliminary and issue expenses (excluding VAT) incurred by Omnia in respect of the transaction within the three years preceding the last practicable, are set out below:

Fees incurred by Omnia	Recipient	R'000
Corporate advisory fees	Java Capital	24 900
JSE sponsor fees	Java Capital	750
Legal advisory fees South Africa	Webber Wentzel	9 800
Legal advisory fees (Brazil)	Tozzini, Freire	106
Legal advisory fees (India)	Transaction Square	114
Legal advisory fees (Mexico)	Bryan, Gonzalez Vargas & Gonzalez Baz	138
Legal advisory fees (Portugal)	Linklaters	124
Legal advisory fees (UK and US)	Linklaters	249
Legal advisory fees (Cayman Islands)	Carey Olsen	320
Independent reporting accountant's fees	PwC	3 800
JSE documentation fees	JSE	53
Transfer secretaries	Link Market Services	30
Printing costs	Ince	150
Contingency		100
Total		40 634

23. INDEPENDENCE OF JSE SPONSOR

The JSE sponsor, a wholly-owned subsidiary of the corporate advisor, is acting as independent sponsor to Omnia and maintains the appropriate procedures to maintain its independence of Omnia and any of its advisors as required under JSE Listings Requirements.

24. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at Omnia's registered office between 09:00 and 16:30, as well as on the Company's website, www.omnia.co.za, from Friday, 13 November 2020 to Friday, 11 December 2020, both days inclusive:

24.1. the circular;

24.2. the SPA;

24.3. the MOI;

24.4. the memorandum of incorporation of each of Omnia's major subsidiaries;

24.5. service agreements with directors, managers or secretary/ies, underwriters, vendors and promoters of Omnia entered into during the three years preceding the last practicable date;

24.6. the written consents referred to in paragraph 21 of this circular;

24.7. the following reviewed financial statements, which were used in the preparation of the consolidated *pro forma* statement of financial position and statement of comprehensive income of the Omnia Group and reporting accountants reports thereon:

24.7.1. Oro Agri combined carve-out historical financial information for the year ended 31 March 2020; and

24.7.2. Oro Agri combined carve-out historical financial information for the 11-month period ended 31 March 2019.

24.8. the signed reports by the independent reporting accountant as set out in **Annexure 2** and **Annexure 4** of this circular; and

24.9. the audited annual financial statements of the Omnia Group for the financial years ended 31 March 2018, 31 March 2019 and 31 March 2020, together with all notes, certificates or information required by the Companies Act.

Signed on behalf of the board

Seelan Gobalsamy
Chief Executive Officer

6 November 2020

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

Set out below is the consolidated *pro forma* statement of financial position and statement of comprehensive income of Omnia, showing the *pro forma* effects of the transaction (the "*pro forma* financial information"). The *pro forma* financial information has been provided for illustrative purposes only, to provide information on how the transaction may have affected the result and financial position of Omnia, on the assumption that the transaction took place on 31 March 2020. Because of its nature, the *pro forma* financial information may not fairly represent Omnia's financial position, changes in equity, results of operations or cash flows after the transaction.

The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, are the responsibility of the directors of Omnia.

The *pro forma* financial information has been prepared in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by SAICA, and the accounting policies of Omnia, which are in compliance with IFRS.

The *pro forma* financial information should be read in conjunction with the independent reporting accountant's assurance report thereon, which is presented in **Annexure 2** of this circular.

Pro forma consolidated statement of financial position for the year ended 31 March 2020

The *pro forma* consolidated statement of financial position as at 31 March 2020 has been prepared to show the impact of the transaction as if it was effective 31 March 2020.

Rm	Before	Reversal of combined carve out results of Oro Agri	Reversal of guarantee	Consolidation adjustments	Proceeds on the Transaction	Transaction costs	*Pro forma* After the Transaction
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	
Assets							
Non-current assets	8 660	(1 904)	–	–	–	–	6 756
Property, plant and equipment	5 328	(236)					5 092
Right-of-use assets	572	(25)					547
Goodwill and intangible assets	2 579	(1 640)					939
Investments accounted for using the equity method	11	–					11
Trade and other receivables	104	–					104
Deferred income tax assets	66	(3)					63
Current assets	9 428	(750)	–	–	–	(41)	8 637
Inventories	3 647	(131)					3 516
Trade and other receivables	4 151	(571)					3 580
Derivative financial instruments	160	–					160
Income tax assets	110	–					110
Cash and cash equivalents	1 360	(48)			–	(41)	1 271
Total assets	18 088	(2 654)	–	–	–	(41)	15 393
Equity							
Capital and reserves attributable to owners of Omnia Holdings Limited	9 617	(1 784)	(43)	–	2 369	(41)	10 118
Stated capital	3 534	–					3 534
Treasury shares	(130)	–					(130)
Other reserves	1 611	20					1 631
Retained earnings	4 602	(53)	(43)	(1 751)	2 369	(41)	5 083
Net investment by parent	–	(1 751)		1 751			–
Non-controlling interests	118	(125)					(7)
Total equity	9 735	(1 909)	(43)	–	2 369	(41)	10 111
Liabilities							
Non-current liabilities	2 881	(294)	–	–	(1 636)	–	951
Deferred income tax liabilities	674	(274)					400
Interest-bearing borrowings	1 693	(4)			(1 636)		53
Lease liabilities	427	(16)					411
Derivative financial instruments	28	–					28
Trade and other payables	59	–					59
Current liabilities	5 472	(451)	43	–	(733)	–	4 331
Interest-bearing borrowings	841	(108)			(733)		–
Lease liabilities	186	(7)					179
Bank overdrafts	93	–					93
Derivative financial instruments	99	–					99
Income tax liability	284	(17)					267
Contract liabilities	477	–					477
Trade and other payables	3 492	(319)	43				3 216
Total liabilities	8 353	(745)	43	–	(2 369)	–	5 282
Total equity and liabilities	18 088	(2 654)	–	–	–	(41)	15 393

Rm	Before	Reversal of combined carve out results of Oro Agri	Reversal of guarantee	Consoli-dation adjustments	Proceeds on the Transaction	Transaction costs	*Pro forma* After the Transaction
Number of shares in issue ('000) (excluding treasury shares)	167 717						167 717
Net asset value per share (cents)	57						60
Net tangible asset value per share (cents)	42						54

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated financial statements of Omnia Holdings Limited for the year ended 31 March 2020.
2. Extracted, without adjustment, from the reviewed combined carve-out historical financial information of Oro Agri for the year ended 31 March 2020, attached as **Annexure 3** to this circular.
3. Oro Agri SA (Pty) Ltd acted as a guarantor for loans held by Omnia Group Proprietary Limited with a consortium of lenders. The financial guarantee is excluded from the transaction and therefore the financial guarantee liability of R43 million, included in the combined carve-out historical financial information, has been reversed.
4. Consolidation adjustments comprise the reversal of the investment by parent company included in the combined carve-out historical financial information.
5. The allocation of the proceeds on disposal adjustments will be finalised based on the actual position on the effective date of the transaction. For the purpose of the *pro forma* consolidated financial statements, these adjustments have been calculated using the financial position as at 31 March 2020. The net cash received in terms of the disposal consideration, Omnia payables and Oro Agri cash deposited with Omnia's treasury will be utilised by Omnia Holdings Limited to reduce interest-bearing borrowings as set out below. The disposal consideration has been converted at 15.84, being the exchange rate at the last practicable date.

	R'million
Disposal consideration	2 393
Less: Capital gains tax	(24)
Net consideration	2 369
Net consideration to be applied as follows:	
Interest bearing borrowings – current liabilities	733
Interest bearing borrowings – non-current liabilities	1 636
	2 369

6. Once-off transaction costs of R41 million are expected to be incurred as a direct result of the transaction. The transaction costs are assumed to be settled in cash shortly after the closing date.

Pro forma consolidated statement of comprehensive income for the year ended 31 March 2020

The *pro forma* consolidated statement of comprehensive income for the twelve months ended 31 March 2020 has been prepared to show the impact of the transaction as if it was effective 1 April 2019.

Rm	**Before**	**Reversal of combined carve out results of Oro Agri**	**Reversal of guarantee**	**Proceeds on the Transaction**	**Transaction costs**	***Pro forma* After the Transaction**
	Note 1	**Note 2**	**Note 3**	**Note 4**	**Note 5**	
Revenue	18 737	(914)				17 823
Cost of sales	(13 968)	254				(13 714)
Gross profit	4 769	(660)	–	–	–	4 109
Distribution expenses	(2 214)	248				(1 966)
Administrative expenses	(1 309)	201	(43)			(1 151)
Other operating income	179	(9)		566		736
Other operating expenses	(402)	146			(41)	(297)
Impairment losses on non-financial assets	(110)	–				(110)
Impairment losses on financial assets	(116)	7				(109)
Share of loss of investments: equity method	(8)	–				(8)
Operating profit	789	(67)	(43)	566	(41)	1 204
Monetary gain on hyperinflation	22	–				22
Finance income	93	(3)				90
Finance expenses	(572)	11		255		(306)
Profit before tax	332	(59)	(43)	821	(41)	1 010
Income tax expense	(203)	9		(95)	–	(289)
Profit for the year	129	(50)	(43)	726	(41)	721
Attributable to:						
Owners of Omnia Holdings Limited	124	(43)	(43)	726	(41)	723
Non-controlling interest	5	(7)				(2)
Profit for the year	129	(50)	(43)	726	(41)	721
Other comprehensive income						
Items that may be reclassified to profit or loss (net of tax)						
Loss on cash flow hedge	(47)	–				(47)
Currency translation adjustment for impact of hyperinflation	98	–				98
Currency translation differences	589	6		(20)		575
Other comprehensive income for the year	640	6	–	(20)	–	626
Total comprehensive income for the year	769	(44)	(43)	706	(41)	1 347
Attributable to:						
Owners of Omnia Holdings Limited	753	(26)	(43)	706	(41)	1 349
Non-controlling interest	16	(18)	–	–	–	(2)
Total comprehensive income for the year	769	(44)	(43)	706	(41)	1 347
Earnings per share from profit attributable to the owners of Omnia Holdings Limited during the year (cents)						
Basic earnings per share	99					576
Diluted earnings per share	99					576
Headline earnings per share	189					234
Diluted headline earnings per share	189					234
Weighted average number of shares in issue ('000)	125 615					125 615
Weighted average number of diluted shares in issue ('000)	125 615					125 615
Number of shares in issue ('000) (excluding treasury shares)	167 717					167 717

Rm	Before	Reversal of combined carve out results of Oro Agri	Reversal of guarantee	Proceeds on the Transaction	Transaction costs	*Pro forma* After the Transaction
	Note 1	**Note 2**	**Note 3**	**Note 4**	**Note 5**	
Headline earnings reconciliation:						
Profit for the year	129	(50)	(43)	726	(41)	721
Non-controlling interest	(5)	7				2
Profit for the period attributable to owners of Omnia Holdings Limited	124	(43)	(43)	726	(41)	723
Adjusted for:						
Loss on disposal of property, plant and equipment	8					8
Insurance income for replacement of property, plant and equipment	(5)					(5)
Impairment of goodwill and intangible assets	110					110
Profit on disposal of subsidiary after tax	–			(542)		(542)
Headline earnings	237	(43)	(43)	184	(41)	294

Notes and assumptions:

1. Extracted, without adjustment, from the audited consolidated financial statements of Omnia Holdings Limited for the twelve months ended 31 March 2020.
2. Extracted, without adjustment, from the reviewed combined carve-out historical financial information of Oro Agri for the twelve months ended 31 March 2020, attached as **Annexure 3** to this circular.
3. Oro Agri SA (Pty) Ltd acted as a guarantor for loans held by Omnia Group Proprietary Limited with a consortium of lenders. The guarantee is excluded from the transaction and therefore the associated guarantee expense of R43 million included in the combined carve-out historical financial information have been reversed.
4. The once-off profit on the transaction and the impact of the application of the disposal consideration to reduce interest-bearing borrowings is set out below. The profit on the transaction has been determined using the disposal consideration and the net asset value of Oro Agri as if the transaction took place on 31 March 2020 (refer to note 5 of the *pro forma* consolidated statement of financial position). The finance income has been determined based on the principal assumption that the settlement of the interest-bearing borrowings took place on 1 April 2019.

	R'million
Profit on transaction	
Net cash received in terms of disposal consideration, Omnia payables and Oro Agri cash translated at R15.84 being the exchange rate at 5 November 2020, being the latest practicable date	2 393
less: Net asset value of Oro Agri at 31 March 2020	(1 784)
less: Reversal of financial guarantee excluded from the transaction	(43)
	566
less: Capital gains tax	(24)
	542

	R'million
Finance savings	
Interest savings on interest-bearing borrowing settled at the weighted average borrowing rate of 10.761% per annum	255
Tax thereon incurred at the South African tax rate of 28%	(71)
	183

The realisation of the foreign currency translation reserve of R20 million has been recognised in other comprehensive income.

5. Once-off transaction costs of R41 million are expected to be incurred as a direct result of the transaction. The transaction costs are assumed to be settled in cash shortly after the closing date.
6. Save for transaction costs and profit on sale of Oro Agri, all adjustments are expected to have a continuing effect.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

To the Directors of Omnia Holdings Limited

REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of the consolidated *pro forma* financial information (the "*pro forma* financial information") of Omnia Holdings Limited (the "Company") by the directors. The *pro forma* financial information, as set out in Annexure 1 and paragraph 10 of the circular to shareholders to be dated on or about 13 November 2020 (the "circular"), consists of the *pro forma* consolidated statement of financial position as at 31 March 2020, the *pro forma* consolidated statement of comprehensive income for the year ended 31 March 2020 and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Limited (JSE) Listings Requirements and described in Annexure 1 of the circular. The *pro forma* financial information has been compiled by the directors to illustrate the impact of the disposal of the Oro Agri businesses (the "transaction"). As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 March 2020, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 1 of the circular.

Our independence and quality control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 1 of the circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of* Pro Forma *Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 1 of the circular.

PricewaterhouseCoopers Inc.
Director: Leon de Wet
Registered Auditor
Johannesburg
6 November 2020

ORO AGRI COMBINED CARVE-OUT HISTORICAL FINANCIAL INFORMATION FOR THE 11-MONTH PERIOD ENDED 31 MARCH 2019, AND THE YEAR ENDED 31 MARCH 2020

Introduction to the combined carve-out historical financial information

The historical financial information consists of the combined carve-out statement of financial position as at 31 March 2019 and 31 March 2020, and the related combined carve-out statements of comprehensive income, changes in equity, and cash flows for the 11-month period ended 31 March 2019, and the year ended 31 March 2020, and the notes, comprising a summary of significant accounting policies and other explanatory information of the Oro Agri (collectively referred to as the "combined carve-out historical financial information"), as set out in **Annexure 3**. The combined carve-out historical financial information has been prepared as described in the basis of preparation set out below.

The board of directors of Omnia are responsible for the preparation and fair presentation of the reviewed financial statements in accordance with International Financial Reporting Standards from which the combined carve-out historical financial information has been prepared, and for such internal control as the directors determine is necessary to enable the preparation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

The combined carve-out historical financial information of Oro Agri for the 11-month period ended 31 March 2019 and the year ended 31 March 2020 was reviewed by PricewaterhouseCoopers Inc. in accordance with the International Standards on Auditing. PricewaterhouseCoopers Inc. issued an unqualified opinion on this financial information. The independent reporting accountant's report on the combined carve-out historical financial information is included in **Annexure 4** to this circular.

The directors of Omnia are responsible for the preparation, contents and presentation of the circular and are responsible for ensuring that Omnia complies with the JSE Listings Requirements.

Commentary on the Historical Financial Information
31 March 2020

Oro Agri continues to grow significantly with an increase in net revenue of 29% to R914 million (2019: R711 million) as a result of an increase in volumes sold, mainly in Brazil, the USA, Europe and South Africa, as well as satisfactory throughput into new distribution networks established during the year. The weakening of the Rand/US Dollar exchange rate and the uptake of new products launched also contributed to higher revenue. Operating profit improved to R67 million (2019: R16 million) on the back of the growth in revenue. Operating expenses in local currencies remained flat contributing to improved operating margins. Investment in non-current assets decreased to R48 million (2019: R228 million) contributing to a decrease in net cash outflows for the year of R18 million (2019: R38 million).

31 March 2019

Revenue for the eleven months ended 31 March 2019 was R711 million and gross profit for the same period R493 million. The gross margin of 69% is consistent with Oro Agri's business model, product mix and period-specific market penetration. Oro Agri recorded an operating profit of R16 million after deducting, amongst others, distribution costs of R199 million, staff costs of R170 million and amortisation of intangible assets of R95 million. Non-current assets increased by R228 million from the construction of the new production plant in Portugal and the capitalisation of new patents and trademarks registered in the USA, Cayman Islands and South Africa contributing to the net cash outflow of R38 million for the period.

COMBINED CARVE-OUT STATEMENT OF FINANCIAL POSITION

Rm	Notes	2020	2019
ASSETS			
NON-CURRENT ASSETS		**1,904**	1,652
Property, plant and equipment	3.1	**236**	227
Right-of-use assets	3.2	**25**	–
Goodwill and intangible assets	3.3	**1,640**	1,421
Deferred income tax assets	3.6	**3**	4
CURRENT ASSETS		**750**	524
Inventories	3.4	**131**	85
Trade and other receivables	3.5	**571**	370
Cash and cash equivalents	4.5	**48**	69
TOTAL ASSETS		**2,654**	2,176
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to the owners of Oro Agri		**1,784**	1,414
Net investment by parent		**1,751**	1,407
Foreign currency translation reserve	4.1	**(20)**	(3)
Retained earnings		**53**	10
Non-controlling interest	5.1	**125**	107
TOTAL EQUITY		**1,909**	1,521
LIABILITIES			
NON-CURRENT LIABILITIES		**294**	274
Deferred income tax liabilities	3.6	**274**	251
Interest bearing borrowings	4.2	**4**	11
Lease liabilities	3.8	**16**	12
CURRENT LIABILITIES		**451**	381
Interest bearing borrowings	4.2	**108**	79
Lease liabilities	3.8	**7**	1
Income tax liabilities		**17**	5
Trade and other payables	3.7	**319**	296
TOTAL LIABILITIES		**745**	655
TOTAL EQUITY AND LIABILITIES		**2,654**	2,176

The accompanying notes are an integral part of the combined historical financial information.

COMBINED CARVE-OUT STATEMENT OF COMPREHENSIVE INCOME

Rm	Notes	2020	11 months 2019
Revenue	2.1	**914**	711
Cost of sales		**(254)**	(218)
Gross profit		**660**	493
Distribution expenses		**(248)**	(199)
Administrative expenses		**(201)**	(176)
Other operating income	2.2	**9**	3
Other operating expenses	2.2	**(146)**	(102)
Impairment losses on financial assets	3.5	**(7)**	(3)
Operating profit	2.3	**67**	16
Finance income	2.4	**3**	2
Finance expense	2.4	**(11)**	(11)
Profit before income tax		**59**	7
Income tax expense	2.5	**(9)**	10
PROFIT FOR THE YEAR		**50**	17
Other comprehensive income			
Items that may be reclassified to profit or loss (net of tax)			
Currency translation differences	4.1	**(6)**	8
Other comprehensive (loss)/income for the year		**(6)**	8
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**44**	25

PROFIT FOR THE YEAR ATTRIBUTABLE TO:		
Owners of Oro Agri combined entity	**43**	10
Non-controlling interest	**7**	7
	50	17

TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Owners of Oro Agri combined entity	**26**	7
Non-controlling interests	**18**	18
	44	25

The accompanying notes are an integral part of the combined historical financial information.

COMBINED CARVE-OUT STATEMENT OF CHANGES IN EQUITY

	Attributable to the owners of Oro Agri				
Rm	Net investment by parent	Foreign currency translation reserve	Retained earnings	Non-controlling interests	Total
At 1 May 2018	1,212	–	–	89	1,301
Recognised income and expenses for the year					
Profit for the year	–	–	10	7	17
Other comprehensive income	–	(3)	–	11	8
Transactions with shareholders					
Effect of foreign currency translation*	195	–	–	–	195
At 31 March 2019	1,407	(3)	10	107	1,521
Recognised income and expenses for the year					
Profit for the year	–	–	43	7	50
Other comprehensive income	–	(17)	–	11	(6)
Transactions with shareholders					
Effect of foreign currency translation*	344				344
At 31 March 2020	1,751	(20)	53	125	1,909
Notes		4.1		5.1	

* *The combined entity elected to recognise the net investment by parent denominated in US Dollars at the closing exchange rate resulting in foreign currency translation movement each year.*

The accompanying notes are an integral part of the combined historical financial information.

COMBINED CARVE-OUT STATEMENT OF CASH FLOWS

Rm	Notes	2020	11 months 2019
Net cash inflow from operating activities		**16**	51
Cash generated from operations	4.4	**33**	38
Interest paid	2.4	**(9)**	(10)
Interest received	2.4	**3**	2
Income taxes paid	2.5	**(11)**	(5)
Net cash outflow from investing activities		**(43)**	(228)
Purchase of property, plant and equipment	3.1	**(13)**	(89)
Proceeds on disposal of property, plant and equipment		**5**	–
Additions to intangible assets	3.3	**(35)**	(139)
Net cash outflow from financing activities		**9**	241
Proceeds from net investment by parent		**–**	326
Repayment of interest-bearing borrowings	4.2	**(93)**	(81)
Proceeds from interest-bearing borrowings		**112**	–
Repayment of lease liabilities	3.8	**(10)**	(4)
Net decrease in cash and cash equivalents		**(18)**	(38)
Net cash and cash equivalents at beginning of year		**69**	90
Effect of foreign currency movement		**(3)**	17
Net cash and cash equivalents at end of year	4.5	**48**	69

The accompanying notes are an integral part of the combined historical financial information.

NOTES TO THE COMBINED CARVE-OUT HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

1.1. BASIS OF PREPARATION

Background information

Omnia Holdings Limited ("**Omnia**" or "**Omnia Group**"), the ultimate parent of the Oro Agri (the "**combined entity**"), has entered into an agreement to sell Oro Agri consists of the entities listed below. The economic activities of Oro Agri have been under the common management of Omnia historically and will be legally bound together after the disposal of Oro Agri by Omnia.

Oro Agri was purchased by Omnia on 1 May 2018 and consolidated into the Omnia financial results from that date. Oro Agri historically did not exist as a reporting entity and no separate consolidated financial statements have historically been prepared. For the purpose of presenting the historical financial performance of the Oro Agri for the proposed disposal by Omnia, combined carve-out historical financial information for the year ended 31 March 2020 and for the 11 months ended 31 March 2019 have been prepared.

Oro Agri is an international group involved in the research and development, production, distribution and sales of a unique range of patented agriculture biological products. The key product ranges include biostimulants, adjuvants, crop protection products, liquid foliar fertilizers and soil conditioners for large scale agriculture applications, including all row, stone fruit, pasture and other crop types, as well as smaller pasture, lawn and garden applications.

Statement of compliance

The combined carve-out historical financial information for the year ended 31 March 2020 has been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the JSE Listings Requirements. The report of historical financial information is the responsibility of the directors of Omnia Holdings Limited.

The combined carve-out historical financial information is prepared under the historical-cost convention except for financial instruments which are measured at fair value. Assets and liabilities are classified as either current or non-current on the statement of financial position. Assets are classified as current when they are expected to be realised within 12-months after the reporting date or when held primarily for being traded or have no terms of repayment. All other assets are classified as non-current. Liabilities for which the combined entity has an unconditional right to defer settlement for at least 12 months from the reporting date are classified as non-current. The statement of comprehensive income is presented by function with additional disclosure regarding the nature of expenses such as depreciation, amortisation and employee benefits provided in the notes.

Basis of combination

The entities listed below comprise the combined entity. Entities have been fully combined from the earliest date reported in the historical financial information.

The following is a list of entities combined in the historical financial information:

	Country of incorporation	Effective holding 2020 %	2019 %
Oro Agri Inc	USA	**100**	100
Oro Agri SA Proprietary Limited	South Africa	**100**	100
Oro Agri International Ltd	Cayman Islands	**100**	100
Direct holdings of Oro Agri International Limited			
Oro Agri B.V.	Netherlands	**100**	100
Oro Agri Brasil Produtos Para Agricultura Limitada	Brazil	**75**	75
Oro Agri SpA	Chile	**100**	100
Oro Agri Costa Rica Socieadad Anonima	Costa Rica	**100**	100
Oro Agri S. De C. V.	Mexico	**100**	100
Oro Agri India Private Limited	India	**99**	99
Direct holdings of Oro Agri B.V.			
Oro Agri Europe, S.A.	Portugal	**100**	100

IFRS does not specifically provide for the preparation of combined carve-out historical financial information, and accordingly in preparing the combined carve-out historical financial information, certain accounting conventions commonly used in the preparation of combined carve-out historical financial information for inclusion in circulars, have been applied in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*, which are discussed in more detail below.

The combined carve-out historical financial information for the year ended 31 March 2020 and for the 11 months ended 31 March 2019 has been prepared for the purpose of presenting, as far as practically possible, the financial position, results of operations and cash flows of the combined entity on a standalone basis. The combined carve-out historical financial information reflects assets, liabilities, revenue, and expenses directly attributable to the combined entity that were historically recognised in the Omnia Holdings Limited consolidated financial statements ("**predecessor accounting**"). The assets recognised include goodwill and intangible assets recognised in the Omnia consolidated financial statements that relate to the combined entity.

The following principles were applied in the preparation of the combined carve-out historical financial information:

- Share capital has not been presented, as no capital structure has been presented in the combined carve-out historical financial information.
- Net investment by parent represents Omnia's contribution for the purchase of Oro Agri on 1 May 2018.
- Reserves have been separately presented and comprise the aggregated foreign currency translation reserves of the entities included in the combined carve-out historical financial information.
- Retained earnings relates to the cumulative earnings of Oro Agri from the date of acquisition, 1 May 2018.
- Taxation – Oro Agri legal entities file separate tax returns on a standalone basis in the jurisdictions in which the entities are tax residents. For the purpose of the combined carve-out historical financial information, income taxes are computed for each entity and disclosed in aggregate in the combined carve-out historical financial information.
- Intercompany transactions and balances with Omnia Group companies have been disclosed as related party transactions and balances in the combined carve-out historical financial information. All intercompany transactions and balances between Oro Agri entities are eliminated.

Functional and presentation currency

Items included in the historical financial information of each of the entities included in the combined entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The combined carve-out historical financial information is presented in Rands, which is the combined entity's presentation currency.

Financial results of foreign entities are translated to the presentation currency as follows:

- Assets and liabilities presented are translated at the closing rate at the reporting date;
- Income and expenses are translated at average exchange rates; and
- All resulting exchange differences are recognised via other comprehensive income as a separate component of equity in the form of a foreign currency translation reserve.

Goodwill and fair value adjustments of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Accumulated exchange differences arising from translation of foreign operations relate to non-controlling interests and are allocated to and recognised as part of non-controlling interests in the combined statement of financial position.

Going concern

In determining the appropriate basis of preparation of the historical financial information, the directors of Omnia Holdings Limited are required to consider whether the combined entity can continue to operate for the foreseeable future. At the date of approving the historical financial information, the directors of Omnia Holdings Limited have satisfied themselves that the combined entity is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements including the effects of possible prolonged periods of reduced operations due to COVID-19. The directors of Omnia Holdings Limited conclude that the going concern assumption is an appropriate basis of preparation for the historical financial information.

Limitations

As the combined carve-out historical financial information of Oro Agri has been prepared on a carve-out basis, they may not be indicative of the future performance of Oro Agri and do not necessarily reflect what its results of operations, financial position and cash flows would have been had Oro Agri operated as an independent entity during the periods presented.

Authorisation

The combined carve-out historical financial information was authorised for issue by the board of directors of Omnia Holdings Limited on 31 October 2020.

1.2. IMPACT OF COVID-19

Introduction

During March 2020, the first case of COVID-19 was reported in South Africa. In response, the South African government enforced a 21-day lockdown beginning Thursday, 27 March 2020 and later extended it for a further 14 days ended Thursday 30 April 2020. Other countries in which the combined entity operate have experienced either similar lockdown restrictions, curfews or curtailment of normal operating activities.

In South Africa, certain restrictions on economic activities and movement were lifted from 1 May 2020, with incremental easing of the remaining restrictions each month thereafter. Similar announcements easing restrictions in other countries were made as the governments of those countries introduced measures to revive their economies. Given the nature of the combined entity's products, operations across the world have been continuing, albeit at reduced levels. The relaxation of restrictions has enabled the combined entity to ramp-up existing operations provided that strict health and safety guidelines mandated by the relevant governments are adhered to.

The combined entity's financial year concluded on 31 March 2020, three weeks after the World Health Organisation recognised COVID-19 as a global pandemic and a few days after lockdown restrictions were implemented in South Africa. The impact of COVID-19 has, therefore, been recognised as an adjusting subsequent event in preparing the historical financial information. While every effort has been made to quantify the future impact that the virus will have on the business, the situation remains fluid and uncertain.

Business interruption

Oro Agri maintained production levels at all facilities as agriculture was an essential service in all major operating countries. The sales teams were not able to visit customers and order management via remote communication was implemented. Impact on sales have been minimal to date, but performance for the rest of the calendar year will depend on the pace of global economic recovery. Some of Oro Agri's additives are also used in sanitiser manufacturing and are therefore in short supply. The business was not impacted as additives were stockpiled in advance.

The combined entity's management of the COVID-19 crisis

As the business operates across a number of countries, the response to the COVID-19 crisis has been guided by relevant national authorities and international guidelines issued by the World Health Organisation. The combined entity is working under strict conditions, across all its operations, to limit and minimise the potential for COVID-19 transmission and will continue to support and educate employees on the appropriate hygiene standards to follow. The combined entity continues to prioritise the health and safety of all employees and, where possible, has arranged for many employees to work remotely.

The extent of the effect of COVID-19 on business operations is continually being reassessed, with relevant task teams being established and business continuity plans being prepared and executed to deal with anticipated outcomes. Additionally, the combined entity's internal policies and risk management practices are continuously being updated to ensure that they remain aligned to the rapidly evolving situation.

Impact on the historical financial information

The combined entity has assessed the impact of COVID-19 on the historical financial information. The key areas impacted are discussed below and additional detail is provided in the relevant notes.

Impairment of financial assets

The combined entity assesses impairment of financial assets by calculating the expected credit loss allowance on trade and other receivables. Forward-looking information included the impact of COVID-19 by adjusting the credit risk of the receivable for macroeconomic conditions that impact credit risk. As the combined entity's customers are globally identified as essential services, the impact was not significant although the expected credit loss allowances increased from the prior year.

Inventory obsolescence

The combined entity's inventory was considered for obsolescence because of lower global demand. However, strong inventory management controls implemented during the year resulted in an overall lower stock holding and therefore COVID-19 had minimal impact on inventory valuations.

Cash flows and liquidity

The combined entity assessed the impact of the lockdown on the cash resources on hand and available from committed facilities together with the possibility of default by customers. The combined entity is prioritising its spending with a focus on reducing non-essential costs and making operations more efficient. The combined entity is further committed to minimising the impact on salaries and job losses. Refer to note 4.3 for capital risk management disclosures.

The combined entity's liquidity and access to facilities is continuously monitored in line with the combined entity's adjusted budgets, seasonal funding requirements and the parameters of the debt financial covenants. The combined entity has sufficient headroom on its committed facilities and continues to meet financial covenants as at the date of the historical financial information. These metrics continue to be assessed.

1.3. ADOPTION OF NEW STANDARD AND INTERPRETATIONS

Adoption of IFRS 16 – *Leases*

The combined entity has adopted IFRS 16 – *Leases* from 1 April 2019 and elected to use the modified retrospective approach on adoption. At the date of initial application, because the right of use asset was measured at an amount equal to the remaining lease liabilities, there was no impact on opening retained earnings at 1 April 2019.

On adoption, the combined entity recognised lease liabilities in relation to leases which had previously been classified as operating leases under IAS 17 – *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 April 2019. The lessee's weighted average incremental borrowing rate applied to determine the lease liabilities on 1 April 2019 ranged between 3.8% to 12.0% (dependent on geographical location). At the date of initial application, the right of use asset was measured at an amount equal to the remaining lease liabilities.

For leases previously classified as finance leases, the combined entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 – *Leases* are only applied after that date.

In applying IFRS 16 – Leases for the first time, the combined entity used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases.
- Short-term leases and leases of low-value assets are recognised on a straight-line basis in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise certain IT-equipment and small items of office furniture.

- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.
- The use of hindsight in determining the lease term, where the contract contains options to extend or terminate the lease.
- At the date of initial application, contracts are not reassessed to determine whether the contract contains a lease. For contracts entered into before the transition date, the combined entity relied on its assessment made applying IAS 17 – *Leases* and IFRIC 4 – *Determining Whether an Arrangement Contains a Lease*.
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019.

The lease liability on initial application of IFRS 16 – Leases as at 1 April 2019 was determined as follows:

Rm	Lease liability
Lease commitments at 31 March 2019	1
Discounted using the lessee's incremental borrowing rate of at the date of initial application	1
Add: adjustments because of a different treatment of extension and termination options	3
Add: finance lease liabilities recognised as at 31 March 2019	13
Lease liability recognised as at 1 April 2019	17

The right-of-use asset on initial application of IFRS 16 – *Leases* as at 1 April 2019 was determined as follows:

Rm	Plant and machinery	Furniture, equipment and fittings	Right-of-use assets
Right of use assets from operating leases	–	4	4
Right of use assets reclassified from finance leases	13	–	13
Right of use asset recognised as at 1 April 2019	13	4	17

The change in accounting policy affected the following items in the statement of financial position:

Rm	31 March 2019	Change in accounting policy	1 April 2019
Non-current assets			
Property, plant and equipment	227	(13)	214
Right of use assets	–	17	17
Liabilities			
Lease liabilities (non-current)	12	–	12
Lease liabilities (current)	1	4	5

All other new standards, amendments and interpretations did not have an impact on prior periods and are not expected to significantly affect future periods. New standards, amendments and interpretations that have been published but are not effective for the year ended 31 March 2020, have not been early adopted by the combined entity and are not expected to significantly impact the combined entity.

2. GROUP PERFORMANCE

2.1 REVENUE

Accounting policies

The combined entity identified its material performance obligations from contracts with customers to be products.

Sales of products

The combined entity manufactures and sells AgriBio products. Sales from these products are recognised when control is transferred to the customer. Transfer of control is dependent on each contract. In some contracts, transfer of control of the product takes place when the product is collected from combined entities while in others it is upon delivery to the customer.

Costs to obtain and fulfil contracts from sale of products

The combined entity does not capitalise costs to obtain customer contracts as the amortisation period would be one year or less. Inventory is capitalised in terms of IAS 2 – *Inventories* and released as cost of sales when sold. Other costs to fulfil a contract are expensed when incurred.

Rm	2020	11 months 2019
Product	**914**	711
	914	711

2.2 OTHER OPERATING INCOME/EXPENSES

Accounting policies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss as net other operating income and expenses.

Other operating income and expenses are income and expenses incurred by the combined entity which are neither distribution nor administrative in nature.

Rm	2020	2019
Income		
Insurance claim	**2**	–
Learnership grant	**4**	–
Other	**3**	3
	9	3
Expenses		
Amortisation of intangible assets (refer to note 3.3)	**(113)**	(95)
Foreign exchange loss (net)	**(9)**	(3)
Other	**(24)**	(4)
	(146)	(102)

2.3 OPERATING PROFIT

Operating profit is stated after charging:

Rm	2020	11 months 2019
Audit fees	**1**	3
Depreciation of property, plant and equipment (refer to note 3.1)	**12**	10
Depreciation of right-of-use assets (refer to note 3.2)	**4**	–
Operating lease rentals	**–**	9
Variable lease payments	**2**	–
Research and development expenditure	**20**	9
Financial guarantee contract (refer to note 3.7)	**43**	–
Staff costs	**194**	170
– Wages and salaries including cash incentives	**191**	169
– Provident fund costs – defined contribution plans	**3**	1
Staff costs have been charged to:	**194**	170
– Distribution expenses	**109**	103
– Administrative expenses	**79**	66
– Cost of sales	**6**	1

The future minimum lease payments under non-cancellable operating leases for the 11 months ended 31 March 2019, are R1 million.

2.4 FINANCE EXPENSE AND FINANCE INCOME

Rm	2020	11 months 2019
Finance expense		
Short-term interest-bearing borrowings	**4**	4
Long-term interest-bearing borrowings	**1**	3
Finance expenses – related parties	**4**	3
Interest on lease liabilities	**2**	1
	11	11
Finance income		
Finance income – related parties	**2**	2
Other	**1**	-
	3	2

2.5 INCOME TAX EXPENSE

Accounting policies

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

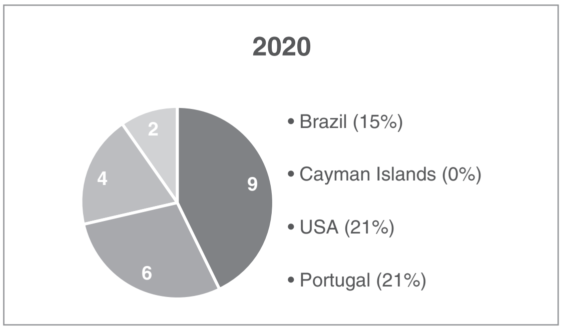
The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the reporting date in the countries where the combined entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, based on amounts expected to be paid to tax authorities. Income tax for current and prior periods is, to the extent to which it is unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset and reversed when it reduces future tax payments.

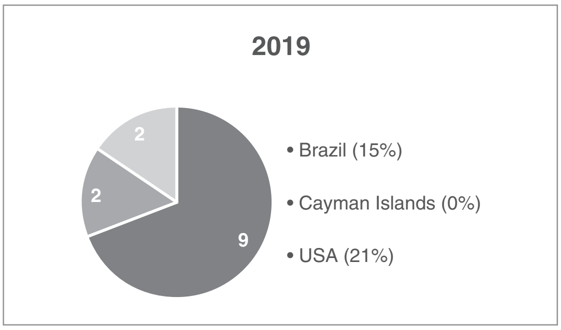
Rm	2020	11 months 2019
South African normal taxation		
– Current year	**8**	5
– Prior year	**–**	(1)
Foreign taxation		
– Current year	**31**	12
– Prior year	**(2)**	(1)
Total normal tax	**37**	15
Deferred taxation		
– Current year	**(30)**	(25)
– Prior year	**2**	–
Total deferred tax (refer to note 3.6)	**(28)**	(25)
Taxation for the year	**9**	(10)

The tax on the combined entity's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the combined companies as follows:

Rm	2020	11 months 2019
Profit before taxation	**59**	7
Tax calculated at 24.9% (2019: 24.9%)*	**15**	2
Adjusted for:		
Non-deductible financial guarantee contract	**12**	–
Other non-deductible expenses	**1**	2
Different tax rates in countries in which the combined entity operates	**(21)**	(13)
Assessed loss not accounted for as a deferred tax asset	**–**	4
Assessed losses utilised	**(2)**	–
Other	**4**	(5)
Tax charge	**9**	(10)
The weighted average applicable tax rate	**15.3%**	(142.9%)

* The combined entity operates in various countries across the world which have statutory tax rates from 0% to 30%. The difference in tax rates of other countries against the weighted average of 24.9% can be attributed as follows:





Income taxes received/(paid) represents cash paid to revenue authorities in South Africa and in foreign jurisdictions in which the combined entity operates:

Rm	2020	11 months 2019
Income tax (liability)/asset at beginning of year	**(5)**	232
Charged to profit or loss	**(9)**	10
Movement in deferred tax	**(24)**	(247)
Effect of foreign currency movement	**10**	(5)
Income tax liability at end of year	**17**	5
	(11)	(5)

3.1 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

The combined entity's property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, a proportion of overheads and borrowing costs.

Assets are depreciated on a straight-line basis over their estimated useful lives to their residual values. Useful lives are reassessed annually. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate assets. The expected useful lives are as follows:

Buildings and leasehold improvements	5 – 50 years
Furniture, equipment and vehicles	3 – 15 years
Plant and machinery	3 – 60 years

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Proceeds from sale of property, plant and equipment are recognised when an unconditional contract of sale is exchanged with the purchaser or when title passes. The net gain or loss on sale of property, plant and equipment is recognised in profit or loss.

Significant estimates and judgements

The remaining useful lives and residual values of property, plant and equipment are a significant estimate and reassessed annually. Management considers the performance of an asset in line with original expectations, market factors relating to each class of asset and the medium-term strategy of the combined entity to assess whether useful life estimates need to be adjusted. There were no changes to useful life estimates in the current year.

COVID-19 considerations

As the combined entity's operations in South Africa and globally were classified as essential services, the implementation of lockdowns in South Africa and other countries was not considered to be an indicator for impairment. Additionally, as the combined entity's major customers are agriculture distributors, the combined entity experienced minimal disruption in demand. However, the expected deterioration of the wider economic environment, locally and globally, was determined to be an indicator for impairment.

Consequently, the recoverable amounts of all cash-generating units with material non-current asset balances were determined based on value-in-use calculations. Amended budgets including the impact of COVID-19 on operations were used.

Rm	Land and buildings	Plant and machinery	Furniture, equipment and vehicles	Leased assets*	Total
At 31 March 2020					
Cost	**189**	**80**	**15**	**–**	**284**
Accumulated depreciation	**(15)**	**(23)**	**(10)**	**–**	**(48)**
	174	**57**	**5**	**–**	**236**
Year ended 31 March 2020					
Opening net carrying amount	**183**	**25**	**6**	**13**	**227**
Transfers	**–**	**–**	**–**	**(13)**	**(13)**
Additions	**4**	**7**	**2**	**–**	**13**
Disposals	**(1)**	**(2)**	**(2)**	**–**	**(5)**
Depreciation charge	**(3)**	**(7)**	**(2)**	**–**	**(12)**
Effect of foreign currency movement	**(9)**	**34**	**1**	**–**	**26**
Closing net carrying amount	**174**	**57**	**5**	**–**	**236**

Rm	Land and buildings	Plant and machinery	Furniture, equipment and vehicles	Leased assets*	Total
At 31 March 2019					
Cost	193	41	14	15	263
Accumulated depreciation	(10)	(16)	(8)	(2)	(36)
	183	25	6	13	227
Year ended 31 March 2019					
Opening net carrying amount	107	9	8	15	139
Additions	64	22	3	–	89
Depreciation charge	(3)	(3)	(2)	(2)	(10)
Effect of foreign currency movement	15	(3)	(3)	–	9
Closing net carrying amount	183	25	6	13	227

* On 1 April 2019, leased assets of R13 million were transferred to right-of-use assets on adoption of IFRS 16 – *Leases*.

Depreciation expense of R6 million (2019: R2 million) has been charged to cost of sales, R4 million (2019: R6 million) to distribution expenses and R2 million (2019: R2 million) to administrative expenses.

Property, plant and equipment of R13 million (2019: R16 million) was held as security for loans obtained by the combined entity. Refer to note 4.2 for details.

The combined entity's committed capital expenditure is not impacted by COVID-19 due to the combined entity's products being classified as essential. Committed capital expenditure is as follows:

Rm	**2020**	2019
Authorised and contracted for	**21**	42
Authorised but not contracted for	**–**	–

3.2 RIGHT-OF-USE ASSETS

Accounting policies

The combined entity leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods of three to eight years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the combined entity.

Right-of-use assets are measured at cost, comprising the following:
- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise certain IT-equipment and small items of office furniture.

Extension and termination options are included in many property and equipment leases across the combined entity. These terms are used to maximise operational flexibility in terms of managing contracts. Most of the extension and termination options held are exercisable only by the combined entity and not by the respective lessor.

COVID-19 considerations

The combined entity's material right-of-use assets relate to plant and machinery, most of which was utilised during the mandatory lockdown period as the combined entity's products were classified as essential services. However, the expected deterioration of the wider economic environment, locally and globally, was determined to be an indicator for impairment.

Consequently, the recoverable amounts of all cash-generating units with material non-current asset balances were determined based on value-in-use calculations. Amended budgets including the impact of COVID-19 on operations were used.

Rm	Plant and machinery	Furniture, equipment and vehicles	Total
At 31 March 2020			
Cost	**22**	**7**	**29**
Accumulated depreciation	**(3)**	**(1)**	**(4)**
	19	**6**	**25**
Year ended 31 March 2020			
Opening net carrying amount	**13**	**4**	**17**
Additions	**6**	**2**	**8**
Depreciation charge	**(3)**	**(1)**	**(4)**
Effect of foreign currency movement	**3**	**1**	**4**
Closing net carrying amount	**19**	**6**	**25**

Depreciation expense of R3 million has been charged to cost of sales and R1 million to administrative expenses.

3.3 GOODWILL AND INTANGIBLE ASSETS

Accounting policies

Goodwill arises on the acquisition of entities and represents the excess of the consideration transferred over the fair value of the combined entity's share of the identifiable net assets.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Costs of internally generated intangible assets are only capitalised after product trials have been completed and the decision is made to register the product. Where intangible assets are acquired in a business combination, cost represents the fair value at the date of acquisition.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives. Useful lives are reassessed each year. The useful lives of intangible assets have been assessed as follows:

Distribution contracts	10 years
Software	5 – 10 years
Trademark and patents	5 – 20 years
Brands	15 years

Goodwill is required to be tested annually for impairment. Intangible assets that are amortised are reviewed for impairment whenever circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the intangible asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an intangible asset's fair value less costs to sell and value-in-use. Impairment losses are recognised in profit or loss.

The annual goodwill impairment assessment requires assets to be grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill impairment may not be reversed in subsequent periods but any other assets that were impaired are reviewed for possible reversal of the impairment at each reporting date.

Significant estimates and judgements

The remaining useful lives of intangible assets are assessed annually. Management considers cash flows associated with an intangible asset compared to original expectations, market factors relating to each class of intangible asset and the medium-term strategy of the combined entity to assess whether useful life estimates need to be adjusted. There were no changes to useful life estimates in the current year.

The recoverable amounts of cash-generating units are determined based on value-in-use calculations as part of annual impairment tests on goodwill. These calculations require the use of estimates which are detailed below.

COVID-19 considerations

The combined entity considered the impact of COVID-19 on the utilisation of trademarks, patents, brands and distribution. As the combined entity's operations in South Africa and globally were classified as essential services, there was minimal disruption to long-term contracts and delivery of products supplied by the combined entity.

The combined entity is required to perform a mandatory impairment test on the goodwill of Oro Agri.

The recoverable amounts of all cash-generating units with material non-current asset balances were determined based on value-in-use calculations. Amended budgets including the impact of COVID-19 on operations were used. Uncertainties on the extent of the COVID-19 impact resulted in flat or inflationary revenue growth assumptions, stable gross margins and inflationary cost increases. Significant headroom was noted on all cash generating units.

Rm	Goodwill	Trademarks, patents and distribution contracts	Software	Brands	Total
At 31 March 2020					
Cost	**494**	**1,271**	**3**	**133**	**1,901**
Accumulated amortisation	**–**	**(233)**	**(1)**	**(27)**	**(261)**
	494	**1,038**	**2**	**106**	**1,640**
Year ended 31 March 2020					
Opening net carrying amount	**396**	**925**	**3**	**97**	**1,421**
Additions	**–**	**35**	**–**	**–**	**35**
Amortisation charge	**–**	**(101)**	**(1)**	**(11)**	**(113)**
Effect of foreign currency movement	**98**	**179**	**–**	**20**	**297**
Closing net carrying amount	**494**	**1,038**	**2**	**106**	**1,640**

Rm	Goodwill	Trademarks, patents and distribution contracts	Software	Brands	Total
At 31 March 2019					
Cost	396	1,017	3	108	1,524
Accumulated amortisation	–	(92)	–	(11)	(103)
	396	925	3	97	1,421
Year ended 31 March 2019					
Opening net carrying amount	339	838	3	93	1,273
Additions	–	139	–	–	139
Amortisation charge	–	(84)	–	(11)	(95)
Effect of foreign currency movement	57	32	–	15	104
Closing net carrying amount	396	925	3	97	1,421

The amortisation expense of R113 million (2019: R95 million) is included in other operating expenses in profit or loss.

Annual impairment test on Goodwill

Management has performed the mandatory annual impairment assessment on goodwill by calculating the value-in-use using a discounted cash flow model, where budgeted cash flows are discounted at the combined entity's weighted average cost of capital. Budgeted cash flows are based on past performance and the combined entity's implemented strategy for that cash-generating unit and are further adjusted to reflect specific risks related to the economic environment. Annual growth rates are used to project cash flows beyond the budgeted period (up to five years after reporting date) and are accounted for in the cash flows.

The combined entity uses a sensitivity analysis to test the reasonability of assumptions used in the value-in-use calculations. The value-in-use calculations are flexed until headroom/impairment is eliminated and the carrying amount equals the value-in-use amount. One assumption is changed while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Oro Agri

Oro Agri's revenue increased by 28% and operating profit increased by 98% for the year ended 31 March 2020. Gross margins of above 70% were achieved and are expected to be maintained. The mandatory test for impairment yielded significant headroom and no impairment was required. The assumptions used in the value-in-use calculations are as follows:

%	Annual rates 2020	Sensitivity analysis 2020	Annual rates 2019	Sensitivity analysis 2019
Average annual revenue growth	**14.9**	**7.7**	11.0	8.0
Average gross margin percentage	**75.0**	**55.0**	70.1	64.0
Average annual increase in expenses	**5.5**	**17.8**	2.7	5.3
Discount rate – weighted average cost of capital (pre-tax)	**18.3**	**29.4**	20.4	31.0

3.4 INVENTORIES

Accounting policies

Inventory is stated at the lower of cost or net realisable value. Cost is determined on a weighted average cost basis and includes transport costs but excludes borrowing costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of production activity.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

Significant estimates and judgements

Net realisable value is the estimate of the selling price of inventories in the ordinary course of business, less the cost of completion and applicable variable selling expenses. Management is required to exercise considerable judgement in the determination of this estimate, specifically relating to the forecasting of demand and gross profit margins. Management is also required to exercise significant judgement in estimating the provision for obsolete stock.

COVID-19 considerations

The combined entity assessed whether the inventory on hand was required to be written down to net realisable value due to reduced demand from the local and global economic slowdown as a result of the COVID-19 pandemic. As the combined entity's focus in the current year was on better working capital management and reduced inventory holding, no inventory was written down.

The combined entity allocates overheads from its manufacturing facilities to inventory based on normal production capacity. As production capacity for March 2020 remained at normal levels, allocation of overheads was not impacted.

Rm	2020	2019
Raw materials	**52**	34
Finished goods	**74**	46
Consumables	**5**	5
	131	85
Inventory recognised as cost of sales	**254**	218

Inventory of R63 million (2019: R39 million) was held as security for loans obtained by the combined entity. Refer to note 4.2 for details.

3.5 TRADE AND OTHER RECEIVABLES

Accounting policies

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of transaction price that is unconditional, unless they contain significant financing components, when they are recognised at present value, by applying an appropriate discount rate. The combined entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost.

Details about the combined entity's impairment policies and the calculation of the loss allowance are provided in note 4.3.

Rm	2020	2019
Trade and other receivables – financial assets		
Net trade receivables (refer to note 4.3)	**498**	288
Trade receivables	**504**	291
Less: expected credit losses	**(6)**	(3)
Other receivables from the Omnia Group	**47**	28
	545	316
Trade and other receivables – non-financial assets		
Prepaid expenses	**6**	5
Value-added tax receivable	**9**	–
Other receivables	**11**	49
	26	54
Total trade and other receivables	**571**	370

The value of expected credit losses recognised during the year is R7 million (2019: R3 million). This has been separately disclosed in profit or loss. The fair values of trade receivables approximate their book values.

The carrying amount of trade receivables are denominated in the following currencies:

Rm	2020	2019
Rand	**17**	13
US dollar	**182**	5
Euro	**39**	52
Brazilian real	**250**	218
Other	**10**	–
	498	288

Receivables of R131 million (2019: R55 million) were held as security for loans obtained by the combined entity. Refer to note 4.2 for details.

3.6 DEFERRED INCOME TAXES

Accounting policies

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property, plant and equipment and provisions and prepayments. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred taxation is calculated on all temporary differences under the balance sheet liability method using a principal tax rate of 28% (2019: 28%) or the tax rate applicable to the relevant foreign country.

Rm	2020	2019
Deferred income tax assets	**(3)**	(4)
Deferred income tax liabilities	**274**	251
	271	247
Gross movement in the deferred income tax assets account:		
Opening balance at beginning of the year	**(4)**	–
Current year charge (refer to note 2.5)	**1**	(4)
Closing balance at end of the year	**(3)**	(4)
Gross movement in the deferred income tax liabilities account:		
Opening balance at beginning of the year	**251**	232
Current year charge (refer to note 2.5)	**(31)**	(21)
Prior year charge (refer to note 2.5)	**2**	–
Effect of foreign currency movement	**52**	40
Closing balance at end of the year	**274**	251
The deferred tax balance is attributable to the following items:		
Capital allowances	**–**	5
Right of use asset & lease liability	**1**	–
Provisions and prepayments	**5**	(2)
Intangible assets	**265**	244
	271	247

3.7 TRADE AND OTHER PAYABLES

Accounting policies

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave because of services rendered by employees up to the reporting date. A liability for employee benefits in the form of bonus plans is recognised in accrued expenses where there is no realistic alternative but to settle the liability.

Financial guarantee contracts issued by the combined entity are measured initially at fair value. The fair value of financial guarantee liabilities at initial measurement is usually the premium paid for the guarantee. However, guarantees issued on related party loans are usually at no fee. In that case, the fair value is determined as the benefit received by the borrower as a result of the financial guarantee contract. Where lenders do not specify the benefit to the borrower as a result of the financial guarantee contract, the fair value is commonly calculated as the expected credit loss of the borrower over the term of the loan agreement. This is in line with IFRS 13 – *Fair Value Measurement*. Financial guarantee contracts are subsequently measured at the higher of:

- The amount initially recognised less accumulated amortisation; or
- The expected credit loss allowance.

It is the combined entity's policy to recognise financial guarantee liabilities with the corresponding entry in other operating expenses in profit or loss.

Significant estimates and judgements

During December 2019, Oro Agri SA Proprietary Limited agreed to, jointly and severally, guarantee the loan facility of Omnia Group Proprietary Limited. The fair value of the financial guarantee liability was recognised with the corresponding entry in other operating expenses in profit or loss. This was determined by calculating the expected credit loss of the borrower, Omnia Group Proprietary Limited, over the term of the loan. The combined entity used Moody's Analytics tools to determine the probability of default and loss given default over the term of the loan. This estimation of fair value at initial recognition is in line with the accounting policy as detailed above.

At 31 March 2020, the credit loss allowance of the borrower, Omnia Group Proprietary Limited, was higher than the initial fair value less accumulated amortisation. The determination of the expected credit losses at 31 March 2020 included estimating the probability of default and the loss given default of the borrower, Omnia Group Proprietary Limited, over the next 12 months. The credit risk of Omnia Group Proprietary Limited decreased in the current year due to stabilisation of the debt structure and better performance than the prior year. However, this was offset by the forward-looking assessment indicating a depressed economic outlook from the impact of COVID-19. The financial guarantee liability was recognised at 31 March 2020 with the corresponding entry in other operating expenses in profit or loss. As the combined entity and other guarantors to the loan facility are jointly and severally liable, the financial guarantee liability is not apportioned between guarantors. For certain guarantors, like Oro Agri SA Proprietary Limited, the recognition of the expected credit loss was capped to the combined entity's fair value and R43 million was recognised as the financial guarantee liability.

Rm	**2020**	**2019**
Trade and other payables – financial liabilities		
Trade payables	**55**	109
Trade payables to the Omnia Group	**1**	2
Accrued expenses	**66**	27
Other payables to the Omnia Group	**126**	135
Financial guarantee liability	**43**	–
	291	273
Trade and other payables – non-financial liabilities		
Leave pay accrual	**8**	6
Bonus accrual	**16**	11
Value-added tax payables	**–**	3
Other payables	**4**	3
	28	23
Total trade and other payables	**319**	296

The carrying amount of trade payables is denominated in the following currencies:

Rm	**2020**	**2019**
Rand	**3**	4
US dollar	**24**	46
Euro	**22**	47
Other	**6**	12
	55	109

3.8 LEASE LIABILITIES

Accounting policies

Lease liabilities are initially measured as the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Lease payments are allocated between the lease liability and finance cost. The finance cost is expensed to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Rm	2020	2019
Lease liability balance as at 1 April	**13**	11
– Adoption of IFRS 16 – *Leases*	**4**	–
- New lease liabilities	**8**	–
- Interest expense	**2**	1
- Lease payments made/cash outflow	**(10)**	(4)
– Effect of foreign currency movement	**6**	5
Closing balance	**23**	13
Less: current portion	**(7)**	(1)
Total non-current lease liabilities	**16**	12

The interest expense was R2 million (2019: R1 million). Variable lease payments of R2 million were expensed in profit or loss. The total cash outflow for leases during the year was R10 million (2019: R4 million).

The future minimum lease payments under non-cancellable finance leases at 31 March 2019 are R1 million payable within one year and R13 million payable after one year but not later than five years.

4.1 FOREIGN CURRENCY TRANSLATION RESERVE

Accounting policies

The foreign currency translation reserve relates to exchange differences arising on translation of the foreign entities and joint ventures and is recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Rm	Foreign currency translation reserve
At 1 May 2018	–
Increase in foreign currency translation reserve	(3)
At 31 March 2019	(3)
Increase in foreign currency translation reserve	(17)
At 31 March 2020	(20)

4.2 INTEREST – BEARING BORROWINGS

Accounting policies

Interest-bearing borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the combined entity becomes party to the contractual provisions. Interest-bearing borrowings are subsequently stated at amortised cost using the effective interest rate method.

Rm	2020	2019
Secured		
International entities	**112**	82
Unsecured		
Bank loan	**–**	8
	112	90
Current portion	**(108)**	(79)
Non-current portion	**4**	11

Movement in borrowings:		
At 1 May	**90**	147
Repayments of loans	**(93)**	(81)
Proceeds from new loans	**112**	–
Effect of foreign currency movement	**3**	24
At 31 March	**112**	90

Loans are secured by property, plant and equipment, trade receivables and inventory, as well as guarantees from key management personnel. The assets held as security for the loans are:

Rm	2020	2 019
Property, plant and equipment	**13**	16
Trade receivables	**131**	55
Inventory	**63**	39
	207	110

4.3 FINANCIAL RISK MANAGEMENT

Accounting policy

Management determines the classification of its financial assets and liabilities on initial recognition. The combined entity classifies its financial assets at amortised cost. The classification depends on the business model and whether the combined entity's business model is to hold these receivables for collection of contractual cash flows, and the cash flows represent solely payments of principal and interest on the principal amount. Impairment of financial assets are recognised in terms of the expected credit loss model and disclosed as impairment losses on financial assets in profit or loss. The combined entity classifies its financial liabilities at amortised cost. Financial assets and liabilities at amortised cost are initially recognised at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method. Interest calculated at the effective interest rate for all financial assets and liabilities at amortised cost are recognised as finance income or finance costs, respectively, in profit or loss.

Financial assets and liabilities are derecognised when the respective right or obligation to cash flows have expired, have been settled or the combined entity has transferred substantially all the risks and rewards of ownership.

Financial instruments by category

Rm	2020 Amortised cost	2019 Amortised cost
Assets		
Trade and other receivables	**545**	316
Cash and cash equivalents	**48**	69
Liabilities		
Interest-bearing borrowings	**(112)**	(90)
Trade and other payables	**(291)**	(273)
Lease liabilities	**(23)**	(13)

Credit risk

Credit risk is the risk of financial loss to the combined entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the combined entity's receivables and cash and cash equivalents. The combined entity has policies in place to ensure that sales of products are made to customers with appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The combined entity has policies that limit the amount of credit exposure to any one financial institution. The combined entity has no significant concentration of credit risk, due to its wide spread of customers.

COVID-19 considerations

The advent of COVID-19 has had an impact on the global economy with a knock-on impact on credit risk. The combined entity used Moody's Analytics to assist in determining the forward-looking impact on expected credit losses. The Moody's Analytic model considers the appropriate weighting of different scenarios based on economic research as detailed below.

Moody's Analytics produces a set of macroeconomic forecasts for each country that considers the historical accuracy of various forecasters to identify reliable sources. Based on research conducted by Moody's Analytics, they recommend the use of their Baseline, Stronger Near-Term Rebound (S1), and Moderate Recession (S3) forecast sets weighted 40%, 30%, and 30% respectively for forward-looking assessments required for expected credit loss calculations. The research considers both public and private defaults in this research and considers the industry of the asset through the likely volatility of that industry from the average impact of the economy. As the industries to whom the combined entity supplies products were classified as essential services, the combined entity determined the impact to be somewhat moderated.

For COVID-19, the Moody's Analytics data was updated to reflect the additional risk by considering the possible spread of the pandemic globally, the economic impact of the pandemic including measures taken to prevent its spread and measures taken by the respective governments to ameliorate the economic impact. Moody's Analytics do not disclose the specific macroeconomic variables that they have found to be best predictive of changes in credit risk but do provide indicators of the impact of certain of their measures.

The combined entity noted a general increase in expected credit losses from the application of forward-looking assessments to the combined entity's debtors' book. However, as the combined entity's major customers are large scale agricultural distributors, the combined entity experienced minimal disruption in demand and the increase in expected credit losses has not been significant.

Trade receivables

Credit risk and customer relationships are managed in several ways within the combined entity. The granting of credit is controlled by formal application processes and account limits specific to each business unit. Credit evaluations are performed on the financial position of these debtors, experience and other factors such as amounts overdue and credit limits. The combined entity has extensive and regular dialogue with key customers and strong commercial and business relationships.

The combined entity adopted the simplified approach for calculating expected credit losses on trade receivables as all trade receivables are transactions with customers per IFRS 15 – *Revenue from Contracts with Customers*, and do not contain significant financing. This means that expected credit losses are measured using the lifetime expected credit loss assessment. The combined entity identifies a significant increase in credit risk when a customer is more than 90-days overdue and determines receivables to be credit impaired when a default event, such as liquidation or deregistration of the customer, has occurred.

The combined entity has determined its exposure to credit risk to be influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, trading history, payment history and existence of previous financial difficulties. Impairment losses previously recognised were used as a measure of default of debtors as the combined entity has a history of minimal write-offs. In instances where there was no evidence of historical impairment, management used their knowledge of the business to determine the potential impairment. The default assessment was adjusted for credit insurance or other security over the debtor balance. Forward looking information including the impact of COVID-19 was factored into the expected credit loss percentage.

Rm	2020 Outstanding amount	2020 Loss rate	2020 Expected credit loss	2019 Outstanding amount	2019 Loss rate	2019 Expected credit loss
International agriculture distributors	**504**	**1%**	**6**	291	1%	3
Lifetime ECL – Up to 3 months	**488**	**1%**	**5**	152	<1%	*
Lifetime ECL – 3-6 months*	**7**	**<1%**	**–***	13	<1%	*
Lifetime ECL – More than 6 months*	**–**	**–**	**–***	106	<1%	*
Credit impaired – specific debtors*	**9**	**11%**	**1**	19	11%	2
Credit impaired – fully provided	**–**	**–**	**–**	1	100%	1
	504	**1%**	**6**	291	1%	3

* ECL on these receivables are less than R1 million

Efforts to recover debtors are ongoing even through the debtor may be classified as credit impaired at 100%. Receivables are written off against the allowance when there is no further expectation of recovery. The combined entity's customers are long-standing and have an established track record when transacting with the combined entity. The combined entity has a history of low write-offs.

Loss allowance reconciliation

Rm	2020	2019
Opening loss allowance	(3)	–
Change is loss allowance	(7)	(3)
Receivables written off	4	–
Closing loss allowance	(6)	(3)

Liquidity risk

The combined entity's liquidity risk management involves maintaining sufficient cash and available funding through borrowing facilities to meet obligations when due. Due to the cyclical and seasonal nature of the underlying businesses, the combined entity ensures flexibility in funding by maintaining available committed credit lines.

Management monitors rolling cash flow forecasts of the combined entity's liquidity reserves comprising debt, undrawn borrowing facilities and cash and cash equivalents based on expected cash flows. Cash flow forecasts are compiled by each business unit in accordance with the requirements set by the combined entity. These requirements are standardised but cater for the different operations carried out by the various business units. In addition, the combined entity's liquidity management policy involves projecting cash flows in major currencies, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

At 31 March 2020, the combined entity had access to undrawn facilities of R3 million (2019: R nil)

Rm	2020 Less than 1 year	2020 Between 1 and 4 years	2019 Less than 1 year	2019 Between 1 and 4 years
Cash and cash equivalents	**48**	**–**	69	–
Trade and other receivables	**571**	**–**	370	–
Interest – bearing borrowings	**(108)**	**(4)**	(79)	(11)
Lease liabilities	**(7)**	**(16)**	(1)	(12)
Trade and other payables	**(319)**	**–**	(296)	–
Net liquidity position	**185**	**(20)**	63	(23)

Currency risk

Foreign currency risk is the risk of loss of shareholder value to adverse fluctuations in the rate of exchange which causes a reduction in the profitability or cash flow of the combined entity. The combined entity's business model is such that it attracts foreign exchange risk because of ownership of foreign-based entities whose operating and functional currencies are not Rand.

The combined entity's exposure to currency risk relates to financial assets and liabilities denominated in foreign currency and entities with a functional currency other than Rand. The combined entity is most exposed to the US dollar, Euro and Brazilian real. The sensitivity of these exposures based on a 10% strengthening or weakening of the Rand is as follows:

Rm	2020 -10%	2020 +10%	2019 -10%	2019 +10%
Items denominated in foreign currency				
Trade receivables	**(47)**	**47**	(28)	28
Trade payables	**5**	**(5)**	9	(9)
Cash and cash equivalents	**(5)**	**5**	(7)	7
Total movement through profit or loss	**(47)**	**47**	(26)	26
Foreign currency translation	**(1)**	**1**	–	–
Total movement through other comprehensive income	**(1)**	**1**	–	–

*Majority of the foreign currency translation reserve relates to the revaluation of the foreign currency denominated entities at financial year-end

Interest rate risk

The combined entity's income and operations are substantially independent of changes in market interest rates. The combined entity's interest rate risk arises from borrowings and cash and cash equivalents.

An increase of 100 basis points (2019: 100 basis points) in the average interest rates for the reporting period would have decreased profit or loss by R0.7 million (2019: decreased by R0.2 million). This analysis assumes that all other variables, such as foreign currency rates, remain constant. A decrease of 100 basis points in the interest rates at the reporting date would have had the equal opposite effect.

Capital risk management

The combined entity's objectives when managing capital are to safeguard the combined entity's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the combined entity may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The combined entity monitors capital based on net debt over EBITDA. The combined entity aims to maintain its low gearing ratio and keep this ratio below 2 times in the long term.

Rm	2020	2019
Capital management		
Net debt (see note 4.6)	**87**	34
EBITDA	**196**	121
Ratio	**0.4**	0.3

The combined entity is within the growth phase of its business cycle, thereby requiring investment in research and development and working capital. While net debt has increased, EBITDA has increased resulting in the maintenance of a low net debt to EBITDA ratio.

4.4 CASH GENERATED FROM OPERATIONS

Accounting policies

The combined entity has elected to disclose interest received and interest paid as part of operating activities and dividends paid as part of financing activities on the cash flow statement.

Rm	2020	11 months 2019
Profit before taxation	**59**	7
Adjusted for:		
Net finance costs	**8**	9
Unrealised foreign exchange gains and losses	**18**	–
Financial guarantee contract	**43**	–
Depreciation of property, plant and equipment	**12**	10
Depreciation of right-of-use assets	**4**	–
Amortisation of intangible assets	**113**	95
Increase in inventory	**(46)**	(85)
Increase in trade and other receivables	**(201)**	(370)
Increase in trade and other payables	**23**	296
	33	(38)

4.5 CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents include cash on hand, deposit on call with banks, other short-term highly liquid investments with original maturities of three months or less. The cash and cash equivalents can be converted to cash without a change in value.

Rm	2020	2019
Bank balances and cash	**48**	69
	48	69
The carrying amount of bank and cash balances are denominated in the following currencies:		
US dollar	**23**	49
Euro	**6**	17
Brazilian real	**19**	3
	48	69

4.6 NET DEBT

Net debt is calculated as follows:

Rm	2020	2019
Interest bearing-borrowings (non-current and current)	**(112)**	(90)
Lease liabilities (non-current and current)	**(23)**	(13)
Cash and cash equivalents	**48**	69
Net debt	**(87)**	(34)
Net debt can be reconciled as follows:		
Net debt at 1 April	**(34)**	(68)
Adoption of IFRS 16 – *Leases*	**(4)**	–
Net debt at 1 April	**(38)**	(68)
Net non-cash movement in lease liabilities	**(16)**	(6)
Net non-cash movement in interest-bearing borrowings	**(3)**	(24)
Net movement in investment by parent	**–**	326
Cash flows from operating activities	**16**	(51)
Cash flows from investing activities	**(43)**	(228)
Effects of foreign currency movement	**(3)**	17
	(87)	(34)

5.1 NON-CONTROLLING INTERESTS

Accounting policies

Non-controlling interests in the results and equity of entities are shown separately in the combined statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position, respectively. The combined entity elected to recognise non-controlling interest in the acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

The material non-controlling interests of the combined entity are disclosed below:

Name of entity	Country of incorporation	Non-controlling interest %	Measurement method
Oro Agri Brasil Produtos Para Agricultura Limitada	Brazil	25	Proportionate share

Oro Agri Brasil Produtos Para Agricultura Limitada is a manufacturer and distributor of a range of agrochemical products.

The amounts recognised in the statement of financial position are as follows:

Rm	2020	2019
At 1 April – Oro Agri Brasil Produtos Para Agricultura Limitada	**107**	89
Share of profit	**7**	7
Effect of foreign currency movement	**11**	11
Non-controlling interest – Oro Agri Brasil Produtos Para Agricultura Limitada	**125**	107

Set out below is the summarised financial information for Oro Agri Brasil Produtos Para Agricultura Limitada.

Rm	2020	11 months 2019
Summarised statement of comprehensive income		
Revenue	**327**	268
Profit from operations	**34**	44
Profit for the year	**25**	29
Summarised statement of financial position		
Non-current assets	**421**	386
Current assets	**318**	253
Non-current liabilities	**(101)**	(97)
Current liabilities	**(143)**	(114)
Net assets	**495**	428
Summarised statement of cash flows		
Cash flows from operating activities	**7**	(32)
Cash flows from Investing activities	**(3)**	(7)
Cash flows from financing activities	**(17)**	15
Net decrease in cash flows	**(13)**	(24)
Cash and cash equivalents at beginning of year	**2**	22
Effect of foreign currency movement	**(2)**	4
Cash and cash equivalents at end of year	**(13)**	2

5.2 RELATED PARTY TRANSACTIONS

Rm	2020	11 months 2019
Other receivables		
Omnia Group Proprietary Limited	**47**	28
Other payables		
Omnia Group Proprietary Limited	**126**	135
Omnia Group Proprietary Limited (financial guarantee contract)	**43**	-
Trade payables		
Omnia Specialities (Australia) Proprietary Limited	**1**	2
Purchases		
Omnia Specialities (Australia) Proprietary Limited	**8**	2
Finance income		
Omnia Group Proprietary Limited	**2**	2
Finance expense		
Omnia Group Proprietary Limited	**4**	3

6.1 CONTINGENT ASSETS AND LIABILITIES

Accounting policies

A contingent liability is a possible obligation that arises from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the combined entity, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of the outflow is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities and contingent assets are disclosed.

Legal proceedings

The combined entity is currently involved in various legal proceedings and is in consultation with its legal counsel, assessing the potential outcome of these proceedings on an ongoing basis. As proceedings progress, management makes provision in respect of legal proceedings where appropriate. Litigations, current or pending, are not likely to have a material adverse effect on the combined entity.

6.2 EVENTS AFTER THE REPORTING PERIOD

COVID-19

The World Health Organisation declared COVID-19 a pandemic before the combined entity's financial year-end and as such the impact of COVID-19 has been treated as an adjusting subsequent event. The impact of the COVID-19 pandemic on transactions and balances is detailed in note 1.2. The combined entities, due to the classification as essential services, experienced minimal disruption to business between reporting date and the date of the historical financial information. The combined entity continues to pay employees and suppliers and recover cash from customers. While every effort has been made to quantify the future impact that the virus will have on the business, the situation remains fluid and uncertain.

INDEPENDENT REPORTING ACCOUNTANTS' REVIEW REPORT ON ORO AGRI COMBINED CARVE-OUT HISTORICAL FINANCIAL INFORMATION FOR THE 11-MONTH PERIOD ENDED 31 MARCH 2019, AND THE YEAR ENDED 31 MARCH 2020

To the directors of Omnia Holdings Limited

Introduction

Omnia Holdings Limited (the "Company") is issuing a Circular to its shareholders (the "Circular") regarding the proposed disposal of Oro Agri, as defined in note 1.1 to the combined carve-out historical financial information (the "combined entity") to European Crops Products 2 S. à r.l. (the "purchaser") (the "Transaction").

At your request and for the purpose of the Circular to be dated on or about 13 November 2020, we have reviewed the accompanying combined carve-out statements of financial position of the combined entity as at 31 March 2019 and 31 March 2020 and the related combined carve-out statements of comprehensive income, changes in equity and cash flows for the 11-month period ended 31 March 2019, and the year ended 31 March 2020, and the notes, comprising a summary of significant accounting policies and other explanatory information (the "combined carve-out historical financial information"), as presented in Annexure 3 to the Circular, in compliance with the requirements of the JSE Limited Listings Requirements.

Directors' responsibility

The directors of the Company are responsible for the preparation, contents and presentation of the Circular and are responsible for ensuring that the Company complies with the requirements of the JSE Limited's Listings Requirements.

The directors of the Company are responsible for the preparation and fair presentation of the combined carve-out historical financial information in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of combined carve-out historical financial information that are free from material misstatement, whether due to fraud or error.

In preparing the combined carve-out historical financial information, the directors of the Company are responsible for assessing the combined entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the combined entity or to cease operations, or have no realistic alternative but to do so.

Reporting accountant's responsibility

Our responsibility is to express a conclusion on the combined carve-out historical financial information. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the combined carve-out historical financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of combined carve-out historical financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the combined carve-out historical financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the combined carve-out historical financial information of the combined entity as set out in Annexure 3 to the Circular, do not present fairly, in all material respects, the combined carve-out financial position of the combined entity as at 31 March 2019 and 31 March 2020, and its combined carve-out financial performance and cash flows for the 11-month period ended 31 March 2019, and the year ended 31 March 2020 in accordance with International Financial Reporting Standards and the requirements of the JSE Limited Listings Requirements.

Emphasis of matter: Purpose of combined carve-out historical financial information and basis of preparation

We draw attention to the fact that, as described in note 1.1 to the combined carve-out historical financial information, the combined entity did not operate as a separate group. The combined carve-out historical financial information is, therefore, not necessarily indicative of results that would have occurred if the combined entity had been a separate stand-alone group during the period presented or of future results of the combined entity.

The combined carve-out historical financial information is prepared by the directors of the Company for the purpose of the Circular. As a result, the combined carve-out historical financial information may not be suitable for another purpose.

Our opinion is not modified in respect of these matters.

Purpose of the report

This report has been prepared for the purpose of the Circular and for no other purpose.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Leon de Wet
Registered Auditor
Johannesburg
6 November 2020

MATERIAL LOANS

Details of all material loans are set out below:

Lender	Description (secured or unsecured)	Origination	Facility R'm	Capital amount outstanding R'm	Interest rate	Repayment terms	Security (if any)	Maturity date
Standard Bank of South Africa	2-year term facility	13-Dec-19	62.5	62.5	3M Jibar + 2.25%	Interest quarterly, repayable at maturity	• a cession as security of all its rights, title and interest in: – all proceeds realised under its relevant insurances; – any and all bank accounts maintained in South Africa • In the case of Omnia Holdings Limited, the securities held by it in, and its claims against, Omnia Group Investments. • In the case of Omnia Group Investments, the securities held by it in, and its claims against Omnia Group (Pty) Ltd. – A general notarial bond over all of the movable assets • Mortgage bonds over the immovable properties owned by the South African Obligors	2 years
	3-year term facility		187.5	62.5	3M Jibar + 2.35%			3 years
	4-year term facility		250.0	62.5	3M Jibar + 2.55%			4 years
	Structured working capital – secured		400.0	200.0	3M Jibar + 1.78%			2 years
	Revolving credit facility – secured		250.0	–	3M Jibar + 2.75%			5 years
	General banking facility – secured		50.0	–	Prime less 0.75%	Interest monthly		12 months
RMB	2-year term facility	13-Dec-19	87.5	87.5	3M Jibar + 2.25%	Interest quarterly, repayable at maturity		2 years
	3-year term facility		262.5	262.5	3M Jibar + 2.35%			3 years
	4-year term facility		350.0	350.0	3M Jibar + 2.55%			4 years
	Structured working capital – secured		–	–	3M Jibar + 1.78%			2 years
	Revolving credit facility – secured		350.0	–	3M Jibar + 2.75%			5 years
	General banking facility – secured		450.0	–	Prime less 0.75%	Interest monthly		12 months
Investec	2-year term facility	13-Dec-19	62.5	62.5	3M Jibar + 2.25%	Interest quarterly, repayable at maturity		2 years
	3-year term facility		187.5	187.5	3M Jibar + 2.35%			3 years
	4-year term facility		250.0	250.0	3M Jibar + 2.55%			4 years
	Structured working capital – secured		325.0	162.5	3M Jibar + 1.78%			2 years
	Revolving credit facility – secured		250.0	–	3M Jibar + 2.75%			5 years
	General banking facility – secured		125.0	–	Prime less 0.75%	Interest monthly		12 months

MATERIAL LOANS

Lender	Description (secured or unsecured)	Origination	Facility R'm	Capital amount outstanding R'm	Interest rate	Repayment terms	Security (if any)	Maturity date
ABSA	2-year term facility	13-Dec-19	37.5	37.5	3M Jibar + 2.25%	Interest quarterly, repayable at maturity		2 years
	3-year term facility		112.5	112.5	3M Jibar + 2.35%			3 years
	4-year term facility		150.0	150.0	3M Jibar + 2.55%			4 years
	Structured working capital – secured		275.0	137.5	3M Jibar + 1.78%			2 years
	Revolving credit facility – secured		150.0	–	3M Jibar + 2.75%			5 years
	General banking facility – secured		175.0	–	Prime less 0.75%	Interest monthly		12 months
Standard bank Mauritius	General banking facility (multioption) – unsecured	Sep-18	134.9	15.9	1M Libor plus 1.2%	Interest monthly	Corporate guarantee from Omnia Holdings for USD7.7 million	On demand
Stanbic Zambia	General banking facility – unsecured	Jan-16	47.9	5.0	BOZ Policy rate plus 7%	Interest monthly	Corporate guarantee from Omnia Holdings for USD20 million	On demand
Stanbic Zimbabwe	General banking facility – unsecured	Jun-19	12.7	12.7	RBZ base rate plus 7.05%	Interest monthly	Corporate guarantee from Omnia Holdings for USD5 million	On demand
Stanbic Kenya	General banking facility – unsecured	May-17	12.3	–	CBR + 4% p.a.	Interest monthly	Corporate guarantee from Omnia Group Investments Limited for ZAR12.5 million	On demand
Banco Santander (Brazil)	Short-term Revolver	Aug-19	19.7	9.9	3.18%p.a.	Interest monthly	Debtors and Guarantor being FM	1 year
	Mortgage	Oct-17	19.5	6.5	14.422% p.a.	Interest monthly	Buildings	3 years
Banco Do Brazil	Short-term Revolver	Jul-19	34.0	16.2	8.05% p.a.	Interest monthly	Debtors and Guarantor being FM and GM	1 year
Bradesco Bank (Brazil)	Short-term Revolver	Dec-19	39.9	16.2	6.55% p.a.	Interest monthly	Debtors and Guarantor being FM and GM	1 year
NBH Bank (Hillcrest Bank)	Revolving credit facility	Apr-20	61.3	52.6	WSJ prime rate + 0.5%	Interest monthly	Eligible Debtors, Inventory and equipment	3 years

There are repayments to be made during the next 12 months.

ORO AGRI VALUE-IN-USE (UNAUDITED)

In the context of the proposed disposal, Omnia's management has performed an updated impairment value-in-use calculation on Oro Agri as at 30 September 2020. The value-in-use calculation has been updated for the actual business performance of the combined entity including the impact of COVID-19 during the six months ended 30 September 2020.

The value-in-use calculation is a discounted cash flow model where cash flows are derived from management's budgets and business plans and are discounted at the combined entity's weighted average cost of capital. Budgeted cash flows are based on recurring historical performance and the business plans and are further adjusted to reflect specific risks, such as COVID-19, related to the economic environment. Annual growth rates are used to project cash flows beyond the budgeted period (up to five years after reporting date).

Significant assumptions and estimates used in the model are as follows:

- Cash flows are computed for five years, and thereafter a terminal value is calculated.
- The earnings profile for the first three years is consistent with actual historical performance achieved by the combined entity and management's updated medium-term business case, with earnings growth tapering in the next two years in line with the assumption that recent investments in intangible assets have delivered the associated additional earnings by that stage.
- The terminal value growth is estimated to taper further in line with earnings assumptions from invested intangible assets.
- Forecast margins are consistent with Oro Agri historical performance, and take current trading and the outlook for the regional business units and associated products into consideration. Forecast margins are lower than what has historically been forecast as a result of changing product mix, current trading and lowered expectations of the margins that can be achieved while maintaining the business desired topline growth.
- Maintenance capital expenditure has been included, expansion or growth capital expenditure has been excluded.
- The weighted average cost of capital assumes a 20% debt to equity ratio and an enterprise risk premium of 7%, resulting in a pre-tax weighted average cost of capital of 17.6%.

Details of assumptions and estimates used are as follows:

	Annual rates %
Average annual revenue growth	15.6
Average gross margin percentage	68.9
Average annual increase in expenses	8.0
Discount rate – weighted average cost of capital (pre-tax)	17.6

The value-in-use for the entity exceeds Omnia's investment in Oro Agri while the offer received to purchase the entity exceeds the value-in-use.

This information has not been reviewed or reported on by Omnia's independent reporting accountants.

OMNIA HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1967/003680/06)
JSE share code: OMN
ISIN: ZAE000005153
("**Omnia**" or the "**Company**")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Where appropriate and applicable, the terms defined in the circular to which this notice of general meeting is attached bear the same meanings in this notice of general meeting and, in particular, in the resolutions set out below.

Notice is hereby given that a virtual general meeting of Omnia shareholders will be held at 10:00 on Monday, 14 December 2020, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the general meeting and vote on the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the general meeting in the place of the shareholder;
- a proxy need not be a shareholder of Omnia; and
- shareholders recorded in the register on the voting record date (including shareholders and their proxies) are required to provide identification which is reasonably satisfactory to the chairperson of the general meeting by submitting such identification to the transfer secretaries at 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4484, Johannesburg, 2000) or via email to **meetfax@linkmarketservices.co.za** by no later than the close of business on Thursday, 10 December, before being entitled to attend or participate in the general meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

Salient dates and times

	2020
Last day to trade in order to be eligible to participate in and vote at the general meeting	Tuesday, 1 December
Record date in order to vote at the general meeting	Friday, 4 December
Last day to lodge forms of proxy for the general meeting with the transfer secretaries, by 10:00. Forms of proxy and applications for electronic participation not submitted by this time may be submitted to **meetfax@linkmarketservices** and **proxy@tmsmeetings.co.za** respectively, up until the commencement of the general meeting	Thursday, 10 December
General meeting held at 10:00	Monday, 14 December
Results of the general meeting released on SENS	Monday, 14 December

Notes:

- All dates and times in this notice of general meeting are local dates and times in South Africa and are subject to change. Any changes will be announced on SENS.
- Omnia shareholders are referred to page 2 of the circular to which this notice of general meeting is attached for information on the action required to be taken by them.

ORDINARY RESOLUTION: DISPOSAL OF ORO AGRI

"Resolved in terms of paragraph 9.20 of the JSE Listings Requirements that the disposal by the sellers of Oro Agri to the purchaser pursuant to the SPA, be and is hereby authorised."

In order for the ordinary resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present virtually or represented by proxy at the general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on the ordinary resolution.

SPECIAL RESOLUTION: GENERAL AUTHORITY TO REPURCHASE SHARES FOR CASH

"Resolved to authorise the Company and/or any subsidiary of the Company by way of a general authority to acquire issued shares of the Company ("the securities") upon such terms and conditions and in such numbers as the directors of the Company may from time to time determine, but subject to the Memorandum of Incorporation of the company, the provisions of the Companies Act and the JSE Listings Requirements of the JSE Limited where applicable, and provided that:

1. the repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;

2. this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;

3. in determining the price at which the securities are acquired by the Company in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% (ten percent) of the weighted average of the market price at which such securities are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the acquisition of such securities by the company;

4. the acquisitions of securities in the aggregate in any one financial year does not exceed 20% (twenty percent of the number of issued securities, and the aggregate holding of subsidiaries of the Company may not exceed 10% (ten percent) of the number of issued securities;

5. the board of directors, when approving any repurchase authorised by this resolution, has acknowledged that it has applied the solvency and liquidity test as set out in the Companies Act and reasonably concluded that the Company and the Group will satisfy the solvency and liquidity test after that repurchase is effected;

6. the Company and its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless there is a repurchase programme in place, the dates and quantities of securities to be repurchased during the prohibited period are fixed, and details thereof have been submitted to the JSE in writing prior to commencement of the prohibited period;

7. where the Company has cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, an announcement will be made in accordance with the JSE Listings Requirements, and announcements shall likewise be made for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter; and

8. the Company only appoints one agent to effect any repurchase(s) on its behalf."

   Disclosures required in terms of paragraph 11.26 of the JSE Listings Requirements

   (a) The JSE Listings Requirements require the disclosure of the following information as at the last practicable date:
      - major shareholders of the company – see page 17; and
      - the share capital of the company consists of 500 000 000 authorised shares of no par value, and 169 052 173 issued shares of no par value.

   (b) The directors, after considering the effect of the maximum repurchase authorised by the special resolution if it were to be undertaken as at the last practicable date, are of the opinion that:
      - the Company and the Group would be in a position to pay their debts in the ordinary course of business for a period of 12 (twelve) months from the last practicable date;
      - the consolidated assets of the Company would be in excess of the consolidated liabilities of the Company as at the last practicable date and when those assets and liabilities are fairly valued and measured in accordance with International Financial Reporting Standards;
      - the ordinary share capital and reserves of the Company and the Group would be adequate to continue the ordinary business operations of the Company and the Group for a period of 12 (twelve) months from the last practicable date; and
      - the available working capital of the Company and the Group would be adequate to continue the ordinary business operations of the Company and the Group for a period of 12 (twelve) months from the last practicable date;

   (c) Save as set out in the circular, there have been no material changes in the affairs or financial position of the Company and its subsidiaries between the date of publication of this circular and the last practicable date.

(d) The directors of the company whose names appear on page 9 of this circular, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the information provided in connection with this special resolution constitutes all such information required by the Companies Act and the JSE Listings Requirements.

Reason for and effect of the special resolution

The reason for and effect of the special resolution is to authorise the Company and/or its subsidiaries by way of a general authority to acquire its own issued shares on such terms, conditions and for such amounts as may be determined from time to time by the directors of the company, subject to the limitations set out in the special resolution.

The directors of the Company have no specific intention to repurchase securities, but will continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to repurchase securities in accordance with the special resolution.

In order for the special resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders, present virtually or represented by proxy at the general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on the special resolution.

VOTING AND PROXIES AND AUTHORITIES FOR REPRESENTATIVES TO ACT

A shareholder is entitled to attend virtually and to vote at the virtual general meeting subject to the provision of suitable identification to the transfer secretaries at 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000) or via email to **meetfax@linkmarketservices.co.za**. A shareholder entitled to attend and vote at the virtual general meeting may appoint one or more proxies to attend, speak and to vote in his/her stead. A proxy need not be a shareholder of the company. A form of proxy is enclosed.

Shareholders or their proxies who wish to participate and vote in the virtual general meeting through the electronic participation platform, must email an electronic participation application form to **proxy@tmsmeetings.co.za**.

The form of proxy must be completed in accordance with its instructions and received by the transfer secretaries, Link Market Services Proprietary Limited, at 13th Floor, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000), or posted to PO Box 4844, Johannesburg, 2000, or faxed to 086 674 2450, or emailed to **meetfax@linkmarketservices.co.za**, so as to arrive before the commencement of the virtual general meeting (or any adjournment thereof) or emailed to **meetfax@linkmarketservices.co.za** prior to the commencement of the general meeting. It is recommended that such proxy be returned to the company secretary or transfer secretaries by no later than 10:00 on Thursday, 10 December 2020. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote by electronic communication at the virtual general meeting should that shareholder decide to do so.

Registered certificated shareholders and dematerialised shareholders with own-name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote at the virtual general meeting to the exclusion of their appointed proxy/(ies) should such shareholder wish to do so. Dematerialised shareholders, other than with own-name registrations, must inform their CSDP or broker of their intention to participate in the virtual general meeting and obtain the necessary authorisation from their CSDP or broker to participate in the virtual general meeting or provide their CSDP or broker with their voting instructions should they not be able to participate in the virtual general meeting, but wish to be represented. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned. These shareholders must not use a form of proxy.

Certificated shareholders whose shares are held through a nominee or broker must inform their nominee or broker of their intention to attend the virtual general meeting and obtain the necessary letter of representation from their nominee or broker, or provide their nominee or broker with their voting instructions should they not be able to attend the virtual general meeting.

A company that is a shareholder, wishing to attend and participate at the virtual general meeting should ensure that a resolution authorising a representative to so attend and participate at the virtual general meeting on its behalf, is passed by its directors.

Omnia does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised Omnia shareholder to notify such shareholder of the general meeting of or any business to be conducted thereat.

QUORUM REQUIREMENTS

The quorum requirement for the virtual general meeting to begin or for a matter to be considered at the virtual general meeting is at least three shareholders virtually present. In addition:

- the virtual general meeting may not begin until sufficient persons are virtually present or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the virtual general meeting; and
- a matter to be decided at the virtual general meeting may not begin to be considered unless sufficient persons are virtually present or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every shareholder virtually present or represented by proxy and entitled to exercise voting rights at the virtual general meeting shall be entitled to vote by way of a poll. On a poll, any person who is virtually present at the general meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

GENERAL INSTRUCTIONS

Shareholders who are entitled to attend, speak and vote at the general meeting are encouraged to do so.

By order of the board

Omnia Holdings Limited

6 November 2020

Registered office
2nd Floor, Omnia House
Epsom Downs Office Park
13 Sloane Street
Epsom Downs
Bryanston, 2021

ELECTRONIC PARTICIPATION FORM

ELECTRONIC PARTICIPATION AT THE OMNIA HOLDINGS LIMITED VIRTUAL GENERAL MEETING ON 14 DECEMBER 2020

THE VIRTUAL GENERAL MEETING

Shareholders or their proxies who wish to participate in the virtual general meeting via electronic communication ("**participants**"), must apply to the company's meeting scrutineers to do so by delivering the form below (the "electronic participation application form") to the offices of the company's meeting scrutineers, The Meeting Specialist Proprietary Limited ("**TMS**"), JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, 2196, by no later than 10:00 on Thursday, 10 December 2020

Shareholders or their proxies may also submit their requests to TMS via email to **proxy@tmsmeetings.co.za**.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, should contact their central securities depository participant (CSDP) or broker in the manner and time stipulated in their agreement with their CSDP or broker:

- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Participants will be able to vote during the virtual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the virtual general meeting, must provide TMS with the information requested below.

Each shareholder, who has complied with the requirements below, will be contacted on or before Friday, 11 December 2020 via email/cellphone with a unique link to allow them to participate in the virtual general meeting.

The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.

The cut-off time, for administrative purposes, to participate in the meeting will be 10:00 on Thursday, 10 December 2020.

APPLICATION FORM

Name and surname of shareholder
Name and surname of shareholder representative (if applicable)
ID number
Email address
Cell number
Telephone number
Name of CSDP or broker
(If shares are held in dematerialised format)
Share certificate account number or broker account number
Number of shares
Signature
Date

OMNIA HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1967/003680/06)
JSE share code: OMN
ISIN: ZAE000005153
("**Omnia**" or the "**Company**")

FORM OF PROXY

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

THIS FORM OF PROXY IS ONLY FOR USE BY:
- certificated shareholders; and
- own-name dematerialised shareholders

for completion by the aforesaid registered shareholders who are unable to attend the general meeting to be held at 10:00 on Monday, 14 December 2020.

If you are a dematerialised shareholder, other than with own-name registration, do not use this form. Dematerialised shareholders, other than with own-name registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Email address

Telephone number

Cellphone number

of (address)

being the holder(s) of shares hereby appoint:

1. or failing him/her

2. of failing him/her

3. the chairperson of the general meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting of shareholders and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the shares registered in my/our name(s):

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy may vote as he/she thinks fit.

	Number of votes		
	***In favour of**	***Against**	***Abstain**
Ordinary resolution: Disposal of Oro Agri			
Special resolution: General authority to repurchase shares			

One vote per share held by shareholders, recorded in the registers on the voting record date

Signed this day of 2020

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak virtually in his/her stead. A proxy need not be a shareholder of Omnia. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote virtually in place of that shareholder at the general meeting.

Forms of proxy (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such power of attorney or other authority) are requested to be delivered the transfer secretaries, Link Market Services South Africa Proprietary Limited at 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, or posted to PO Box 4844, Johannesburg, 2000, or faxed to 086 674 2450, or emailed to **meetfax@linkmarketservices.co.za**, so as to arrive no later than 10:00 on Thursday, 10 December 2020. Forms of proxy not lodged with the transfer secretaries in time may be scanned to the transfer secretaries at **meetfax@linkmarketservices.co.za** to be received prior to the commencement of the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote virtually at the general meeting should the shareholder decide to do so.

Please read notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. Only shareholders who are registered in the register under their own name on the voting record date may complete a form of proxy or attend the general meeting. This includes certificated shareholders or own-name dematerialised shareholders. A proxy need not be a shareholder of Omnia.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries that their shares are registered in their own names.
3. Beneficial shareholders whose shares are not registered in their own-names, but in the name of another, for example, a nominee, may not complete a proxy form, and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected own-name registration in the register through a CSDP and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.
5. Dematerialised shareholders who have not elected own-name registration in the register through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting "the chairperson of the general meeting of shareholders". The person whose name stands first on the form of proxy and who is present virtually at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting virtually thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the aforegoing, a shareholder may revoke the proxy appointment by:
   - 7.1. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
   - 7.2. delivering a copy of the revocation instrument to the proxy, and to Omnia.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:
   - 8.1. stated in the revocation instrument, if any; or
   - 8.2. upon which the revocation instrument is delivered to the proxy and Omnia as required in section 58(4)(c)(ii) of the Companies Act.
9. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by Omnia to the shareholder must be delivered to:
   - 9.1. the shareholder; or
   - 9.2. the proxy or proxies if the shareholder has in writing directed Omnia to do so and has paid any reasonable fee charged by Omnia for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the existing MOI or the instrument appointing the proxy provide otherwise.
11. If Omnia issues an invitation to shareholders to appoint one or more persons named by Omnia as a proxy, or supplies a form of instrument appointing a proxy:
   - 11.1. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
   - 11.2. Omnia must not require that the proxy appointment be made irrevocable; and
   - 11.3. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairperson of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in Omnia that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders is present or represented at the general meeting, that one of the said persons whose name appears first in the register of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. The chairperson of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
18. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
19. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all of the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
20. Forms of proxy are requested to be delivered to the transfer secretaries, Link Market Services South Africa Proprietary Limited at 13th Floor, 19 Ameshoff Street, Braamfontein, 2001, or posted to PO Box 4844, Johannesburg, 2000, or faxed to 086 674 2450, or emailed to **meetfax@linkmarketservices.co.za**, so as to arrive no later than 10:00 on Thursday, 10 December 2020. Forms of proxy not lodged with the transfer secretaries in time may be scanned to the transfer secretaries before the commencement of the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote virtually at the general meeting should the shareholder decide to do so.
21. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
22. The aforegoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

Bastion

OMNIA