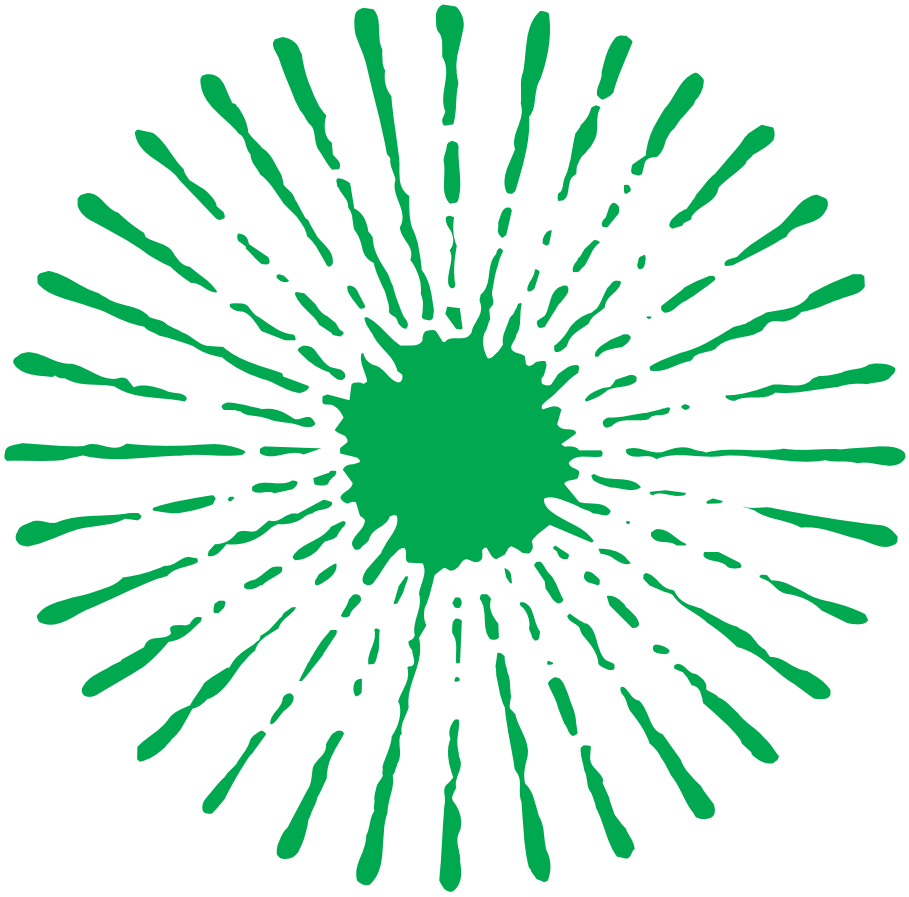
INTEGRATED ANNUAL REPORT 2019



OMNIA

Trusted Performance Innovative Solutions

BETTER WORLD

WHO WE ARE

Omnia is a diversified chemicals group that supplies chemicals and specialised services and solutions for the **agriculture, mining** and **chemical** application industries.

Differentiation is ensured by combining innovation with intellectual capital, whereby Omnia adds value for customers at every stage of the supply and service chain.

With its vision of leaving a **"Better World"** the Group's solutions promote the responsible use of chemicals for **health, safety and a lower environmental** impact, with an increasing shift towards cleaner technologies.

OMNIA

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NAVIGATIONAL ICONS

Indicates a reference for information available online at **www.omnia.co.za**

Indicates a page or note reference of information which can be found elsewhere in the report

Indicates metrics/area independently assured

www.omnia.co.za

HOW TO NAVIGATE THE REPORT

Throughout the Integrated Annual Report, the following icons are used to show the connectivity between sections:

CAPITALS	STRATEGIC OBJECTIVES
Financial	Operational effectiveness
Human	Innovative solutions
Intellectual	Geographical expansion and acquisitions
Manufactured	
Natural	
Social and relationship	

STAKEHOLDERS

- PROVIDERS OF CAPITAL
- EMPLOYEES AND TRADE UNIONS
- CUSTOMERS
- SUPPLIERS
- COMMUNITIES
- GOVERNMENT AND REGULATORS

REPORTING SUITE

Omnia remains committed to reporting transparently to a wide range of stakeholders. To view the full suite, please visit the website **www.omnia.co.za**

INTEGRATED ANNUAL REPORT (IAR)



The Integrated Annual Report is the primary report to the stakeholders. It is structured to show the relationship between the interdependent elements involved in the Group's value creation story, in compliance with:

- The International Integrated Reporting <IR> Framework
- The Companies Act, 71 of 2008, as amended (Companies Act)
- The JSE Listings Requirements
- King IV Report on Corporate Governance for South Africa, 2016 (King IV)

GROUP ANNUAL FINANCIAL STATEMENTS (AFS)



A comprehensive report of the Group's financial performance for the year, in compliance with:

- The Companies Act
- The JSE Listings Requirements
- International Financial Reporting Standards (IFRS)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



A detailed account of Omnia's performance for the year, including environmental, social and governance elements. The report also includes the remuneration report and the social, ethics and risk committee report, in compliance with:

- The Companies Act
- The JSE Listings Requirements
- King IV
- Global Reporting Initiative (GRI core)

NOTICE OF ANNUAL GENERAL MEETING (AGM)



Supporting information for shareholders to participate in the annual general meeting, in compliance with:

- The Companies Act
- The JSE Listings Requirements
- King IV

ABOUT THE REPORT

SCOPE AND BOUNDARY OF REPORTING

Reporting period

The Omnia Integrated Annual Report (IAR) is prepared and published annually. This report provides material information relating to the strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the year 1 April 2018 to 31 March 2019. Any material events after this date and up to the board approval date of 31 July 2019 have also been included. Certain information is reported on a calendar basis from 1 January 2018 to 31 December 2018 and is indicated as such.

Operating businesses

The report covers the primary activities of the three material operating divisions, namely Agriculture, Mining and Chemicals, which collectively have a physical presence in 48 countries. The acquisition of Oro Agri was effective 1 May 2018 and the financial results have since that date been incorporated into this IAR. Detailed information on investments in which the Group holds only a minority stake is not included.

Financial and non-financial reporting

The boundary of this report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders that have a significant influence on the ability to create value. This report includes the six capitals, with specific reference to the inputs, activities and outcomes relevant to them. The report also includes all Group operations unless otherwise stated.

Targeted readers

The report is the primary communication to stakeholders and is intended to address the information requirements of the shareholders. The company also presents information relevant to other key stakeholders, including staff, suppliers, clients, regulators and communities.

INTEGRATED THINKING AND MATERIALITY

The value creation story (see pages 15 to 19) is structured to show the relationship between the various elements involved in achieving the stakeholder goals. By analysing the risks and opportunities identified in the operating context, stakeholder engagement process and internally identified risks and opportunities, the company has determined which matters are most important to Omnia's value creation in the short, medium and long term. The company has used these as points of reference to ensure only those matters that could have a substantial effect on the ability to deliver stakeholder value are reported on.

COMBINED ASSURANCE

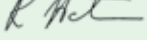
Omnia applies a combined assurance model to assess and assure various aspects of the business operations, including elements of external reporting. These assurances are provided by various independent assurance providers, including the internal auditors (Deloitte), external auditors (PricewaterhouseCoopers Inc.) and providers of limited assurance on selected key performance metrics (IBIS ESG Assurance) and Omnia's BBBEE certificate (Mazars (South Africa)).

For further information on the scope of the services performed by the external assurance providers refer to Omnia's Group Annual Financial Statements, BBBEE certificate, and IBIS ESG Assurance report on selected sustainability information, which are available on the website at **www.omnia.co.za.**

BOARD RESPONSIBILITY

The board has taken overall responsibility and accountability for this report. Executive management, assisted by a dedicated reporting team under the direction of the Group finance director, was responsible for the preparation and consolidation of this report. The board has collectively reviewed this report and confirms the integrity of the content therein.

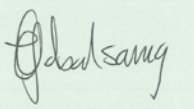
The board believes that this report is a balanced and appropriate presentation of the profile, financial and operational performance of Omnia and that this report has been prepared in accordance with the International Integrated Reporting <IR> Framework. The board approved this report on 31 July 2019.



Ralph Havenstein
Chair of the board



Adriaan de Lange
Group managing director



Seelan Gobalsamy
Group finance director

FEEDBACK

Your feedback is important and the company welcomes your input to enhance the reporting processes. Please visit www.omnia.co.za or email **omniaIR@omnia.co.za.**

HOW OMNIA PERFORMED

FINANCIAL FEATURES

REVENUE UP **7%**
TO R18 628 MILLION

OPERATING PROFIT DOWN
98% TO R24 MILLION

LOSS BEFORE TAX
OF **R414 MILLION**

LOSS AFTER TAX
OF **R407 MILLION**

BASIC EARNINGS PER SHARE
(609 LOSS) CENTS

HEADLINE LOSS
PER SHARE OF
(112 LOSS) CENTS



ORO AGRI ACQUISITION
EFFECTIVE FROM
1 MAY 2018



NITROPHOSPHATE PLANT AT
SASOLBURG COMMISSIONED
24 MARCH 2019



BBBEE RATING
LEVEL 3



GROUP RECORDABLE
CASE RATE OF **0.36**



CAPITAL RESTRUCTURE
AND **R2 BILLION**
RIGHTS ISSUE ON TRACK

FIVE-YEAR FINANCIAL REVIEW

Rm	2019	2018	2017	Restated 2016	2015
INCOME STATEMENTS					
Revenue	**18 628**	17 372	16 269	16 774	16 835
Operating profit	**24**	1 156	1 040	1 108	1 476
Finance costs (net)	**(438)**	(270)	(184)	(179)	(145)
Profit before taxation	**(414)**	886	856	929	1 331
Taxation	**7**	(222)	(264)	(287)	(397)
(Loss)/profit for the year	**(407)**	664	592	642	934
Non-controlling interest	**(7)**	2	1	(1)	5
(Loss)/profit attributable to owners of Omnia Holdings Limited	**(414)**	666	593	641	939
Loss/(profit) on disposal/impairment of property, plant and equipment/intangible assets	**338**	7	23	(6)	42
Profit on businesses contributed to/sale patent	**–**	–	(7)	–	–
Insurance proceeds for replacement of property, plant and equipment	**–**	(3)	(19)	–	–
Headline earnings	**(76)**	**670**	**590**	**635**	**981**
Ordinary dividends paid during the year					
– Prior year final	**101**	124	120	202	193
– Current year interim	**52**	138	113	122	129
Total dividend paid	**153**	**262**	**233**	**324**	**322**
BALANCE SHEETS					
Capital and reserves attributable to owners of Omnia Holdings Limited	**7 123**	7 488	7 545	7 612	6 653
Non-controlling interest	**102**	(5)	(3)	(10)	(11)
Non-current liabilities	**358**	1 258	251	56	103
Deferred income tax liabilities	**733**	666	580	565	502
Current liabilities	**8 331**	5 995	4 391	4 095	4 657
Equity and liabilities	**16 647**	**15 402**	**12 764**	**12 318**	**11 904**
Non-current assets and investments	**5 580**	4 787	4 355	4 124	3 947
Non-current intangible assets	**2 488**	1 363	645	569	519
Deferred income tax assets	**72**	31	9	8	7
Current assets (net)	**8 507**	9 221	7 755	7 617	7 431
Assets	**16 647**	**15 402**	**12 764**	**12 318**	**11 904**
Net interest-bearing borrowings	**4 403**	2 542	(90)	(228)	820
CASH FLOWS					
Cash generated from/(utilised) by operations	**998**	(133)	1 349	2 304	968
Interest and taxation paid	**(687)**	(634)	(463)	(448)	(502)
Cash available from operating activities	**311**	(767)	886	1 856	466
Dividends paid	**(153)**	(262)	(233)	(324)	(322)
Net cash outflow from investing activities	**(2 059)**	(1 452)	(772)	(469)	(578)
Net cash inflow/(outflow) from financing activities	**1 616**	863	94	(108)	(144)
Net (decrease)/increase in cash and cash equivalents	**(285)**	**(1 618)**	**(25)**	**955**	**(578)**
Statistical information					
Earnings, dividends and issued shares					
Basic earnings per share (cents)	**(609)**	985	885	953	1 402
Headline earnings per share (cents)	**(112)**	991	881	944	1 465
Interim dividend per share (cents)	**75**	200	160	180	190
Final dividend per share (cents)	**–**	150	180	180	300
Total dividend per share (cents)	**75**	350	340	360	490
Dividend cover	**(8.1)**	2.6	2.6	2.6	2.9
Net asset value per share (cents)	**10 463**	10 845	11 215	11 406	9 844
Number of shares in issue at year-end (000)	**69 052**	68 997	67 248	67 173	67 471
Number of shares held by Share Incentive Scheme and not included above (000)	**1 047**	1 049	1 045	1 121	822
Number of employees at year-end[1]	**4 755**	4 817	4 366	4 105	4 027

[1] *Full-time employees, including fixed term contracts*

	2019	2018	2017	Restated 2016	2015
Profitability, liquidity and leverage					
Operating profit as a percentage of revenue	**0.1%**	6.7%	6.4%	6.6%	8.8%
Effective tax rate	**1.7%**	25.0%	30.8%	30.9%	29.8%
Return on average equity	**(5.7%)**	8.9%	7.8%	9.8%	14.9%
Net interest-bearing borrowings to equity percentage	**60.9%**	34.0%	(1.2%)	(3.0%)	12.3%
Current ratio	**1.0**	1.5	1.8	1.9	1.6
Net interest-bearing borrowings/EBITDA (adjusted) cover	**3.9**	1.6	(0.1)	(0.1)	0.4
EBITDA (adjusted) finance cost cover	**2.1**	5.9	7.9	9.7	12.6
Share performance					
Market value per share (Rand)					
– at year-end	**50.90**	149.00	162.30	136.50	172.50
– highest	**148.68**	162.25	185.00	180.52	242.00
– lowest	**50.90**	129.60	115.01	115.01	167.00
Value of shares traded (Rbn)	**4 370**	3 752	4 421	4 910	6 712
Volume of shares traded (000)	**45 892**	26 019	27 502	32 594	33 320
Share volumes traded as a percentage of total issued shares	**66.5%**	37.7%	40.9%	47.7%	48.8%

SEGMENTAL INFORMATION

For the year ended 31 March

Rm	2019[3]	2018[4]	2017	Restated 2016	2015
Agriculture					
Revenue (external)[2]	**8 240**	8 078	8 159	8 218	7 287
Operating profit	**370**	574	436	411	656
Operating margin	**4.5%**	7.1%	5.3%	5.0%	9.0%
EBITDA	**597**	748	628	636	886
Net controlled assets[4]	**6 631**	5 781	7 035	7 107	6 919
Net working capital	**2 539**	2 463	1 557	1 953	1 821
Mining					
Revenue (external)[2]	**4 885**	5 139	4 378	4 551	5 351
Operating profit	**169**	343	454	526	720
Operating margin	**3.5%**	6.7%	10.4%	11.6%	13.5%
EBITDA	**322**	514	597	634	833
Net controlled assets[4]	**2 231**	2 247	2 701	2 842	2 677
Net working capital	**1 196**	1 261	967	842	1 090
Chemicals					
Revenue (external)[2]	**5 301**	4 355	3 732	4 005	4 197
Operating profit	**10**	163	143	171	100
Operating margin	**0.2%**	3.7%	3.8%	4.3%	2.4%
EBITDA	**72**	212	184	222	105
Net controlled assets[4]	**1 570**	1 617	2 033	2 369	2 308
Net working capital	**1 154**	1 164	597	533	575
Group					
Revenue (external) – reconciling[2]	**202**	(200)	–	–	–
Operating profit	**(525)**	76	–	–	–
Operating margin	**>(100)**	(38%)	–	–	–
EBITDA	**(352)**	128	45	(10)	6
Net controlled assets[4]	**1 905**	1 189	–	–	–
Net working capital	**(625)**	(367)	–	–	–

[2] *Based on net revenue – excludes intercompany transactions and other items eliminated on consolidation*

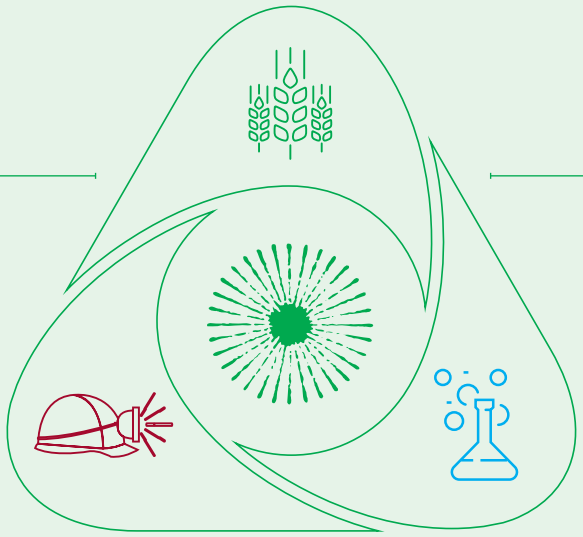
[3] *Includes Oro Agri effective from 1 May 2018*

[4] *Includes Umongo Petroleum effective from 1 December 2017*

[5] *Net working capital plus PPE and intangible assets plus trapped cash. Net controlled assets are used as a measure for divisional performance*

CREATING SUSTAINABLE VALUE

ABOUT OMNIA



CORE PURPOSE

TO DELIVER TRUSTED PERFORMANCE AND INNOVATIVE SOLUTIONS THAT LEAVE THE **WORLD BETTER**

CORE BELIEFS

OMNIA BELIEVES IN **BUILDING A BETTER FUTURE** THROUGH:

- **Proudly building** on our heritage
- **Creating** a safe and sustainable world
- Leading with **integrity, trust** and **respect**
- **Caring** for, **supporting** and **empowering** our people
- **Passionate** and engaged people
- **Embracing** diversity
- **Pioneering, learning** and **innovating**
- Adding value to **our customers** and stakeholders
- **Working** and **growing** together
- **#Better** starts with each employee

IN ORDER TO ACHIEVE THE VISION, OMNIA AIMS TO:



"FIND NEW TERRITORIES"

Omnia will continue to explore growth in new markets, through **geographic expansion and acquisitions.**

MOVE "BEYOND COMMODITIES"

Omnia will innovate and develop **integrated solutions** beyond our existing commodities. Omnia will leverage our differentiated products and services towards specialised, commercialised solutions, in order to deliver value to our customers.

"BE BETTER AND BETTER"

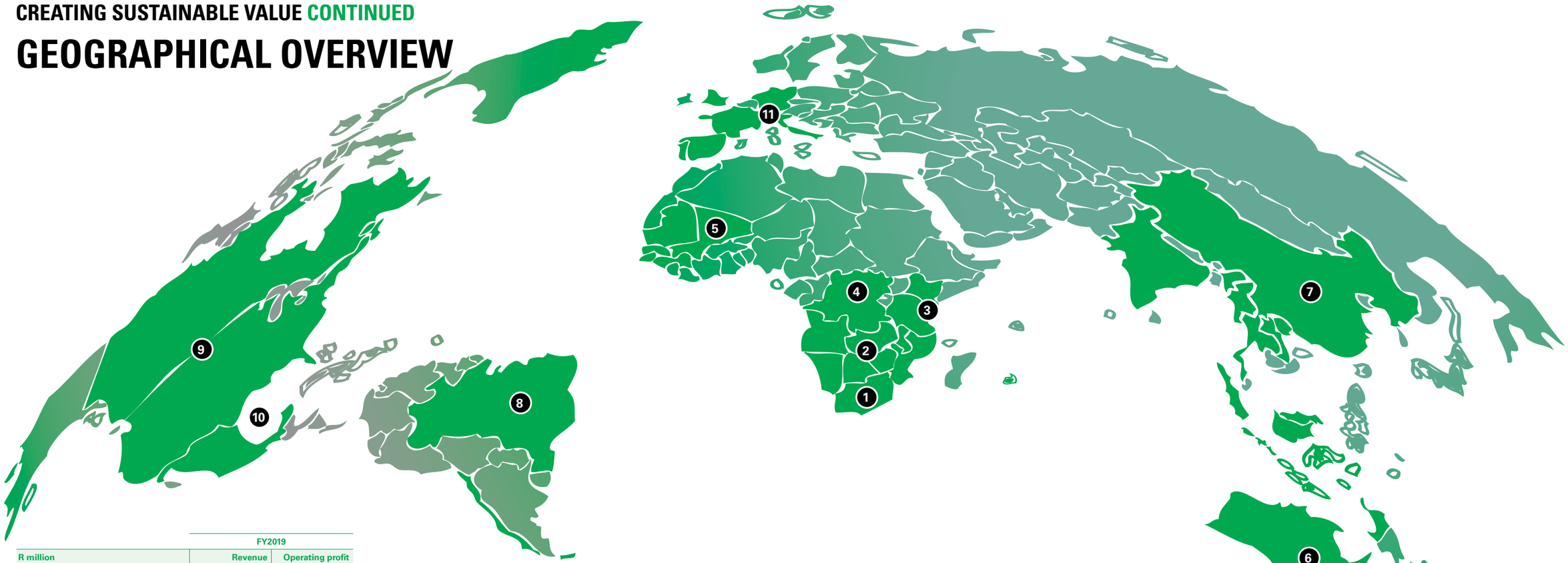
Omnia will become more **operationally effective** and will drive continuous improvement in order to boost the productivity of our people and enhance the service offering for our customers.

GUIDING PRINCIPLES

- Trusted and respected
- Collaborative solutions
- African heritage, global reach
- Zero harm, positive impact
- Leveraged knowledge and capabilities
- Optimised performance and assets
- Engaged and empowered people
- Technology enabled

For more information on the 2022 game plan for growth and the strategic roadmap refer to pages 10 to 13.

GEOGRAPHICAL OVERVIEW



	FY2019	
R million	**Revenue**	**Operating profit**
Total Agriculture	8 240	370
Total Mining	4 885	169
Total Chemicals	5 301	10
Head Office and elimination*	–	(525)
Reconciling items	202	–
Total	**18 628**	**24**

** Includes the impairment of goodwill in Protea Chemicals*

PHYSICAL PRESENCE IN **48** COUNTRIES WITH **4 755** EMPLOYEES

MAJOR MANUFACTURING SITES

AGRICULTURE
RSA: **17**
INTERNATIONAL: **6**
Total: 23

MINING
RSA: **9**
International: **12**
Total: 21

CHEMICALS
RSA: **6**
INTERNATIONAL: **1**
Total: 7

GROUP TOTAL MANUFACTURING

South Africa	32
International	19
Group total:	**51**

DISTRIBUTION

AGRICULTURE
RSA: **6**
INTERNATIONAL: **8**
Total: 14

MINING
RSA: **21**
International: **7**
Total: 28

DISTRIBUTION INCLUDING UMONGO PETROLEUM
CHEMICALS
RSA: **5**
INTERNATIONAL: **2**
Total: 7

GROUP TOTAL DISTRIBUTION

South Africa	32
International	17
Group total:	**49**

KEY ● Agriculture ● Mining: BME ● Mining: Protea Mining Chemicals ● Chemicals ● Oro Agri

1	**South Africa**	
	South Africa	● ● ● ● ●
2	**Southern Africa**	
	Angola	● ●
	Botswana	●
	Lesotho	●
	Mozambique	● ●
	Namibia	● ● ●
	Swaziland	●
	Zimbabwe	● ● ●
3	**East Africa**	
	Kenya	● ●
	Mauritius	● ● ● ●
	Tanzania	●
4	**Central Africa**	
	DRC	● ●
	Zambia	● ● ●

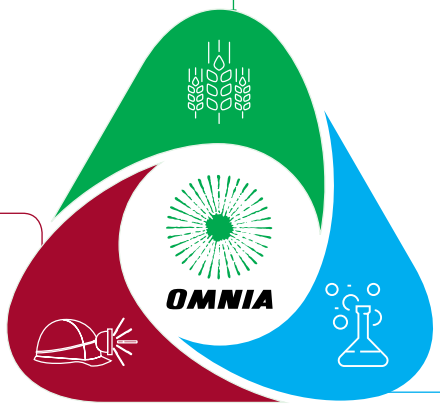
5	**West Africa**	
	Burkina Faso	●
	Guinea	●
	Mali	●
	Mauritania	●
	Senegal	●
	Sierra Leone	●
	Cote d'Ivoire	●
6	**Australasia**	
	Australia	● ● ●
	New Zealand	●
7	**Asia Pacific**	
	China	● ● ● ● ●
	India	●
	Indonesia	●
	Malaysia	●
	Vietnam	●
	Myanmar	●
	Singapore	●

8	**South America**	
	Brazil	● ●
	Paraguay	●
	Chile	●
9	**North America**	
	Cayman Islands	●
	Canada	● ●
	Mexico	●
	United States of America	● ●
10	**Central America**	
	Guatemala	●
11	**Europe**	
	Czech Republic	●
	France	●
	Italy	●
	Germany	●
	Netherlands	●
	Portugal	●
	Spain	●
	United Kingdom	●
	Greece	●
	Turkey	●
	Pakistan	●
*	Romania	●

* *Romania added after year-end.*

OPERATING DIVISIONS

With its vision of leaving a **Better World** as a footprint, the Group's solutions promote the responsible use of chemicals for health, safety and lower environmental impact with a shift towards cleaner technologies.



AGRICULTURE
(c.44% Revenue)

omnia · ORO AGRI · innofert · AXIOTEQ

Main portfolio

Omnia Nutriology: Ammonia nitrate-based fertilizer (granular, liquid, direct application) speciality fertilizers, AgriBio products, Farming R&D and retail
Oro Agri: Biostimulants, adjuvants, crop protection products, liquid
Innofert: Trading
Axioteq: Consulting analytics services

MINING
(c.26% Revenue)

bme · Protea Mining Chemicals

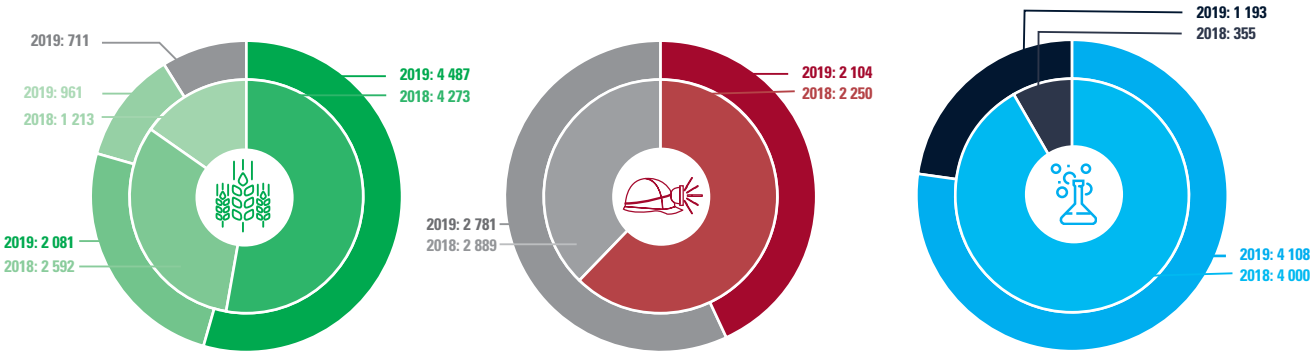
BME: Bulk emulsion, packaged explosive, initiating systems, blasting accessories detonators
Protea Mining Chemicals: Chemicals for mining industry, value added services

CHEMICALS
(c.28% Revenue)

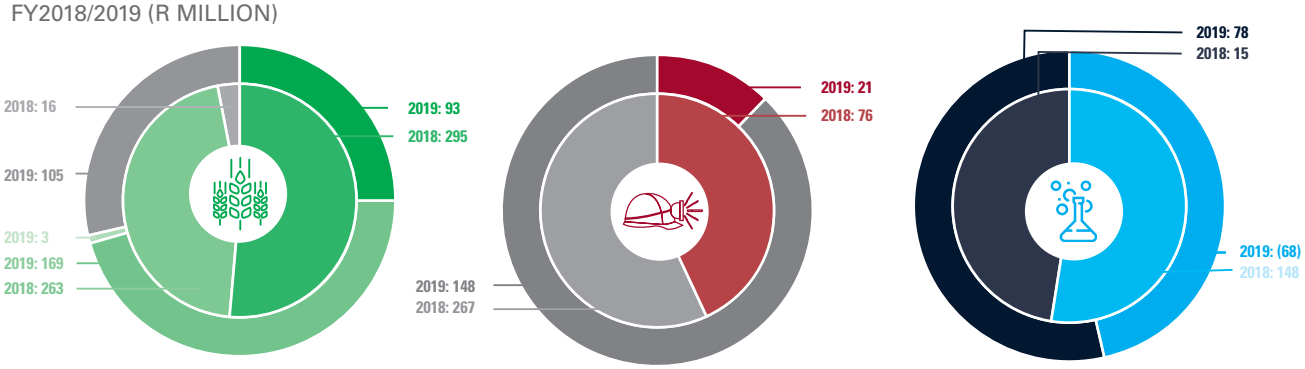
Protea Chemicals · UMONGO PETROLEUM

Protea Chemicals: Chemicals supply chain management (representing global companies in South Africa and Africa): Specialty chemicals
Umongo Petroleum: Lubricants, additives base and process oils
- Distribution partner to global oil companies
- Advanced technology through Chevron

REVENUE
FY2018/2019 (R MILLION)



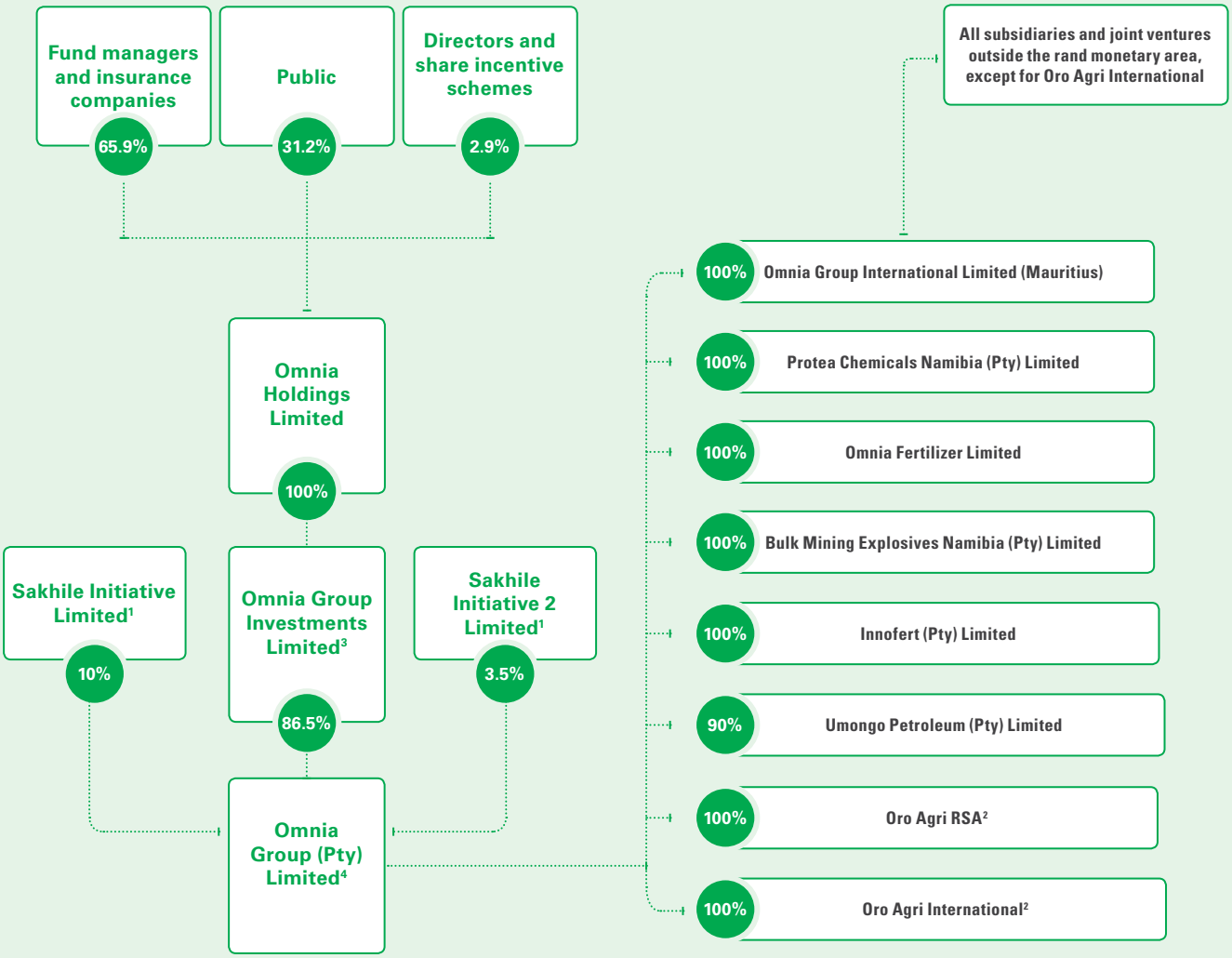
OPERATING PROFIT
FY2018/2019 (R MILLION)



South Africa · International · Biological · Petroleum · Trading

Outside circle: 2019 · Inside circle: 2018

OMNIA HOLDINGS LIMITED SUMMARISED OWNERSHIP STRUCTURE



[1] *The two Sakhile Initiative entities relate to employee ownership schemes*
[2] *Acquisition effective from 1 May 2018*
[3] *Omnia Group Investments Limited includes the 5% held by Nanotron Investments*
[4] *The three main operating divisions, Agriculture, Mining and Chemicals form part of Omnia Group (Pty) Ltd*

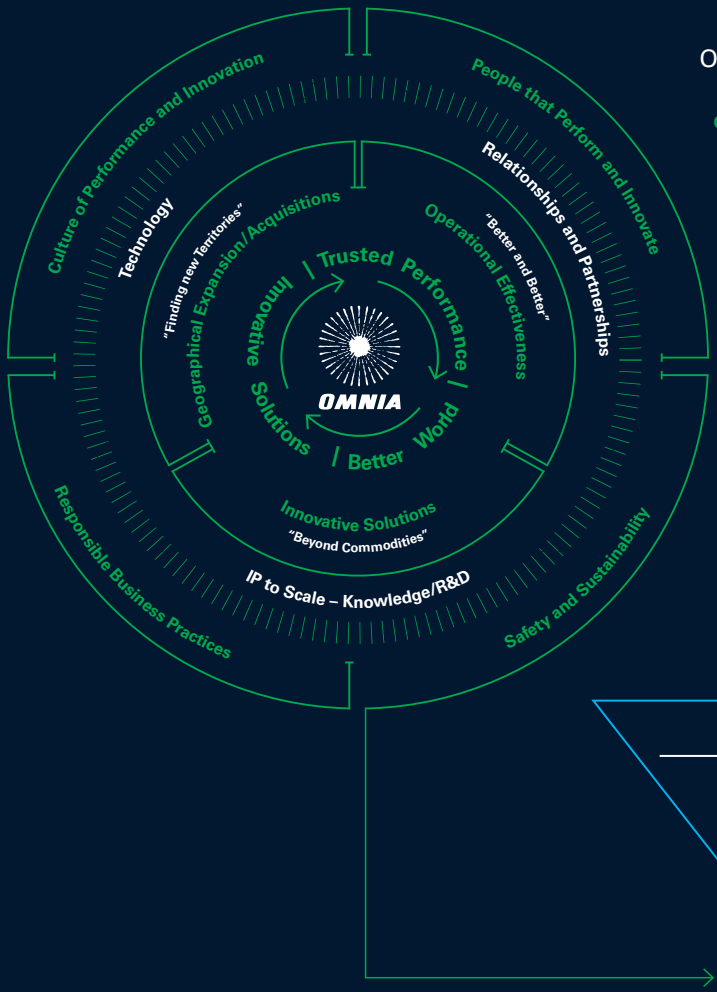
Refer to page 65 in the audited annual financial statements for a complete list of subsidiaries and joint ventures

CREATING SUSTAINABLE VALUE CONTINUED

THE 2022 GAME PLAN FOR GROWTH

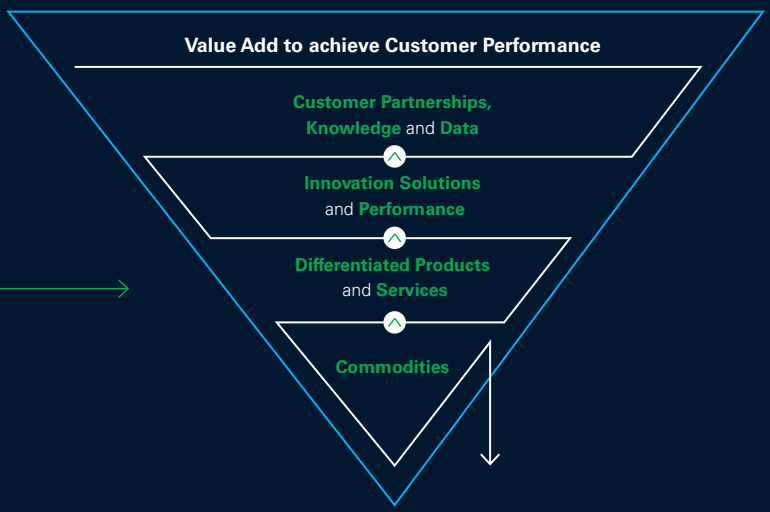
In response to the rapidly changing operating environment and needs and expectations of our stakeholders, the Group strategy comprises three strategic pillars that aim for Omnia to: become more **operationally effective;** innovate and develop **integrated solutions beyond our existing commodities;** and seek growth in new markets through **geographic expansion and acquisitions.** The Group's strategy is underpinned by ensuring a safe and sustainable environment for its employees, the communities in which it operates and its customers. Safety is embedded in all aspects of the strategy, a core principle to the strategy of contributing towards a **Better World.**

OMNIA'S LONG-TERM STRATEGY



Omnia's strategy covers the **operational effectiveness, expansion opportunities** and **innovative approach to delivering solutions.** It defines the business practices and customer relationships and lays the foundation for moving forward safely and sustainably, all while building a strong culture of performance.

AT OMNIA, WE LEVERAGE KNOWLEDGE, ENABLE TECHNOLOGY AND BUILD RELATIONSHIPS THE COMBINATION DELIVERS TRUSTED PERFORMANCE, INNOVATION FOR CUSTOMERS AND HAS A POSITIVE IMPACT ON THE ENVIRONMENT.



THROUGH THE COMBINED APPLICATION OF KNOWLEDGE, TECHNOLOGY AND RELATIONSHIPS, THE GROUP SEEKS TO PROGRESSIVELY IMPROVE THE CUSTOMER PERFORMANCE IT CREATES THROUGH DIFFERENTIATED PRODUCTS AND SERVICES, INNOVATIVE SOLUTIONS AND PERFORMANCE, AND ULTIMATELY THROUGH PARTNERSHIPS THAT DEPEND ON ITS KNOWLEDGE AND DATA.

LONG-TERM STRATEGIC ROADMAP

STRATEGIC PILLAR	STRATEGIC OBJECTIVE	STRATEGIC THRUST
IMPROVING OMNIA'S EXISTING BUSINESS	OPERATIONAL EFFECTIVENESS	**Build and strengthen key capabilities** Invest capital in assets that will optimise production, quality, efficiencies and capacity, and ensure access and availability of differentiated products and services, and leverage Group capabilities
	INNOVATIVE SOLUTIONS	**Value add on commodities** Deliver sector-focused services that add value to customers, enhance their performance through differentiated products and knowledge-based services that create opportunities for Omnia's people
CREATING GROWTH	INNOVATIVE SOLUTIONS	**Commercialise solutions across the value chain** Diversify and expand Omnia's markets by commercialising solutions that leverage technology across the value chain. The commercial solutions will in many cases consist of a combination of the differentiated products and knowledge-based services developed in the existing business
	GEOGRAPHICAL EXPANSION AND ACQUISITIONS	**African and international expansion** Expand Omnia's sectoral footprint in Africa and with specific focus internationally in markets that have a defined growth potential, are a strategic fit with the Group and provide an opportunity to leverage the Group's intellectual property to achieve scale

ENABLED BY

BUILD PEOPLE AND REPUTATION

Enable people and innovation

Support the Group strategy and drive through effective leadership at all levels, an innovation culture and by having the right people, capabilities, support, empowering governance and structure in place

Positive impact

Build a strong international reputation and meaningful corporate citizenship in all markets through our approach to safety, communities and the environment

KEY FINANCIAL AND SAFETY PERFORMANCE MEASURES

REVENUE GROWTH
15% per annum growth of which **50%** must be outside South Africa by 2022 and **10%** from innovation solutions

OPERATING MARGIN
25% increase in range

RETURN ON NET CONTROLLED ASSETS (RONCA) (L)
15% improvement
RONCA: Profit before interest and tax divided by total of net working capital, trapped cash, PPE, intangible assets and investments

RECORDABLE CASE RATE (L)
Consistent and sustainable improvement

CASH FLOW (L)
Free cash flow before interest and tax (includes working capital and capital spend)

DIVERSITY AND INCLUSION (L)

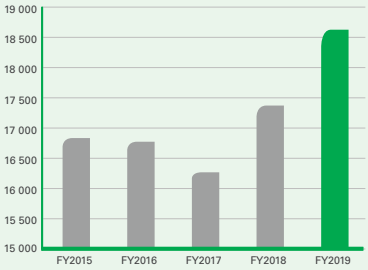
EBITDA GROWTH (L)
Operating earnings before interest, tax, depreciation and amortisation

STRATEGIC INITIATIVES (L)
As approved by remuneration and nominations committee

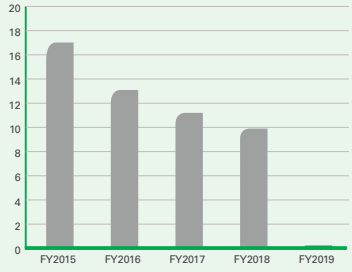
(L) Linked to executive remuneration. For more, see pages 98 to 100

FIVE YEAR TREND

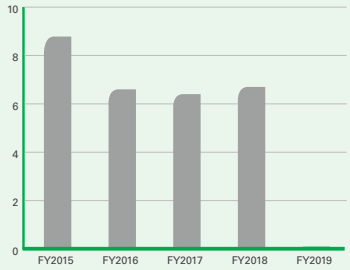
REVENUE
(R million)



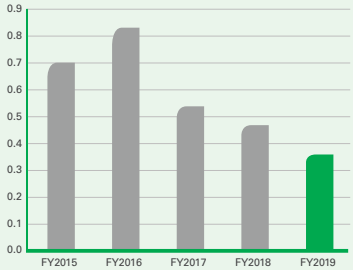
RETURN ON NET CONTROLLED ASSETS
(%)



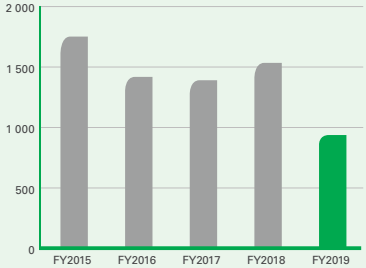
OPERATING MARGIN
(%)



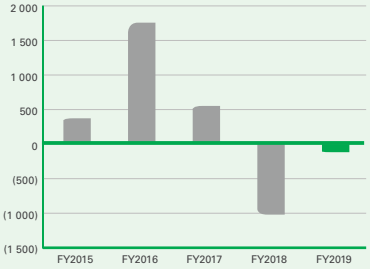
RCR
(Rate)



EBITDA NET OF IMPAIRMENTS
(R million)



FREE CASH FLOW
(R million)



SHORT-TERM FOCUS AREA

The Group experienced a challenging year with adverse market conditions, marked by droughts and late rains in key markets, a volatile rand currency, the local and international mining industry going through restructuring, and overall difficult global trading conditions. Notwithstanding the impact of these on the Group's FY2019 financial performance, Omnia's core purpose and strategy remains sound.

EVOLUTION OF OMNIA'S STRATEGY

Early 1990 – BUSINESS MODEL CHANGE
"Creating customer wealth through knowledge", backed by differentiated products and scientific research

2005 – RAPID GROWTH
in mining and agriculture, hampered by a shortage of nitric acid and ammonium nitrate, resulting in investment in nitric acid complex, downstream plant and logistics renewal

2010 – OMNIA INVESTED IN RSA AND REGION
and became asset heavy and dependent on the regional markets

2016-17 – EXPAND INTERNATIONAL FOOTPRINT AND GROW CORE CAPABILITIES
Omnia invested in capabilities to bring solutions to customers. International expansion pursuit (now in 48 countries). Looking at various potential acquisition to diversify within current business lines

2018-19 – ECONOMIC AND CLIMATE HEADWINDS
(after acquisitions and construction started) Omnia and its customers, local and international, were impacted by economic and climate headwinds

PLAN TO ADDRESS DEBT:

The Group's strategy in the short-term will deliver an improvement in the quality of the business through a focus on improving marketing efforts and reach, backwards integration in production of phosphates and operating model efficiency and realise benefits from responsible global growth supported by the integration of the acquisitions. The Group will be lowering operating leverage by rationalising costs.

FY2020 Stabilise and Fix

- A Short-term liquidity – Bridge loan
- B R2bn capital injection
- C Addressing operating leverage
- D Reducing working capital
- E Reduction in capex

FY2021 Strategic Review — Group Strategic rejuvenation

- Group restructure implementation (Shared Services and Centers of Excellence)
- Leverage product portfolio in existing geographies
- Competency review

FY2022 Grow — BU Geographic expansion

PLANNED OUTCOMES

CAPITAL RESTRUCTURE	REDUCING OPERATING LEVERAGE	REDUCTION IN NET WORKING CAPITAL	REDUCTION IN CAPEX
A + B	C	D	E

PLANNED OUTCOMES:

A BRIDGE LOAN

The objective of the R6.8 billion bridge loan was to take out Omnia's existing debt facilities. The bridge loan will be split as a 12 month bullet term loan of R5 billion and a general banking facility (GBF) - general short-term banking facility limited to R1.8 billion committed for 12 months, exclusive of soft lines.

Facilities* profile as at 31 March 2019
Current facilities – pre bridge

Rm	Drawn	Available	Total
Short term	2 569	1 201	3 770
Long term	2 570	-	2 570
Total	**5 139**	**1 201**	**6 340**

Post Rights Offer facilities

Short term	139	1 861	2 000
Long term	3 000	-	3 000
Total	**3 139**	**1 861**	**5 000**

B CAPITAL INJECTION

In order to ensure the Group's long-term sustainability, Omnia proposed a prompt solution to de-risk its capital structure. The debt levels post, the R2 billion rights offer would be within debt capacity and provide the Group with adequate headroom in its debt facilities. The capital structure would be more closely aligned to peers. It would also results in improved cost of capital.

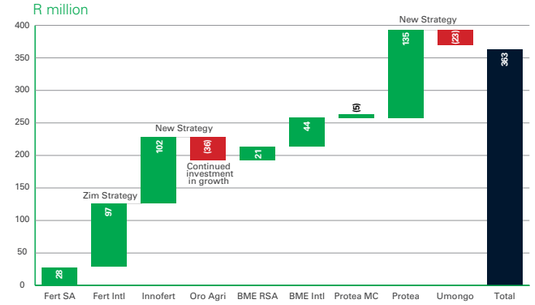
Current metrics	
Net debt (Rm)	R4,403
Net debt / EBITDA	3.9x
Interest cover ratio	2.4x
Gearing	61%

Pro forma metrics	
Net debt (Rm)	R2,403
Net debt / EBITDA	2.4x
Interest cover ratio	4.2x
Gearing	33%

D REDUCING NEW WORKING CAPITAL

The planned working capital reduction initiatives would include the following: Agriculture RSA will enter into trade sales with distributors to utilise excess capacity from Sasolburg; Inventory reduction across Agriculture International, Agriculture Trading and Protea Chemicals; Focus on debtor collection and terms; Creditor terms are in the process of being re-negotiated where possible.

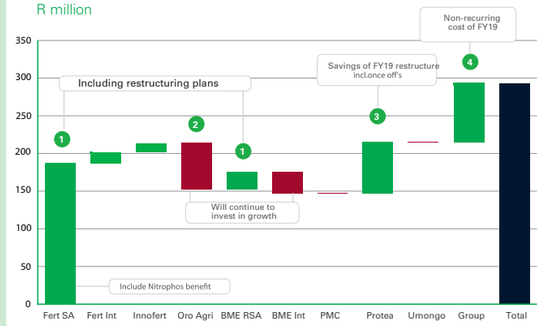
INVENTORY REDUCTION TARGET OF R363 MILLION
R million



C ADDRESSING OPERATING LEVERAGE

The overheads remain stable despite overall inflationary increases in the base, growth in depreciation and amortisation (c.R100m), increase of electricity and water costs (c.R70m) and staff costs (c.R80m).

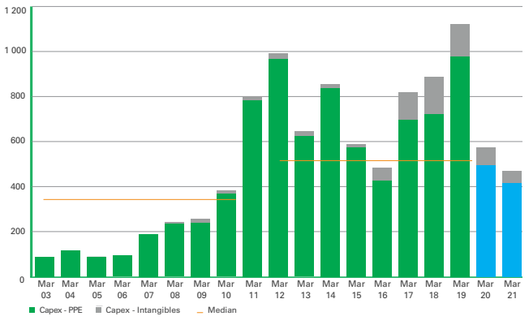
TARGETED EXPENSE SAVINGS OF R293 MILLION (AFTER RESTRUCTURING COSTS)
R million



E REDUCTION IN CAPEX

Omnia has reached the end of its recent capex programme. Historical capex spend attributable to: Nitric acid plant, Nitrophosphate plant, Microsoft dynamics AX system, Facilities upgrade, Environmental upgrades and BME expansion. Maintenance capex of c.R250m is expected to continue in the medium term of which the largest recurring maintenance capex relates to Sasolburg manufacturing facilities

SIGNIFICANT REDUCTION IN CAPEX
R million



UNDERSTANDING OUR INTEGRATED VALUE CHAIN

The integrated value chain, centred on applying intellectual property and advanced technologies in the research, development, manufacturing and distribution of products and services in the agriculture, mining and chemicals sectors, is at the heart of the differentiated value proposition.

RAW MATERIALS

Sulphur | Phosphate rock | Water | Air | Natural gas

Gypsum waste

Phosacid liquid plant

Ammonium plant

FEEDSTOCK ACQUIRED

Ammonium nitrate to fertilizers

Nitric acid Ammonium nitrate plant

Ammonium nitrate to explosives

51 MANUFACTURING FACILITIES IN 12 COUNTRIES

For production flow diagram at Fertilizer Sasolburg facility refer to page 16

NEW NITROPHOSPHATE PLANT

Nitric acid | Phosphate rock

New nitrophosphate plant

- Calcium nitrate
- Nitrophos liquid
- Nitrophos dry

FEEDSTOCK ACQUIRED

Chemicals manufacturing and blending

Manufacturer and distributor of specialty functional and effect chemicals

RESEARCH AND DEVELOPMENT

11 R&D FACILITIES IN 5 COUNTRIES

PRODUCTS AND SERVICES

FERTILIZER

- Granular
- Liquid
- Ammonia gas
- Specialities and AgriBio

ORO AGRI

In May 2018 Omnia acquired Oro Agri, a group specialising in the development and manufacturing of low environmental impact AgriBio products. Oro Agri has manufacturing and distribution sites in four countries.

49 DISTRIBUTION CENTRES IN 7 COUNTRIES

EXPLOSIVES

- Bulk emulsions
- Packaged explosive
- Initiation systems
- Electronic detonators
- Software

For production flow diagram of BME refer to page 18

CHEMICALS

- Animal feeds
- Coating, adhesives and solvents
- Consumer care
- Polymers
- Water care
- Food ingredients
- Lubricants

INDUSTRIES SERVED

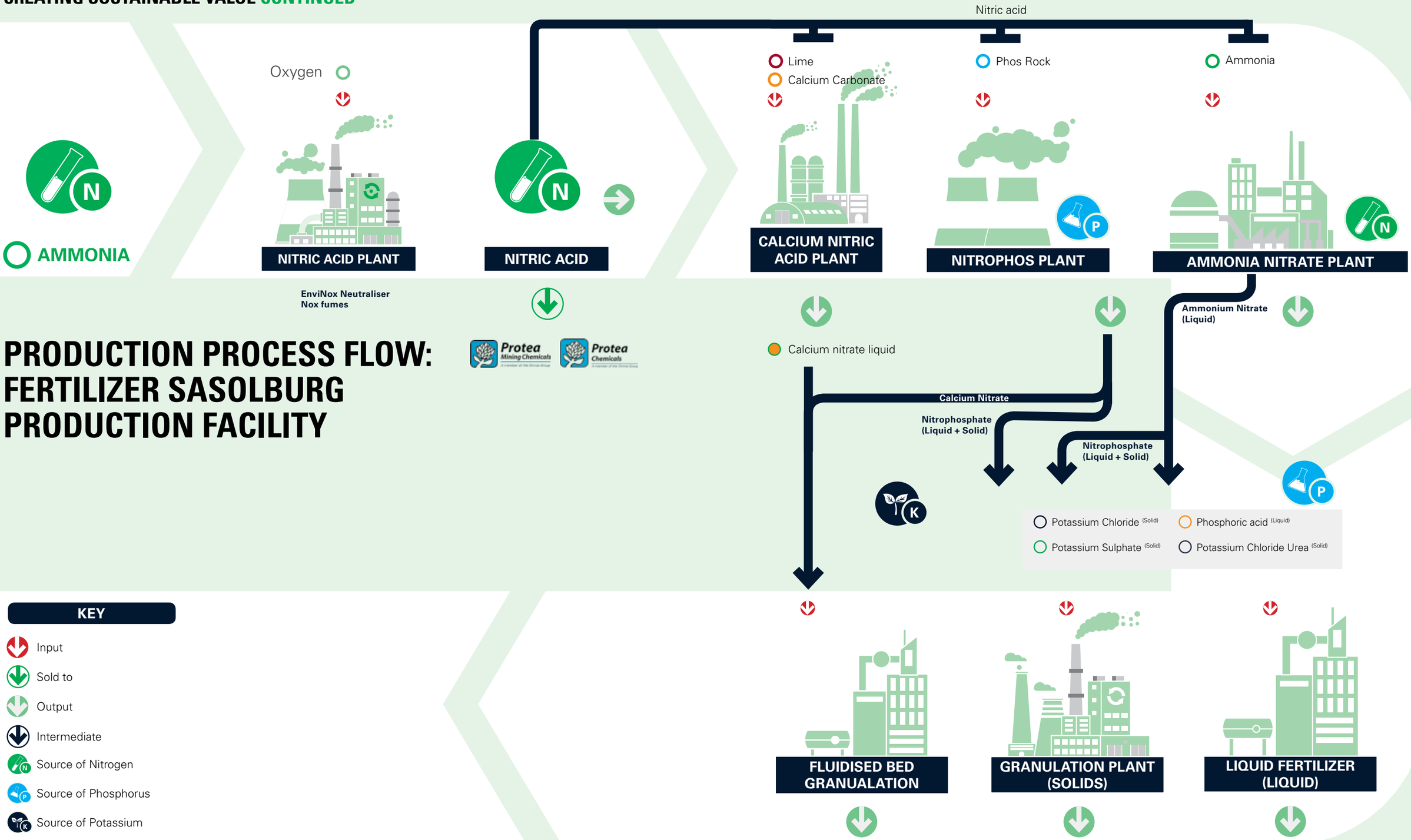
- Agriculture
- Mining
- Oil & gas
- Manufacturing and heavy industry
- Local government
- Wholesaler
- Retail

Omnia acquired Umongo Petroleum in December 2017, a company specialising in the supply of lubricant, adhesives, base oil, process oils and chemicals and the provision of technical solutions to the lubricant blenders across sub-Saharan Africa.

BENEFITS OF NEW NITROPHOSPHATE PLANT

- **IMPROVED PLANT THROUGHPUT** (NITRIC ACID PLANT)
- **RELIABILITY** OF SUPPLY
- VARIOUS SOURCES OF RAW MATERIAL SUPPLY **LESS DEPENDENCE ON SINGLE SUPPLIER**
- **COST EFFECTIVENESS:** Lower working capital; No bought in lime required for calcium nitrate production; Phosphate rock instead of more expensive phosacid & MAP required for P in fertilizer
- **AGRONOMIC BENEFITS** OF FINAL PRODUCTS
- EMISSIONS TO **NEMAQA STANDARDS**
- EFFLUENT **RECYCLED**
- **MARKET COMPETITIVENESS** AGAINST IMPORTS

PRODUCTION PROCESS FLOW: FERTILIZER SASOLBURG PRODUCTION FACILITY



KEY

- Input
- Sold to
- Output
- Intermediate
- Source of Nitrogen
- Source of Phosphorus
- Source of Potassium

OMNIA SASOLBURG

PRODUCTION PROCESS FLOW: BME

- Calcium nitrate (Liquid)
- Ammonium Nitrate (Liquid)

AMMONIA NITRATE CALCIUM PLANT

- Ammonium Nitrate (Liquid)

POROUS GRANULAR AMMONIUM NITRATE

- Calcium Nitrate (Liquid)
- Ammonium Nitrate (AN/CN) (liquid)

- Emusifier
- Stabiliser
- Used oil + New Oil

- Emusifier
- Stabiliser
- Used oil + New Oil

- PGAN (Solid) low-destinity explosive grade

KEY

- Input
- Sold to
- Output
- Intermediate

For more information on BME's competitive advantage for Innovex™ refer to page 33

EMULSION PLANT TREATMENT PLANT

Dryden

- INNOVEX™ emulsion (Supplied to client sites)

EMULSION PLANT PACKAGED PLANT

Losberg

- INNOVEX™ emulsion[1] (Supplied to client sites)
- INNOPAK™ emulsion (Packaged product and underground)

ANFO PLANT

Rustenburg

- INNOFEX™ (Packaged product and underground)

Customer operations

OPERATIONS CUSTOMER

SURFACE MINING

Drill holes according to design → Prime each hole with booster and detonator → Pump emulsion PGAN into hole → Stem hole → Programme and test detonator → Tie-up and clear area → Blast and load for crushing and milling or sent to waste

CREATING VALUE THROUGH THE SIX CAPITAL MODEL

Value is created by applying intellectual property and advanced technologies in the research, development, manufacturing, distribution of products and provision of advisory services in the agriculture, mining and chemicals sectors.

OMNIA RELIES ON VARIOUS RELATIONSHIPS AND RESOURCES TO CREATE VALUE (INPUTS)

Financial capital

Financial capital, used to sustain and grow the business, consists of funds generated from operations, equity financing and debt financing.

Human capital

Developing passionate, enabled and engaged employees plays a critical role in attaining Omnia's vision and delivering on the defined strategy.

Intellectual capital

The Group's research, development, technology and digital capabilities, which is considered a competitive advantage, supports the development of innovative products and solutions, efficient use of natural resources, lowering the impact to the environment, and improved safety for all.

Manufacturing capital

The Group continues to invest in modern technologies and the upgrading of manufacturing plants and equipment, to ensure that they are world-class, safe to operate and conform to the relevant regulations and standards.

Natural capital

Omnia requires a wide variety of minerals, water, energy and air as raw materials to convert into value-adding products and services.

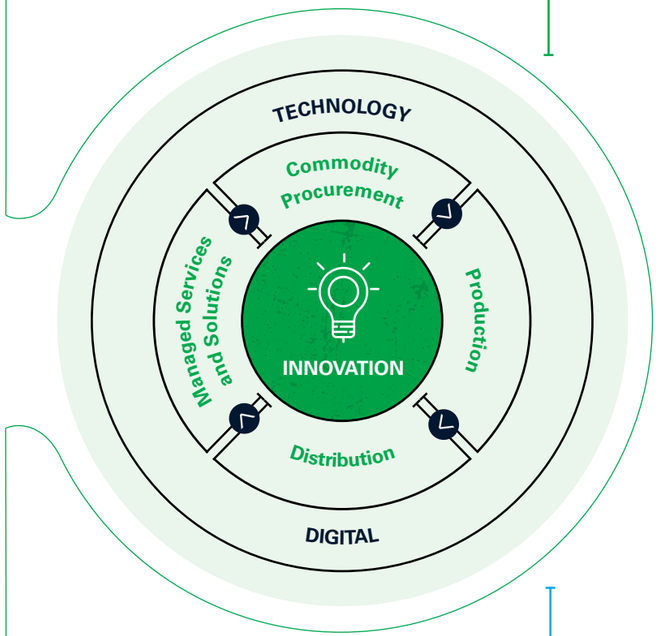
Social and relationship capital

The operations are intricately linked to the community where offices/plants are located and hence Omnia nurtures the community and the people around it.

APPLIED THROUGHOUT THE GLOBALLY INTEGRATED VALUE CHAIN

1 **Commodity procurement:** Sourcing of raw chemicals and material in bulk from across the world.

2 Applying intellectual capital and technologies in the **production** of innovative value-added products and services. and service



3 Leveraging our **distribution** network to ensure the safe and cost-effective delivery of products.

4 Offering **managed services and solutions** to our customers.

PROVIDING HIGH-QUALITY PRODUCTS AND SERVICES, FOCUSING ON NICHE AREAS

Agriculture

- Fertilizer – approximately 250 products including dry, liquid, specialities (including humic acids and biological products) and directly applied ammonia
- Nutriology™ research, development, laboratory services, field services and advice
- Co-generation and re-use of resources
- Axioteq™ data services, advisory and data platform for the development of commercialised solutions for customers across the value chain
- Oro Agri – approximately 30 products with over 100 product registrations in various jurisdictions

Mining

- BME – approximately 44 products including explosives, initiating systems (electronic and non-electronic), blasting emulsions, blasting software and other blasting accessories
- BME – on-mine blasting services
- Protea Mining Chemicals – approximately 150 products including a wide range of chemical-based solutions used in mine processing plants to enhance the recovery rates from ore and concentrate
- Protea Process™ – advising on or managing the logistics for the safe and efficient handling of hazardous chemicals for clients on a full end-to-end basis

Chemicals

- Protea Chemicals – approximately 1 200 products including a wide range of liquid, dry and gas chemicals that are packaged, transported, blended or manufactured for clients
- Formulated chemicals to customer specifications
- Protea Process™ – advising on or managing the logistics for the safe and efficient handling of hazardous chemicals for clients on a full end-to-end basis
- Umongo Petroleum – approximately 350 products including a wide range of additive, base oils and speciality products that are sourced, stored, packaged and transported for clients.
- Orbichem Petrochemicals – approximately 80 products including a wide range of additive, base oils and speciality products that are sourced, stored, packaged and transported for clients.

CREATING VALUE FOR ALL STAKEHOLDERS THAT IS SUSTAINABLE IN THE LONG-TERM

Shareholders and investment community

Net loss after tax of **R407 million**

609 cents loss per share

Credit rating

During July 2019 Global credit rating issued a debt rating of BBB-, (which is defined as "average credit quality relative to other issuers or obligations in the same country") and A3 (which is defined as "average certainty of timely payment of short term obligations relative to other issuers or obligations in the same country") in the long and short term respectively.

Omnia does not have any listed debt securities and the amended rating does not impact the restructuring of Omnia's debt facilities which was announced with the results on 25 June 2019, or the implementation of the proposed R2 billion underwritten rights offer, the proceeds of which will be used to reduce the Group's present debt levels.

Employees and trade unions

R2.0 billion in salaries and benefits

R30.9 million invested in training

71.8% black staff in South Africa

20% female representation

RCR of **0.36**

Suppliers

R11 million supplier development spend*

R12 million enterprise development spend*

Communities

R2.8 million socio-economic spend

Government and regulators

BBBEE rating: **Level 3**

R169 million paid in taxes

** Based on unaudited figures (current BBBEE certificate is valid until 13 September 2019)*

UNDERPINNED BY

Culture | **Leadership** | **People** | **Skills** | **Governance** | **Systems**

OPERATING FRAMEWORK:

Processes | **Innovation** | **Structure** | **Ways of working** | **SHERQ** | **Performance management**

CAPITALS (INCORPORATED CROSS REFERENCE)

	Financial	Refer to the AFS for more information
	Human	Refer to page 26 to 30 in the ESG report for more information
	Intellectual	Refer to page 41 and 42 in the IAR for more information
	Manufactured	Refer to page 16 to 19 in the IAR for more information
	Natural	Refer to page 44 to 49 in the ESG for more information
	Social and relationship	Refer to page 31 to 38 in the ESG report for more information.

SIX CAPITAL OUTCOMES AND TRADE-OFFS IN CAPITAL

Outcome key
- ✓ Positive outcome
- ≈ Neutral outcome
- × Negative outcome

KEY INPUTS

Financial capital
Debt raised during the year of **R1.7 billion**

Share capital and reserves of **R7 225 million**

Cash and cash equivalent of **R644 million**

Human capital
Total workforce of **4 755**

Strong core belief systems and a high-performance culture

Engagement with unionised and non-unionised workforce

Intellectual capital
291 pending trademark applications

1 317 registered trade marks

37 pending patent applications

238 registered patents

Nil pending design applications

9 registered designs

Direct investment of **R22 million** into research and development

174 agronomists and scientists

20 IT programmers for Axioteq™/DigiAg™ (commercial agriculture digital platform), Nutriology™/OAP (an in-house specialist agriculture digital platform) and Nutriology™ Manufacturing Execution System/(MES) (an in-house software system built on the Microsoft platform)
- o 2 software developers for AXXIS™
- o 1 software developer for BLASTMAP™
- o 3 software developers for XPLOLOG™

Manufacturing capital
32 manufacturing plants in South Africa and **19** internationally

49 distribution centres across the world

70 engineers

Property, plant and equipment of **R5.4 billion**

Natural capital
72 052 MhW electricity consumed

1 696 million litres of water used

Social and relationship capital
Active participation in public policy forums

Ongoing engagement with government and regulators

OUTCOMES PER CAPITAL

		FY2019	FY2018
Intellectual capital outcomes			
Carrying amount of trademarks, patents and distribution contracts	✓	**R1.3 billion**	R453 million
Additions to goodwill and intangible assets	✓	**R1.4 billion**	R811 million
Impairments to goodwill	×	**R324 million**	–
Amortisation expenditure	×	**R197 million**	R62 million
Number of external bursaries awarded	✓	**6**	7
Number of employees supported with bursaries/in part-time studying	✓	**186**	128
Number of employees in work-integrated learning programme	✓	**364**	402
Number of employees in artisans, learnerships and PIVOTAL programmes	✓	**286**	268

Actions to enhance outcomes
- Continued investing in research, development and partnerships to develop new technologies
- Seeking new technologies through acquisition opportunities over the medium- to long-term

		FY2019	FY2018
Human capital outcomes			
Amounts paid in salaries, wages and benefits	✓	**R2.0 billion**	R1.8 billion
Employee turnover rate	×	**25.9%**	9.6%
Number of retrenchments	×	**115**	40
Number of work-related employee and service provider fatalities	✓	**–**	2
Recordable case rate (RCR)	✓	**0.36**	0.47
Direct ownership by Sakhile 1 and Sakhile 2 in Omnia Group (Pty) Ltd	✓	**13.5%**	13.5%
Investment in training and staff welfare	✓	**R30.9 million**	R34 million
Training – average number of days per employee per annum		**11.4 days**	12.0 days

Actions to enhance outcomes
- Rollout of the Omnia culture programme
- Continue to focus on employee development, safety and wellbeing

		FY2019	FY2018
Manufacturing capital outcomes			
Capital expenditure (total)	✓	**R1.1 billion**	R887 million
Depreciation	×	**R418 million**	R384 million
Impairment of plant	×	**R16 million**	–

Actions to enhance outcomes
- Bringing new nitrophosphate plant to full capacity
- Omnia has reached the end of its recent capex programme
- Maintenance capex is expected to continue in the medium-term, mainly at Sasolburg manufacturing facilities

		FY2019	FY2018
Financial capital outcomes			
Operating profit	×	**R24 million**	R1 156 million
(Loss)/profit after tax	×	**(R407 million)**	R664 million
Cash generated from/(utilised in) operating activities	✓	**R998 million**	(R133 million)
Net interest-bearing borrowings	×	**R4 403 million**	R2 542 million
Headline earnings per share	×	**(R1.12)**	R9.91
Dividends paid to shareholders (including prior year final dividend paid in the current year)	×	**R153 million**	R262 million
Dividends per share	×	**R0.75**	R3.50
Net asset value per share	×	**R105**	R108
Closing share price at year-end	×	**R50.90**	R149.00

Actions to enhance outcomes
- R2 billion new capital injection (rights offer) to bring the company's debt levels within capacity, provide the Group with adequate headroom in its debt facilities, ensure capital structure is more closely aligned to peers and improve cost of capital
- Improve operating leverage – seek cost savings across the Group
- Reduce working capital – Fertilizer RSA will reduce working capital through sales and operations planning, inventory reduction across Agriculture International, Innofert and Protea Chemicals; focus on debtor collection and terms; and renegotiation of creditor terms where possible
- Fertilizer RSA will enter into trade sales with distributors to utilise excess capacity from Sasolburg

		FY2019	FY2018
Social and relationship capital			
Spending on social investment (including emerging farmer programme)		**R25.3 million**	R55.1 million
Broad-Based Black Economic Empowerment status		**Level 3**	Level 3
Workdays lost due to industrial action		**Nil days**	Nil days

Actions to enhance outcomes
- Continued engagement with communities, industry and government bodies
- Continued engagement with staff at all levels about strategic and cultural matters

UNDERSTANDING THE KEY TRADE-OFFS IN CAPITAL IN THE YEAR

Acquisition of Oro Agri

On 1 May 2018, Omnia effectively acquired 100% of the ordinary shares of Oro Agri SEZC Limited and its subsidiaries (Oro Agri) for a purchase consideration of $100 million, funded from a combination of cash and debt. Oro Agri is an international company involved in the research and development, production, distribution and sales of a unique range of patented AgriBio products. The key product ranges include bio-pesticides, bio-stimulants and bio-fertilizers as well as adjuvants, crop protection products, liquid foliar fertilizers and soil conditioners. Clients include farmers with large-scale agriculture applications across all row, stone fruit, pasture and other crop types, as well as smaller pastures, lawn and garden applications.

Notwithstanding a robust due diligence process, the acquisition has impacted cash flows, financing charges and debt ratios negatively in the short-term. The products and services offered by Oro Agri will support Omnia in positioning itself with the next generation of agriculture products to further enhance yield and optimise crop performance whilst lowering the environmental impact of crop production.

Restructuring of Protea Chemicals

Protea Chemicals embarked on an organic growth strategy over the past two years. Growth was sought through organic growth in South Africa, with the addition of certain product lines and through entering new territories. While growth was achieved in parts of Africa, the growth and margin aspirations were not achieved in South Africa. The economic conditions in the region and severe competitive pressure further impacted the business negatively and margins deteriorated to the point that the current business model and growth strategy is not considered appropriate in the current economic environment.

Consequently, the Protea Chemicals' strategy and business model was reviewed and realigned to create a more focused business for the future. Part of the process led to the unavoidable retrenchment of 115 employees. It is estimated that the associated restructuring costs amounted to R35 million.

It is envisaged that the benefits, estimated at R75 million per annum, of the restructuring process will only be realised in the next financial year. Phase two of the process has commenced which will result in additional annual savings and improved quality of business as part of its newly developed strategy.

OPERATING CONTEXT

The environment in which Omnia operates affects the delivery of the strategy as well as the ability to create value in the short-, medium- and long-term across the various business segments. The information below sets out the key external business drivers and demonstrates the level to which each segment is impacted. There is a close correlation between the material risks and opportunities (page 38 to 43) and the key external business drivers. The impact is addressed in Omnia's strategy (pages 10 to 13) and ultimately reflected in performance (financial or otherwise).

- Economic growth in the agriculture, mining and chemicals sectors
- Technological advancements
- Localisation and citizenship
- Continuing to build operational excellence throughout the business
- Increased competition
- Drive towards occupational and environmentally responsible practices

ECONOMIC GROWTH IN THE AGRICULTURE, MINING AND CHEMICALS SECTORS

Economic growth prospects require a cautious approach to the outlook over the medium-term

Implications on value creation

Economic activity, gross domestic product (GDP) and gross domestic fixed investment (GDFI) growth, government expenditure, interest rates and consumer and business confidence all impact spending patterns. This impacts the awarding of contracts, sales, capacity utilisation and margins across all business segments. Currently Omnia has operations across Africa, Australasia, Asia Pacific and South America along with offices in the USA, Canada and Europe.

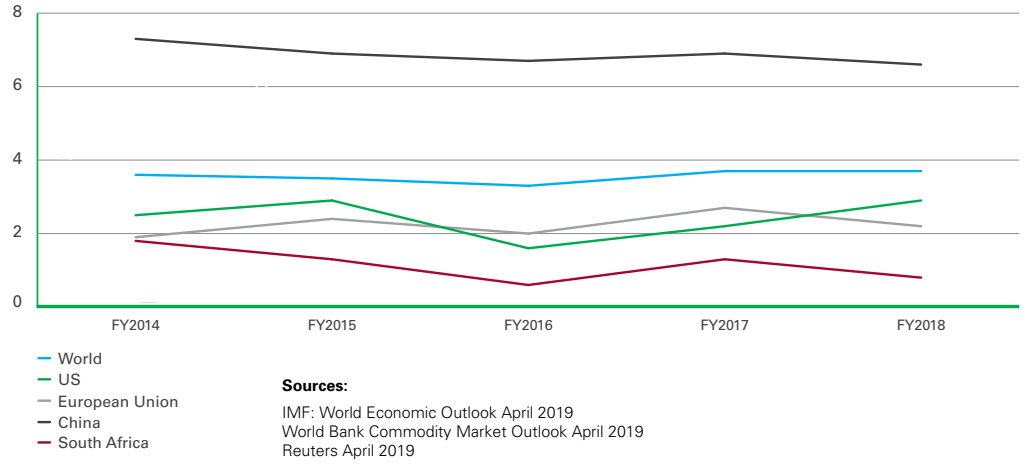
Global perspective

The global economy continues to grow, but signs of a slowdown are emerging. Global growth slowed to an estimated 3.6% for the 2018 calendar year, from 3.8% in 2017. In 2018, the US grew by an estimated 2.9%, China by 6.6% and India by 7.3%, whilst economic pressures continued in Russia (2.3%) and Brazil (1.1%). South Africa's GDP growth slowed from 1.3% in 2017 to 0.8% in 2018. Sub-Sahara Africa maintained an average growth rate of 3.0% in 2018.

The International Monetary Fund (IMF) has lowered its projection for global growth to 3.3% in 2019 and 3.6% in 2020, from a prior estimate of 3.7% in both years. South Africa's GDP growth forecast for 2019 has been revised down to 1.2%. The weaker global outlook projects a slow improvement in production and employment following poor investment growth in 2018, and a moderation in global trade and investment. The medium-term outlook is subdued, with GDP growth projected to stabilise at 1.75%, as structural bottlenecks continue to weigh on investment and productivity, and metal export prices are expected to remain subdued.

REAL GDP GROWTH

(%)



Sources:

IMF: World Economic Outlook April 2019
World Bank Commodity Market Outlook April 2019
Reuters April 2019

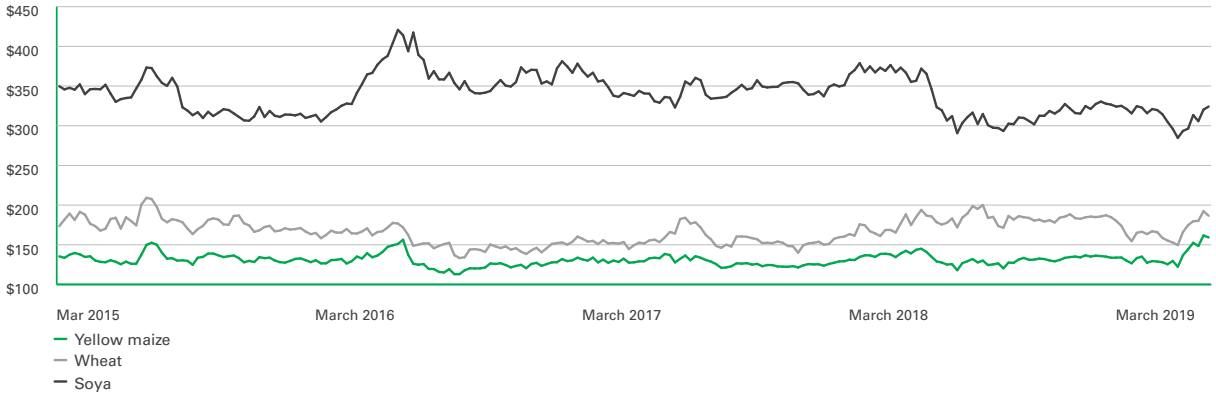
Agriculture

Farmers in South Africa are exposed to the impact of production volumes on price, as prices typically increase to import parity levels during difficult growing seasons when crop harvests are small and decrease to export parity levels during good growing seasons when volumes are high. After gaining momentum earlier in the year, most agriculture commodity prices weakened in the latter part of 2018, mostly in response to upward revisions to production estimates for key crops and, to a lesser extent, currency depreciations among some commodity exporters. Fertilizer consumption consequently remains constrained by relatively weak crop prices.

Agriculture prices are projected to decline, on average, in 2019 amid ample stocks. Prices are anticipated to increase in 2020 on expected cuts in United States crop plantings and higher costs of energy and fertilizers. Risks to this outlook are to the upside. Higher-than-expected energy costs could lift prices of some crops such as grains and oilseeds. Greater-than-projected growth in biofuel production could also lead to higher prices for some food commodities. Longer-term, food security is anticipated to remain a key focus area as worldwide population growth continues to increase. Economic growth and increased urbanisation will further encourage a change in diets away from grains to a more balanced and protein-rich diet which will increase the demand for fertilizer.

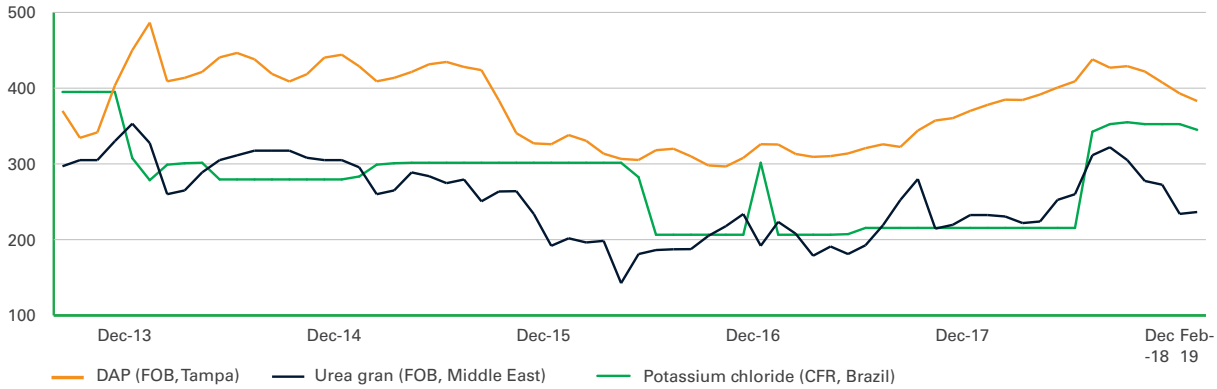
In South Africa, land distribution remains high on the government's agenda. The outcome of this could significantly impact opportunities in South Africa. The trend towards more healthy living and the growing demand for sustainable environmental practices, is anticipated to lower fertilizer consumption but lead to higher demand for AgriBio products.

CROP PRICES: USD PER TONNE



FERTILIZER PRICES

(USD per tonne)



Mining

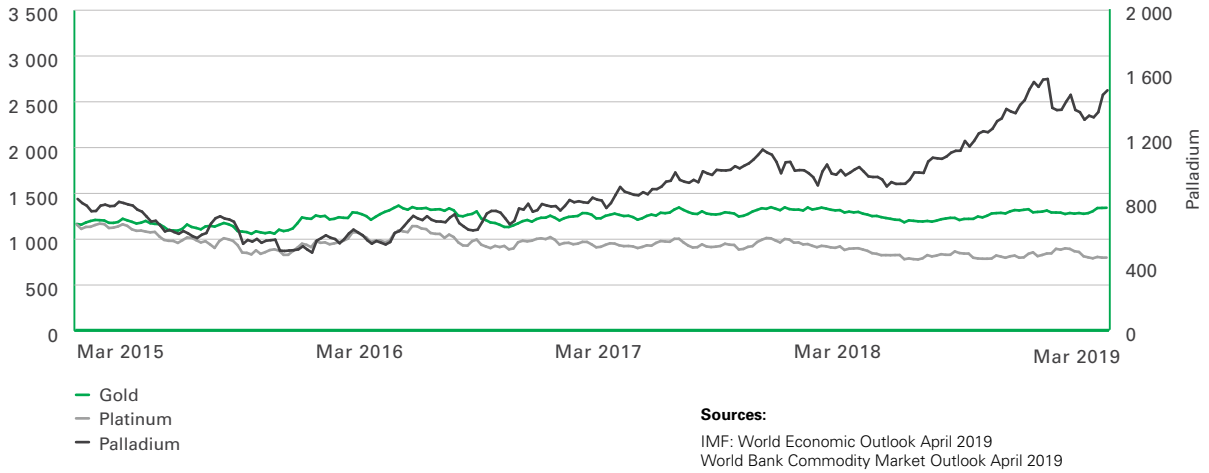
Commodity price movements were volatile in 2018. Although global growth supported higher energy prices, rising US tariffs and weaker demand for industrial metals led to lower iron ore and platinum prices.

The imposition of tariffs by the United States on imports from a number of countries and reciprocal actions by the affected countries have had a material impact on commodity markets. The outlook for commodity prices is vulnerable to policy-related risks, especially in the short-term. However, it is likely that the effect of any additional tariffs or sanctions would moderate over the medium-term, as producers and consumers find new distribution channels and export markets.

Potential customers are thus still approaching new investments with caution and are rather focusing on improving productivity and safety performance, because of regulatory uncertainty and economic pressure.

OPERATING CONTEXT CONTINUED

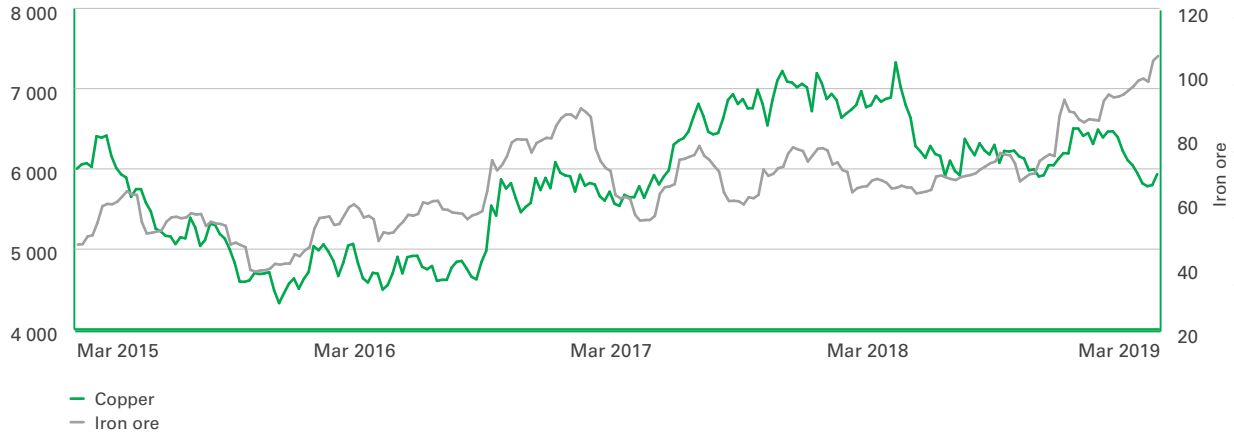
PRECIOUS METALS: USD PER OUNCE



Sources:

IMF: World Economic Outlook April 2019
World Bank Commodity Market Outlook April 2019
Reuters April 2019

METAL COMMODITY PRICES IN USD PER TONNE



Chemicals

The chemicals sector is impacted by the international price of chemicals. Crude oil prices remained volatile, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. Global chemical prices thus remained weak in the year under review with little inflationary benefits.

Sources:

IMF: World Economic Outlook April 2019
World Bank Commodity Market Outlook April 2019
Reuters April 2019

Brent crude prices
(US$ per barrel)



Crude oil prices are expected to remain volatile over the short-term. In the foreseeable future, prices for oil and commodity chemicals will be driven by supply, demand, inventory fundamentals and industry improvements. Longer term, commodity chemical prices will be driven mainly by oil prices.

The response

Agriculture

- Diversify geographically through exposure to stable and higher growth macroeconomic fundamentals. For example, in the year under review, the Oro Agri acquisition was concluded strengthening Omnia's existing product and service offering as well as offering Omnia access to new distribution channels
- Continue to invest in research and development in fast growing agriculture markets to develop new products and services to assist farmers to achieve record crop yields in good growing seasons and to secure a crop, albeit lower in yield, in difficult growing seasons. In this way, the farmer's business continues under both scenarios
- Develop and deploy new agronomic techniques and fertilizer products that help increase both crop yields and quality by introducing farmers to the latest technology to assist them with improving their decision-making process and reducing farming risk
- In addition, Omnia understands that the global economy is driven by knowledge which is powered by technology. This is about turning data into knowledge and knowledge into wisdom and value. In the agricultural sphere it is no different. Given the challenging farming conditions, farmers are asking for technology with the ability to gather, interpret and make available information from real-time data. This information will be used to make daily farming decisions to effectively quantify, manage and mitigate farming risk. Omnia is focused on supporting farmers in this regard.

Mining

- The pressures in the mining sector provide various opportunities to the Group, where BME's offerings specifically aim to improve mine profitability by improving the total productivity of the mine. This is achieved through improved blasting performance and, as such, improved fragmentation, improved crushing, and generally improved downstream performance
- Safety considerations are inherent in the design of BME's systems and operational processes. The result is safer operations where BME is involved and improvements in the overall safety performance on the mine
- With the decline in the South African mining and manufacturing sectors, Protea Mining Chemicals' decision to divert its marketing and sales efforts towards other African countries has started to produce encouraging results
- Increased urbanisation in China is anticipated to drive demand for copper. Increased demand for lithium-based batteries (which also contain cobalt), that are used in smartphones, creates opportunities for mining in Zambia and the DRC

Chemicals

- The Chemicals division is a market focused business that is poised to cater for the opportunities in the chemical sector via its expanding African footprint, and through its industrial, bulk trading and specialties business areas. Challenges in the local market have required Omnia to review and restructure the operating model of Protea Chemicals

For more, refer to page 70

OPERATING CONTEXT CONTINUED

RAW MATERIAL SOURCING COST AND FOREIGN EXCHANGE FLUCTUATIONS

Negating volatility in raw material costs and currencies is an important focus area

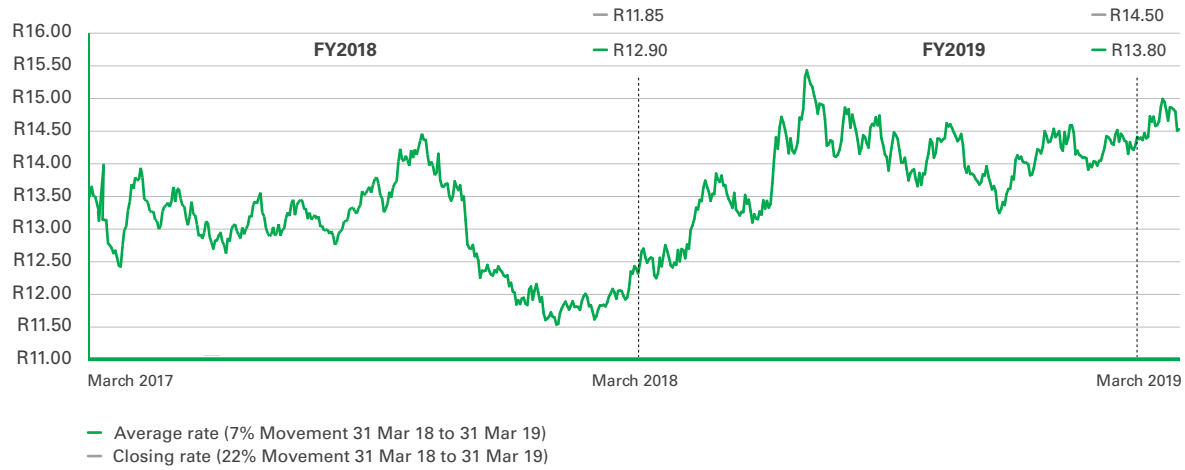
Implications on value creation

Omnia uses a wide range of chemicals and raw materials in the production processes of its various divisions. The primary raw materials used in the Agriculture division include ammonia, urea, various sources of phosphates and potash. The ammonia to urea ratio is a key measure for the Agriculture business as Omnia produces nitrogen-based fertilizers that are derived from ammonia but competes with urea-based fertilizer in terms of market pricing (see sidebar for more on the ammonia to urea ratio). The Mining division is largely exposed to the price of ammonia and to a lesser extent, the cost of crude oil with the use of used oil making up a substantial portion of the fuel phase of blasting emulsions. The Chemicals division uses a wide variety of chemicals with oil-derived chemicals prices influenced by the oil price.

Exchange rate fluctuations, particularly between the US dollar and the South African rand, have a significant impact on Omnia's selling and purchasing prices. On the one side, raw materials are sourced both locally and internationally, with the latter purchased at import-parity prices, whilst on the selling side, Omnia has to also compete locally with import parity selling prices of competitors. A large portion of this risk originates from the time lag between buying ammonia and other raw material inputs for fertilizer production and selling fertilizer during the planting season, or during periods of extreme currency volatility where hedging strategies may only be partially effective. A weaker exchange rate generally benefits Omnia and its customers.

At year-end, the closing exchange rate against the US dollar was R14.50 compared to R11.85 a year ago or 22% weaker, with an average rate of R13.80 (FY2018: R12.90) for the year or 7% weaker.

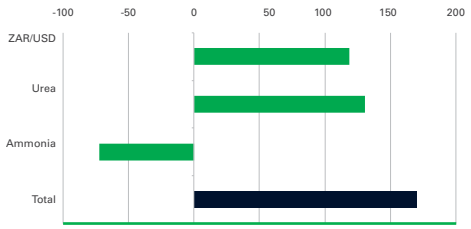
Rand: USD exchange rate



Commodity and exchange rate sensitivity

	Fertilizer	Emulsions
R/$ weakening	+ GP Margin	+ GP Margin
Urea price increase	+ GP Margin	No effect
Ammonia price increase	– GP Margin	+ GP Margin

IMPACT OF 10% MOVEMENT ON CONSOLIDATED GROSS PROFIT
(R million)



Note: a negative movement has the same order effect but in the opposite direction

Sensitivity is measured on an annual cycle basis and may fluctuate during different points in the cycle. The impact of the fluctuations during the cycle have not been incorporated into the sensitivity analysis above.

The response

- The recent completion of the nitrophosphate plant is, on full commissioning, expected to provide Omnia with a significant competitive advantage on phosphates given the current pricing in South Africa. Omnia will partly replace expensive phosphoric acid supplied by a single local supplier and MAP/DAP sourced locally or imported, with various sources of phosphate rock which is the most cost-effective source of phosphates. Omnia will also utilise any excess nitric acid capacity during this process.
- Focus on geographical expansion to earn foreign currency to off-set import costs
- Currency and commodity impact mitigation strategies are applied where practically possible

Understanding the ammonia to urea ratio

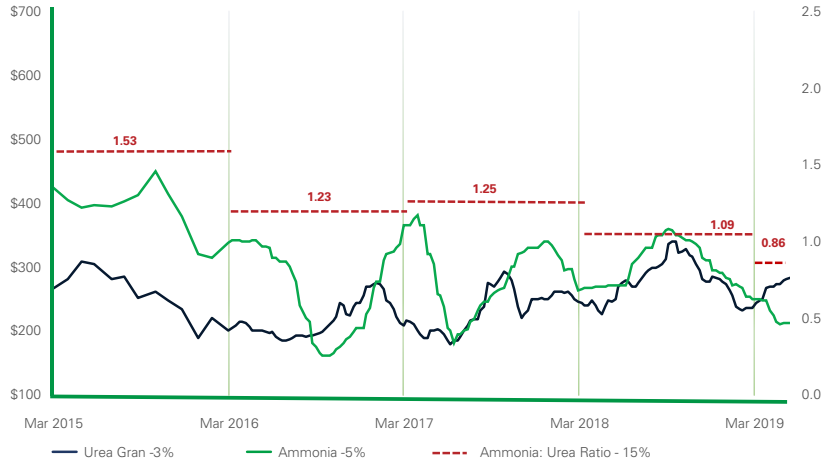
Omnia manufactures and sells ammonium nitrate-based fertilizers rather than urea-based, as ammonium nitrate has proven agronomic benefits over urea in the growth cycle of crops and soil, including the environment. The long-term effect of urea on soil conditions is harmful if applied incorrectly or under conditions that are not ideal. As an added benefit, Omnia also uses its ammonium nitrate as a basic building block in the production of explosives, which urea cannot do.

Ammonia is the basic raw-material feedstock for the production of both ammonium nitrate and urea. Omnia purchases ammonia to produce its ammonium nitrate-based fertilizers and costs are therefore subject principally to the price of ammonia. On the other hand, many of Omnia's competitors purchase urea on the world markets to sell in the local market. This means that Omnia's ammonium nitrate-based fertilizers, which are more expensive but offer more agronomic benefits, need to compete on price with urea-based fertilizers which are cheaper and less advanced and beneficial.

The price of ammonia and urea is subject to the global demand and supply balance for products of this nature. Ammonium nitrate and urea production requires considerable capital and incurs substantial operational costs in the conversion processes. Over time a natural equilibrium has evolved between ammonia and urea pricing, reflecting the price premium of urea over ammonia. The construction of new plants, which are typically fully integrated and on a large scale, together with the use of more efficient technology and improvements in engineering, change the capital and operating costs when there is a new source of supply into the market. The change in the volume of product available in the market combined with lower prices, changes the mix and basket available to buyers. Over time, this returns to the long-term mean and the cycle repeats. In the case of demand/supply factors making ammonia relatively more expensive than urea, Omnia's margins contract. In this case, the ammonia to urea ratio is higher and, therefore, less favourable for Omnia. On the other hand, the opposite case can also prevail to the benefit of Omnia and its customers.

The average ammonia to urea ratio for the financial year improved marginally compared to FY2018 and averaged at 1.09 (FY2018: 1.25) for the year. When the ratio drops to below 1.2 (long-term average) it is considered favourable. The ratio, however, remains volatile and unpredictable, which can create periods of price differences that may have a material impact on the input costs. It is anticipated that the ratio will remain favourable over the foreseeable future. A traditional analysis of the ratio alone does however not explain the full impact on the business. Ammonia is bought consistently throughout the year due to the nature of the production process, whereas, orders are generated during the fertilizer season. The movement in the prices through the cycle should therefore also be considered.

AMMONIA VS UREA: USD PER TONNE



% Movement is for the year 31 Mar 18 to 31 Mar 19

OPERATING CONTEXT CONTINUED

TECHNOLOGICAL ADVANCEMENTS

Technology advancements are disrupting all businesses

Implications on value creation

The 'fourth industrial revolution', which is centred on the digital economy and related technologies, will revolutionise the way in which companies operate. In this technological economy, technological change is ongoing and is rapidly reformulating and enhancing human capability, the structure of work and of organisations. The Group is subject to working within multiple environmental, financial and work-place regulations, which becomes even more complex as the Group expands its footprint across the globe. Omnia is acutely aware of the strategic imperative of positioning itself to take advantage of these developments.

The response

- In preparation for the digital economy, IT investment is focused on platforms (SHERQ, CRM, ERP, business intelligence components of Dynamics AX) that support employee productivity by improving controls, improving business operations at every level, and standardising processes in the operating units by digitising manual processes. A culture of acquiring information and using it to make effective decisions is being fostered.

Key initiatives include:

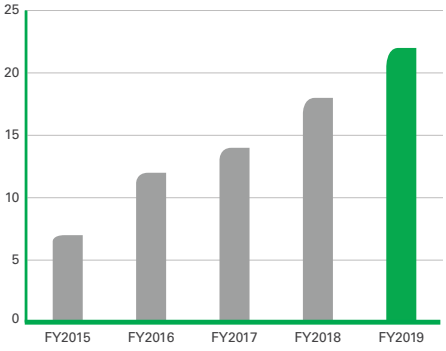
- Continuously seeking out new technologies globally
- Actively researching applied technologies
- Collaborating internationally to identify opportunities for innovation through technology
- Collaborating with research institutions with specific expertise on new technologies and opportunities for the application thereof
- Purchasing new technologies that fit the Group's strategic requirements
- Partnering with international companies and institutions with attractive technologies

The following technological advancements are of key interest to Omnia:

- Green technologies
- Data services and remote monitoring (including drones and satellite images)
- Sensors
- Saving water (water use efficiency – WUE)
- Improved efficiencies, also through alternative/diverse raw materials use (nutrient use efficiency – NUE)
- Cheap raw materials for co-generation technologies
- Logistics optimisation through the use of technology
- Leverage technology and data across the Group

RESEARCH AND DEVELOPMENT SPEND

(R million)



LOCALISATION AND CITIZENSHIP



Demand for support for local economic development is growing

Implications on value creation

The majority of African and many other countries around the globe in which Omnia currently or intends to operate have localisation requirements, which require the development of local talent and teams to support and run the operations. This will increasingly require Omnia to invest in developing and growing people across the globe, not only to meet the compliance requirements, but also more importantly to ensure that it has teams that are able to operate effectively and succeed in a diverse set of markets and market realities. This presents a challenge for the Group in terms of its leadership, human capital practices, structure and culture to attract the best global talent to run a truly global business, whilst adhering to the relevant in-country requirements.

The response

- Transformation programmes and close monitoring of workforce representation
- Implementation of localisation practices including appointment of local resources
- Participation of qualifying South African employees in the Sakhile empowerment share scheme. Net share-based payment charges of R54 million relates to the Group's share schemes. The Group's 12-year BBBEE share scheme, Sakhile 1, increased with a non-cash share-based payment charge of R80 million
- Ongoing support to the development of emerging farmers in South Africa
- Development of strong teams of local staff in all the geographies in which the company has a permanent residence
- Formalised corporate social investment programme. Invested R25.3 million in various CSI-related programmes in the year
- BBBEE rating of Level 3 in South Africa. Spent R14 million on supplier development in South Africa

OPERATING CONTEXT CONTINUED

INCREASED COMPETITION



Availability of low-cost chemicals has required a shift towards more value-added solutions

Implications on value creation

The chemical commodities market is highly competitive and is dominated by several large international conglomerates. Increased imports by low-cost producers has translated into reduced margins and sales volumes in various markets.

The response

- Focus on value-added knowledge-based solutions and differentiated products rather than low margin commodities trading
- Strategic acquisitions that provide new channels to market and access to new differentiated products in existing and high growth potential markets
- Ongoing analyses of markets and competitors to identify business model improvements and differentiate the Group in the markets in which it operates
- Production and supply chain management to maximise efficiency and to contain the input costs of raw materials
- Developing a partnering model to enable collaboration across industries to bring customer-focused solutions across the value chain, both locally and internationally
- Maintaining stringent focus on cost management as innovative cost solutions are required in new models to enable the matching of expenses with the income generated
- Controlling foreign exchange losses and taxes/duties
- Continuing to build operational excellence throughout the business

DRIVE TOWARDS OCCUPATIONAL AND ENVIRONMENTALLY RESPONSIBLE PRACTICES



Growing public interest in greater occupational and environmental responsibility

Implications on value creation

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs) which recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve natural resources.

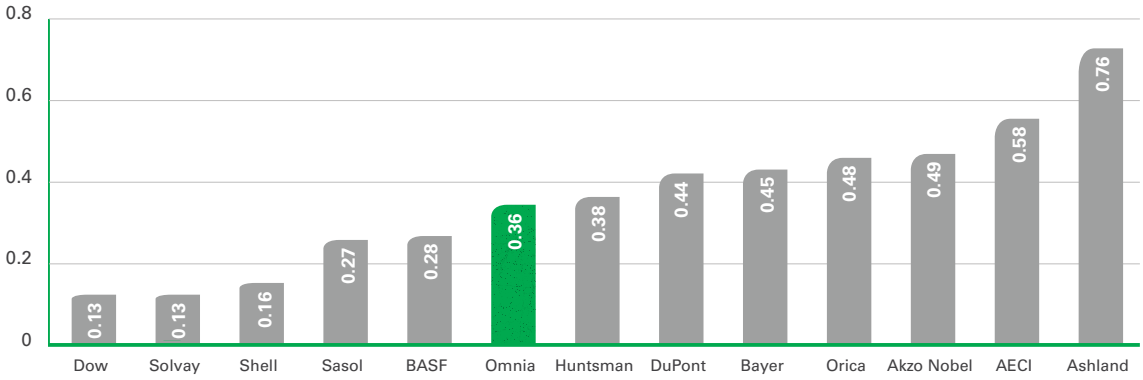
On the back of increasing stakeholder expectations, corporates are expected to move beyond meeting the minimum legislative compliance requirements and implement sustainable practices into the way of doing business. These practices not only need to protect the employees, communities, customers and environments in which they operate, but increasingly contribute to their sustainable development and upliftment.

How the company is responding

Occupational and process safety

- Omnia is a signatory of Responsible Care® management practice standards to reduce occupational and process safety risks through the promotion of safe and correct use of chemicals
- Continuous assessment of safety performance ensures that the Group remains vigilant and addresses safety risks on an ongoing basis
- Safety performance is benchmarked against industry performance

Recordable case rate (RCR) – safety performance benchmarked against industry performance



The RCR rate relates to the 2018 and 2019 years for companies, depending on when the RCR rate was published; Omnia's rate as at 31 March 2019

SUSTAINABILITY INITIATIVES

EniNox units on both Nitric acid plants NOx emissions are reduced by > 90%, generating carbon credits; 4 684 078 carbon credits verified and issued; 5 260 514 carbon credits generated

Electricity cogeneration of 50% of its total electricity demands at the sasolburg factory through cogeneration, when both Nitric acid plants are running

BME Double salt emulsion products which detonated do not produce NOx emissions thereby reducing the customer's carbon foot print

Used oil as a fuel agent for emulsions, reducing the customer's environmental impact while maintaining the highest quality of AN/CN-based emulsion product

Protea Mining Chemicals: offering **SHERQ Service** to customer

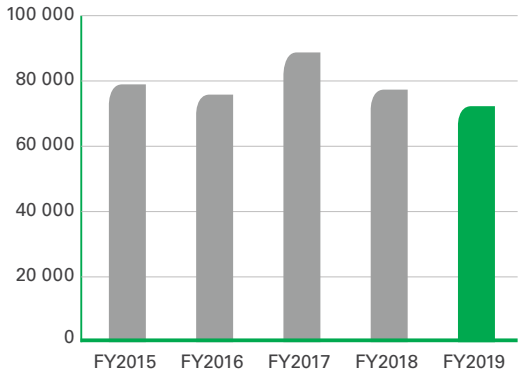
Omnia Nutriology™ the science of growing

- Monitoring and reducing consumption of electricity and water, and a commitment to use alternative energy and to co-generate wherever possible. This has seen the Sasolburg plants' reliance on Eskom cut by around 40%
- Invest in clean production processes to minimise environment impacts, for example:
  - The installation of EnviNox units on both nitric acid plants at Sasolburg. Up to 99% of NOx emissions were abated (deteriorated due to a catalyst failure), but still managed to generate carbon credits for Omnia
  - Continued rehabilitation of the gypsum dump at Rustenburg

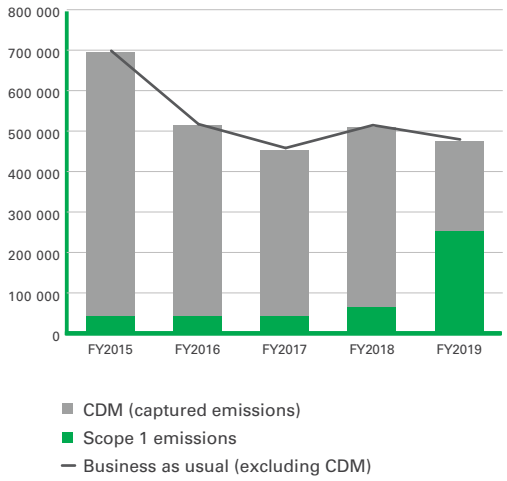
OPERATING CONTEXT CONTINUED

- Develop and leverage intellectual property to add value that promotes environmental sustainability in the agriculture, mining and chemicals sectors, for example:
  - Nutrient use efficiency (NUE) in the Agriculture division – reducing the volume of fertilizer that farmers apply without deteriorating yields, thereby reducing the environmental impact
  - Water use efficiency (WUE) in the Agriculture division – reducing the amount of water required by plants which is currently of critical importance. This further mitigates the farmers' risks, by allowing them to produce yield during times of minimal rainfall
  - Heavy metal testing in line with the principles of product stewardship-in-house laboratory that tests all raw materials and finished products for heavy metals to ensure that no toxic elements end up in the fertilizer, animal feeds and food products supplied
  - Reuse of oil in the Mining division – use of used oil gathered from multiple sources (including mining clients) as a raw material in explosives production, thereby eliminating the need to dispose of used oil

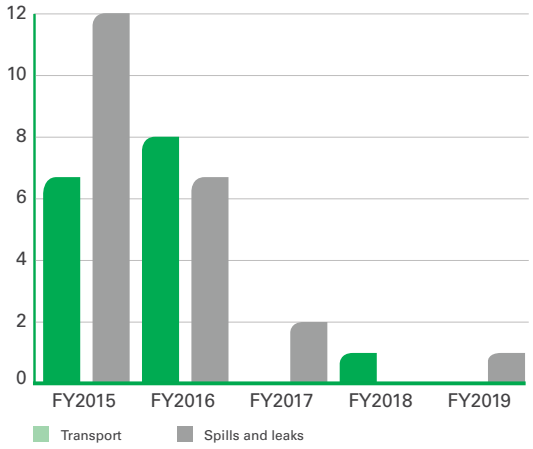
ELECTRICITY USED
(Megawatt/hour)



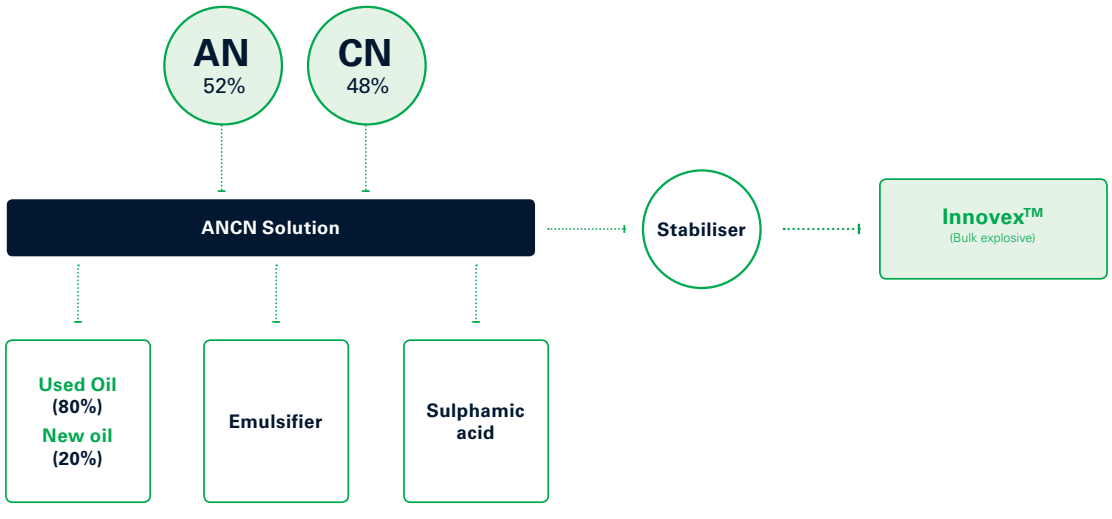
GHG INVENTORY WITH CDM PROJECTS
(Tonnes CO_2e)



GROUP ENVIRONMENTAL INCIDENTS
(Number)



BETTER WORLD INITIATIVES – BME'S DOUBLE SALT EMULSION



BENEFITS: BME DOUBLE SALT FORMULATION

USED ENGINE OIL APPLICATION

LESS ENERGY TO MANUFACTURE (LOWER FUDGE POINT

IMPROVED FRAGMENTATION AND HEAVE

INCREASED SHELF LIFE

STABILITY

- Safe transport + storage more
- `More consistent + reliable detonation

INCREASED SLEEP TIME (Time in the hole before blasting – up to 6 months)

GREATER SAFETY (Lower fudge Point)

BENEFITS: BME USED OIL

COST SAVING

POLLUTION CONTROL

PRESERVE SCARCE ENERGY SOURCE

HIGHER VISCOSITY: GIVES THICKER EMULSION

LESS ENERGY TO MANUFACTURE
(Lower Fudge point)

BME'S COMPETITIVE ADVANTAGE

- Innovex™, compared to other emulsions has roughly similar ratios of Ammonium Nitrate (AN) and Calcium Nitrate (CN) in it – about 52% AN and 48% CN. This is referred to as a double salt emulsion. Other formulations tend to focus on having mainly AN with only small amounts of a second salt (5 to 10% CN or Sodium Nitrate). This is referred to as a single salt emulsion. The double salt formulation allows BME to make a stable cold emulsion that could be stored in silos for many weeks at a time and then pumped into blast holes cold without breaking down
- Emulsions in explosives are a mixture of AN solution or ANCN (double salt) solution that contains oil that makes up about 6% of the total. This oil can be either diesel, some derivative of diesel or used engine oil. Omnia's double salt emulsion is very stable compared to competitors, who all use single salt emulsions. This means BME can use a much larger amount of used oil in the fuel, compared to the competitors. BME's Innovex™ remains stable with up to 80% used oil in the fuel component of the explosives and BME have consistently been making Innovex™ with 80% used oil since about 2005
- A single salt emulsion does not tolerate such high quantities of used engine oil and tends to break down very quickly when too much used oil is introduced. Why do our competitors persist in using single salt emulsions? In theory, it has about 1 to 5% more energy in it. However, BME's double salt Innovex™ performs consistently better in comparison in actual blasting and we think it is because the product remains stable and continues to deliver its energy reliably long after competitor products have started crystallising and breaking down
- The benefit of being able to introduce used engine oil in the Innovex™ formulations is that BME are able to make very high-quality emulsion explosives that use minimal quantities of unused oil. This has a huge positive environmental impact as BME is able to use hundreds of thousands of litres of used oil monthly
- Used oil in Innovex™ technology was developed in South Africa in the early 1990's by BME's chemists

STAKEHOLDER ENGAGEMENT

Omnia is committed to transparent reporting in line with its duty to all stakeholders. The board is ultimately accountable for stakeholder engagement. In FY2019, Omnia adopted a formal stakeholder engagement framework which allowed for structured and constructive engagements at appropriate levels of Omnia.

KEY STAKEHOLDER ENGAGEMENT OBJECTIVES

IMPROVED RELATIONS with stakeholders through trust, transparency, understanding, partnership and constructive engagement

Develop and sustain company **AWARENESS OF** broader social, economic and environmental RISKS AND OPPORTUNITIES

INFORMED STRATEGIC PLANNING that integrates stakeholders' interests

IMPROVED UNDERSTANDING BY STAKEHOLDERS of Omnia's position, issues, challenges and requirements with accurate information dissemination to stakeholders

Ensure **ALIGNED GOALS AND EXPECTATIONS**

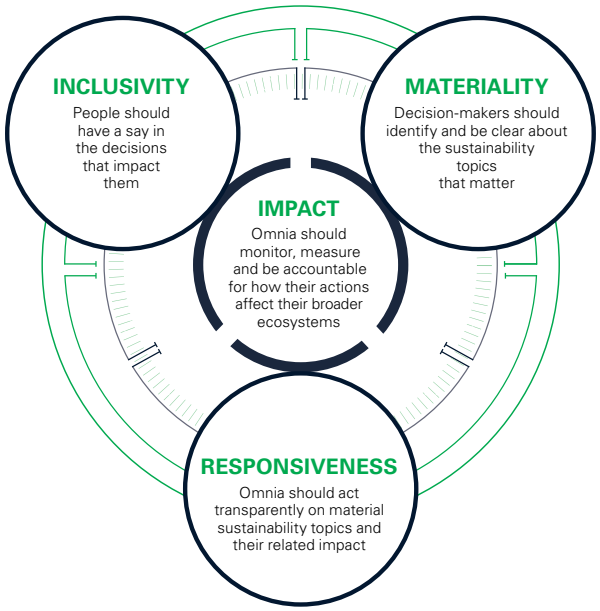
Support **CONSENSUS-BASED DECISION-MAKING**

ESTABLISHED RESPONSIBILITY AND ACCOUNTABILITY of all parties

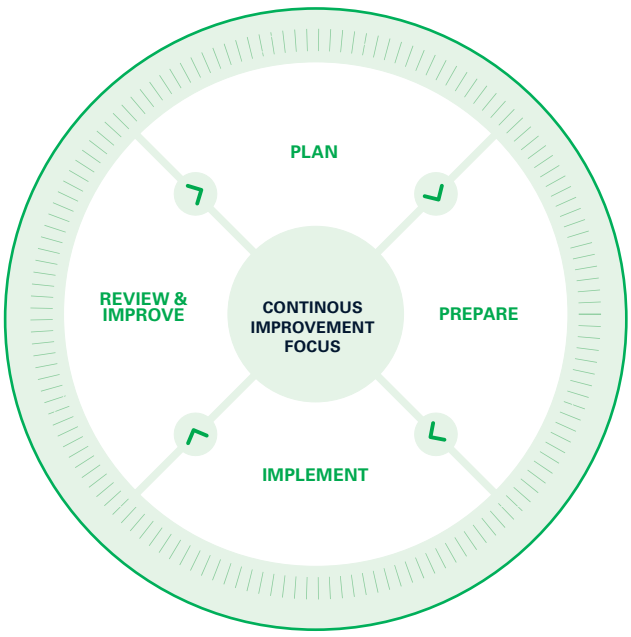
SUPPORT SUSTAINABILITY and relevance of company activities towards value creation for all stakeholders

In execution of its governance role and responsibilities, Omnia adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders over time. As such, the Group engages regularly with stakeholders to understand their perceptions of Omnia and to identify future trends, possible risks, determine material issues and areas for strategic development.

KEY ENGAGEMENT PRINCIPLES



STAKEHOLDER ENGAGEMENT PROCESS

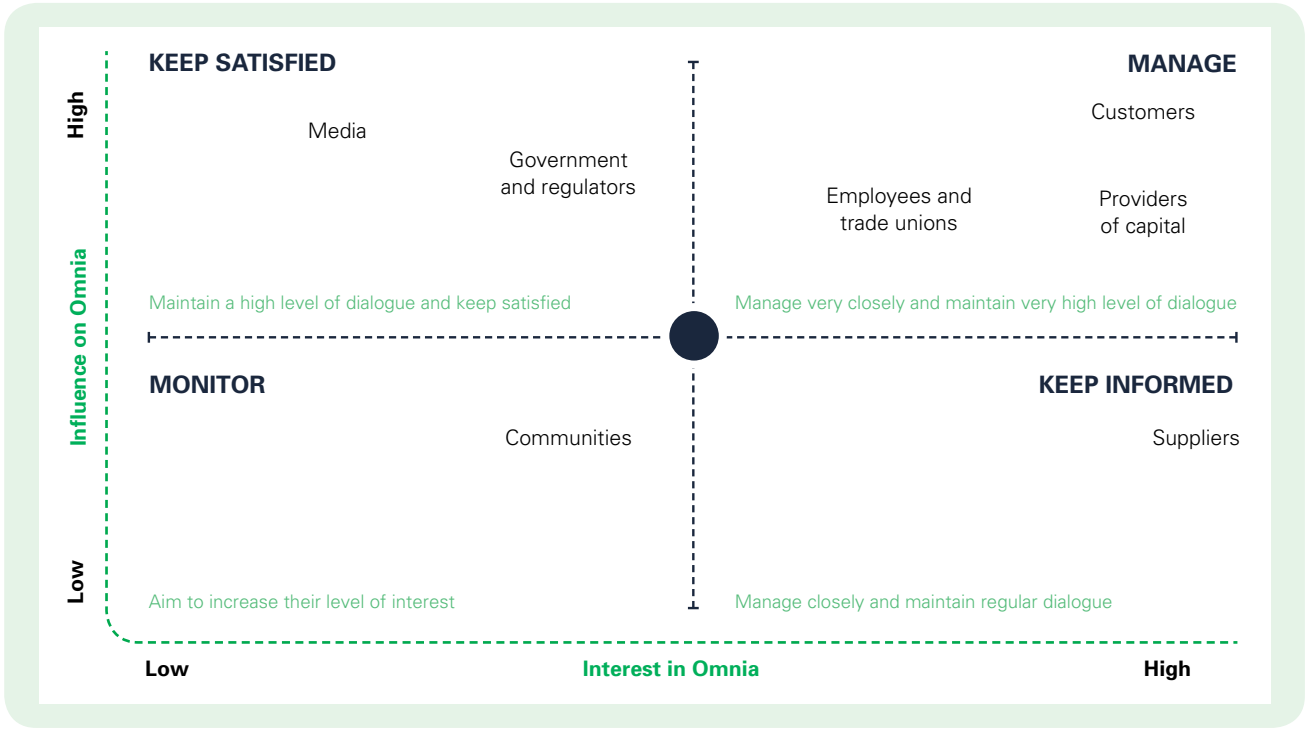


** Source AA1000AP (2018)*

Mapping Omnia's stakeholders

In prioritising the material stakeholders, Omnia applies the following criteria:

- The degree to which Omnia depends on the relevant stakeholder's support in achieving its strategic goals
- The extent to which the relevant stakeholder can impact Omnia's performance
- The relative importance of the relevant stakeholder for the Group as a whole
- The risk exposure for Omnia by not engaging with the relevant stakeholder





STAKEHOLDER ENGAGEMENT CONTINUED

The table below provides an overview of Omnia's material stakeholders and their role in value creation, how the Group engages with them, a self-assessment of the quality of the engagement, as well as their interest in Omnia's business and how Omnia has responded to these with a cross-link to the Group's strategic objectives.

STAKEHOLDER GROUP	ENGAGEMENT CHANNEL	QUALITY OF ENGAGEMENT	THE STAKEHOLDER'S INTEREST IN OMNIA'S BUSINESS	LINK TO STRATEGIC THRUST
Providers of capital **Value creation role:** The providers of financial capital consists of funds generated from operations, equity financing and debt financing are needed to invest in and sustain growth	• Results presentations • Investor days and roadshows • Website • Integrated annual reports • Meetings and AGM • Site visits		• Return on investment • Effective risk management and corporate governance • Sustainability of Omnia's business • Good corporate citizenship	• African and international expansion • Commercialise solutions across the value chain • Build and strengthen key capabilities • Value add on commodities • Positive impact
Employees and trade unions **Value creation role:** Employees provide the skills, experience, diversity and productivity needed to deliver on strategic objectives and manage long-term sustainability	• Staff engagement at numerous levels • Employee presentations and surveys • Meetings, newsletters, emails and intranet • Employment equity committees • Engagement with unions on numerous levels		• Security of employment • Reward and recognition • Performance management • Career progression • Education and training • Transformation • Corporate reputation • Social responsibility	• Enabled people and innovation • Positive impact • African and international expansion • Commercialise solutions across the value chain • Build and strengthen key capabilities • Value add on commodities
Customers **Value creation role:** Users of Omnia products, services and solutions deliver revenue and cash flow to support future growth	• Contract and service agreements • Regular one-on-one and on-site meetings • Industry conferences • Engagement with customers on various levels, including divisional and Group management • Customer days • Electronic channels including emails and website		• Security of supply and the quality of products, services and solutions • Solutions are tailored to meet their needs and are better value for money • Performance-based solutions are required • Solving for the problems of customers through personalised, trusted relationships • Sharing of industry knowledge and experience through experts • Good corporate citizenship • Reputation management	• Build and strengthen key capabilities • Value add on commodities • Positive impact • Enabled people and innovation • African and international expansion • Commercialise solutions across the value chain



Quality of engagement key

- Good and mutually beneficial
- Adequate to reach a common goal

STAKEHOLDER GROUP	ENGAGEMENT CHANNEL	QUALITY OF ENGAGEMENT	THE STAKEHOLDER'S INTEREST IN OMNIA'S BUSINESS	LINK TO STRATEGIC THRUST
Suppliers **Value creation role:** Providers of various raw materials, products, services and advice to enable Omnia to execute its strategic objectives and solve customer needs	• Regular one-on-one meetings • Contract and service agreements • Industry forums • Electronic channels including emails and website		• Sustainability of Omnia's business • Common supply chain interdependencies • Good corporate citizenship • Reputation management • Omnia provides a channel to market for certain suppliers and represents the suppliers in certain markets	• Build and strengthen key capabilities • Value add on commodities • Commercialise solutions across the value chain • African and international expansion • Positive impact
Communities **Value creation role:** Hold Omnia accountable as a responsible corporate citizen in terms of social, health and safety, environmental and governance matters	• Ongoing interaction with communities through various forums • Awareness sessions • Local socio-economic development projects • Project specific engagements • Omnia's ESG report		• Potential effects of site incidents and related management • Emergency preparedness and response • CSI and socio-economic development projects • Opportunities for local employment and to stimulate local economic growth • Transformation of the local communities and people • Health and safety of employees and communities	• Positive impact • Enabled people and innovation
Government and regulators **Value creation role:** Government and regulators provide Omnia with the legal licence to operate and with the regulatory and policy framework that is critical to value creation	• Advocacy engagements related to the development of legislation • Cooperative activities with regulators on specific and focused topics • Liaison with government officials at national, provincial and local levels • Close working relationship with industry and business bodies such as CAIA, BUSA, etc • Meetings • Reports		• Job creation • Legislative and regulatory compliance • Socio-economic impact • Environmental compliance • Tax compliance • Transformation • Political agenda • Economic growth	• Enabled people and innovation • Positive impact • Commercialise solutions across the value chain • Build and strengthen key capabilities



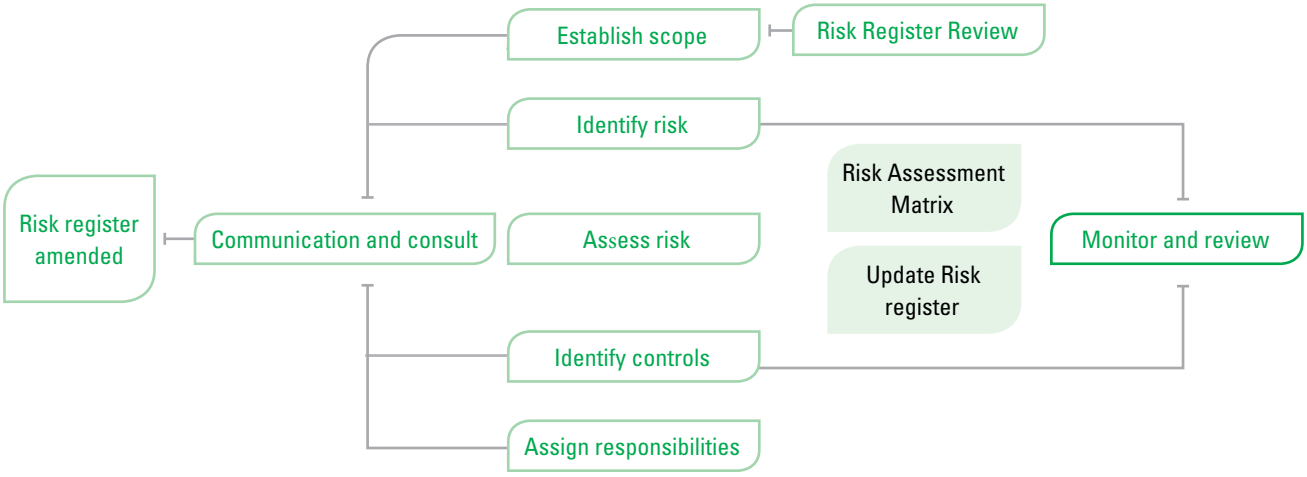
MATERIAL ISSUES, RISKS AND OPPORTUNITIES

Omnia recognises that the management of risk is an essential element of sound corporate governance and crucial to the achievement of its strategic and business objectives to ultimately create sustainable value for all stakeholders

OMNIA'S APPROACH TO RISK MANAGEMENT

Risk is carefully managed across the organisation to identify, assess, quantify and mitigate risk events. In managing risk, it is the Group's practice to take advantage of potential opportunities while managing any potential adverse effects. Underpinning these activities is Omnia's Enterprise Risk Management (ERM) framework which promotes a risk management culture and ensures that risk management policies and procedures are in place, standardised across Omnia and functioning effectively.

The process flow implemented for the identification and assessment of risk across all operations of the Group is depicted below. The process is based on continual review and improvement principles embedding the need for collaboration and ongoing communication.



During FY2019 the Group's risk assessment framework, philosophy and methodology received focused attention through structured workshops with internal teams and, where appropriate, external experts.

During the formulation of the Group's ERM framework and methodology, nine risk disciplines were identified, which form the foundation of all risk management in the Group. In addition, these same risk disciplines have been integrated into the Group Environmental, Health, Safety (EHS) and sustainability reporting system. This ensures that risk is an integral part of strategic and operational management. Each risk is categorised according to the following broad themes and risk disciplines:

MATERIAL ISSUES	RISKS	RISK DISCIPLINE
Financial risk management	Process to manage economic value in a company by using financial instruments to manage exposure to risk: credit risk and market risk, foreign exchange risk, shape risk, volatility risk, liquidity risk, inflation risk, business risk, legal risk, reputational risk, sector risk, etc	• Financial
Reputational risk management	Managing the threat or danger to the good name or standing of Omnia	• Reputation • Stakeholder interest
Environmental sustainability	Mitigating the actual or potential threat of adverse effects on the environment from effluents, emissions, wastes, resource depletion, etc, arising out of Omnia's business activities	• Environmental aspects
Operational risk management	Managing the prospect of loss resulting from inadequate or failed procedures, systems or policies	• Operational disruption • Occupational health and safety • Compliance • Human resources

The aim in FY2020 will be to embed robust risk assessment and evaluation within all operations to provide the board with an enhanced approach to managing risks at the highest level as well as developing a risk appetite management framework.

GOVERNANCE OF RISK

The board takes overall responsibility for Omnia's risk management practices. The board is supported by the SERC and audit committees, both sub-committees of the board, as well as the Group risk management committee. The Group has also implemented a combined assurance model to ensure pro-active monitoring and provision of assurance to the board that the key responses and controls to top risks are being adequately addressed and managed.

The various governance structures, management interfaces and combined assurance model currently implemented in the Group are reflected in the figures below.

RISK GOVERNANCE STRUCTURES

BOARD AND BOARD COMMITTEES
Oversight and governance

- The Board is responsible for the strategic direction and control of the Company
- The Board retains overall accountability for the governance of risk and effective risk management
- The Board reviews and assesses the integrity of the risk management processes
- In conjunction with the Social Ethics and Risk Committee and Audit Committee, ensures that these processes comply with the relevant governance requirements and standards

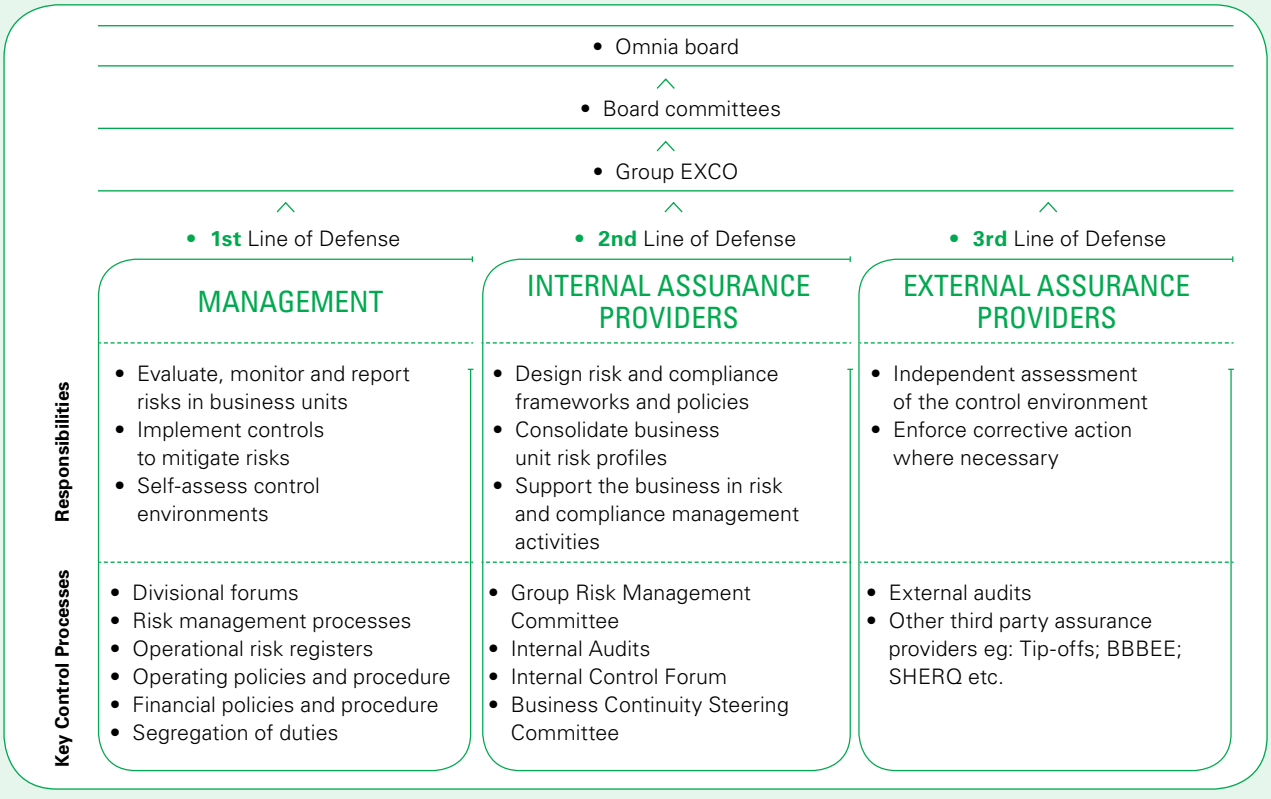
GROUP EXCO
Business and strategic risk management

- The Group executive Committee (EXCO) members are responsible and accountable for management of risks
- With delegated responsibility and ownership to their respective management teams

GROUP RISK MANAGEMENT COMMITTEE OPERATIONAL TEAM
Day-to-day risk management

- Oversight of risk management at operational level is executed through the Group Risk Management Committee and the relevant divisional executive committees
- Risk management is integrated with combined assurance to enhance assurance over our significant risks

COMBINED ASSURANCE



MATERIAL ISSUES, RISKS AND OPPORTUNITIES CONTINUED

RISK PROFILE

In the year, Omnia' top risks were re-evaluated as part of the refinement of the Group's strategy. A list of the Group's top risks is provided below and discussed in more detail further in the report. Due to the ever-changing environment within which the Group operates, there are several aspects or areas which may not appear in the top risks identified but which are monitored on an ongoing basis:

- Country risks – specifically in relation to acquisitions and expansions
- Global health and disease crisis (e.g. Ebola)
- International and national security threats or events
- New and emerging technologies
- Assurance of supply of utilities (water and energy)
- Disruptive social media
- Changes in the regulatory landscape

Strategic objectives

 Operational effectiveness

 Innovative solutions

 Geographical expansion and acquisitions

MATERIAL ISSUES	RISKS	MITIGATION ACTION	STRATEGIC RESPONSE
1. Macro-economic factors *Ranking: 2 (FY2018: 6)*	• The outlook for economic growth in South Africa over the short to medium-term remains uncertain. Low growth could impact Omnia's South African growth ambitions • Sustained low international commodity prices can adversely affect revenue and long-term sustainability linked to profitability • Movements in exchange rates during the Group's extended supply chain cycle can negatively impact profitability • The Group's customers may not be able to access funds to buy products and services from Omnia or to settle their accounts in line with the agreed credit terms impacting the Group's revenue and/or profitability	• Design and implementation of a balanced business portfolio and greater geographic, customer and product diversification • Focus on innovative products and solutions development • Improved production efficiencies and throughput • Risk managed through forward exchange contracts, zero cost collars and derivative instruments • Implementation of a specialist global treasury function and a new Microsoft Dynamics AX ERP system • Raising of debt financing in the various local currencies (natural hedge) • Robust credit management policy is in place • Customer agreements are maintained with adequate legal oversight • Credit insurance and security obtained where required • Extended credit terms have been provided to assist customers in the current economic environment	  
Capitals mostly impacted  Financial  Manufactured			
2. Regulatory compliance and governance *Ranking: 7 (FY2018: 10)*	Lack of knowledge and understanding of the relevant statutory and regulatory universe in various parts of the world as the business expands internationally can result in breaches of local laws and regulations resulting in litigation, fines, penalties, criminal prosecution, loss of licences, confiscation of assets and reputational damage	• Ongoing monitoring of regulatory landscape • Business systems and processes are designed, managed and monitored to ensure compliance with relevant statutory and regulatory laws • Use of local skills in the various operating territories • Dedicated risk, compliance and legal functions	
Capitals mostly impacted  Social and relationship			

Strategic objectives

Operational effectiveness	Innovative solutions	Geographical expansion and acquisitions	
MATERIAL ISSUES	**RISKS**	**MITIGATION ACTION**	**STRATEGIC RESPONSE**
3. Ability to attract and retain talent *Ranking: 5 (FY2018: 7)*	Omnia may not be able to obtain and retain differentiated and specialised skills to execute its strategy of improving its existing businesses whilst creating new growth. The right capabilities and structures are required to support the strategy execution as well as retention of key employees and skills	• Strategic talent management framework in place focuses on attracting, developing and retaining key and highly skilled employees • Ongoing engagement with employees and organised labour within the collective bargaining framework • Facilitate collaboration and encourage innovative thinking amongst colleagues through an innovation platform, called Latitude • Succession planning has been formulated to address the needs of the business as the workforce evolves	
Capitals mostly impacted Intellectual Human			
4. Catastrophic safety and plant incidents *Ranking: 4*	Omnia is a capital-intensive manufacturing concern, using various hazardous and non-hazardous materials in the manufacturing process. Safety and plant incidents may impact operations	• "Zero Harm, Positive Impact" is embedded in Omnia's core beliefs • Integration of ERM into all operational and strategic management processes • Implementation and ongoing monitoring of "Process safety management system" • Tracking of leading occupational and process safety indicators	
Capitals mostly impacted Human Manufactured Social and relationship			
5. Environmental sustainability *Ranking: 3*	• Changing weather patterns and extreme events have become a matter of concern to customers and key stakeholders and have the ability to significantly influence Omnia's operations and financial results • Environmental regulatory requirements continue to evolve and are becoming more onerous. Non-compliance may lead to fines and penalties as well as reputational damage	• Sustainability of the business, customers and stakeholders has been incorporated into Omnia's strategic ambitions • Participation with key industry associations and engagement with government on regulatory and policy changes • Use of greenhouse gas abatement technologies to reduce emissions • Registered CDM projects • Use of analytical and predictive tools and technologies to aid business planning and customer support	
Capitals mostly impacted Natural Social and relationship			

MATERIAL ISSUES, RISKS AND OPPORTUNITIES CONTINUED

Strategic objectives

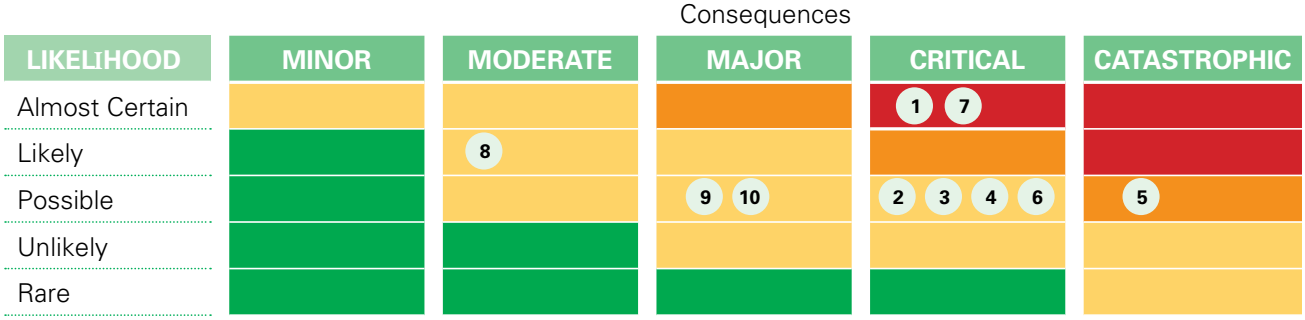
Operational effectiveness | Innovative solutions | Geographical expansion and acquisitions

MATERIAL ISSUES	RISKS	MITIGATION ACTION	STRATEGIC RESPONSE
6 Unscheduled business/production interruption *Ranking: 6*	Operations could be interrupted by: • Non-availability of essential utilities and services • Raw material and supply chain disruptions • Unplanned operational and reliability interruptions	• Implementation of Group process management systems, focusing on operational excellence and asset integrity, reliability , standard operating procedures and contractor management are embedded in all operations • Supply of key utilities are monitored on an ongoing basis • Resource efficiency targets monitored	
7. Level of gearing *Ranking: 1*	Omnia has funded recent acquisitions mainly from debt sources. This has increased the interest charges and reduced the net debt position of the Group. This could impact the Group's debt covenant ratios as well as future acquisitions and operational performance.	• Capital management framework in place • Ongoing review of all businesses against return on capital	
Capitals mostly impacted Financial			
8. Meeting the legitimate needs and expectations of Omnia's stakeholders *Ranking: 10*	Stakeholder demands or activism continue to impact what companies can and can't do. This has the ability to create negative publicity for Omnia and ultimately impact operations.	• Development of a stakeholder engagement framework • Active participation in industry association engagements	
Capitals mostly impacted Social and relationship			
9. Information security and cyber resilience *Ranking: 9 (FY2018: 9)*	Cyber-attacks can result in a major disruption to the entire businesses operating systems, infrastructure and mission critical systems, that could lead to financial loss as well as a loss or decline in revenue, damaged or lost customer relationships, reputational and brand-value damage and loss of intellectual property	• Review and monitoring of the cyber security landscape on a regular basis with various software tools and through accredited third-party specialist service providers • Implementation of IT protocols and security infrastructure, along with automated network, anti-virus and software updates to deal with new threats on an immediate basis • Awareness training and communication	
Capitals mostly impacted Intellectual Social and relationship			

Strategic objectives			
Operational effectiveness	Innovative solutions	Geographical expansion and acquisitions	
MATERIAL ISSUES	**RISKS**	**MITIGATION ACTION**	**STRATEGIC RESPONSE**
10. Geopolitical and socio-economic factors *Ranking: 8*	Omnia operates in 48 countries and is exposed to political uncertainty in many countries	• Geographic diversification and continuous monitoring of the risks in individual territories • Where possible, engagement with government leaders and policy influencers is undertaken to place focus on the needs and concerns of the Group and industry in general	
Capitals mostly impacted			
Social and relationship			

Risks are classified as either critical, high, medium or low priority, depending on the potential severity and likelihood of their impact on the business. The heat maps below provide an overview of Omnia's top strategic risks, with the strategic risks considered from an inherent risk perspective (before considering mitigating efforts) and from a residual perspective (taking into account mitigating efforts, but before taking into account existing comprehensive insurance cover).

Residual Risk Heat Map



SUSTAINABLE VALUE CREATION

INTERVIEW WITH CHAIR

OMNIA HOLDINGS LIMITED CHAIR'S INTERVIEW

Rod Humphris will be retiring from the board at the September 2019 Annual General Meeting. In order to facilitate a smooth change over, Rod has decided to step down as chair with effect from 6 June 2019. Ralph Havenstein, who has been the lead independent director, has succeeded Rod.

Q&A

QUESTION: How has the external operating environment impacted the broader chemicals industry and the Group?

ANSWER: The GDP growth levels in South Africa are stagnating at levels around 1% well below the government's stated intention of the desired 5%. The lack of growth negatively impacts many of the chemicals industries' customers, particularly in the industrial and mining markets. The mining environment has also been affected by the standoff between government and the mining industry on an over-exuberant BEE mining charter resulting in a lack of badly needed external investment and increased levels of corruption. This disinterest in mining investment is also reflected in the low levels of mining exploration expenditure where South Africa only enjoys 1% of the global exploration spend whilst countries like Australia and Canada each enjoy 6%. The fact remains that South Africa is competing poorly in a global industry for mining investors' attention and equity.

Both mining and industrial markets are vital for South Africa's growth and sorely needed job creation. Both markets are fundamentally impacted by the crisis in electricity generation being experienced at Eskom, again negatively affecting investor sentiment. Calls are being made to deregulate the electricity generation environment, which currently favour Eskom as a monopoly supplier, as the utility is currently unable to supply sufficient electricity whilst its marginal cost of generation is well above alternative technologies. The matter is further aggravated by the fact that coal-based technology is contrary to effective climate change control policies. Government is called upon not only to rapidly implement its announced restructuring of Eskom but also to move much more quickly on implementing a far cheaper alternative of a combination of gas and renewable technologies.

South Africa needs to accept the fact that its investment policies are not investor friendly, with investors facing considerable red tape and many inhibitors to growth. Customs and excise authorities need, in addition to strengthening their enforcement duties, to progressively monitor and review tariffs where Africa is frequently exposed to dumping practices by global players. Policies are needed to stimulate export led growth.

On the agriculture front, the Group has experienced a severe drought with rain falling extremely late in the planting season and areas on the western side of South Africa getting very little precipitation.

The crisis of lack of foreign currency in Zimbabwe continues to grow with the situation worsening each year. The Group has done well to limit its impact but is now limiting its Zimbabwe sales due to unacceptable risk exposures.



Rod Humphris, Chair (Outgoing)

QUESTION: How would you describe the overall performance of the Group for FY2019? What unexpected challenges did the Group face?

ANSWER: The Group experienced a tough environment for all its businesses for the year ending March 2019. Industrial and mining markets in southern Africa remained under pressure affecting both Protea Chemicals and BME, whilst the Agriculture division experienced very late summer rains in southern Africa with a severe drought impacting the western regions.

The poor industrial environment also impacted the sales opportunities of the recently acquired Umongo Petroleum to the extent that the negotiated earn-out portion of the purchase price was only partly paid, effectively reducing the purchase price from R780 million to R683 million. The latest acquisition, Oro-Agri, effective from 1 May 2018, performed well but slightly below expectation because of global trade wars and the drought in Brazil. Nevertheless, we are delighted with the acquisition and the potential that this business has on a world seeking greener solutions with extremely innovative products.

Despite a difficult year where the Group made a loss, the turnover remained healthy and grew by 7% from the prior year. The Group has made a number of large once-off impairments which have negatively impacted the underlying quality of its continuing businesses. The successful implementation of Microsoft Dynamics AX in the majority of the business units is expected to assist the business in realising the benefits of Microsoft Dynamics AX, improving the Group operating model after having developed a Group-wide strategy, which will focus on collaboration.

QUESTION: Were there any specific highlights, both financial and non-financial, in the year? Any lowlights?

ANSWER: The Group has for several years been making a concerted effort to improve on its safety performance. This largely involves changing the attitude of our people in the way they conduct their daily work, particularly in chemical operations and chemical logistics. The recordable case rate, an international measure of the safety performance of the Group, has been steadily improving and has over the year reached its lowest ever point of 0.36. This compares favourably with both local and international chemical companies and is a highlight of our people's efforts to do better and work more safely. Although this is a good standard, the Group will continue to drive further improvements.

Overall, the Group experienced a challenging financial year and recorded a net loss of R407 million against a profit of R664 million in the previous financial year. The main factors affecting the operational performance in the three main divisions were as follows:

- **Agriculture division** – Lower profits were largely driven by financial pressure on farmers, competitive pressure by importers, exchange rate volatility, market and price pressures (low prices for key agriculture commodities, in Africa and globally), economic challenges in Zimbabwe and an unstable political climate. Further pressure on regional demand as a consequence of various droughts and unfavourable weather patterns have disrupted planting patterns. Other challenges include high inflation and other costs required to address local challenges (labour, energy, taxes) compared to inexpensive imports with no import protection in place
- **Mining division** – Lower profits were driven by uncertainty regarding economic downturn, political uncertainties and regulatory pressures. Furthermore, cost inflation due to rising raw material and energy costs resulted in margin erosion and increased competition and oversupply of explosives, lead to local margin pressure. Price pressure was experienced on all mining supplies as a direct result of cost cutting activities in the mining sector
- **Chemicals division** – Lower profits were driven by a decrease in commodity prices and a decline in demand, resulting from a general slowdown in the sector. Low oil prices filtered through into reduced pricing on oil-based products. The South African manufacturing sector stagnation has suppressed chemical demand and even though this business has now been rightsized to implement a new strategy, the effectiveness of this strategy on the business performance will only become apparent in the next financial year

It is regrettable that under these difficult market circumstances, the Group has been forced to restructure its Protea Chemicals business and unfortunately, restructuring is expected to continue in the coming financial year. Protea Chemicals has been operating at an unacceptable operating margin for some time, but it is only now after the completion of the implementation of a new leading-edge ERP system that the risk of restructuring was deemed acceptable.

The Protea Chemicals restructuring program will result in approximately a R75 million saving.

QUESTION: How do you see the focus of Omnia evolving over the next few years?

ANSWER: The foremost priority is to effectively achieve the expected returns on the two major acquisitions, namely Umongo Petroleum and Oro Agri, completed over the last two years. Both have excellent long-term potential. Oro Agri, combined with leading-edge technologies from Omnia Fertilizer, will form the base of agriculture speciality products and services across many geographies. Over time, complementary technologies will be sought and added to the range.

The investment in the recently completed nitrophosphate plant is an important development with the potential to greatly enhance the gross margin of our fertilizer business by reducing the cost of phosphate products whilst also improving the economics of our BME emulsion business. The challenge will be to ramp up the new plant to optimum capacity within the new financial year.

There is also an intense focus on maximising and evolving Omnia's host of new software-related technologies and platforms by leveraging the investments, largely completed, made over the last few years.

The Group is currently in a consolidation phase after a period of expansionary and capital renewal where all the businesses need to optimise their operations, develop their services, cut their excessive working capital and generate sustainable operational cash flow.

QUESTION: How is the evolution of technology impacting Omnia?

ANSWER: The rapid development of sophisticated software and associated technology is providing numerous opportunities to the Omnia Group. The Group has been in the implementation phase of the leading Microsoft Dynamics ERP, CRM and other associated software for the last few years with Protea Chemicals, BME and Protea Mining Chemicals completed, and on the 1st of April, the Group's largest South African business unit, Omnia Fertilizer went live on the new system. This leading platform will provide a base for further ongoing development to enable improved real time decision making, leading-edge customer service and technical support, as well as operational efficiency. The Group is already starting to see significant improvements in its daily processes and controls.

Furthermore, the rapid evolution in technology is enabling our divisions to innovate and roll out further technical products and services to provide better knowledge to customers for substantial benefits in optimising their operations. As a result, the Omnia Group today is a technical leader in advanced nutrition, biopesticides, adjuvants, blasting services with the aid of a leading-edge electronic detonator coupled to sophisticated blasting software, and potable water treatment, to name a few. Use of drones, advanced GPS systems accurate to centimetres, sophisticated algorithms based on large databases, and leading-edge communication systems are all common-place.

QUESTION: At a time when governance-related matters at listed entities are under the magnifying glass, how do you think Omnia rates in this regard? What steps have you taken in the year, if any, to further strengthen governance?

ANSWER: The company has each year furthered its position in its journey to progressively strengthen governance and implement the requirements of new policies and ensure compliance with legislation and regulations as promulgated from time to time by the various lawmakers. We continue to have an independent internal audit team and an in house legal and company secretarial team that manages the relevant portions of governance. The company also has a Social Ethics Committee and an Audit Committee. Our forensic matters are managed through a whistle blowing program and all investigations are managed by Deloitte Forensics. The company is still in the process of implementing and determining its approach to the recently adopted King IV code of good practice. The board is fortunate to have the expertise of Linda de Beer, a non-executive director, having been part of the team involved in drafting King IV. All the terms of reference of the Board and its sub-committees were extensively reviewed and approved during the course of the year. The Board and board sub-committee papers were digitised with substantial improvements made to enhance security.

QUESTION: For many years you have been involved in the Chemical and Allied Industries' Association (CAIA). Can you tell us a little about the association and some of the key challenges CAIA is trying to address?

ANSWER: The Chemical and Allied Industries' Association (CAIA) represents the numerous chemical industries including some of the world's largest chemical companies in South Africa. It is the custodian of the global Responsible Care® initiative to promote sustainability and continuous improvement in the fields of safety, health and environmental practices within the industry. CAIA is responsible for training independent auditors and ensuring that member companies including logistic companies are audited to ensure compliance with the Responsible Care® initiative. The association is currently focusing on the importance of process safety to ensure that industries are reducing process risk and following world best practices. Within the environmental arena, measures to best deal with climate change are being studied and debated. The Omnia Group has been a member of CAIA since its inception in 1994. I joined the CAIA board in 2016 and have been chair for the past two years.

CAIA plays a vital role of advocacy in dealing with government to ensure that current and future legislation is well debated and that the necessary technical expertise from industry is best utilised in drafting such laws.

Currently CAIA, through its membership of Business Unity South Africa (BUSA), is in high-level discussions with government and its various departments to foster a better relationship between government and business. CAIA is actively debating with government on how growth and job creation in South Africa can be stimulated. It is also sharing with government the inhibitors that exist to either slow or prevent economic growth from taking place. These talks are still in an early stage but are proving to be positive. This latter function is probably the most important initiative currently in debate which, if successful, will drive new industries and substantial job creation.

QUESTION: Turning now to the outlook, what does the future hold for Omnia?

ANSWER: Omnia is in a strong position with good quality assets and new technologies to build onto its leading position in agriculture, explosives and chemical distribution in its African markets. The Group has built up considerable expertise in the African markets with staff based in 20 countries in Africa and with business being conducted in several more African countries.

The Group has also over the last decade slowly developed its international footprint from mere scouting parties to doing good profitable business particularly in Australia and Brazil. With the acquisition of Oro Agri its international footprint has increased significantly with the Group now doing business in 48 countries outside of Africa. The challenge will be to use its diverse technologies on a global basis in a cost-effective manner. Leveraging this knowledge base will be key to driving higher levels of profitability. The insatiable desire from its customers to capitalise on the improvements available to their business based on these new technologies and driven by the expanding digital age is an opportunity to be driven hard.

The Omnia Group has historically always benefited from an innovative marketing and technical approach and the opportunity to do so in the future exists, and increasingly so.

QUESTION: In closing, any final words?

ANSWER: The Group has been through a torrid time in the last financial year, but I have no doubt that the measures put in place by the board and the management team to reduce working capital and normal capital, as well as in adjusting the business to the poorer economic conditions are bearing fruit. It should not be forgotten that the current higher levels of debt are chiefly as a result of funding two major acquisitions and one major construction project, the nitrophosphate plant, out of debt. Prior to this, the Group's strong cash flow generation resulted in the Group having zero debt at year-end. Such low levels of gearing are contrary to better shareholder returns. The acquisitions and the commissioning of the plant are really good investments which, with time, will drive the future performance of the Group. Therefore, in the short-term, the Group needs consolidation and will need to drive and optimise the performance of the new plant and the acquisitions.

The Group's assets are in excellent condition. The Group has upgraded its environmental performance and equipment in line with the plethora of environmental legislation. This work is effectively complete which means that the environmental capex upgrade over the last few years is over. The necessary upgrade to its IT systems, is almost complete.

It would appear that the new government in South Africa following the recent election will be more economically driven with a view to strengthening government business relationships to drive growth. This is most welcome and most needed to turn the economy around from its current low point.

The discovery of gas in the region, both in Mozambique as well as off the Mossel Bay coast with probable future discoveries in the Karoo, can only bode well for a buoyant chemical industry with good export opportunities.

Finally, the Group secured a 12-month R6.8 billion bridge facility from its principal lenders. The bridge comprises a 12-month loan of R5 billion and committed liquidity facilities of R1.8 billion. This bridge facility allowed the Group to settle all existing borrowings and overdraft facilities on 24 June 2019.

While the bridge facility provides the Group with the liquidity it requires in the short term, the Group's debt levels remain high. In order to ensure its long-term sustainability, the Group has announced a rights issue of R2 billion as an immediate solution to strengthen the capital structure. Proceeds from the rights issue will be used to partly repay the bridge facility. The rights offer will reduce debt levels to be within the Group's targeted range, thereby affording the Group access to undrawn facilities and reducing the Group's cost of capital. The whole process is on track.

The remainder of the bridge facility after reduction by the proceeds of the rights issue is expected to be refinanced into a structured term loan and working capital debt package.



Rod Humphris
Outgoing chair of the board



Ralph Havenstein
Incoming chair of the board

OMNIA'S APPRECIATION

The year has been a difficult one for both the board and the management team. My sincere thanks to each of my fellow board members for their contribution and additional work arising both at board and sub-committee level as a result of the tough circumstances. Their sound counsel and solid advice over this period has been invaluable to both me and the Group.

A special word of thanks to Wayne Koonin, the outgoing Group finance director and executive board member, for his contribution. His expertise on both the acquisitions as well as the Group software developments is well appreciated. I wish him well in his future endeavours.

A warm welcome to Wim Plaizier as an independent non-executive director to the board of Omnia. Wim holds both a BSc and MBA. Wim has significant international experience and has over 35 years of industrial and strategic management experience across mainly the chemicals, energy, oil and gas, agriculture, pulp and paper, metals and mining sectors. He has also more than 10 years' experience in business in Africa. He recently retired as a partner in the consulting firm AT Kearney. I am confident that his practical, no frills approach will benefit the Group and look forward to receiving his advice.

Also, a warm welcome to Seelan Gobalsamy who joined us initially in September 2018 as a non-executive director, and subsequently took over the role of Group finance director and became an executive director of the board in March 2019. Seelan is a chartered accountant and has completed an advanced management program at Harvard. He is an internationally experienced business leader with experience in market entries, acquisitions, large-scale turnarounds and financial services. He has taken over the role in a difficult time but is already making an immense contribution.

Rod joined the Omnia Group of companies in 1982, 37 years ago. For 20 of these 37 years, he served on the board, and for the last two years, he has been the non-executive chair of the board. With almost exactly 20 years on the board, he has decided that it is now a good time to retire. The board, management and the entire staff of Omnia, past and present, express sincere gratitude to Rod for his invaluable contribution to Omnia and wish him well in his retirement. Thanks for a lifetime of dedication Rod.

Lastly a special word of thanks to Adriaan de Lange, the Group managing director of Omnia, and his executive team for all their hard work and extra effort with long working hours to take the Group through this difficult period. I have no doubt that the team is well on track with its plans and actions and that a much better year can be anticipated this coming year.

REPORT FROM THE GROUP MANAGING AND GROUP FINANCE DIRECTORS

KEY MESSAGE

Global diversification and acquisition strategy contributing to top-line growth

Shift towards **business optimisation**

Continued investment into **research and development capabilities**

Disappointing financial performance. Focus on **optimising the generation of cash** to reduce debt and associated interest charges

Meeting our **social and environmental commitments**

The Group experienced a challenging year with adverse market conditions, marked by droughts and late rains in key markets, a volatile rand currency, the local and international mining industry going through restructuring, and overall difficult global trading conditions. Notwithstanding the impact of these on the Group's FY2019 financial performance, Omnia's core purpose and strategy remains sound.

DELIVERING ON OUR STRATEGIC AMBITIONS

Whilst viewed by some as a commodity supplier (fertilizer, emulsion explosives and chemicals), Omnia has a long history of providing integrated customer solutions and value-adding specialised products. Its outward customer focus and solution delivery has been the basis of success for many years both regarding top-line growth and for the generation of shareholder value. With access to international markets widening, Omnia has also become a conduit of global suppliers with the latest technology and products being made available to their customer base.

The last decade introduced new challenges to the business, starting with the financial crisis of 2008/09 and continuing with increasingly volatile market conditions. Whilst impacted, Omnia recovered rapidly with revenues peaking in 2015.

A review of market dynamics and growth opportunities in FY2016 evidenced an increasingly competitive and mature fertilizer market, with cheap imports and small blenders increasing in numbers, and a troubled mining sector. The likelihood of lower volumes and margin squeeze in Omnia's core markets needed to be countered with a strategy of diversification into higher margin specialised products, customer partnering, providing commercialised solutions across the value chain and market expansion while driving continuous improvement to enhance operational effectiveness. Underpinning the strategy is the ambition to create a safe and sustainable environment for our people, the communities in which we work and our customers. An overview of our 2022 strategy is presented on pages 10 to 13.



Adriaan de Lange, Group managing director



Seelan Gobalsamy, Group finance director

Improving our existing business

Omnia seeks to invest capital in assets that will optimise production, quality, efficiencies and capacity, and ensure access and availability of differentiated products and services, and leverage Group capabilities.

A key achievement in the year was the successful completion of the new nitrophosphate plant, which became operational from the end of March 2019, on-time but marginally over budget. The original project cost of R630 million increased by approximately 13.5% to R715 million. The new plant will reduce the cost of phosphates by substituting in part expensive phosphoric acid and mono-ammonium phosphate with cheaper phosphate rock. In addition, the plant will produce calcium nitrate liquid, which will reduce the production cost of calcium nitrate by eliminating the cost of lime, a key input into the products produced for BME as well as speciality fertilizer. The investment into nitrophosphate production is expected to result in a saving of circa R110 million in FY2020 at 50% capacity and a circa R170 million annual saving thereafter at 85% capacity, ceteris paribus. The reduction of input costs attributable to the nitrophosphate plant will provide the Group with a competitive advantage over imported products from a price, market differentiation and working capital perspective. Furthermore, it is anticipated that annual working capital saving of more than R40 million will be achieved.

Omnia has built up an extensive network of 11 world-class chemical and agriculture laboratories in five countries and employed various researchers and test officers to support the Group's strategy. The majority of the laboratories are internationally accredited, and the Group conducts approximately 66 400 analyses per day. A key achievement in the year is the development of the new AXXIS™ Titanium which is built on the latest technology, which represents a step change in terms of utility and safety for users as well as being adaptable to further developments in technology and digital solutions in higher demand by mining customers.

The tough operating environment has required the Group to critically review its business and, where appropriate, commence restructuring. In the year, Omnia restructured its Protea Chemicals business. This business has historically contributed significantly to revenue but due to the low-margin business model, contributed minimally to operating profits. The restructure included retrenchment of staff, discontinuing the sale of certain products and recalibration of physical operations. Furthermore, post year-end, a decision was taken to restructure the Mining RSA and Mining International businesses. Their success in the past was their ability to mobilise quickly and to provide stable and environmentally friendly emulsions coupled with great service. The Mining business continues to experience pressure on volumes and margins across the various commodities and geographies in which the business operates due to mines in the SADC region being under pressure as well as competitive pressure due to the oversupply of nitrates coupled with lower

demand. Mining strikes have also impacted volumes. As a result, the Group has decided to restructure the Mining RSA division and right sizing is in progress. Various strategic initiatives will be put in place and a further saving in staff costs will be achieved by right sizing the business, which commenced in June 2019. Right sizing will also be initiated at Agriculture RSA and has been initiated in the Agriculture Trading business and at the EcoGypsum plant. Although this process is painful, the Group is expected to become stronger, enabling us to deliver significant growth in value for our key stakeholders over time.

Historically the operating units within the Omnia Group have focused on driving their own business strategies, with limited consideration for the strategies of the other operating units, and with varying degrees of success. Omnia has recently begun focusing on potential synergies between operating units, leveraging shared capabilities, intellectual property and knowledge, and the collective pursuit of expanding into new international markets.

All the Group's operating jurisdictions call for strict industry adherence to legislation, safe working environments, more effective processes and enhanced services to improve service levels to customers. The Group operates and services customers in many geographies with an ever-expanding footprint across the globe. The recent investment in new technology platforms provides an opportunity to deploy systems rapidly, with the ability to offer new and innovative services and solutions in the sectors within which we operate.

A major part of the new IT platform includes the implementation of new systems such as SHERQ, business intelligence and an ERP platform using the Microsoft Dynamics AX ERP suite of products. Through this process, the Group has begun to standardise processes and systems throughout its operating entities. The deployment at several sites has already demonstrated improved controls, increased service levels and increased operational excellence. Working in competitive and cost-sensitive markets, we aim to drive internal efficiencies but more importantly, drive quality, safety and sustainability.

Significant progress was made during the year with the successful roll-out of the Microsoft Dynamics AX ERP system at BME Lesotho and Fertilizer South Africa and the successful roll-out of Dynamics Finance & Operations (the latest web-based version of Dynamics AX) at Umongo Petroleum, Orbichem Petrochemicals, Oro Agri BV (Netherlands) and Oro Agri Europe (Portugal). This brings the total number of entities on the new system to 39. The Group continues the planning for the remaining businesses to move onto Microsoft Dynamics AX or D365 (cloud version).

Creating growth

The Group has built up a competitive skill in expanding into Africa and will continue to seek opportunities in Africa. The Group's focus is, however, increasingly on international markets that have a defined growth potential, are a strategic fit with the Group and provide an opportunity to leverage the Group's intellectual property to achieve scale. For FY2019, revenue from sources outside of South Africa contributed 30% (FY2018: 32%) of total revenue.

The Group completed two large acquisitions recently, namely Umongo Petroleum and Oro Agri, which closed effective 1 December 2017 and 1 May 2018 respectively. Oro Agri, with its bio friendly product range, has performed reasonably well given difficult trading conditions and long periods of drought. The company contributed R711 million in revenue and an operating profit of R105 million to the results for the 11-month period. The Umongo Petroleum business has settled well and is working in conjunction with Protea Chemicals to realise synergies and benefits identified as part of the acquisition even though Umongo Petroleum experienced a slowdown in the market towards the financial year end as a result of an increase in crude oil prices due to an increase in the US dollar:rand exchange rate.

Expansion into new markets in Africa remains a key driver for future growth, with work taking place in the current year to allow for the benefits to be realised in the next financial year. Although the development of these new territories in Africa has been slower than expected due to the complexity of trading in multiple countries on the continent, this will provide various growth opportunities for the company going forward.

Build people and reputation

Successful delivery of any strategy demands the right people, skills, mind-set and culture. Omnia remains committed to building an organisation that is continuously learning and building, acquiring and strengthening the people required to facilitate its success. The Group's people focus intensifies with the implementation of its strategy because of the competencies required for growth. As at 31 March 2019, the Group had a total of 4 755 (FY2018: 4 792) employees and fixed-term contractors worldwide.

Supporting the transformation agenda of South Africa is an important focus area for Omnia. A total of 3 489 (FY2018: 3 653) employees are employed in South Africa of whom 1% (FY2018: 3%) are disabled and 72% (FY2018: 72%) are black employees.

Safety, health and the protection of the environment is embedded in all aspects of the strategy, as is the expectation that the Group creates a Better World wherever it operates. Being only one of three Global Charter signatories in South Africa for the chemical industry code of conduct, Responsible Care®, we plan to leverage this role as a key element to our geographic expansion strategy.

It is pleasing to report that we have had a fatality-free year, honouring our commitment to ensure that every employee and contractor returns home safely. We have also made significant improvement in our leading and lagging safety indicators, reducing the Group's recordable case rate through its sustainability focus from 0.47 in FY2018 to 0.36 in FY2019. We are also committed to minimising our carbon footprint and have formulated a strategic road-map to help achieve our internal environmental targets. This includes monitoring and reducing consumption of electricity and water, and a commitment to using alternative energy and to co-generate energy wherever possible. A detailed reflection on Omnia's sustainability strategy and sustainability performance is reflected in the separately published FY2019 ESG report.

DISAPPOINTING FINANCIAL PERFORMANCE

Operating context

South Africa found itself in an economic recession. The 2018 recession spanned the first half of the financial year, recovering in the second half with overall annual growth at 0.8% driven by the growth in the finance and business services industries. However, the core markets in which Omnia trades, agriculture and mining, were worst impacted, creating a highly cost-conscious customer with low liquidity. The agriculture sector had a difficult year, registering a contraction of 4.8%. A slowdown in the production of field crops and horticultural products stunted growth in the first two quarters.

Globally, agriculture commodities remain in a cycle of lower prices, placing pressure on input supplier margins and volumes. In African markets, the low agriculture commodity prices impacted farmers' ability to settle their debt and also made farmers more susceptible to using inexpensive input supplies. Overall, Omnia's trade in the international markets is subject to economic and currency development, apart from specific industry sector challenges similar to that of South Africa. Omnia's international agriculture businesses are well established in the countries where it has a physical presence (Zambia, Zimbabwe, Mozambique, Kenya, Brazil, USA, Europe and Australia) while the southern African region is supported by sales directly from manufacturing facilities in South Africa.

The Zimbabwean budget deficit increased in 2018, worsening liquidity shortages. The introduction of an electronic clearance system (RTGS) and so called 'Bond' notes and coins introduced a new local currency. The Zimbabwean Reserve Bank established an inter-bank foreign exchange market for RTGS on 20 February 2019. While official rates were published from that date, access to foreign currency at those official rates remains a challenge in Zimbabwe. This has resulted in a rapid inflationary increase as people stocked up on basic commodities such as fuel and food. The liquidity issues in Zimbabwe remain a major concern for the next year and the situation in the country is expected to remain fluid. Subsequent to 31 March 2019 the rate continued to deteriorate.

In Australia, the weakening Australian dollar had a positive impact on agriculture product exports from Australia to other countries. The expected increase of agriculture exports from Brazil to China, replacing volumes previously supplied by the USA, did not materialise as expected due to the drought experienced in Brazil.

South African mining production contracted by 1.6% compared to 2018 despite growth experienced in the rest of the world. In the mining sector, there was positive news with the finalisation of the Mining Charter and improving commodity prices. However, reinvestment for mining remains slow as mining in other countries is more attractive (South African mines are not competitive and government regulation is onerous). As a result, the low investment is evident by the fact that only 1% of global exploration is spent on exploration in South Africa, while 6% is spent on exploration in both Canada and Australia. The mining sector in Africa continues to move forward in terms of new mining developments and expansion of existing operations. In Australia, miners are benefiting from the weaker currency, resulting in increasing margins with products priced in US dollars.



REPORT FROM THE GROUP MANAGING AND GROUP FINANCE DIRECTORS
CONTINUED

SUMMARISED GROUP INCOME STATEMENT
for the year ended 31 March

Rm	Audited FY2019	% change		Audited FY2018
Revenue	**18 628**	7	▲	17 372
Gross profit	**4 133**	6	▲	3 910
Net operating expenses	**(4 109)**	49	▲	(2 754)
Operating profit	**24**	98	▼	1 156
Net finance expenses	**(438)**	62	▲	(270)
(Loss)/profit before tax	**(414)**	>100	▼	886
Taxation	**7**	>100	▼	(222)
(Loss)/profit for the year	**(407)**	>100	▼	664
Attributable to:				
Owners of Omnia Holdings Limited	**(414)**			666
Non-controlling interest	**7**			(2)
	(407)			664

Commentary

- First-time inclusion of Oro Agri and a full year of Umongo Petroleum
- Impacted by impairment of goodwill and certain assets of R324 million and restructuring cost of R35 million for Protea Chemicals, net share-based payment charges of R54 million, R44 million additional impairment of Angola debtor, R95 million loss in devaluation of currency in Zimbabwe, once-off costs of R30 million linked to acquisition of Oro Agri, release of R97 million earn out on acquisition of Umongo Petroleum due to stretch earnings target not being met
- Operating profit of 2.3% (FY2018: 6.7%) achieved if impact of once-offs excluded
- Net finance expenses increased by 62% due to increased levels of working capital based on the two acquisitions accounted for, higher US dollar prices for raw materials, higher underlying commodity prices, weaker exchange rates, using existing cash to fund acquisitions, the change in mix between short- and long-term debt, lack of cash liquidity in certain jurisdictions to repatriate funds to offset borrowings on a Group level and lower profitability
- The effective tax rate of 1.7% (FY2018: 25.1%). The current financial year includes tax incentives received from the South African Revenue Service of R55 million linked to the nitrophosphate plant

RECONCILIATION OF HEADLINE EARNINGS
for the year ended 31 March

Rm	Audited FY2019	% change		Audited FY2018
Net (loss)/profit attributable to ordinary shareholders	**(414)**			666
Non-headline earnings				
Loss on disposal/impairment of property, plant and equipment	**(2)**			7
Impairment of property, plant and equipment	**16**			–
Impairment of goodwill	**324**			–
Insurance proceeds for replacement of property, plant and equipment	**–**			(3)
Headline (loss)/earnings	**(76)**			670
Basic (loss)/earnings per share (cents)	**(609)**	>100	▼	985
Diluted (loss)/earnings per share	**(609)**	>100	▼	927
Headline (loss)/earnings per share	**(112)**	>100	▼	991
Diluted (loss)/headline earnings per share	**(112)**	>100	▼	933

SEGMENT ANALYSIS
for the year ended 31 March

Rm	Audited FY2019	% change		Audited FY2018
Net revenue	**18 628**	7	▲	17 372
Agriculture	**8 240**	2	▲	8 078
Mining	**4 885**	5	▼	5 139
Chemicals	**5 301**	22	▲	4 355
Reconciling item[1]	**202**			(200)
Operating profit[2]	**24**	91	▼	1 156
Agriculture	**370**	36	▼	574
Mining	**169**	51	▼	343
Chemicals	**10**	>100	▼	163
Head office[3]	**(525)**	>100	▼	76

[1] *Reconciling items arise because of the difference between the way executive management analyses the financial information and IFRS requirements.*

[2] *The segment report has been prepared based on the internal measures of the business and how the key decision makers evaluate the business. To this end the amortisation of acquisition related intangibles of R135 million and the earn out reversals for Umongo Petroleum of R97 million have been disclosed under Head Office and measured separately. In the prior year the income related to the Foskor legal matter of R201 million and the Nutriflo commission competition payment of R35 million are also shown In Head Office due to their once off nature. All other income and expenses are shown within the division where the financial effects are managed.*

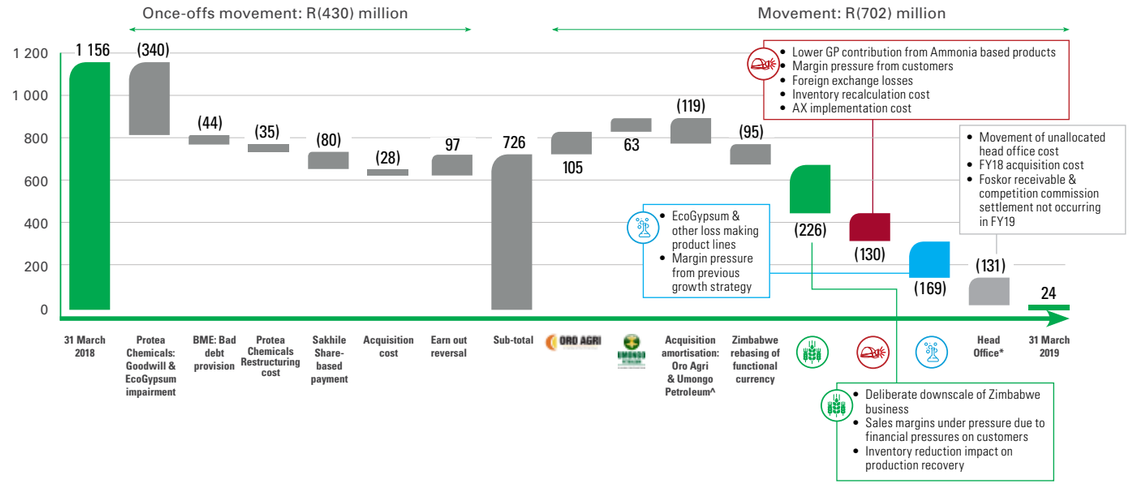
[3] *Includes the impairment of Protea Chemicals goodwill of R324 million in FY2019*

Revenue and gross profit

Group revenue increased by 7% to R18 628 million (FY2018: R17 372 million) due to the first-time inclusion of Oro Agri of R711 million and a full year of Umongo Petroleum of R1 193 million (FY2018: R355 million for four months). Excluding the acquisitions, revenue was down by 2%, the majority of which relates to Agriculture International and Agriculture Trading. This was caused by market and price pressures, economic challenges in Zimbabwe (which led to a decision to curtail trade to mitigate risk), global drought, a poor political climate and overall depressed market conditions. Agriculture Trading focused on improving the margins in the business.

Gross profit increased by 6% to R4 133 million (FY2018: R3 910 million). Excluding the acquisitions, gross profit decreased by 8%. The gross profit margin percentage decreased to 22.2% (FY2018: 22.5%) and excluding new acquisitions, would be 21.2%. Margin pressure was felt throughout the business. Gross profit was further negatively impacted by the deliberate slowdown of business in Zimbabwe.

MOVEMENT IN OPERATING PROFIT



^ Representing the movement in the amortisation relating to the acquisitions (FY18: R16 million and FY19: R135 million)
** Includes the impact of once-offs in FY2018*

Operating profit

Operating profit for the year of R24 million (FY2018: R1 156 million) was down 98% year-on-year, resulting in an operating profit margin of 0.1% (FY2018: 6.7%). Following the adjustment of the once-off items in the current year's results, as set out below, that affect the various segments but net off overall, the current year operating profit margin is 2.3%:

- A further impairment of a problematic debtor in Angola of R44 million, now fully provided for by BME
- Protea Chemicals incurred R35 million to restructure its business. As a result, annual costs of R75 million have been removed from the business on an ongoing basis. However, this full benefit will only be realised in FY2020. Phase two of the process has commenced which will result in additional annual savings and improved quality of business as part of its newly developed strategy. Notwithstanding these actions, management included an impairment of the entire goodwill balance of R324 million due to historical performance
- The Emerging Farmers programme, in a year of drought, continues to be under stress linked to the financial pressure experienced by farmers. To this end a further provision has been made for expected losses. Management action has been implemented to reduce the risks within this business and to reduce the exposure of the Group
- Both businesses in Zimbabwe, Fertilizer Zimbabwe and Acol Chemical, have been impacted by an intentional slowdown in business due to the liquidity constraints in the country. In addition, their financial results have been reduced (by c.R95 million) to approximately one quarter of their nominal value following the introduction of an alternative currency in Zimbabwe, namely the RTGS dollar (real time gross settlement) through the impact of the accounting treatment on the change in functional currency
- Net share-based payment charges of R54 million relate to the Group's share schemes. The Group's 12-year BBBEE share scheme, Sakhile 1, increased with a non-cash share-based payment charge of R80 million
- Transaction costs linked to the acquisition of Oro Agri of R28 million

Net operating expenditure (comprising distribution and administration expenses as well as net other income or expenses) increased by 49% to R4 109 million (FY2018: R2 754 million).

Distribution expenses increased by 18% to R2 140 million (FY2018: R1 815 million). Excluding the impact of the acquisitions, distribution expenses for the year increased by 4.6% largely attributable to higher fuel prices.

REPORT FROM THE GROUP MANAGING AND GROUP FINANCE DIRECTORS
CONTINUED

Administrative expenses of R1 500 million (FY2018: R1 233 million) are 22% higher compared to the prior year or 5.2% lower, excluding the impact of the inclusion of the acquisitions and once-off costs. The increase in administrative expenses was driven by a top-up share-based payment charge and resulted in a net adjustment of R54 million for the Group's share incentive schemes, R35 million attributable to Protea Chemicals' restructuring costs, R28 million attributable to Oro Agri transaction costs and R26 million attributable to expansion costs in Mining International for the USA and Canada, as well as expected credit losses of R97 million being shown separately on the face of the income statement in the current year as required by IFRS 9.

Net other income/(expenses) of R59 million expense (FY2018: R248 million income) included the following items: R135 million attributable to the amortisation of intangibles relating to the acquisitions of Oro Agri (R89 million) and Umongo Petroleum (R46 million), R97 million attributable to income from the reversal of the earn out provision for Umongo Petroleum and R96 million attributable to an insurance claim in Mozambique resulting from the recent cyclone. Foreign exchange losses for the year amounted to R130 million (FY2018: R102 million profit), mostly due to Zimbabwe in the current year.

Business performance

For more on the divisional performances, refer to pages 62 to 73.

Net finance expenses

Net finance expenses of R438 million (FY2018: R270 million) are 62% higher than the comparative period due to debt funding of working capital and the inclusion of working capital from the Group's two acquisitions. The construction of the nitrophosphate plant, which was completed in March 2019, was also financed with debt. However, the interest of R80 million (FY2018: R23 million) has been capitalised to the cost of the asset during the year. The Oro Agri acquisition was funded through the US dollar denominated cash reserves previously used to reduce overdraft facilities.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

EBITDA net of the impairments was 39% lower at R979 million (FY2018: R1 602 million). Adjusted EBITDA of R1 137 million is used for the financial covenant calculation.

Income tax

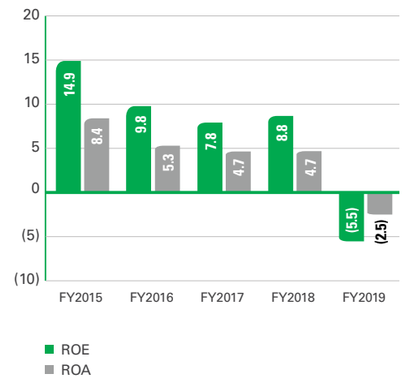
Income tax expense of R7 million credit for the year is significantly lower than the previous year. The effective tax rate in the prior period was 25.1% and the effective tax rate for the current financial year is 1.7%. The current financial year includes tax incentives accounted for from the South African Revenue Service of R55 million linked to the construction of the nitrophosphate plant that commenced on 24 March 2019.

Profit after tax and headline earnings per share

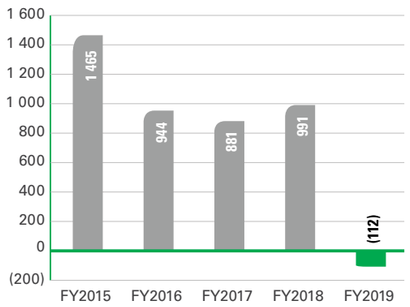
Overall, the Group delivered a disappointing financial performance for the year, recording a net loss of R407 million for the year compared to a profit of R664 million in FY2018.

Headline loss per share of 112 cents (FY2018: 991 cents earnings) was lower year-on-year.

ROE and ROA



HEADLINE EARNINGS/LOSS PER SHARE



SUMMARISED CONSOLIDATED BALANCE SHEET
as at 31 March

Rm	Audited FY2019	Audited FY2018
ASSETS		
Non-current assets	**8 140**	6 181
Property, plant and equipment	**5 425**	4 588
Goodwill, intangible and other assets	**2 488**	1 363
Investments – equity method	**49**	71
Trade and other receivables	**106**	128
Deferred tax assets	**72**	31
Current assets	**8 507**	9 221
Inventories	**3 883**	4 190
Trade and other receivables	**3 838**	3 686
Derivative financial instruments	**59**	103
Income tax assets	**83**	131
Cash and cash equivalents	**644**	1 111
Total assets	**16 647**	15 402
EQUITY AND LIABILITIES		
Equity		
Capital and reserves	**7 123**	7 488
Non-controlling interest	**102**	(5)
Non-current liabilities	**1 091**	1 924
Deferred tax liabilities	**733**	666
Trade and other payables	**313**	190
Interest-bearing borrowings	**45**	1 068
Current liabilities	**8 331**	5 995
Trade and other payables	**3 300**	3 378
Derivative financial instruments	**29**	32
Interest-bearing borrowings	**2 745**	15
Bank overdraft	**2 257**	2 570
Total equity and liabilities	**16 647**	15 402

Balance sheet

Total assets increased by 8% or R1 245 million to R16 647 million (FY2018: R15 402 million).

Movement in property, plant and equipment as well as intangible assets

The increase in non-current assets of R1 959 million to R8 140 million (FY2018: R6 181 million) is largely attributable to goodwill of R339 million and intangible assets of R934 million arising from the acquisition of Oro Agri. The intangible assets identified in the purchase price allocation included product registrations, distribution contracts, customer relationships and brands with useful lives of 10 to 12 years that will be amortised over these time periods.

Capital expenditure of R1 120 million (FY2018: R887 million) was incurred based on planned capital projects including R497 million (FY2018: R196 million) incurred on the construction of the nitrophosphate plant and R143 million (FY2018: R166 million) of intangible assets, of which R87 million (FY2018: R150 million) relates to the implementation of the Microsoft Dynamics AX ERP system and related IT projects. R74 million was spent on the establishment of the Oro Agri European hub, including a manufacturing facility and laboratories; and R14 million was spent on the Morwell solid K-humate® manufacturing facility in Australia. Capital expenditure is nearing the end of the capital reinvestment cycle and is expected to reduce going forward.

Working capital

Omnia's working-capital cycle is dominated by the seasonal nature of farming in southern Africa and the rest of the world and the impact thereof on the Agriculture division's working capital cycle. Group working capital requirements (dominated by the Agriculture division) normally peak from September to December and bottom out from January to February. The working capital demands for the Mining and Chemicals divisions are influenced by lead times for the procurement of goods with normal levels of working-capital maintained based on the business model parameters.

The decrease in current assets of R714 million to R8 507 million (FY2018: R9 221 million) was largely attributable to the R307 million decrease in inventories, net of the R85 million increase due to the addition of Oro Agri not included in the

previous year. The Agriculture RSA division decreased inventory by R207 million and the Chemicals Petroleum division's inventory balance decreased by R122 million, partly due to a delay in a base oil shipment. Cash and cash equivalents decreased by 42% as cash was utilised in various jurisdictions to reduce debt.

Current liabilities increased by R2 336 million or 39% to R8 331 million (FY2018: R5 995 million). Current term debt increased to R2 745 million (FY2018: R15 million). At 31 March 2019, the Group did not have the ability to defer repayment for more than 12 months and to this end all borrowings were disclosed as short term.

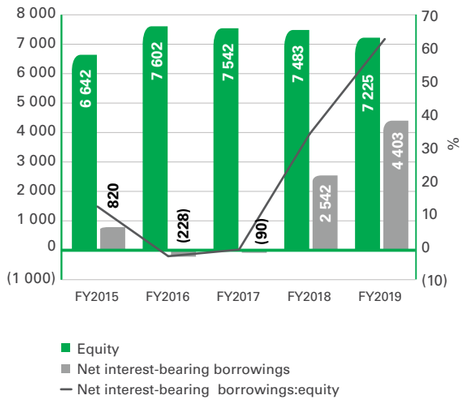
Key working capital ratios		**FY2019**	FY2018
Inventory turnover	Days	**101.6**	100.6
Trade receivables	Days	**73.7**	71.4
Trade payables	Days	**84.1**	90.9
Net working capital	Days	**86.1**	81.2
Current ratio	Times	**1.0**	1.5

Non-current liabilities and interest-bearing borrowings

Non-current liabilities decreased by R833 million to R1 091 million (FY2018: R1 924 million). Interest-bearing borrowings decreased to R45 million (FY2018: R1 068 million) as a result of the reclassification of debt at 31 March 2019.

Interest-bearing borrowings, net of cash and cash equivalents increased to R4 403 million (FY2018: R2 542 million) at year-end.

EQUITY AND NET INTEREST BORROWINGS
(R million)



The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of net interest-bearing borrowings over adjusted EBITDA. The Group aims to keep this ratio at 2 to 3 times in the medium term and below 2 times in the long term.

Rm	**FY2019**	**FY2018**
Net interest-bearing borrowings	**4 403**	2 542
Adjusted EBITDA as per financial covenants	**1 137**	1 464
Ratio	**3.9x**	1.7x

The Group leveraged its balance sheet in the 2017, 2018 and 2019 financial years as part of the strategic growth initiatives including:

- Expansion – achieved through the acquisitions of Umongo Petroleum (December 2017) and Oro Agri (May 2018) and venturing into new jurisdictions
- Investment in the new nitrophosphate plant
- Investment in Microsoft Dynamics AX and related infrastructure

In the 2019 financial year, the Group was adversely impacted by droughts, late rains, a volatile rand, a material slowdown in the local and international mining industry and overall difficult trading conditions resulting in a loss of R407 million. Increased working capital requirements following the recent acquisitions were funded through a combination of borrowings and overdraft facilities.

The net loss after tax together with the increase in the Group's debt levels were not in line with the Group's principal debt providers' expectations or covenant requirements. The Group proactively engaged with its lenders. By 31 March 2019, the lenders had waived all potential rights of default on existing loan facilities (disclosed as current interest-bearing borrowings and bank overdrafts on the balance sheet) on condition that new debt terms be agreed before 25 June 2019.

The Group has now secured a 12-month R6.8 billion bridge facility from its principal lenders. The bridge comprises a 12-month loan of R5 billion and committed liquidity facilities of R1.8 billion. This bridge facility allowed the Group to settle all existing local borrowings and overdraft facilities at 24 June 2019.

While the bridge facility provides the Group with the liquidity it requires in the short term, the Group's debt levels remain high. In order to ensure its long-term sustainability, the Group has announced a rights issue of R2 billion as an immediate resolution to strengthen the capital structure. Proceeds from the rights issue will be used to partly repay the bridge facility. The rights offer will reduce debt levels to be within the Group's targeted range, thereby affording the Group access to undrawn facilities and reducing the Group's cost of capital.

The remainder of the bridge facility after reduction by the proceeds of the rights issue is expected to be refinanced into a structured term loan and working capital debt package.

Independent rating

Global Credit Rating Co. undertakes an independent rating of the Group annually. For the year ended 31 March 2019, the rating is as follows:

Year ended	**Report date**	**Rating scale**	**Short-term**	**Long-term**	**Outlook**
31 March 2019	**July 2019**	**National**	**A3 (ZA)**	**BBB- (ZA)**	**Rating watch negative**
31 March 2018	August 2017	National	A1- (ZA)	A- (ZA)	Stable

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March

Rm	**Audited FY2019**	**Audited FY2018**
Total equity at the beginning of the year	**7 483**	7 542
Change in accounting policy IFRS 9 (net of tax)	**(41)**	–
Restated equity at the beginning of the year	**7 442**	7 542
Changes in share capital and treasury shares		
Ordinary shares issued	**7**	97
Movement in treasury shares	**–**	(3)
Changes in reserves		
Ordinary shares issued	**(7)**	(97)
Movement in treasury shares	**–**	4
Share-based payment	**61**	29
Total comprehensive (loss)/income for the year	**(232)**	175
Dividends paid	**(153)**	(262)
Changes in minority interest		
Total comprehensive income for the year	**107**	(2)
	7 225	7 483
Comprising		
Share capital (net of treasury shares)	**1 481**	1 474
Other reserves	**1 048**	812
Retained income	**4 594**	5 202
Shareholders' equity	**7 123**	7 488
Non-controlling interest	**102**	(5)
Total equity	**7 225**	7 483
Dividends (cents per share)		
Interim	**75**	200
Final	**–**	150

Movement in equity

Total equity decreased to R7 225 million (FY2018: R7 483 million). The movement comprises net loss after tax of R407 million (FY2018: R664 million profit) offset by an increase in the foreign currency translation reserve of R193 million (FY2018: R491 million decrease), as a result of the weakening of the rand against the US dollar, and dividends paid of R153 million (FY2018: R262 million).

REPORT FROM THE GROUP MANAGING AND GROUP FINANCE DIRECTORS
CONTINUED

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March

Rm	Audited FY2019	Audited FY2018
(Loss)/profit for the year	**(407)**	664
Other comprehensive (loss)/income, net of tax		
Currency translation differences	**193**	(491)
Total comprehensive (loss)/income for the year	**(214)**	173
Attributable to		
Owners of Omnia	**(232)**	175
Non-controlling interest	**18**	(2)
	(214)	173

Commentary

Other comprehensive income was higher than the prior year due to the weakening of the rand to the US dollar. The movement in the foreign currency translation reserve relates to the translation of the US dollar denominated subsidiaries from one financial reporting period to the next. The South African rand weakened by 22% against the US dollar from R11.85 at 31 March 2018 to R14.50 at 31 March 2019

SUMMARISED CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March

Rm	Audited FY2019	Audited FY2018
Cash flow from operating activities	**311**	(767)
Cash generated from operations	**998**	(133)
Net finance cost paid	**(518)**	(293)
Taxation paid	**(169)**	(341)
Cash flow from investing activities	**(2 059)**	(1 452)
Purchase of property, plant and equipment	**(977)**	(721)
Proceeds from disposal of property, plant and equipment	**2**	13
Additions to goodwill, intangible and other assets	**(143)**	(166)
Acquisition of business	**(941)**	(578)
Cash flow from financing activities	**1 463**	601
Sale of treasury shares	**–**	(3)
Repayment of interest-bearing borrowings	**(111)**	(29)
Interest-bearing borrowings raised	**1 727**	940
Minority shareholder buyout	**–**	(45)
Dividends paid	**(153)**	(262)
Net (decrease)/increase in cash and cash equivalents	**(285)**	(1 618)
Cash and cash equivalents at the beginning of the year	**(1 459)**	262
Exchange rate movement	**131**	(103)
Net cash and cash equivalents at the end of the year	**(1 613)**	(1 459)

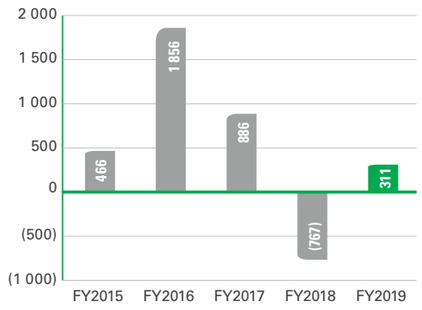
Commentary

Cash inflow from operating activities for the year of R311 million (FY2018: R767 million outflow) was largely attributable to cash generated in Agriculture RSA, Umongo Petroleum and Mining segments

Cash outflow from investing activities of R2 059 million (FY2018: R1 452 million) was higher due to the increase in expenditure attributable to the construction of the nitrophosphate plant of R497 million (FY2018: R196 million) and R143 million (FY2018: R166 million) capitalised as intangible assets as well as R941 million (FY2018: Rnil) for the acquisition of Oro Agri

Cash inflow/(outflow) from financing activities of R1 463 million inflow (FY2018: R601 million inflow) was higher due to an increase in new long-term interest-bearing borrowings of (R1 727 million) raised to fund capital expenditure and other working capital requirements

CASH GENERATED FROM OPERATING ACTIVITIES
(R million)



Looking ahead

The Group's strategy in the short-term will deliver an improvement in the quality of the business through a focus on improving marketing efforts and reach, backwards integration in production of phosphates and operating model efficiency and realise benefits from responsible global growth supported by the integration of the acquisitions.

The Omnia purpose, to provide "Trusted performance and Innovative solutions [across the value chain] that leaves the World Better", was designed to address the market changes that Omnia is facing. Omnia also designed this purpose as it takes the Group to a reality where it will leverage the knowledge and skills acquired from the existing customer base into new international markets, thereby ensuring its continued sustainability (Axioteq™, AXXIS™, and Oro Agri are critical to support this).

However, in implementing this purpose it is vital to dedicate sufficient focus and resources to align Omnia's sales teams and marketing mechanisms, as well as formalising and commercialising the developed solutions. This is part of Omnia's focus on being an outward focused business that understands the needs of its customers and creating an offensive strategy against key competitors especially in areas of higher net back sales. Until markets in sub-Saharan Africa turn around, cost-efficient global growth, supported by sound business cases, will be prioritised over local investments.

Some businesses within the Group are loss-making and as such the Group's strategy in the future will focus firstly to improve the quality of the business by reviewing each business on a return on net controlled assets basis, reduce costs and implement an optimised corporate structure and operating model, before attention is turned to potential future growth strategies.

AGRICULTURE DIVISION

Locally, Agriculture RSA will focus on maximising the throughput of Omnia's production facilities and effectively marketing the suite of technology-based services and solutions available. Given the mature local traditional fertilizer market and declining nature of many international commoditised fertilizer markets, Omnia's strategic pursuit of serving local and international markets with a diversified and specialised product range, as well as customer partnering, secures its future. Oro Agri and Fertilizer International (K-humate and specialities) will continue to drive their expansion through increased production capacity and Oro Agri distribution channels into various countries.

The recent changes in the climate conditions in South Africa, and to some extent southern Africa, have emphasised the importance of responsible and effective water consumption. In addition, enormous focus is given to health and responsible environmental practices in farming and production, mainly driven through concepts of water use efficiency (WUE) and nutrient use efficiency (NUE). Technology is playing a major role in many aspects of the global economy and will in time form an integral part of the "second green revolution" that is expected to result in an increase in agriculture production to sustain the growing population. Food producers will need to turn increasingly towards modern agriculture systems, products and technology that Omnia provides through its various service and solutions offerings including AgriBio product and service offerings, if they are to meet rising expectations and demands in an environment of scarcity of resources in a sustainable manner.

The new nitrophosphate plant commenced operations on 24 March 2019 and will reduce the cost of phosphates (P) by substituting in part expensive phosphoric acid and mono-ammonium phosphate (MAP) with less expensive phosphate rock. In addition, the plant will produce calcium nitrate liquid (CN), which will reduce the production cost of calcium nitrate by eliminating the cost of lime, a key input into the products produced for the Mining division as well as speciality fertilizer. The investment into nitrophosphate production is expected to result in a saving of circa R110 million in FY2020 at 50% capacity and a circa R170 million annual saving thereafter at 85% capacity, ceteris paribus. The reduction of input costs attributable to the nitrophosphate plant will provide the Group with a competitive advantage over imported products from a price, market differentiation and working capital perspective. The s12I tax allowance benefit on the plant is calculated at R55 million for FY2019 and R14 million for FY2020.

Omnia is the largest South African nitric acid manufacturer which enjoys a competitive advantage as a result of prior investment in world-class nitrogen oxide (NOx) abatement technology (EnviNOx) and other upgrades to its manufacturing facilities to meet world-class standards. Omnia therefore has negligible exposure to carbon tax on emissions and has spare capacity that allows for growth when the regional market turns, while younger plants resulting in efficient conversion and lower cost per tonne produced.

Internationally, Oro Agri has been integrated well. The businesses have a clear and well communicated strategy, which balances the focus between business growth and leveraging existing resources with a strong people development emphasis to deliver on the objectives. Global market growth will be achieved through expanding Oro Agri's patented biological control and adjuvants to targeted new markets, launching newly patented products from the Oro Agri product development pipeline, and leveraging the combined Oro Agri and existing distribution channels to sell new microbial bio-stimulant and biocontrol products. The business will also aggressively grow K-humate and related bio-stimulant sales from Omnia Australia through Oro Agri's marketing channels (retailers through existing and new wholesale channels and to manufacturers and formulators).

The strategic rationale for the Oro Agri acquisition remains strong, the registration and commercialisation of new products being on track, and the business performing broadly in line with expectations. The synergies created are driving the success of the overall Fertilizer International business unit. The trading business will be realigned with the intention of integrating back offices, leveraging economies of scale with the Group's existing businesses and providing a separate channel to market to ensure production throughput for the Sasolburg plant. The strategy is to avoid taking major stock positions and to trade on a cash positive basis. This will facilitate better management of the overall supply chain of the division and contribute to reduced working capital for the Group. Volume targets have been reduced and the focus is on achieving improved margins. The emphasis will be on better structured deals which are backed by financial instruments to improve the cash to cash cycle. Opportunities for expanding the trading footprint into West Africa are being investigated, with a prime focus on high-margin products, such as specialities and the Oro Agri range, by leveraging the Mining division's existing infrastructure and experience in the region.

MINING DIVISION

Limited growth in the local and African mining sector determined a primary strategy of setting up subsidiaries in new markets (USA, Australia and Indonesia) and a secondary strategy of working through distributors. Investment in advanced technology will become increasingly central to miners' quest for efficiency gains and cost control, resulting in new exploration methods, streamlined operations and a more transparent industry. The global shift towards a low-carbon economy with reduced environmental impact will result in increasing scrutiny of mining practices, tightening the environmental standards that raise costs for miners, and prioritisation of green strategies.

The demand for battery metals (including lithium, cobalt and nickel) will continue to increase driven by the battery revolution setting their place as a commodity for the future. Both coal production and consumption growth will shift to the east, as countries such as India, Indonesia and Vietnam increase coal production as a source of power generation. Globally, governments are tightening environmental regulations and investing in clean energy. This bodes well for Omnia's positioning in technology and specific chemicals in the mining chemicals business. This developing field will require continued investment in research and development to stay ahead of the curve.

The outlook for the mining sector in South Africa remains suppressed due to the economic downturn, political and regulatory pressures and a lack of investment due to uncertainty, coupled with concerns about labour and power costs and availability. Recent improvements in commodity markets and prices are positive. However, the sustainability thereof remains uncertain. The drive for mining productivity improvement is expected to increase the demand for Omnia's blasting emulsions, initiation systems and associated software and accessory products and services. Trading in the mining sector in South Africa is anticipated to remain challenging in the foreseeable future.

Mining RSA and Mining International were previously structured for growth. Their past success was as a result of their ability to mobilise quickly and to provide stable and environmentally friendly emulsions and initiation systems, coupled with great service. The Mining division has commenced a process to eliminate overheads that relate to earnings streams that do not deliver an appropriate return on net-controlled assets while rightsizing in line with the muted short-term growth opportunities. A review of the service offering at each customer and the alignment of operations where there is a misalignment between contracted services and mine requirements will further improve operating margins.

The Mining division has invested in its international expansion with delayed results due to the time required to obtain the necessary licences to operate. The international expansion strategy is being reviewed to reduce complexity and to ensure cost effectiveness and scalability. Increasing competitiveness in the explosives market is driven by imports and planned new facilities in the southern African region. Cost cutting initiatives at mining houses have led to the pressure on supply prices and a review of their supplier base, overall. The Group is confident that the long-standing and strong relationships in its customer markets, as well as its unique AXXIS™ technology, will ensure stability of volumes at stabilising margins.

AXXIS™ Titanium, which will be launched in FY2020, is built on the latest technology, which represents a change in terms of utility and safety for users as well as being adaptable to further developments in technology and digital solutions. Modular automated assembly lines allow for flexible and scalable production.

Protea Mining Chemicals has developed into a much more diverse business and is now an example of a business that is able to provide commercialised solutions across the value chain as envisaged in the Group strategy. The business remains small but is focused and agile.

CHEMICALS DIVISION

The size of the global specialty chemicals market is expected to surpass expectations by 2024. The growth of the specialty chemicals market will receive a large boost from the Asia-Pacific (APAC) region in the coming years. The primary factors contributing to market growth in this region include high-production capabilities, low-cost labour, and the availability of a skilled workforce.

The global demand for specialty chemicals is driven by the high usage in industrial and institutional cleaners, construction chemicals, agrochemicals, electronic chemicals, polymers and plastic additives, and surfactants. As new environmental standards and product specifications are being accepted across industries, the use of specialty chemicals will rise, as will the associated legislative requirements.

The chemicals industry is a key sector of the South African economy but continues to be weighed down by a sluggish economy where the demand from the manufacturing and mining industries remains weak. The future of South African manufacturing lies in the country's ability to become a stable business destination, globally competitive and develop locally produced products. South Africa is also vulnerable to low-wage, high-productivity nations such as China, India and Brazil, where highly-skilled individuals can do the same work for much less and the input tariffs of electricity are much lower.

In light of the market trends and the South African outlook for the chemicals industry, Protea Chemicals will leverage its current distribution network, research and development capability and reputation to penetrate further into the African and international markets to safeguard this division's long-term profitability. However, this is after a turnaround of their current profitability.

In the past, Protea Chemicals was unable to effectively differentiate in the market and mostly leveraged their extensive distribution channel and size. This resulted in suboptimal operating margins and return on net-controlled assets. The business is now being developed to create commercial solutions across the value chain, solving the needs of customers by providing the correct chemicals from strategic supplier relationships in a safe and environmentally responsible way. The focus going forward will be on providing a reduced range of specialised products and solutions, excellent customer service, lower working capital, and improving return on assets managed.

Over the past year, the business has been internally focused on restructuring the business at a cost of R35 million. The objective to reduce costs by R75 million has been achieved but will only be realised in FY2020. A better performance is expected by focusing sales on higher margin specialty products, and by cutting loss-making businesses which erode margins.

The business has developed a new strategy to ensure focus on return on net-controlled assets at acceptable operating margins, as opposed to chasing growth. The business has postponed any global expansion plans until adequate financial planning and modelling is in place to ensure the expansions are sound and profitable. This also includes a review of the operating model suitability to expand cost effectively while managing the associated risks.

The Umongo Petroleum business has added a bulk volume base oil, additive and lubricant business to the Group and provides new opportunities to grow its customer base in South Africa and sub-Saharan Africa. There is scope to improve the South African market share by targeting reserve accounts on base oils and new independent lubrication producers with high volumes of lubricants. This forms the initial core growth focus. Africa is a growth market for petrochemicals, driven by developments in infrastructure, growth in industry and a rising vehicle ownership.

APPRECIATION

Underpinning our ability to deliver on our strategy, and progress towards our goals, has been the relentless focus and dedication of our employees. Both the leadership team and the amazing people across the Group, have displayed a strong commitment to fostering teamwork, driving accountability, creating a resilient business and showing good-natured enthusiasm in the execution of their duties. We wish to thank each and every one of Omnia's employees for this commitment that provides the foundation for ensuring the company's continued success.

Finally, we extend our appreciation to our colleagues on the Omnia board and executive team for their counsel and support in developing and delivering on Omnia's strategic ambitions.



Adriaan de Lange
Group managing director



Seelan Gobalsamy
Group finance director

OPERATIONAL PERFORMANCE

AGRICULTURE DIVISION

AGRICULTURE RSA This segment produces and trades in granular, liquid and speciality fertilizers and humates and value-added services and solutions to a broad customer base including commercial and small-scale farmers, co-operatives and wholesalers in South Africa. This business also supplies the Agriculture International, Mining RSA and Mining International businesses

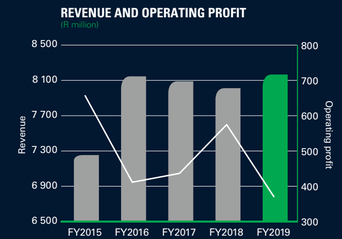
AGRICULTURE INTERNATIONAL This segment produces and trades in granular, liquid and speciality fertilizers and humates and value-added services and solutions to a broad customer base outside South Africa

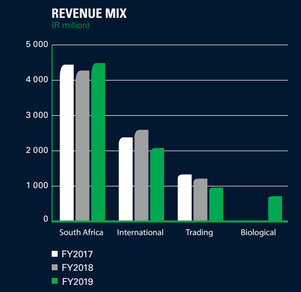
AGRICULTURE TRADING This segment relates to the wholesale and trading of agriculture commodities throughout Africa. The Agriculture Trading model will be reviewed and realigned to improve the return on net working capital, the generation of cash and to better leverage the Group's market position

AGRICULTURE BIOLOGICAL This segment is involved in the research and development, production, distribution and sales of a unique range of patented agriculture biological (AgriBio) products. The key product ranges include bio-stimulants, 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



FINANCIAL PERFORMANCE





Commentary

The Agriculture division's net revenue increased by 2% to R8 240 million (FY2018: R8 078 million) or decreased by 7% excluding Agriculture Biological's revenue of R711 million. Operating profit decreased by 36% to R370 million (FY2018: R574 million) or by 54% excluding Agriculture Biological, predominantly due to challenges in economic activity, liquidity constraints, regulation, currency fluctuations, cost pressures and weather patterns.

Agriculture RSA's net revenue increased to R4 487 million (FY2018: R4 273 million) or by 5%. The business managed to retain its customer base. However, due to the financial pressure on farmers, as well as the competitive pressure by importers and blenders, the usual margin for Omnia's value-added products were not achieved, impacting gross margins. Agriculture RSA was further negatively impacted by a slowdown in the Mining segment resulting in lower sales and therefore production recoveries into that area. Inflated prices for phosphoric acid continue to be paid which puts further pressure on margins. However, with the nitrophosphate plant in the process of ramping up, the Group will have a competitive advantage in the future. A focus on reducing inventory levels after achieving lower than planned sales volumes in season, resulted in low production recoveries during the post season period.

Agriculture International's net revenue decreased by 20% to R2 081 million (FY2018: R2 592 million) and operating profit decreased by 36% to R169 million (FY2018: R263 million). The decline in the Agriculture International business is as a result of management's decision to limit exposure in Zimbabwe following a further deterioration in the liquidity in that country. This also translated into excess inventory as the product was rerouted. Zimbabwe experienced increased economic challenges during the year which led to a high inflation economic environment coupled with liquidity problems. The functional currency change in Zimbabwe resulted in a further reduction of R85 million in operating profit for FY2019 vs FY2018. South America experienced political and currency volatility, long droughts and severe heat waves which resulted in low agriculture commodity prices, and Zambia experienced general credit pressure which made investment opportunities less attractive but improved slightly due to an increase in contract business.

The decline in the Agriculture Trading business is due to a reduction in sales following a strategy to focus on a higher margin business.

Agriculture Biological is growing rapidly as planned, supported by the acquisition of Oro Agri. The investment in Oro Agri has continued to deliver on the international growth strategy. Even in the tough South African conditions where most of the businesses in the sector deteriorated, Oro Agri SA maintained the healthy growth.

OPERATING CONTEXT

- ✕ Low prices for key agriculture commodities have reduced fertilizer demand
- ✕ Impact of drought and adverse weather patterns on planting patterns
- ✓ Agriculture earnings profile has also been impacted by ammonia/urea prices
- ✕ US dollar exchange rate
- ✓ Increasing use of technology to maintain and increase crop yield

OPERATIONAL PERFORMANCE

	FY2019	% change		FY2018
Recordable case rate	0.28	55	▼	0.62
Volume (tonnes)	1 210 606	15	▼	1 420 817
Number of staff	2 232	11	▲	2 008
Number of retail outlets (Agriculture International business)	83	28	▲	65

FINANCIAL PERFORMANCE

		Target FY2019	FY2019	% change		FY2018
Revenue	R million		8 240	2	▲	8 078
Operating profit	R million		370	36	▼	574
Operating margin	%	6 – 8	4.5		▼	7.1
Profit before taxation	R million		158	62	▼	419
Segment assets	R million		6 631	15	▲	5 781
Net working capital	R million		2 539	3	▼	2 463
Net working capital ratio	%		30.8	0.3	▼	30.5
Return on net controlled assets	%		4.0	3	▼	7.0

Initiatives and outlook

Initiatives	Outlook
• Additional volumes – K-humate (high margin and low working capital) increased production capacity (Australia) – Oro Agri (high margin and low working capital) full year contribution, registration of new products, extended labels for increased market reach and new distribution channels into high growth markets for organic products, supported by a general market transition to environmentally friendly and health-promoting products and the high cost of developing and registering traditional molecules – Cross-selling of Omnia and Oro Agri products across a growing distribution platform and leveraging Oro Agri's proven track record in patents and trademark registrations and research and development – Trade sales to fertilizer and explosives market resulting in higher volumes through factories and the resultant reduction in unit cost – Leveraging Oro Agri's proven track record in patents and trademark registrations and R&D • Impact of nitrophosphate – The reduction of input costs attributable to the nitrophosphate plant will provide Omnia with a fundamental advantage over competitors from a price and market differentiation perspective • Capital light model – Focus on growing capital light business which leverages off existing marketing and distribution channels and Omnia's intellectual property	• South Africa – Customer base remains stable – Exiting capex investment cycle – Largest South African nitric acid manufacturer with a competitive advantage as a result of investment in abatement technology and upgrade of manufacturing facilities to meet world class standards: ◦ Negligible exposure to carbon tax ◦ Spare capacity allows for growth when market returns and expected reduction in South African supply ◦ Youngest plants resulting in efficient conversion and lower cost per tonne produced – Forecasted ammonia and urea price ratio is expected to support margins • International – Portugal platform creates lower friction R&D and registrations, low cost entry point into EU and reduced cost of production – Reduction in Zimbabwean volumes expected. Agile approach with focus on liquidating cash from Zimbabwe – Positive outlook for AgriBio market

OPERATIONAL PERFORMANCE – AGRICULTURE DIVISION CONTINUED

Regional commentary

South Africa
- Nitrophosphate plant was commissioned on 24 March 2019
- Improved recordable case rate
- Expanded on business innovation and increased digital footprint by switching to Microsoft Dynamics AX (1 April 2019) and other solutions
- Implementation of solution marketing NUE and monitoring via remote sensing

Asia Pacific
- High growth markets but "copy-cat" products in some Asian markets are problematic
- Humate exports from Australia continuing to grow
- The microbial Bacstim™ range has been successfully launched in Australia and the OmniBio™ concept repositioned towards a value-added solutions concept that includes a full service and product range
- The new humate production facility is now fully operational and running at design capacity, with the plant being formally opened during a very successful public launch

East Africa
- The retail footprint increased by 3 additional stores
- Leveraging from the existing Protea Chemicals business

South America
- Despite the political uncertainty and slow economic growth, the agriculture outlook remains positive. The well-publicised trade war between the USA and China could present increased export opportunities for Brazil
- Worst heat wave in more than 50 years during the first quarter of 2019
- Some of the challenges faced in Brazil included political instability, a reduction in soybean production and agriculture industry mergers and acquisitions
- The Arapongas plant achieved a historic record by manufacturing 45,000 litres in one day.
- Oro Agri maintains an extensive footprint in this market, with several new products developed during FY2019 that will be launched in FY2020

Zambia
- The retail footprint increased by five additional stores
- Market conditions in Zambia remain tough with increased political interference across many sectors, including agriculture
- FY2019 saw 40% of the FISP revert to the conventional government tenders and 60% remained with the E-vouchers payment method
- The Kwacha remained volatile against the US dollar during FY2019, with signs of liquidity constraints facing the country
- Credit risk remains a concern due to lower than expected winter yields for FY2019

Zimbabwe
- Retail network increased to 50 retail stores, offering a range of agriculture inputs including fertilizer, chemicals, seed and stock feed
- The market for fertilizer appears to be undersupplied due to the foreign currency shortages. Fertilizer companies are struggling to procure raw materials as foreign suppliers request upfront payment
- Zimbabwe's economy remains under pressure with liquidity and inflationary pressures worsening. The difficult economic conditions resulted in liquidity constraints and a change in functional currency in FY2019. The situation is very closely monitored, and operations have been curtailed to minimise risk, while focus remain on externalising trapped cash

Mozambique
- The retail footprint increased by 2 additional stores
- The political situation in Mozambique seems to have stabilised and the sporadic fighting in the North has ceased. The main road from Beira to Zimbabwe has been upgraded
- Foreign currency availability has increased from FY2018, with the exchange rate strengthening against the US dollar. Forex availability remains a risk though and is closely monitored.
- In Beira, extensive maintenance was undertaken to the blender, as well as the replacement of the bagging unit. The blender and bagging plants were recommissioned and are running at capacity
- During March 2019 hurricane Idai smashed the coast of Mozambique giving rise to an insurance claim for stock losses

Europe, Middle East and North Africa
- An increase in opportunities for greener alternatives to chemicals, but unfortunately there is a high level of regulatory requirements and a long lead time for registrations
- The first phase of a new Oro Agri manufacturing facility in Portugal was successfully commissioned in February 2019. The second phase of this project for production of bio-stimulants for the European market using Australian humates as the main raw material will be commissioned in FY2020. There are several new products in the registration pipeline which bodes well for future growth in this region
- The newly built facility in Portugal also include state of the art equipment to support and accelerate research and development of new products

North America
- Despite trade wars between the USA and China and low commodity prices the dollar remained strong
- Several new products have been launched by Oro Agri in this region and some Omnia products have been included in the portfolio
- The stronger dollar makes it tougher for farmers to compete with global commodity crops and has also negatively impacted exports of Oro Agri to the Asia Pacific region

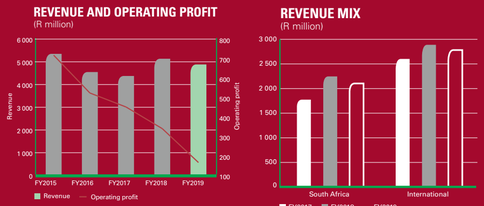
OPERATIONAL PERFORMANCE

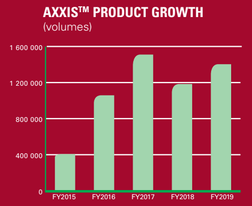
MINING DIVISION

MINING RSA This segment comprises the Bulk Mining Explosives (BME) and Protea Mining Chemicals businesses in South Africa. The businesses focus on blasting agents – bulk emulsion and blended bulk explosives – complemented by an innovative electronic detonator system and modern software that are crucial to cost-efficient and safe rock breaking, non-electric detonators and other blasting products, equipment, accessories, services and solutions. A large part of Mining RSA's revenue relates to the recovery of costs for resources on mines. These businesses also supply the Mining International business

MINING INTERNATIONAL This segment relates to the BME and Protea Mining Chemicals businesses outside of South Africa. The businesses focus on blasting agents – bulk emulsion and blended bulk explosives – complemented by an innovative electronic detonator system and modern software that are crucial to cost-efficient and safe rock breaking, non-electric detonators and other blasting products, equipment, accessories, services and solutions







Commentary

The Mining segment's net revenue decreased by 5% to R4 885 million (2018: R5 139 million). Operating profit decreased by 51% or R174 million to R169 million (2018: R343 million). BME faced some significant market challenges. Having completed the Microsoft Dynamics AX roll-out, more focus on cost-effective operations and improved financial information will benefit the business. High fuel costs, complicated regulatory landscapes, increased employee costs and volatile currencies have all contributed to the decline in operating profits. The Mining RSA segment had a slight reduction in volumes driven by mining demand but did not lose any significant customers and has been awarded new business, especially in iron ore in the Northern Cape.

Mining International experienced a drop in operating profit of 45% to R148 million (2018: R267 million). Once-off costs include the now full impairment of the problematic debtor in Angola of R44 million and the international set-up costs of new operations of R26 million. Protea Mining Chemicals faced fundamental changes after the loss of a key customer in the uranium sector in Namibia. Management adjusted the business plan to replace the lost business and diversify the earning streams both in terms of customers, products, serviced and geography. An increase in precious metal sales and strong growth in the cobalt precipitation market have contributed significantly to the current year sales.

The development of the AXXIS™ Titanium detonator has been largely completed and will launch during FY2020 and is expected to drive global growth for the Mining segment.

OPERATING CONTEXT

- BME's core operations impacted by exogenous factors including economic downturn, political uncertainties and regulatory pressures
- Cost inflation due to rising raw material and energy costs resulting in margin erosions
- Increased competition and oversupply of explosives, leading to local margin pressure
- Price pressure on all mining supplies as a direct result of cost cutting activities in mining sector

OPERATIONAL PERFORMANCE

	FY2019	% change		FY2018
Recordable case rate	0.20	5	▼	0.21
Volumes (tonnes) (excluding other units, other materials and management fees)	1 580 818	5	▲	1 498 640
Number of staff	2 232	5	▼	1 763

FINANCIAL PERFORMANCE

		Target FY2019	FY2019	% change		FY2018
Revenue	R million		4 885	5	▼	5 139
Operating profit	R million		169	51	▼	343
Operating margin	%	10 – 12	98	65	▼	279
Profit before taxation	R million		3.5	3.2	▼	6.7
Segment assets	R million		2 231	1	▼	2 247
Net working capital	R million		1 196	5	▼	1 261
Net working capital ratio	%		24.5		➤	24.5
Return on net controlled assets	%		4.9	4.9	▼	9.8

BUSINESS PERFORMANCE

	Volumes	Operating profit	Commentary
BME	▲	▼	• Volumes increased for AXXIS™ and Innovex™ Once-off costs include: • International setup costs of R26 million • Angola debtor fully provided for R44 million • Rightsizing of the business in progress which will result in an annual saving of R70 million
Protea Mining Chemicals	▼	▲	• Volumes were down because of the loss of a key customer in the uranium sector in Namibia • Increase in precious metal sales • Experienced strong growth in the cobalt precipitation market

Initiatives and outlook

Initiatives	Outlook
STRATEGIC REALIGNMENT • The division has traditionally operated with an expense base structured to support aggressively growing sales and quick mobilisation to take advantage of opportunities • Mining activity has been muted in established jurisdictions and higher growth jurisdictions, such as West Africa, have proved to be subscale with high operating costs • Increased weighted average distance between South Africa and point of sale resulted in lower margins being achieved and increased working capital requirements due to length of the supply chain • Management is in the process of restructuring the division to eliminate overheads that relate to earnings streams that do not deliver an appropriate return on capital whilst rightsizing in line with the muted short-term growth opportunities • Renegotiation of contracts and aligning operations where there is a misalignment between contracted services and mine requirements to improve operating margins • A review of jurisdictions and mining activities is in process AXXIS™ TITANIUM • The existing detonator options available to the market are highly commoditised • AXXIS™ Titanium is built on the latest technology, which represents a step change in terms of utility and safety for users as well as being adaptable to further developments in technology and digital solutions in higher demand by mining customers • Lower-priced cost of production versus existing products • Own developed modular automated assembly lines allow for flexibility and scalability	SOUTH AFRICA • Customer retention remains stable and volumes trending up • Awarded new iron ore contracts in Northern Cape • Negligible exposure to carbon tax INTERNATIONAL • Licence and business acquired in the DRC • Mali's Fekola mine has hit hard rock which will drive increased sales • New deal concluded in Indonesia for blasting services, detonators and emulsion; a breakthrough for BME in Indonesia and a base for further growth • North American business has gained traction and is generating positive cash flows • Zambia used oil facility lowers cost of servicing local market • Australian outlook is challenging as a result of detonator only product suite SAFETY AND TECHNOLOGY • Safety track record and technology supported by AXXIS™ is increasingly a completive advantage in securing contracts



OPERATIONAL PERFORMANCE

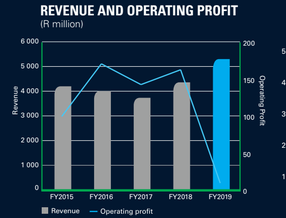
CHEMICALS DIVISION

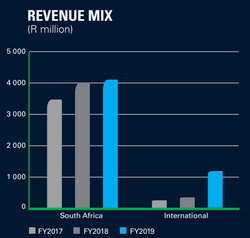
PROTEA CHEMICALS Protea Chemicals is a long-established and well-known manufacturer and distributor of specialty, functional and effect chemicals, polymers and other services and solutions. This reportable segment relates to the larger South African part of the business and smaller international part of the business. Among the services and solutions provided are technical support in all sectors (water, nutrition and personal care) and an offshore delivery of products to oil rigs called FPSO.

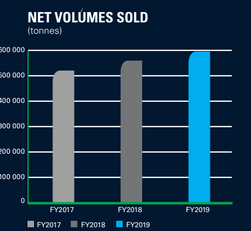
CHEMICALS PETROLEUM This segment supplies lubricant additives, base oils, process oils and chemicals



FINANCIAL PERFORMANCE







Commentary

The Chemicals segment's net revenue increased by 22% to R5 301 million (2018: R4 355 million) or by 3% excluding Umongo Petroleum's revenue of R1 193 million (2018: R355 million for four months).

Operating profit decreased significantly to R10 million (2018: R163 million). This includes a R16 million impairment of the EcoGypsum plant, restructure cost of R35 million and unforeseen once-off additional repairs and maintenance costs of R13 million.

Protea Chemicals previously followed a growth strategy which resulted in unprofitable product lines and a loss of focus on key suppliers and customers. As a result of this unsuccessful strategy, during the current financial year, the business was restructured which resulted in a reduction of expenses and a new leadership team with a new strategy.

Chemicals Petroleum experienced a slowdown in the market towards year-end as a result of an increase in crude oil prices due to an increase in the US dollar:rand exchange rate.

OPERATING CONTEXT

- ✕ SA manufacturing sector stagnation has suppressed chemical demand
- ✕ Low oil price filtering through into reduced pricing on oil-based products
- ✕ Chemicals users demand more value from suppliers, pushing costs towards suppliers
- ✓ Increased demand for specialised product and service solutions across various sectors including food, oil and gas

OPERATIONAL PERFORMANCE

	FY2019	% change		FY2018
Recordable case rate	0.67	43	▲	0.47
Volumes (tonnes)	595 231	6	▲	559 514
Number of staff	656	21	▼	826

FINANCIAL PERFORMANCE

		Target FY2019	FY2019	% change		FY2018
Revenue	R million		5 301	22	▲	4 355
Operating profit	R million		10	94	▼	163
Operating margin	%	3.0 – 5.0	0.2	3.5	▼	3.7
Profit before taxation	R million		(34)	>100%	▼	111
Segment assets	R million		1 570	3	▼	1 617
Net working capital	R million		1 154	1	▼	1 164
Net working capital ratio	%		21.8	4.9	▼	26.7
Return on net controlled assets	%		0.4	5.5	▼	5.9

BUSINESS PERFORMANCE

	Volumes	Operating profit	Commentary
Protea Chemicals	▼	▼	• Drop in volumes at the EcoGypsum plant, bulk caustic soda product line and in the ship to ship business • Once-off costs include: – Retrenchment costs R35m – Unforeseen repairs and maintenance costs R13m – Impairment costs R16m • Under-recovery of manufacturing costs • Dramatic market price reduction in caustic soda • Overall decline in the international business due to low sales in FPSO, even though Kenya grew its sales, soda ash brought gross profit down due to supply chain set up costs • Devaluation of the currency in Zimbabwe resulting in a lower shared profit in associates
Umongo Petroleum	▲	▲	• Below expectations due to a slowdown in market as a result of slowdown in mining and manufacturing and delayed implementation of base oils reserve accounts • The prior year included only four months of consolidated results

Initiatives and outlook

Protea Chemicals	Umongo Petroleum
• New management team and strategy in place • Strategic focus on key suppliers and customers of various sizes, reached through an extensive distribution network and established brand, to: – Provide services and solutions for a lower environmental impact and improved safety; alternative and renewable products – Unlock productivity improvements – Drive continuous improvement – Grow together with expanding customers • Implementation of flexible business model reduced cost to serve smaller customers by 20% • Targeted savings of R75 million realised in FY2019 with further savings of R25 million targeted for FY2020 • Potential for higher margins and more stability in specialty chemical segments • Exiting EcoGyspum market and other loss-making products • Recovery in sales prices to date in line with new strategy • Reduction in inventory realised in line with new strategy	• Expense base has been reduced • Integration with Protea Chemicals has progressed, i.e. clearing and forwarding and warehousing • Established and respected brand • Formulation and design of lubricants, base oils and specialties • Unique distribution network for additives and base oil products • Strategic partnerships with Chevron and other large base product suppliers: – Chevron offers access to grade 2 base oils which is cleaner technology for modern & environmentally friendlier vehicles – Umongo Petroleum will benefit from access to grade 2 base oils as demand shifts from grade 1 to grade 2



GOVERNANCE AT A GLANCE – FOR A BETTER WORLD

THE OMNIA APPROACH TO GOVERNANCE

Omnia's business philosophy is based on values established over half a century ago. At the core of these values are good governance, ethics, and integrity. Under this umbrella, the board of directors is responsible to lead ethically and effectively.

Through the application of corporate governance principles and the four good governance outcomes embodied in the King IV Code of Corporate Governance, namely an ethical culture, sustainable value creation, effective control and legitimacy, the board exercises its leadership responsibilities.

In 2018, the board reviewed and approved Omnia's vision of Trusted Performance | Innovative Solutions | **Better World**, as it strategised the Group's corporate citizenship efforts.

COMPANY SECRETARY

On 2 July 2018, Michelle Nana was appointed as Omnia's Group company secretary. The company secretary ensures that the board is aware of its fiduciary duties and responsibilities and is kept cognisant of relevant changes in legislation and governance best practice. She facilitates the induction of new directors and the ongoing training of directors, in addition to acting as secretary to the board and its committees. The board and every director have unfettered access to the services of the company secretary.

The board assessed the company secretarial function for the year under review, as required in the JSE Listings Requirements, and confirms that she continues to demonstrate the requisite level of knowledge and experience to carry out her duties, is independent from management and the company and Group to appropriately support the board and execute her role.

*Refer to the Group's website **www.omnia.co.za** for Michelle Nana's abridged CV.*

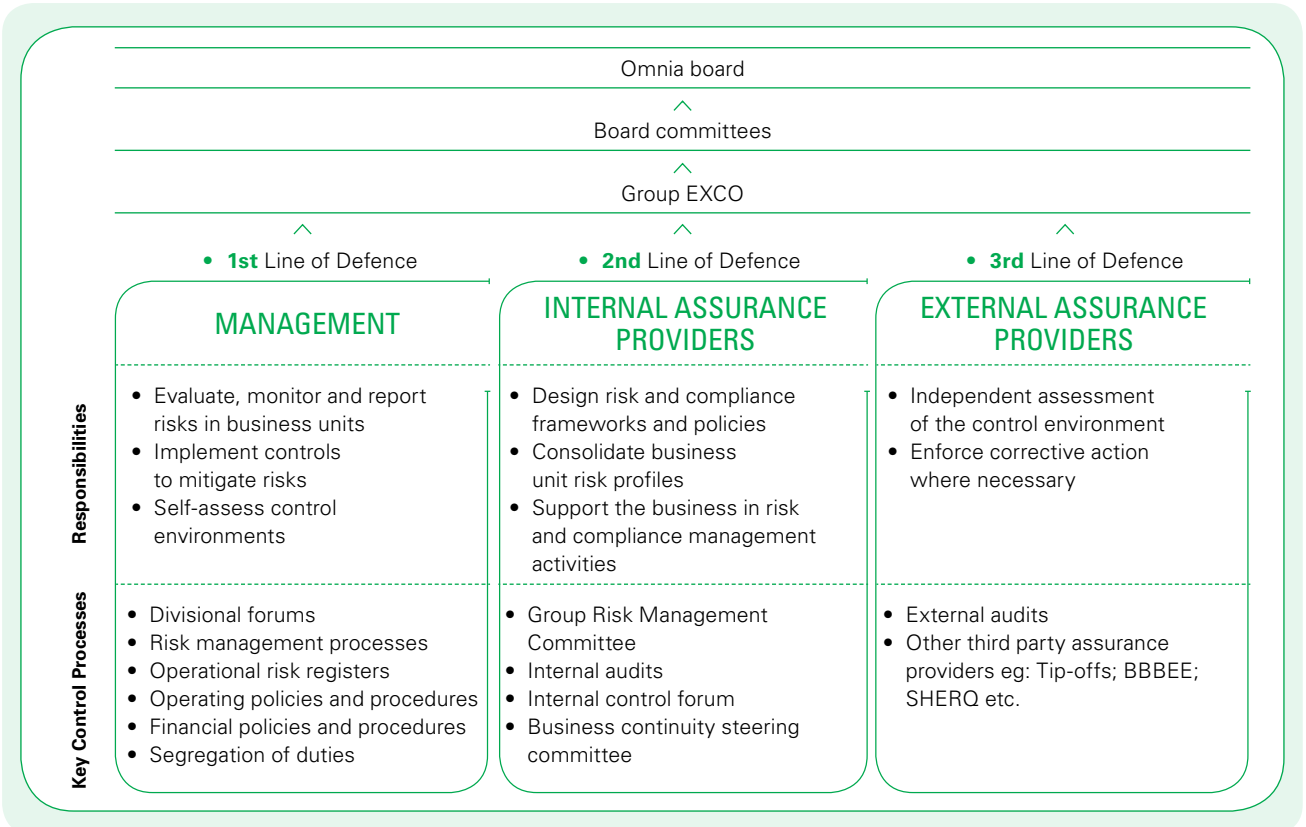
COMBINED ASSURANCE

Two committees of the board – the audit and the social, ethics and risk committees – support the board in embedding combined assurance into the Group. The audit committee holds the ultimate responsibility for overseeing Omnia's system of internal control which is designed to evaluate, manage and provide reasonable assurance against material misstatement and loss. The social, ethics and risk committee oversees that risks and opportunities are identified, assessed and quantified. The board is further assisted by divisional management through the Group risk management committee.

Omnia's combined assurance model optimises the assurance obtained from management and internal and external assurance providers while fostering a strong ethical climate and mechanisms to ensure compliance. A new integrated enterprise risk management (ERM) system is the mechanism through which management identifies key risks facing Omnia and implements the necessary internal controls.

Deloitte, Omnia's internal audit service provider ensures adequate controls are in place. The external auditor, PwC, covers key controls and accounting matters during the course of its audit.

Refer to Omnia's approach to Risk Management (SERC chair's report).



THE BOARD'S GOVERNANCE FRAMEWORK

Omnia's governance framework is a two-way street of delegation and accountability under the custodianship of the board. It enables the board to maintain effective control while delegating authority through its board committees and executive committee. The executive committee includes the managing directors from each of the operational divisions. These managing directors and executives, in turn, delegate through the ranks of management.

Legend

Areas of expertise are only indicated next to a director if they have more than three years' experience in this area.

Chair of board or sub-committee	Member of board or sub-committee	By invitation
Bm Business management	IEx Industry experience (chemical/mining)	Hr Human resources
Str Strategy	ROm Risk and opportunity management	Es Environment/Sustainability
ENg Engineering	CoG Compliance and Governance	CSa Corporate and social affairs
FIn Finance	ITg IT governance	

OHL = OMNIA HOLDINGS LIMITED BOARD
RNC = REMUNERATION AND NOMINATION COMMITTEE
AC = AUDIT COMMITTEE
SERC = SOCIAL, ETHICS AND RISK COMMITTEE

Board of directors, committee memberships and attendance

	Director	Expertise (see icon legend) Significant public company appointments	BOARD Attendance OHL	COMMITTEES Attendance AC	RNC	SERC
	RALPH HAVENSTEIN (63)[1] Appointed 6 November 2007 *(11 years)*	Bm Str ENg FIn IEx ROm CoG ITg Hr Es CSa				
	Chair	Northam Platinum Ltd; Reatile; Henric Ferrochrome (Pty) Ltd; Murray & Roberts Holdings Ltd	**7/7**		**3/3**	**3/3**
	RONALD BOWEN (68) Appointed 28 September 2011 *(8 years)*	Bm Str ENg FIn IEx ROm CoG ITg Hr Es CSa				
	Independent non-executive director		**7/7**	**5/5**		

GOVERNANCE AT OMNIA – FOR A BETTER WORLD CONTINUED

	Director	Expertise (see icon legend) Significant public company appointments	BOARD	COMMITTEES Attendance		
			OHL	AC	RNC	SERC
	PROF NICK BINEDELL (66) Appointed 24 February 2017 *(2 years)*	Bm Str FIn IEx CoG Hr Es				
	Independent non-executive director		7/7			
	FRANK BUTLER (67) Appointed 27 September 2002 *(17 years)*	Bm Str ENg FIn IEx ROm CoG Hr Es CSa				
	Independent non-executive director		6/7	5/5		3/3
	LINDA DE BEER (50) Appointed 30 November 2017 *(2 years)*	Bm Str FIn ROm CoG ITg Hr Es CSa				
	Independent non-executive director	Sasfin Holdings and Bank Ltd; Aspen Pharmacare Holdings Ltd and Aspen Finance (Pty) Ltd; MMI Holdings Ltd	7/7	5/5	1/1	2/3
	TINA EBOKA (60) Appointed 25 February 2016 *(3 years)*	Bm Str ENg FIn IEx ROm CoG ITg Hr CSa				
	Independent non-executive director	NTP Rodeo Isotopes	7/7	5/5		
	ROD HUMPHRIS (62) [3] Appointed 11 March 1999 *(20 years)* [1]	Bm Str ENg FIn IEx ROm CoG Hr Es CSa				
	Non-executive director	Chemical & Allied Industries Association (CAIA)	7/7		3/3	3/3
	SIZWE MNCWANGO (53) Appointed 29 June 2010 *(9 years)*	Bm Str ENg FIn IEx ROm CoG ITg Hr Es CSa				
	Independent non-executive director	Shell Downstream South Africa; Sekelo Oil Trading; Science, Technology and Innovation for Africa (STISA) Oil Trading; Thebe Unico; Thebe Mining Resources; Timrite; Turnstone, Serati Resources	6/7			

	Director	Expertise (see icon legend) Significant public company appointments	BOARD Attendance OHL	COMMITTEES Attendance AC	 RNC	 SERC
	**THOKO MOKGOSI-MWANTEMBE (57) [2]** **Appointed 1 June 2018** *(1 year)*	Bm Str CoG ITg CSa				
	Independent non-executive director	Vodacom Group Ltd; Knorr-Bremse (SA); In2 Food; Johnson Controls Facilities Management; Royal Bafokeng Platinum; Storage Technology Services (Pty) Ltd; Swift Transvaal (Pty) Ltd; Empowerment Capital; Smollan; Balwin Properties; Old Mutual Group Holdings (SA) (Pty) Ltd; Old Mutual Life Assurance Company (SA) Ltd	**5/6**		**2/2**	
	**WIM PLAIZIER (58)** **Appointed 11 February 2019** *(6 months)*	Bm Str ENg FIn IEx ROm CoG ITg Hr Es CSa				
	Independent non-executive director	Foundation for Rural Energy Services; Capella Amsterdam; African Parks Network	**2/2**			
	**ADRIAAN DE LANGE (43)** **Appointed 1 June 2017** *(2 years)*	Bm Str FIn IEx ROm CoG ITg Hr Es CSa				
	Group Managing Director		**7/7**	**5/5**	**3/3**	**7/7**
	**SEELAN GOBALSAMY (43) [4]** **Appointed 11 September 2018** *(11 months)*	Bm Str FIn IEx ROm CoG ITg Hr Es CSa				
	Group Finance Director	JSG Capital (Pty) Ltd; S2 Capital (Pty) Ltd; Bidvest Life Limited and FMI (Pty) Limited	**4/4**	**3/3**		
	**WAYNE KOONIN (49) [5]** **Appointed 1 August 2014** *(4 years)*	Bm Str ENg FIn IEx ROm CoG ITg Hr Es CSa				
	Group Finance Director		**5/5**	**3/4**		

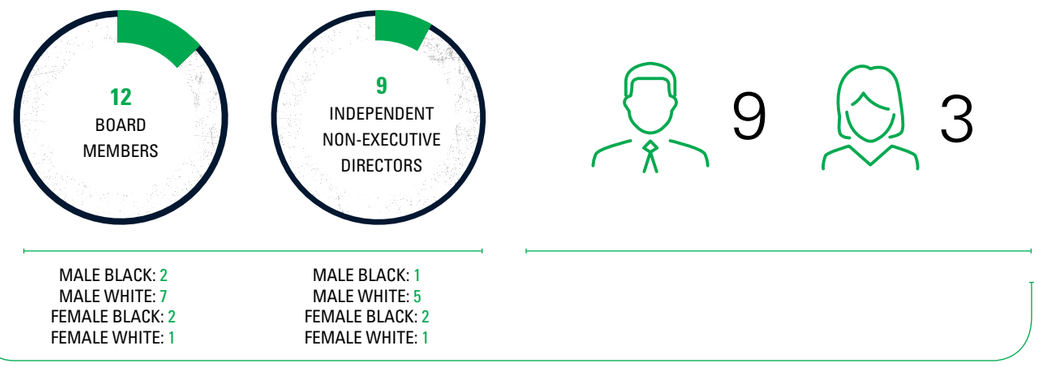
[1] *Retired as chair of the remuneration and nominations committee effective 25 June 2019 and appointed as chair of the board effective 6 June 2019*
[2] *Appointed as chair of the remuneration and nominations committee effective 25 June 2019*
[3] *Retired as chair of the board effective 6 June 2019 but remains as non-executive director*
[4] *Appointed as non-executive director 11 September 2018 and Group finance director 1 March 2019. Resigned as member of audit committee 1 March 2019*
[5] *Resigned: 28 February 2019*

Refer to the Group's website **www.omnia.co.za** for an abridged CV of each director.

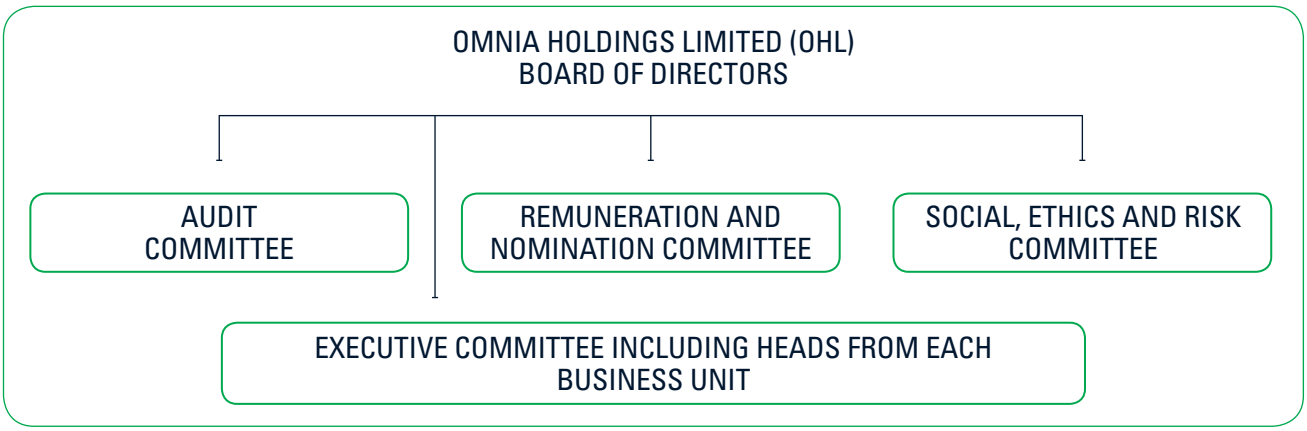
BOARD OF DIRECTORS AND COMPANY SECRETARY



1. RONALD BOWEN
   Independent non-executive director
2. MICHELLE NANA
   Group company secretary
3. WIM PLAIZIER
   Independent non-executive director
4. THOKO MOKGOSI-MWANTEMBE
   Independent non-executive director
5. RALPH HAVENSTEIN
   Chair
6. PROF. NICK BINEDELL
   Independent non-executive director
7. SIZWE MNCWANGO
   Independent non-executive director
8. ROD HUMPHRIS
   Non-executive director
9. LINDA DE BEER
   Independent non-executive director
10. SEELAN GOBALSAMY
    Group finance director
11. TINA EBOKA
    Independent non-executive director
12. FRANK BUTLER
    Independent non-executive director
13. ADRIAAN DE LANGE
    Group managing director



Board committees



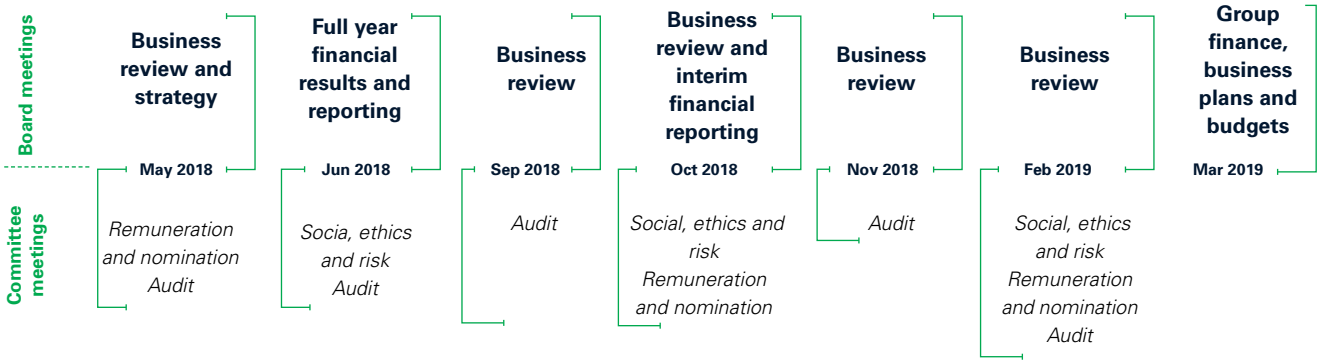
COMMITTEE MANDATES IN BRIEF		COMPOSITION REQUIREMENT
Audit committee	This statutory committee is responsible to: • Ensure the quality and integrity of annual financial statements • Ensure the quality and independence of external auditors • Review the scope and effectiveness of the external audit function • Provide independent oversight of the system of internal controls and internal audit function	At least three directors, all of whom shall be independent non-executives approved by shareholders at the annual general meeting. The chair of the board shall not be a member of the committee.
Remuneration and nomination committee	In 2018, the mandate of the remuneration committee was extended to include duties of nomination, and the committee's name was changed to the remuneration and nomination committee (RNC). This committee ensures the board is properly composed in terms of independence, size, skills and diversity. It also evaluates the independence of non-executive directors and considers the composition of the various board committees. As recommended by King IV, this committee: • Develops and regularly reviews a remuneration policy that ensures a fair and responsible remuneration that attracts, rewards and retains human capital • Implements an adequate and formal executive succession plan and framework • Considers the board composition and nomination and appointment of directors	At least three non-executive directors, the majority of whom shall be independent. The committee shall include the chair of the board, but the chair of the board shall not chair the committee.
Social, Ethics and Risk Committee	This statutory committee: • Oversees the establishment of an ethical culture and good corporate citizenship • Responds to the opportunities and challenges of the triple context and six capitals in which Omnia operates • Reviews transformation initiatives, including setting targets • Reviews and monitors stakeholder engagement • Supports the board in effective governance of risk • Monitors the governance of compliance	No less than three members appointed on recommendation of the remuneration and nomination committee. Majority of non-executive directors. At least one executive director.

The board confirmed that it is satisfied that it has fulfilled its responsibilities in accordance with the board charter.

Each one of the committees is comfortable that it fulfilled its mandate. Committee charters are available on the Omnia website.

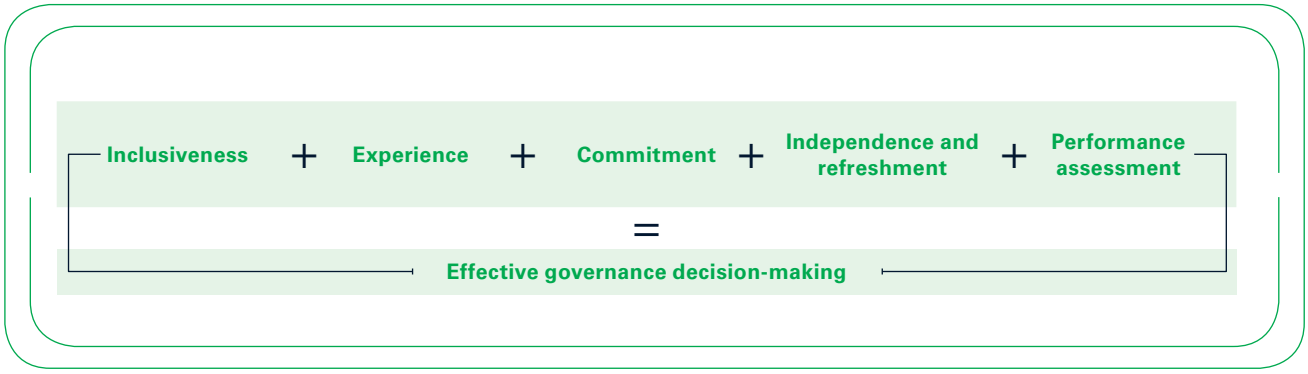
Board and committee meetings

The board met seven times in the 2019 financial year to review the business, its strategy, financial results and reporting, and to ensure robust deliberation around the divisional business plans and budgets before approval. The board's three sub-committees met a further 11 times in total to ensure detailed discourse and interrogation of those matters within their mandate, as pertinent to the Group's operating rhythm and performance.



Board composition

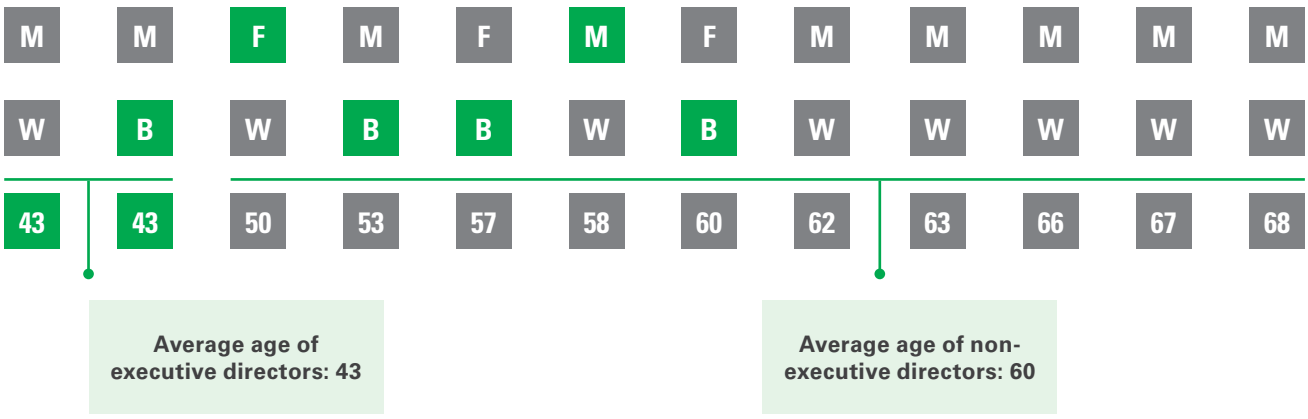
The board is optimised for effective decision making through an analysis of its composite skills, experience, diversity, the performance of its directors, and their independence and refreshment.

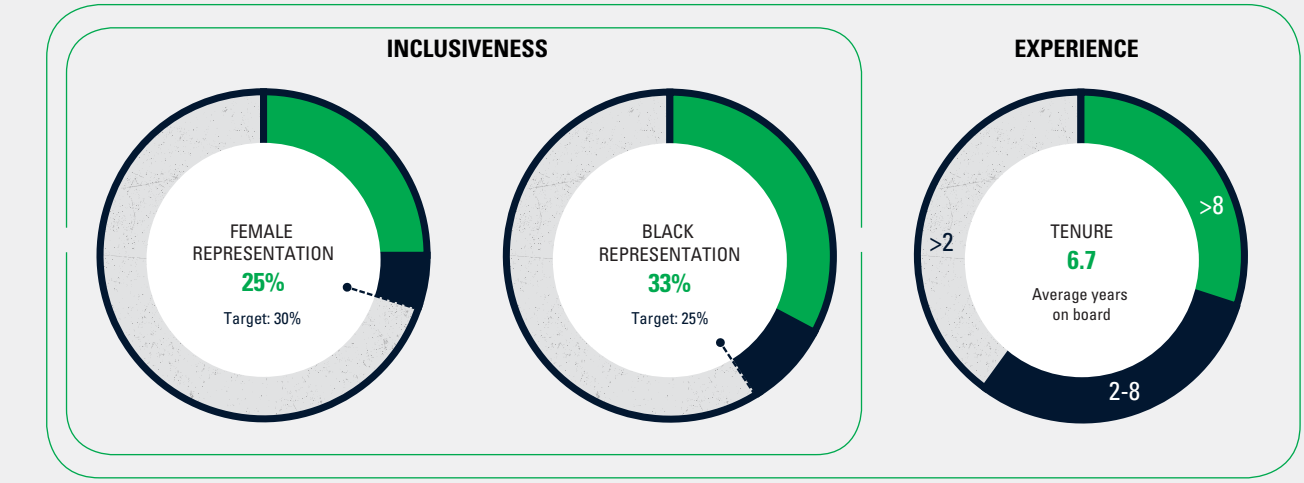


The board charter promotes a unitary board structure composed of both executive and non-executive directors, with the latter being the majority. The board is comprised of 12 directors: 10 are non-executive and 9 are independent.

Knowledge and skills in areas relevant to the Group ensures governance is not only effective, but also appropriate. Directors are measured for their expertise in areas identified as critical to Omnia. This year, in line with Omnia's global expansion strategy, international experience was added to the list. Other areas that have been identified as key to improving the board's knowledge are international tax, risk management and group structuring.

Apart from a candidate's skills, experience, availability and likely fit, the board considers the candidate's demonstrated integrity, proven leadership as well as other directorships and commitments to ensure that they will have sufficient time to discharge their role appropriately.





Statement:
The board is satisfied that the composition of the board reflects the appropriate balance of knowledge, skills, experience, competencies in industries and fields relevant to the Group's business operations, diversity and independence to execute its roles and responsibilities effectively.

Independence and refreshment of the board

Appointments and retirement

In May 2018, the nomination committee considered the balance of skills within the board and the two vacant non-executive director positions. After a vigorous recruitment process and interview, Ms Thoko Mokgosi-Mwantembe was identified as a suitable independent candidate in terms of her skills and experience profile and joined the board on 1 June 2018.

On 11 September 2018, Mr Seelan Gobalsamy, a CA(SA), joined as an independent non-executive director who would add strength to the audit committee. In March 2019, Mr Gobalsamy took up the executive position of Group finance director after the resignation of Mr Wayne Koonin.

A third new director, an independent non-executive, joined the board on 11 February 2019. Mr Wim Plaizier's international knowledge was regarded as crucial given the global expansion strategy of the Group, and this knowledge was bolstered by the fact that Mr Plaizier's resumé included both chemical and engineering experience.

In June 2019, Mr Rod Humphris informed the board that he would not be offering himself for re-election at the next annual general meeting. To facilitate the transition, Mr Humphris stepped down as chair of the board and Mr Ralph Havenstein, previously the lead independent director, was appointed to the position of chair. This appointment required Mr Havenstein to vacate the chair of the remuneration and nomination committee, and Ms Thoko Mokgosi-Mwantembe was appointed to that position.

The board applied the independence recommendations as part of King IV practices and the nomination committee followed a robust process to determine this classification. All of Omnia's non-executive directors are independent with the exception of Mr Rod Humphris.

As significantly noted by the IoDSA in their 2018 evaluation, the dynamics at board level have shifted substantially. Around a third of the directors have within the last two years been refreshed and are able to appropriately challenge the status quo. Another third of the directors add valuable long-term institutional knowledge and experience.

Directors' induction

Omnia is a complex and diverse business, so when it comes to inductions of new directors, availability and time are needed to encompass the whole business. The role of the Group managing director in this process has been key to exposing inductee directors to the operations.

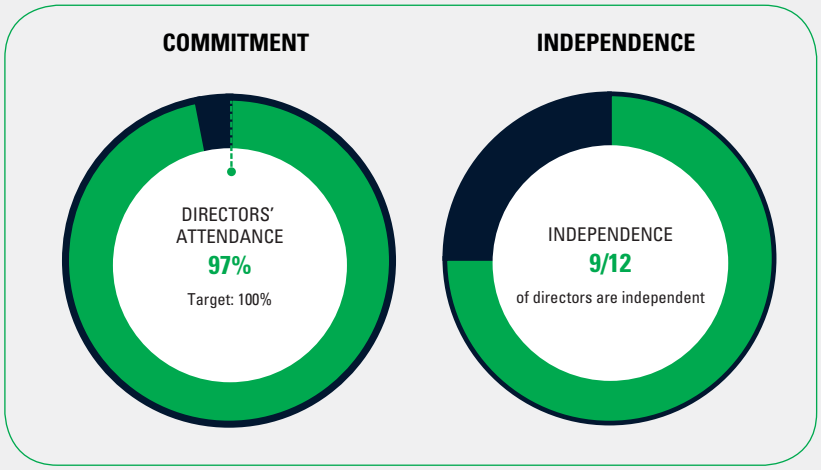
Directors' training

In response to comments from the 2018 board evaluation, in-house and specialist training will be available to directors to supplement knowledge and improve the effectiveness of the board. Board members were polled to ascertain topics most relevant to their development and the requirements of the Group.

Long tenure evaluation and rotation

The Memorandum of Incorporation requires that directors who have served over nine years retire by rotation at every annual general meeting and, if eligible and meeting the independence assessment criteria, may be put forward for re-election. Any re-election of a director is informed by the annual performance assessment conducted by the board and chair with a parallel consideration of the results of an independent assessment. The independent status assessment is submitted to the remuneration and nomination committee to consider and motive to the board.

By the time of the September 2019 annual general meeting, four of Omnia's directors will have served for over nine years. Mr Rod Humphris has indicated that he will be retiring. The other three directors (Frank Butler, Ralph Havenstein and



Sizwe Mncwango) have been assessed for independence and evaluated by the remuneration and nomination committee which has confirmed their eligibility for re-election to the board.

Rotation policy

The rotation of non-executive directors is governed by a Memorandum of Incorporation, which requires one-third of directors to retire from office at each annual general meeting with the longest serving retiring first. Non-executive directors serving less than nine years may serve no longer than three consecutive years after their last reappointment at an annual general meeting.

Conflicts of interest

In terms of the Companies Act, directors are required to disclose their outside business interests. Directors recuse themselves from the meeting when the board considers any matters in which they may be conflicted. The company secretary maintains a register of directors' interests. Conflicts are noted on a case-by-case basis when they arise, as required by the Companies Act and the register is made available upon request.

Access to information

Board members have direct access to Omnia's external auditors, internal auditors, the company secretary, and all members of the executive management team. Further, in accordance with Part 5.3, paragraph 3 of King IV, the board has approved the protocol to be followed in the event that any of its members or committees need to obtain independent, external professional advice at the cost of the organisation on matters within the scope of their duties.

ANNUAL PERFORMANCE ASSESSMENT

In June 2019, the board's annual performance assessment was conducted. This took the form of a self-evaluation questionnaire completed by each director. Similarly, evaluations were undertaken to assess the performance of each committee and the performance of the group company secretary. The board scored an average rating of 'satisfactory' to 'good' in all areas assessed. The balance between independent members of the board in terms of governance, strategy and overall direction needs to be complemented by ensuring there is sufficient technical knowledge on the board in Omnia's core areas. It was noted that the recent difficulties have shown that the board has a constructive approach to working together and the board is being well managed through this period. The relations between the board and the executive have been sound, co-operative and constructive.

As a result of the evaluations, several improvements were made. This included refining the selection and appointment process by adding a nominations mandate to the remuneration sub-committee; improving the operating rhythm and flow of information required for board decision-making; improving the quality and submission of reports to the board; reviewing the board charter and sub-committee terms of reference for relevance and alignment to good governance practices and to improve the alignment between sub-committees.

APPLICATIONS OF KING IV PRINCIPLES AND PRACTICES

DESIRED OUTCOMES	ACTIVITIES IN THE YEAR	KEY GOVERNANCE POLICIES AND PROCEDURES	PROPOSED 2020 FOCUS
Principle 1 The governing body should **lead ethically and effectively**	• Conducted a review of relevant charters and policies including share trading policy and code of ethics	• Board charter • Code of ethics and conduct • Declaration of financial, economic and other conflicts of interest • Independent or self-assessments of the board and board committees	• Appoint a new lead independent director • Improve inclusion and representation on the board • Ethics training for the Board
Principle 2 The governing body should govern the ethics of the organisation in a way that supports the **establishment of an ethical culture**	• Approved and implemented a supplier code of conduct policy • Regular ethics awareness campaigns	• Whistle-blowing facility with tip-off anonymous reporting • Trading in securities policy • Disciplinary code and procedures	• Enhance the provisions for declaring conflicts of interest, with particular focus on the tender process • Embed ethical procurement practices through further implementation of the supplier code of conduct
Principle 3 The governing body should ensure that the organisation is seen to be a responsible **corporate citizen**	• Approved a new catalyst on the EnviNOx® facility in Sasolburg which will reduce greenhouse and gas emissions considerably. • Going forward this will also reduce Omnia's carbon tax liability.	• Signatory to the Responsible Care® global charter • Carbon policy • Climate change policy • Safety, Health, Environment, Risk and Quality (SHERQ) policy	• Responsive and transparent reporting to stakeholders • Develop a holistic corporate citizenship strategy aligned to the Group strategy
Principle 4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are **all inseparable elements of the value creation process**	• Implemented and monitored the Group Strategy • Held an offsite workshop to develop and further refine the approved strategy • Approved key performance metrics and targets for 2019 • Approved divisional 2019 business plan and budgets • Reviewed detailed divisional business reports at half year and year end to address emerging issues and risks • Monitored the integration of the Umongo Petroleum and Oro Agri acquisitions • Reviewed and interrogated the strategic direction and objectives in relation to risks, opportunities, resources and relationships at the annual board strategy session • Reviewed solvency, liquidity and going-concern status, and agreed dividend payments	• Regular board meetings • Board and subcommittee workplans • Combined assurance and risk management framework • Financial risk policy • Remuneration policy and implementation plan • IT and associated security policies	• Improve reporting frameworks, risk and opportunity identification, quantification and management within set tolerance levels

DESIRED OUTCOMES	ACTIVITIES IN THE YEAR	KEY GOVERNANCE POLICIES AND PROCEDURES	PROPOSED 2020 FOCUS
Principle 5 The governing body should ensure that **reports** issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects	• Aligned meetings to quarterly reporting and committee workplans • Prioritised strategic matters on the agenda and developed committee workplans aligned to the board charter • Improved submissions to the board to enable the board to monitor on a quarterly basis achievement against strategic objectives from a financial and non-financial perspective • Enhanced the integrated reporting process and integrated thinking • Approved the 2019 Integrated Annual Report, annual financial statements, financial results and results announcements • Emphasised the quality of internal financial controls in all activities, including the work done by internal audit and in respect of working capital (cash, debtors, creditors and inventory)	• Shareholder roadshows • Integrated Annual Report • Trading statements	• Oversee that all required reports are issued, comply with legal requirements and meet the legitimate and reasonable information needs of material stakeholders
Principle 6 The governing body should serve as the **focal** point and custodian of corporate governance in the organisation	• Appointed a new Group company secretary to embed a professionalised Company Secretariat's function • Rationalised the Group's operating rhythm – sequencing and streamlining meetings for a better flow of information to decision makers • Introduced a secure online resource to facilitate real-time information for directors, a quicker turn-around of papers, and better transparency • Approved protocol for members to obtain independent, external professional advice • In line with Omnia's expanding footprint, compiled a group governance framework to ensure a robust compact between the holding company and subsidiaries	• Board charter • Board protocol on access to independent, professional advice	• Improve the monitoring of project governance from both an expenditure and risk management perspective
Principle 7 The governing body should comprise the appropriate balance of knowledge, skills, experience, **diversity** and independence for it to discharge its governance role and responsibilities objectively and effectively	• Added nominations as a mandate of the Remuneration committee to ensure a formal and transparent process for the appointment of directors' to the Board • Structured the directors' rotation plan to ensure compliance with the provisions of the MoI • Approved the appointment of new independent non-executive directors • Formalised the process to assess the independence of directors and the classification of directors as independent NEDs • Considered the independent assessment of long tenure directors • Set and achieved voluntary diversity targets at board level	• Gender diversity policy • Remuneration and nomination committee terms of reference	• Continue to monitor the independence of directors in terms of the JSE Listings Requirements • Formalise in writing the roles of the chair and the lead independent non-executive director

APPLICATIONS OF KING IV PRINCIPLES AND PRACTICES CONTINUED

DESIRED OUTCOMES	ACTIVITIES IN THE YEAR	KEY GOVERNANCE POLICIES AND PROCEDURES	PROPOSED 2020 FOCUS
Principle 8 The governing body should ensure that its arrangements for **delegation** within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties	• Refreshed the composition of board committees • Reviewed the committee terms of reference to ensure alignment between the committees	• Delegation of authority framework	• Review annually the composition of the Board and committees to improve effective collaboration and a balanced distribution of power • Develop a formal and transparent process for succession planning
Principle 9 The governing body should ensure that the **evaluation** of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	• Considered the 2018 independent board evaluation report and implemented action plans • Performed 2019 evaluation of directors, chairs and committees by means of a series of self-assessment questionnaires	• Board and committee evaluations	• Review executive director performance to ensure alignment with the revised strategy and long-term direction of the Group
Principle 10 The governing body should ensure that the appointment of, and **delegation to, management** contributes to role clarity and the effective exercise of authority and responsibilities	• Approved the Board delegation of authority as a base for the divisional delegations of authority	• Delegation of authority	• Cascade the delegation of authority framework; set risk tolerance levels and align it to the requirements of each divisions
Principle 11 The governing body should **govern risk** in a way that supports the organisation in setting and achieving its strategic objectives	• A comprehensive risk register is tabled at every Group Risk Management committee meeting and lessons learnt are taken into consideration when formulating appropriate measures for mitigating risks	• Enterprise risk management framework	• Further embed the risk management framework and culture, with focus on international operations • Ensure that risk disclosure is comprehensive, timely and relevant
Principle 12 The governing body should **govern technology** and information in a way that supports the organisation setting and achieving its strategic objectives	• Implementation of Microsoft Dynamics AX system • Considered information security, the IT control landscape, enterprise architecture and the quality of operations and IT support to the business	• IT and associated security policies	• Hold resilience to cyber threats by ensuring robust IT systems and processes are in place

DESIRED OUTCOMES	ACTIVITIES IN THE YEAR	KEY GOVERNANCE POLICIES AND PROCEDURES	PROPOSED 2020 FOCUS
Principle 13 The governing body should govern **compliance** with applicable laws and adopted, non-binding rules, codes and standards in way that supports the organisation being ethical and a good corporate citizen	• Entrenched legal compliance systems and processes to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Omnia operates • Monitored regulatory compliance to ensure the fulfilment of licence operating conditions • Considered the effectiveness of the Group's ethical policies and whistle-blowing hotline	• Compliance policy • Code of conduct • Library of Group policies	• Define Omnia's compliance universe • Continue with Omnia's comprehensive competition law compliance programme to ensure that the Group promotes and maintains a culture of fair competition and good corporate governance
Principle 14 The governing body should ensure that the organisation **remunerates** fairly, responsibly and transparently so as to promote the achievement of strategic and positive outcomes in the short, medium and long term	• Reviewed the committee terms of reference to align it to the extended scope of the committee • Implemented the FY2019 revised remuneration policy which was aligned with the updated Group strategy and incorporates the principles of King IV • Paid specific attention to the performance measures of the short-term incentive scheme • Moved the short-term incentive payment date from April to June to improve the alignment of activities over the year-end period • Determined the overall value of the short-term incentive pool with the necessary accrual raised by financial year-end • Harmonised long-term share incentive plans	• Remuneration policy	• Approve and implement the revised Remuneration Policy • Introduce a job grading system
Principle 15 The governing body should ensure that **assurance services** and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports	• Ensure the combined assurance model is designed and implemented to effectively cover significant risks and material matters through the various assurance service providers and functions • Reviewed non-audit services rendered during the financial year	• Tax policy • Non-audit services policy	• Bolster the internal tax resources and revise existing tax procedures, systems and controls in key areas • Continue endeavours to ensure the combined assurance process is sufficiently robust to place reliance on the integrity of reports
Principle 16 In the execution of its governance role and responsibilities, the governing body should adopt a **stakeholder-inclusive approach** that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	• Identified material stakeholders and oversaw the formulation of stakeholder engagement strategies • Engaged with institutional investors regarding remuneration and other environmental, sustainability and governance (ESG) matters and considered feedback • Facilitated management's pertinent communication with shareholders	• Stakeholder engagement framework • Crisis communication standard	• Stakeholder database management • Engagement in materiality discussions • Improve communication and corporate affairs functions to grow and protect the brand and ensure adequate communication to stakeholders



OTHER GOVERNANCE MATTERS IN TERMS OF THE JSE LISTINGS REQUIREMENTS

Dealing in securities

The trading in securities policy prohibits directors and employees from trading in securities during closed periods, as well as during self-imposed embargo periods. Embargo and closed periods are in effect from 1 October until the publication of the interim results and also from 1 April until the publication of year-end results. Closed periods also include any period where the Group is trading under a cautionary announcement.

In addition, certain nominated employees are prohibited from trading in designated securities due to the price-sensitive information they may obtain in their positions. Compliance with policies is monitored on an ongoing basis and any breaches are dealt with according to the provisions of the Omnia Trading in Securities policy and the JSE Listings Requirements. All directors' dealings require the prior approval of the chair, and the company secretary retains a record of all directors' dealings and approvals.

Annual Compliance Certificate

Omnia has complied with the JSE Listings Requirements and the disclosure requirements prescribed by the JSE. The annual certificate confirming the Group's compliance with the JSE Listings Requirements was completed and submitted to the JSE on 31 July 2019.

Sponsor

Omnia understands the role and responsibilities of the sponsor as stipulated in the JSE Listings Requirements and has cultivated a good working relationship with Merchantec Capital. The board is satisfied that the sponsor has executed its mandate with due care and diligence for the year under review.


ANALYTICAL
SERVICES

REMUNERATION REPORT

SECTION 1: LETTER FROM THE REMUNERATION AND NOMINATION COMMITTEE CHAIRS AND BACKGROUND STATEMENT

Dear Shareholders

The Remuneration and nomination committee (RNC) is tasked by the board to independently approve and oversee the implementation of a remuneration policy that will support the achievement of the Group's strategy and grow stakeholder value on a sustainable basis. The policy seeks to enable the attraction and retention of skilled resources and results in rewards that are aligned with shareholder interests.

The committee has adopted a formal charter, supporting the board to ensure that reward practices and procedures exist that will attract and retain talented employees, executive directors and top management to successfully lead the Group into the future through appropriate remuneration and incentive packages.

The committee and the chair's performance is assessed annually. In June 2019 this took the form of a self-assessment questionnaire whilst in June 2018, Omnia appointed the Institute of Directors in Southern Africa (IoDSA) to facilitate an independent board appraisal. Each of the evaluations confirms that the board's composition of both long-serving and new directors has the potential to serve Omnia well. The long-term tenure and independence of directors have been the subject of increased scrutiny.

Overall the committee was assessed as effective

Given the nature of its responsibilities, it is important to ensure that RNC members have specific skills and expertise in human resources and remuneration, including the right depth of experience and independence to ensure the functioning of the committee. The composition and independence of RNC are critical.

In the year, there were various changes to the board, which are described in more detail in the governance section. Some of these changes impacted the membership of RNC. From 25 June 2019 Mr Havenstein retired as chair and Ms Thoko Mokgosi-Mwantembe was appointed as chair of RNC. She brings valuable technical and management skills as well as experience from various industries. We look forward to the new leadership and the wealth of knowledge she will bring to the committee.

The Group has fully complied with the FY2019 remuneration policy without any deviation. The application of discretion by the RNC to pay no bonuses, despite the STI policy permitting some payments due to the achievement of non-financial conditions, was contained in the FY2019 policy and the contractual arrangements with management.

The RNC is satisfied that the implemented remuneration policy achieved its stated objectives for FY2019

In terms of the JSE Listings Requirements, shareholders are required to cast a non-binding advisory vote on the remuneration policy and implementation as presented in this report. Voting results on Omnia's remuneration policy at the FY2018, FY2017 and FY2016 AGMs were as follows:

Remuneration policy	Votes for	Votes against	Votes abstained
20 September 2018	**74.86%**	**25.14%**	**0.05%**
29 September 2017	**63.73%**	**36.27%**	**0.06%**
22 September 2016	**78.88%**	**21.12%**	**2.41%**

Implementation report	Votes for	Votes against	Votes abstained
20 September 2018	**75.98%**	**24.02%**	**0.05%**

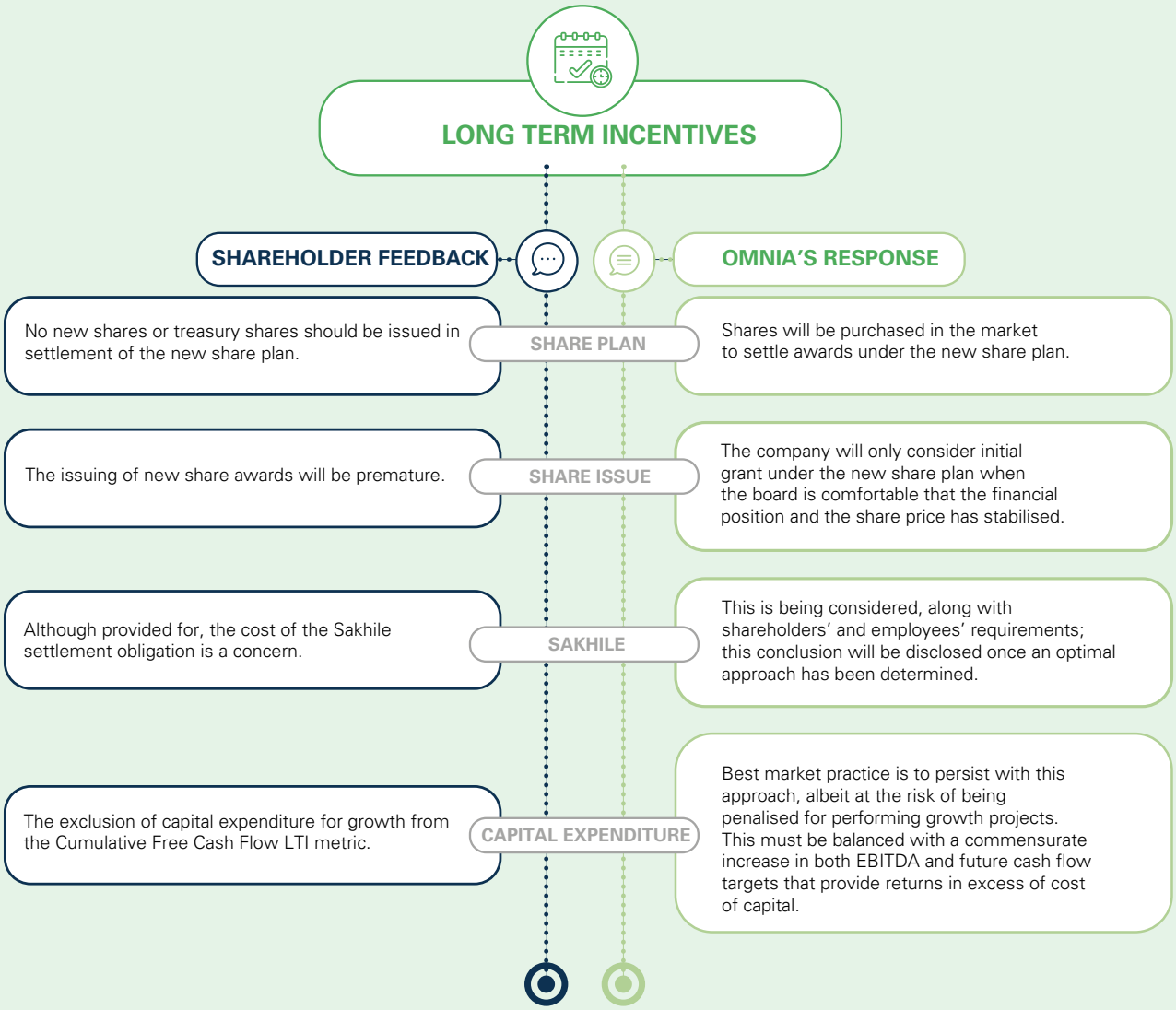
As shareholders representing more than 25% of the issued shares voted against the remuneration policy presented in the FY2018 IAR, and in line with the requirements of King IV, management undertook to engage with these shareholders and to review the policy. A SENS statement was published on 20 September 2018 with the results of the AGM, inviting shareholders to engage with the company secretary. The board chair and the remuneration committee chair had meetings with institutional shareholders with significant shareholdings during July 2019 to discuss the proposed approach for FY2020.

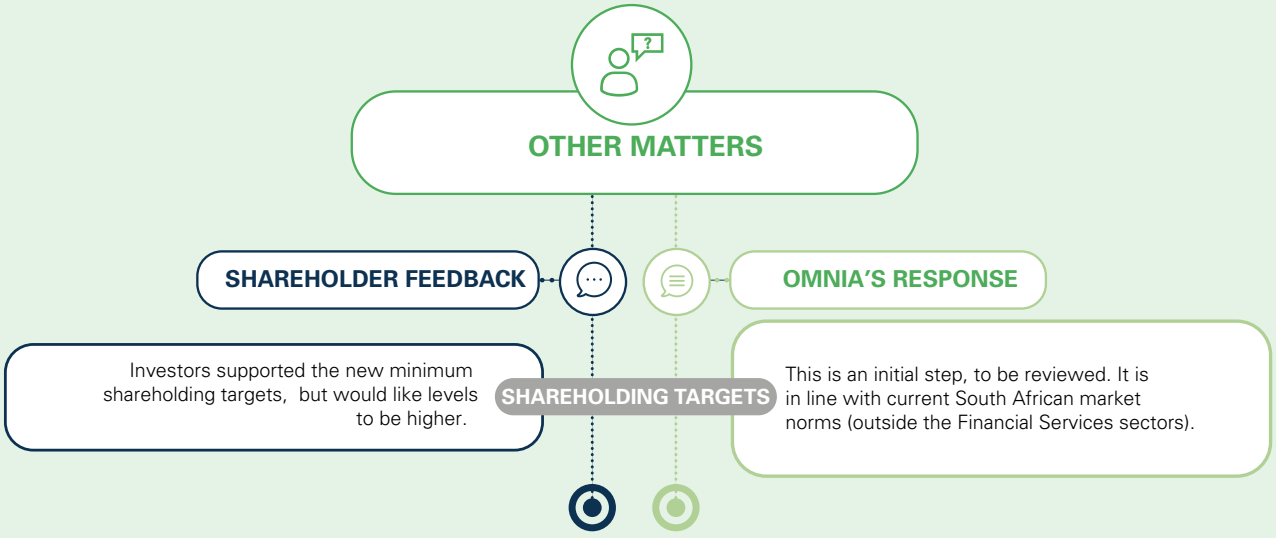
The main themes from this feedback and our response are tabulated below.

SHAREHOLDER FEEDBACK

SHORT TERM INCENTIVES

SHAREHOLDER FEEDBACK		OMNIA'S RESPONSE
Too much focus on income statement and cash flow and not enough on balance sheet measures.	**BALANCE SHEET**	The company is comfortable that the EBITDA and cash flow targets reflect short-term balance sheet health. Cash flow is critical as part of the "stabilise and Fix" strategy of FY2020.
EBITDA as an STI target is a concern - it encourages investments at any cost to boost EBITDA.	**EBITDA TARGETS**	EBITDA targets will be adjusted accordingly to reflect any acquisitions or divestments
A preference was expressed for some relativity in HEPS growth targets.	**HEPS TARGETS**	There are no direct comparators for the Company, but using appropriate sectoral and country GDP and CPI measures provides a degree of relativity
Concern that targets won't be stretched and will be realigned given poor recent performance results.	**STRETCH TARGETS**	Thresholds are based on a significant improvement from current levels and achieving acceptable long run profitability,returns and healthy gearing in line with market guidance provided and corporate finance best practice. These represents a significant stretch from current levels.
Regular non-payment of STIs could result in a loss of key skills and talent.	**STI's**	Retention awards for key talent will be identified to reduce retention risks while balancing against the cost.


LONG TERM INCENTIVES
SHAREHOLDER FEEDBACK
OMNIA'S RESPONSE
No new shares or treasury shares should be issued in settlement of the new share plan.
SHARE PLAN
Shares will be purchased in the market to settle awards under the new share plan.
The issuing of new share awards will be premature.
SHARE ISSUE
The company will only consider initial grant under the new share plan when the board is comfortable that the financial position and the share price has stabilised.
Although provided for, the cost of the Sakhile settlement obligation is a concern.
SAKHILE
This is being considered, along with shareholders' and employees' requirements; this conclusion will be disclosed once an optimal approach has been determined.
The exclusion of capital expenditure for growth from the Cumulative Free Cash Flow LTI metric.
CAPITAL EXPENDITURE
Best market practice is to persist with this approach, albeit at the risk of being penalised for performing growth projects. This must be balanced with a commensurate increase in both EBITDA and future cash flow targets that provide returns in excess of cost of capital.


OTHER MATTERS
SHAREHOLDER FEEDBACK
OMNIA'S RESPONSE
Investors supported the new minimum shareholding targets, but would like levels to be higher.
SHAREHOLDING TARGETS
This is an initial step, to be reviewed. It is in line with current South African market norms (outside the Financial Services sectors).

IMPACT OF BUSINESS PERFORMANCE ON FY2019 REMUNERATION

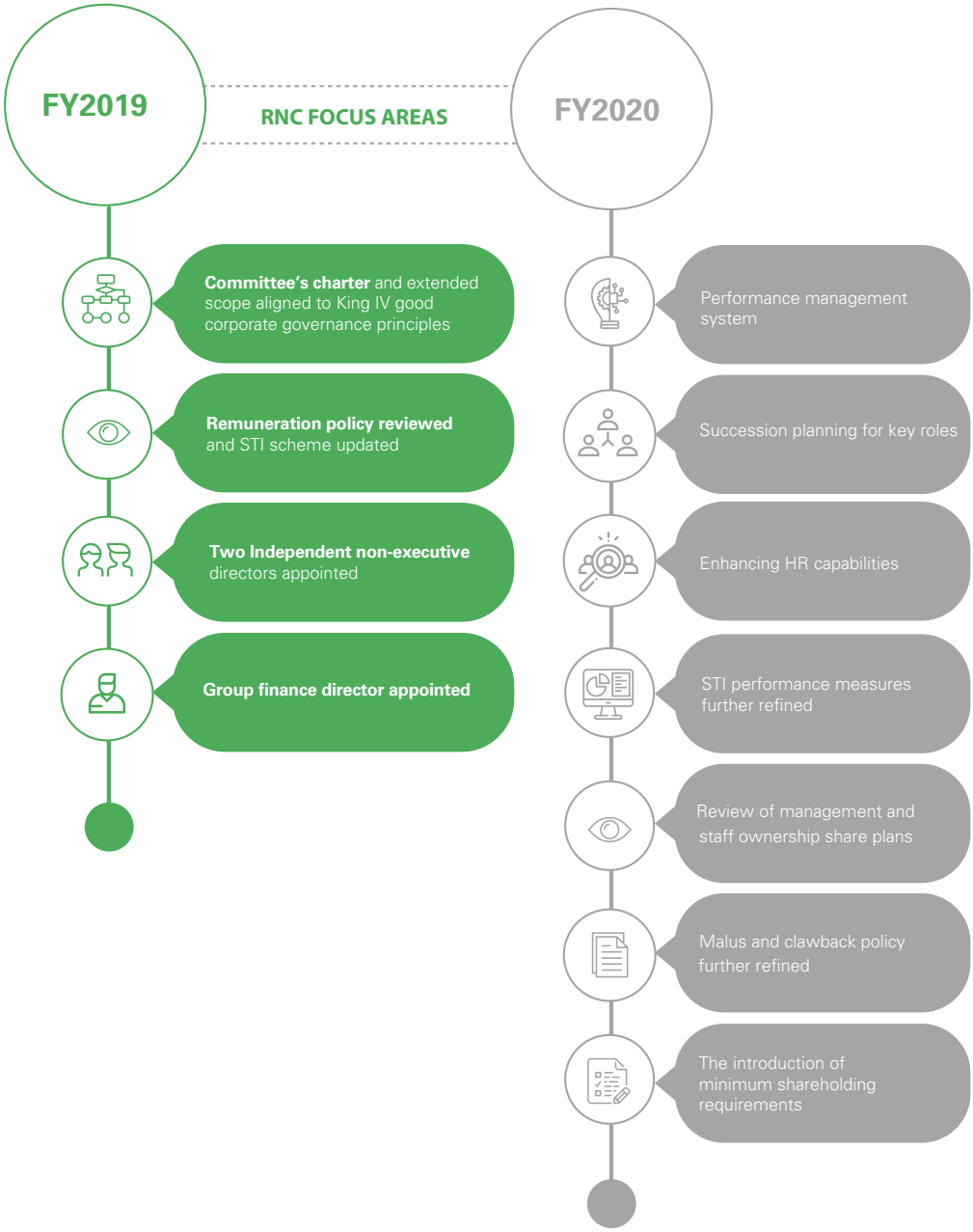
As reflected in this integrated annual report, Omnia delivered a disappointing financial performance for the year, although this was offset by an improvement in key operational and sustainability metrics.

With this background:

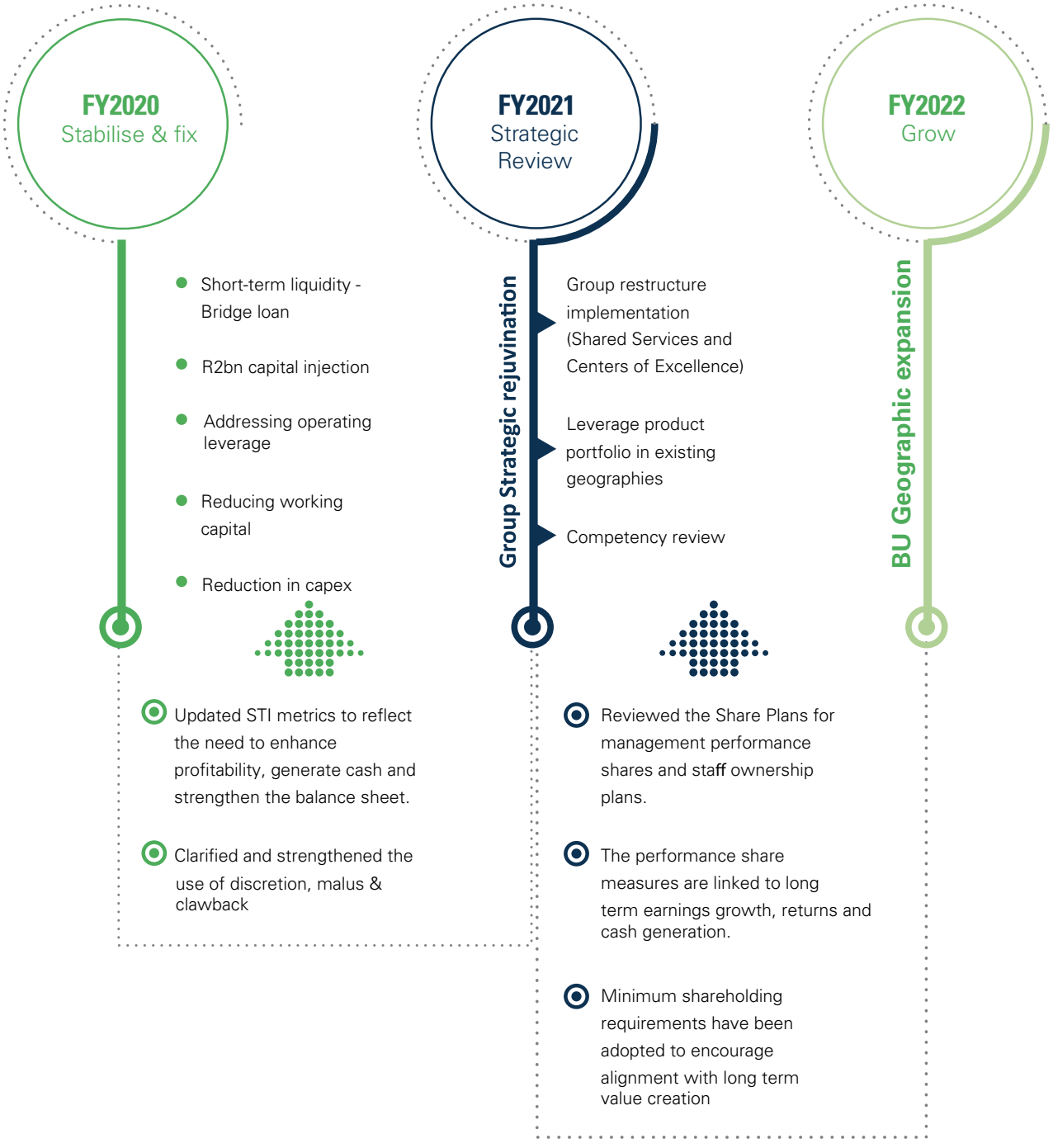
- ✕ The committee applied its discretion and decided that no bonuses should be paid for FY2019
- ✕ Executive increases are below inflation, except where an incumbent's pay is below the median
- ✕ None of the management share plans are likely to be paying out in current circumstances

THE CHANGES IN FY2019 AND THE FOCUS AREAS FOR FY2020

As a result of feedback received in the prior year, an ongoing review of our remuneration policy and the most recent engagements, the changes that we implemented in FY2019 and the focus areas for FY2020 are as follows:



The diagram below indicates how some of these changes and enhancements are intended to support our short-term and longer term business strategy:



USE OF INDEPENDENT ADVISORS

During the year, Omnia utilised the services of Bowman Gilfillan to advise on a review of the remuneration policy for FY2020 including the design of a new share plan. The services of Deloitte (Agriculture division), PwC (Mining and Group) and 21st Century Pay Solutions (executives) were also utilised to benchmark employees' remuneration packages to ensure alignment to market rates. The committee is satisfied that the independent advisors engaged during the year provided independent, unbiased advice and remained objective throughout the engagement process and that all decisions taken based on the input received were recommended by management and approved by the committee.

Ralph Havenstein
Outgoing RNC chair

Thoko Mokgosi-Mwantembe

Thoko Mokgosi-Mwantembe
Incoming RNC chair



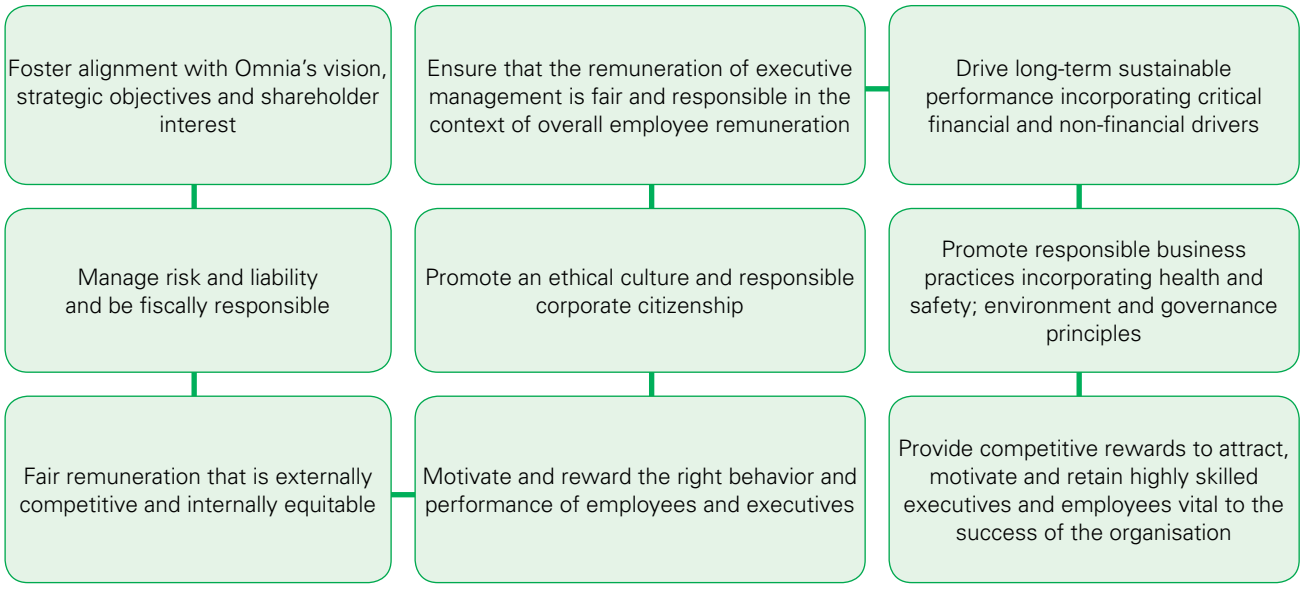
SECTION 2: OMNIA'S REMUNERATION PHILOSOPHY AND POLICY

REMUNERATION PHILOSOPHY

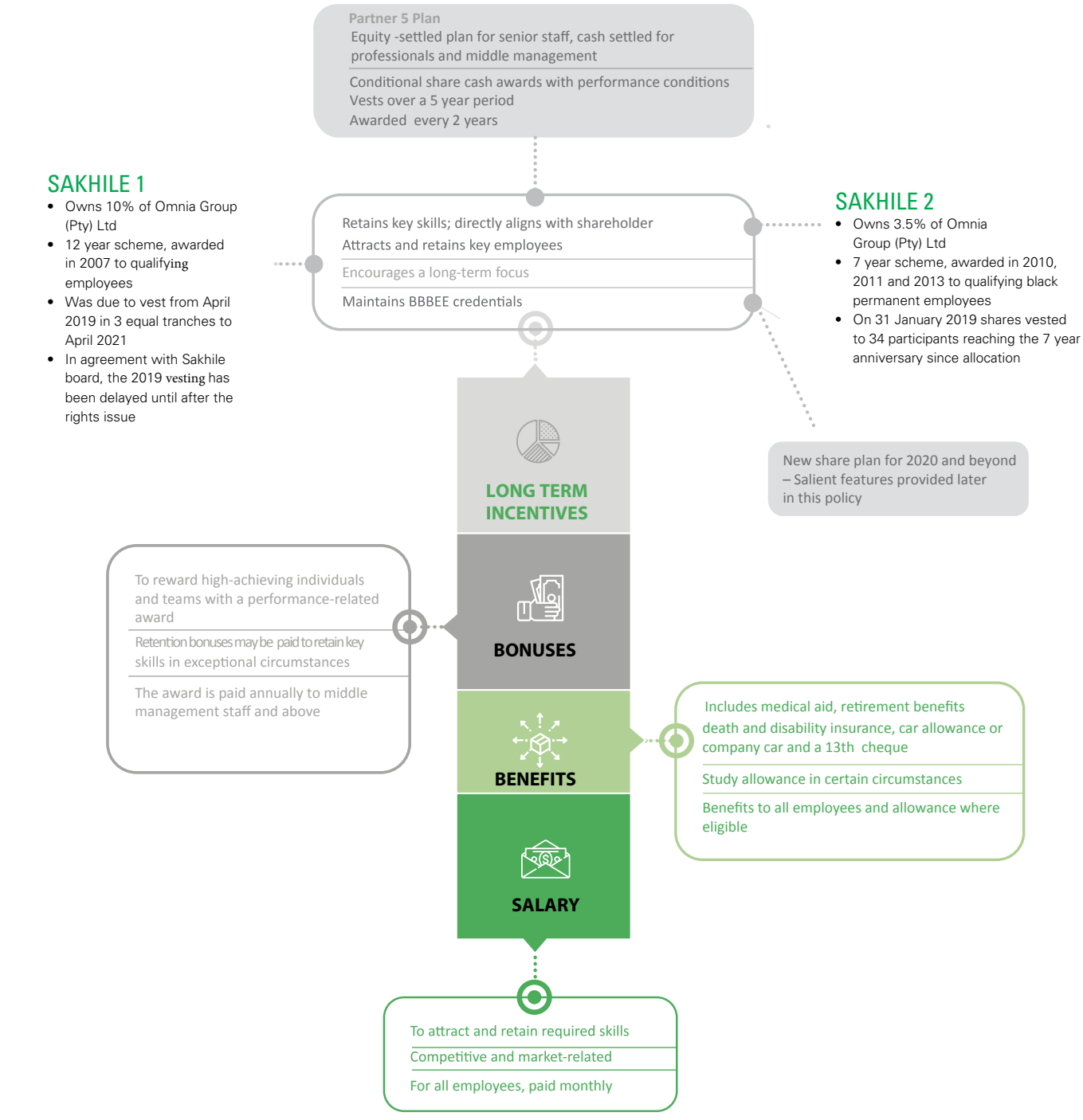
Omnia's remuneration philosophy defines how its remuneration practices seek to be fair, responsible, transparent and compliant with legislative requirements within all the jurisdictions in which the Group operates. Furthermore, it seeks to encourage and reward long-term sustainable performance that is aligned to the Group's strategy as well as ensure the achievement of the desired culture across the Group. The key elements of the remuneration strategy and policy are listed in this section.

GUIDING PRINCIPLES

Omnia's strategy, vision, business model, culture, targets and objectives have been defined. The Group's strategy has been developed by exco and management and approved by the board. Management is responsible for delivering against this mandate and managing the business on a day-to-day basis to achieve the stated objectives. Overall, this feeds into the evaluation of performance against a set of broadly pre-determined metrics that forms part of the remuneration cycle. All employee-related processes from recruitment to monitoring performance against agreed metrics have been accordingly aligned. Our remuneration philosophy is driven by the following guiding principles and remuneration is designed in such a way as to:



REMUNERATION ELEMENTS



Omnia's remuneration policy is available online at **www.omnia.co.za**

Refer to note 26 to the annual financial statements for further disclosure regarding the various share incentive schemes

Fair and responsible pay

Omnia is committed to gender equality, and the attention is to pay men and women equally for equivalent roles. Job positions are benchmarked to the market and industry and paid accordingly.

The role of benchmarking

Market competitiveness and best practice remain fundamental elements of Omnia's reward strategy. Annual reviews of Omnia's remuneration practices, policies and processes are conducted to ensure that it is in line with best practice. Also, peer group comparisons using public information and customised surveys conducted by leading consulting groups, are also undertaken on an annual basis. These reports enable Omnia to benchmark its remuneration practices, which include guaranteed pay, short-term and long-term variable incentives for executive and senior managers in the Group as well as the non-executive directors.

According to the annual surveys, Omnia's guaranteed packages for senior managers are aligned with levels below the median of the comparator organisations that participated in the survey. In terms of total remuneration, Omnia aligns with levels close to the upper quartile of the comparator group. This is in line with the Group's policy of a lower guaranteed portion and higher short-term incentives if justified by meeting the relevant performance criteria.

SHORT-TERM INCENTIVES

The scheme is designed to incentivise Group, divisional, inter-divisional and individual performance and is payable in cash at the end of June each year. The Group's STI targets and weightings are determined annually by the RNC and are after that approved by the board. The divisional targets are based on the Group targets and are agreed with Exco and divisional management.

STI performance measures	**FY2019**		**FY2020**	
Key performance area	Measure	Weight	**Measure**	**Weight**
Financial metrics	Headline earning growth	40%	EBITDA	40%
	Return on invested capital	10%	Cash flow[1]	30%
Operational metrics	Net working capital as % of revenue	5%		
	Cash opex savings against budget	10%		
Sustainability metrics	Recordable case rate (RCR)	6%	Diversity and inclusion	10%
	Fire, explosions and release (FER)	5%	Safety multipliers[2]	
	BBBEE	3%		
	Improvement in the culture score	3%		
	Improvement in employee engagement	3%		
Strategic initiatives	Strategic initiatives	15%	Strategic initiatives	20%
		100%		100%

[1] *Divisional targets are based on return on net controlled assets.*
[2] *x safety multiplier (90% – 105%)*

The targets and actual achievement for FY2019 are disclosed in the Remuneration Implementation Report. The thresholds for the FY2020 financial measures are closely aligned. The EBITDA targets will be adjusted to reflect any acquisitions or divestments.

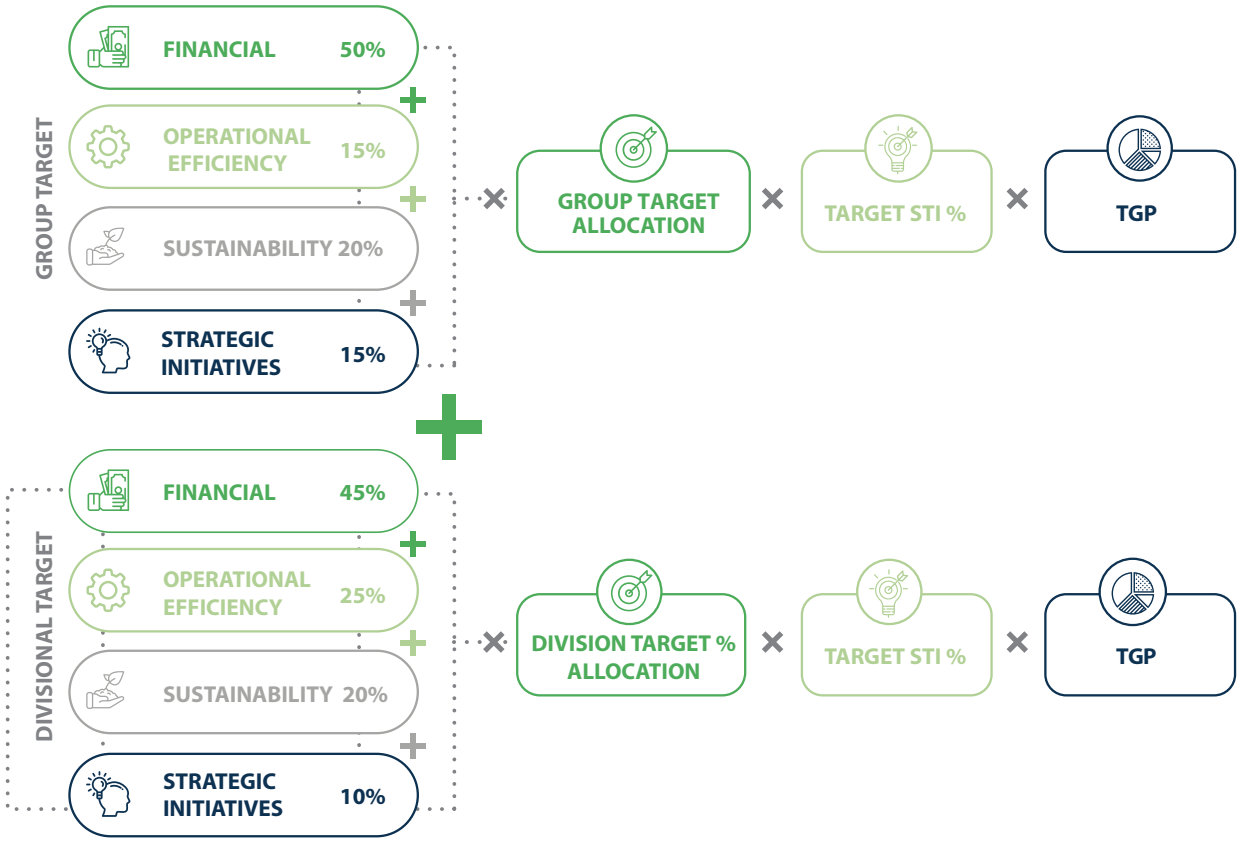
STI bonus percentages and weighting allocations

The table below reflects the STI bonus allocations per employee level if the threshold, on-target and stretch targets are met, as well as the weighting between Group and Divisional measures. This policy was in place for the FY2019 year and has not been changed for the FY2020 year, although the performance measures have been updated.

Group vs Divisional weighting	On-target	Stretch
Group MD	100%	200%
Group FD	100%	200%
Group corporate executives	60%	120%
Divisional MDs	75%	150%
Divisional Management	50%	100%

Group vs Divisional weighting	Group	Division
Group MD, FD and corporate executives	100%	0%
Divisional MDs	60%	40%
Divisional Management	40%	60%

STI FORMULA FOR FY2019



The STI formula for FY2020 will be similar but the measures and weightings for the company performance modifier will be updated in line with the new STI measures.

Acknowledgement of personal performance

Total remuneration (TGP plus variable) is benchmarked continuously and for individuals with exceptional personal performance, a benchmark closer to the 75th percentile is utilised. STIs are not awarded to individuals with poor performance.

Use of discretion in respect of STI awards

The RMC is permitted to apply its discretion to reduce any short-term incentives payments, having due regard to the balance between fairness to employees and other stakeholder interests, and will apply this discretion in the case that any of the financial measures are materially below the threshold, as well as in the case of unacceptable safety outcomes, particularly in the case of fatalities or outcomes significantly below the thresholds for the year, and major environmental incidents, or events causing significant harm to the reputation of Omnia.

LONG-TERM INCENTIVES

Historical management share awards: The "Partner 5" plan

The main elements of the Partner 5 plan are summarised in the graphic depicting the remuneration elements. The status of the three tranches comprising this plan, vesting over five year periods, and awarded every two years are summarised below:

- Tranche 1, covering the period 1 April 2014 to 31 March 2019, which didn't vest
- Tranche 2, covering the period 1 April 2016 to 31 March 2021, which is unlikely to vest
- Tranche 3, covering the period 1 April 2018 to 31 March 2023, was not awarded

Performance targets for the Partner 5 awards

		Targets per vesting %			
Measure	**Weighting**	Threshold – 25%	Target – 100%	Stretch – 125%	Maximum – >125%
		Tranche 1			
EPS	80%	4% compound real growth	8% compound real growth	12% compound real growth	>12% compound real growth
ROE (including FCTR in equity)	20%	7% average real return	11% average real return	15% average real return	>15% average real return
		Tranche 2			
EPS	80%	3% compound real growth	6% compound real growth	10% compound real growth	>10% compound real growth
ROE (including FCTR in equity)	20%	7% average real return	11% average real return	15% average real return	>15% average real return

Long-term share incentives and ownership plan for FY2020

The remuneration committee has reviewed the current long-term incentives and ownership plan structures and has determined that a new plan should be adopted to reflect local and global developments in share plan practices.

The objectives of the new plan are to simplify the plans and provide improved alignment with shareholder objectives, while ensuring pay for performance for executives and management and clear, effective ownership awards to the rest of our staff.

The RNC has reviewed the share plan policy, and a new plan to provide for performance awards to management and ownership awards for staff will be implemented when the financial position of the Group and the share price have stabilised.

The new plan is intended to operate as follows:

- The plan is based on regular annual awards of conditional or forfeitable shares, which vest after three years and must be held for a further two years
- The following types of awards can be made based on the same fundamental instrument:
  - Performance share awards – to executives and management
  - Ownership awards – to workers and supervisory staff, to comprise a new generation Employee Stock Ownership Plan (ESOP)
  - Sign-on awards, to compensate employees for amounts forfeited when leaving the previous employer
  - Deferred bonus awards, to use in the case of bonus deferrals of STIs
  - Retention awards – the key talent below the executive committee level
- Shares to settle the awards will be procured in the market
- The provisions for termination of employment, change of control and corporate transactions are in line with best practice and the King IV guidelines

Performance targets for the new performance share awards

Measure	Weighting	
HEPS growth	40%	The threshold for the first year will reflect a credible recovery from the current levels, after that targets will be based on growth at a premium to CPI + GDP
Return on capital	30%	A premium to the Weighted Average Cost of Capital (WACC)
Cumulative free cash flow	30%	Based on the three-year cash flow forecast

Award policy for the new performance share awards

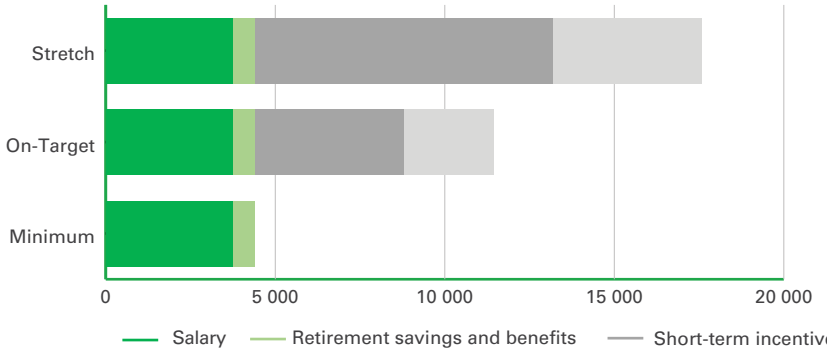
Awards will only be made when the financial position of the Group and the share price have stabilised and awards may need to be reduced to meet the constraint of not awarding more than 1% of the issued shares in any year. The award policy will be based on market benchmarks of at-grant, annualised, on-target values.

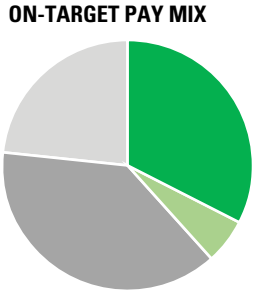
REMUNERATION SCENARIOS AT DIFFERENT PERFORMANCE LEVELS

The graphs below depict the pay mix of the Group MD and FD and the average for the prescribed officers in line with the FY2020 remuneration policy. The graphs represent outcomes of the STI and LTI at below threshold performance.

Adriaan de Lange						
(R'000)	**Minimum**		**On-target**		**Stretch**	
• Salary	3 731		3 731		3 731	
• Retirement savings and benefits	665		665		665	
Guaranteed pay	4 396	100%	4 396	100%	4 396	100%
• Short-term incentives	–	–	4 396	100%	8 791	200%
• Long-term incentives*	–	–	2 637	60%	4 396	100%
Total remuneration	4 396		11 429		17 583	

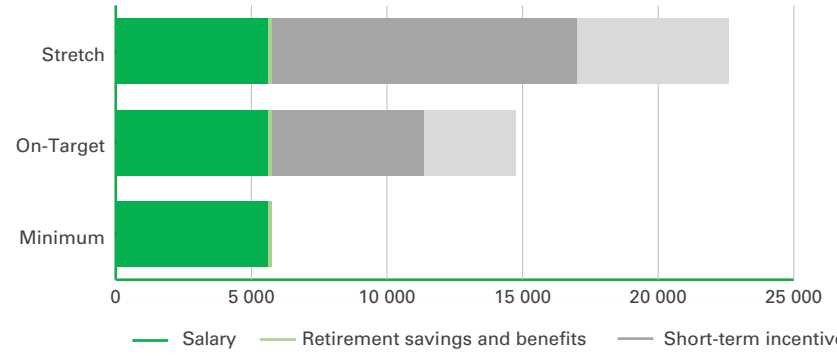
**Long-term incentives will only be made if the financial position and the share price stabilise and the awards may be reduced to meet the 1% annual award constraint.*



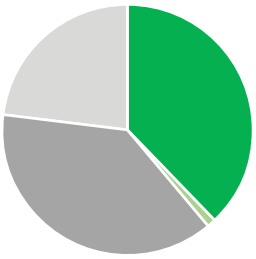




Seelan Gobalsamy						
(R'000)	**Minimum**		**On-target**		**Stretch**	
• Salary	5 596		5 596		5 596	
• Retirement savings and benefits	296		296		296	
Guaranteed pay	5 892	100%	5 892	100%	5 892	100%
• Short-term incentives	–	–	5 621	100%	11 241	200%
• Long-term incentives*	–	–	3 372	60%	5 621	100%
Total remuneration	5 892		14 885		22 754	

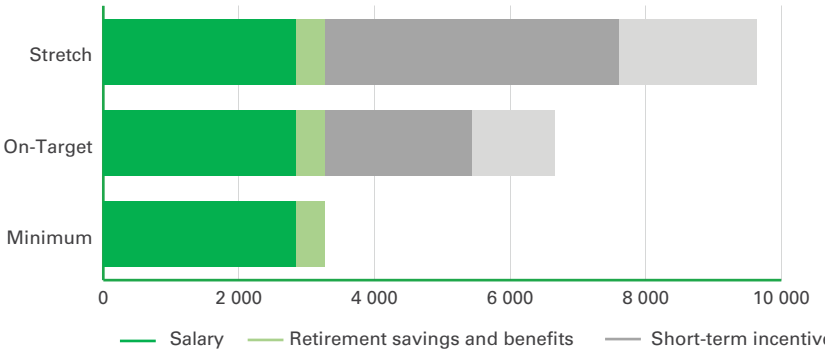


ON-TARGET PAY MIX

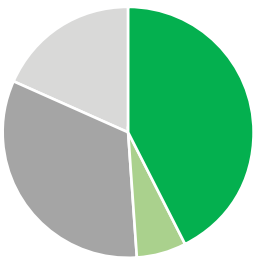


Average for the prescribed officers						
(R'000)	**Minimum**		**On-target**		**Stretch**	
• Salary	2 836		2 836		2 836	
• Retirement savings and benefits	430		430		430	
Guaranteed pay	3 266	100%	3 266	100%	3 266	100%
• Short-term incentives	–	–	2 170	66%	4 339	133%
• Long-term incentives*	–	–	1 213	37%	2 022	62%
Total remuneration	3 266		6 649		9 627	

** The long term incentives will only be made if the financial position and the share price stabilise, and the awards may be reduced to meet the 1% annual award constraint.*



ON-TARGET PAY MIX



- Assuming all metrics achieved at the applicable category (maximum, stretch, on target, threshold and below threshold)

Malus and clawback

The RNC may determine that any cash bonus, vested shares, or their equivalent value in cash, that have vested or been settled within a three-year period, be returned to the Group or may determine that any unvested award or part of an award may not vest in the event that any of the following matters is discovered:

- A material misstatement of the Group's results which may have caused the over-allocation of cash bonus or shares as part of the long-term incentive plan
- Where there is an error in the calculation of any performance condition used in the calculation of the performance conditions which may have resulted in an incorrect payment or award
- Material regulatory breaches, especially in the case of events affecting the environment and communities
- Unacceptable safety outcomes, especially in the case of fatalities, or where safety outcomes are significantly below the thresholds for the year and management is deemed responsible for this outcome
- Gross misconduct or behaviour bringing the Group into disrepute

Minimum shareholding requirement

A minimum shareholding requirement has been adopted by the Group with effect from FY2020. The policy requires that the executive directors of the company build up their personal shareholding of vested, unhedged shares in the company to the following target levels over a specified period.

- 2 x guaranteed pay for the group managing director
- 1 x guaranteed pay for other executive directors

Current executive directors will be required to build up the target shareholding over the next five years, by 31 July 2024. Executive directors that are appointed in the future will be required to build up the target shareholding over the five years following their date of appointment. Shares can be sourced from pledge and holding of shares from short-term and long-term incentives that are about to be paid or vest, and from own resources.

In the case that the annual LTI award is delayed, the time period will be extended accordingly. In the case that STI awards and LTI vesting percentages are well below expectations, the RNC may use its discretion to extend the period to meet the pledge.

Contracts and restraints of trade

Executives have permanent contracts of employment. The notice periods applicable are:

Role	Notice period	Restraint of trade
Group managing director	Six calendar months	Three years
Group finance director	Six calendar months	One year
Prescribed officers	Three calendar months	Vary between six months to two years

Typically, the restraints of trade restrict incumbents from competitive activities in the manufacture, marketing, distribution and sale of fertilizer, explosive materials and chemicals and any other products manufactured, marketed or sold by the Group. Termination payments are in line with contractual obligations, prevailing law and the share plan.

NON-EXECUTIVE DIRECTOR FEES

Chair

The chair's fee of R1 200 000 (excluding VAT) (previously R1 800 000 is proposed for the period 1 October 2019 until 30 September 2020 in the notice of meeting of the AGM on 27 September 2019 for approval by shareholders.

The chair of the board receives a combination of a fixed annual fee as well as variable hourly rate fee for ad hoc services completed. The fixed fee covers attendance at board and sub-committee meetings and is based on a minimum attendance at meetings, failing which a proportionate deduction will be applicable.

The variable fee is designed to compensate the chair for his involvement throughout the Group on non-board specific related work and his contribution to the successful development and growth of the Group. Ad hoc services may include:

- Attending divisional board meetings
- Representing the board at Omnia's investment committee where investment opportunities and large capital projects are discussed
- Site visits as required, to gain an understanding of newly acquired or developed businesses or production plants constructed
- Engaging with Group executives on strategic and board matters
- Attending the Group's annual business and budget planning presentation sessions
- Engaging with stakeholders where appropriate and requested

The other non-executive directors review the chair's fee on an annual basis for a proposal to shareholders at the AGM, for approval.

Other non-executive directors

Other non-executive directors (NEDs) are remunerated according to their scope of responsibility and contribution to the Group's operating and financial performance, considering industry norms as well as the external market and benchmarks. Consequently, fees are set at levels to attract and retain high-calibre and professional directors to ensure that the board has the necessary skills required to execute on its mandate. NEDs do not receive short-term incentives, nor do they participate in LTI plans.

NEDs are paid a fixed annual fee in respect of their board membership, as well as supplementary fees for committee membership and an additional committee fee for the formally scheduled board and committee meetings that do not form part of the annual calendar of meetings. Actual fees and the fee structure are reviewed annually.

Proposed non-executive directors' fees for the forthcoming year

Activity	Number of meetings	Current fee	Proposed fee
Main board	6 – 8	R398 000 per annum	R398 000 per annum
Main board related ad hoc meetings	n/a	R2 849 per hour	R2 849 per hour
Subsidiary board meetings attended by invitation	n/a	R21 200 per meeting	R21 200 per meeting
Subsidiary board and committee-related ad hoc meetings	n/a	R2 240 per hour	R2 240 per hour
Remuneration and nomination committee	4	R102 000 per annum	R102 000 per annum
Remuneration and nomination committee chair	4	R178 000 per annum	R178 000 per annum
Social, ethics and risk committee	3	R79 000 per annum	R79 000 per annum
Social, ethics and risk committee chair	3	R138 000 per annum	R138 000 per annum
Audit committee	5	R175 000 per annum	R175 000 per annum
Audit committee chair	5	R307 000 per annum	R307 000 per annum

Annual fees are based on a minimum attendance to meetings, failing which a proportionate deduction will be applicable. There will be no increase in the directors' fees in the next year. All fees exclude VAT.

During the year, the RNC reviewed surveys from independent third parties: Institute of Directors Southern Africa and PwC and also conducted a review of nine other listed entities to determine whether the non-executive director fees presented to shareholders for approval were in line with market trends, allowing the Group to attract and retain the necessary skills and expertise and was satisfied that the fees were in line.



SECTION 3: IMPLEMENTATION REPORT

This section discloses the implementation of the remuneration policy by providing details of the remuneration paid to executives and non-executive directors for the financial year ended 31 March 2019.

GUARANTEED PAY ADJUSTMENTS

Taking into consideration the prevailing market conditions, affordability, shareholders' expectations and performance, an average increase of 6% to guaranteed remuneration packages of executives and management were made during FY2019.

Executive directors	FY2019 R	FY2018 R	% increase/ (decrease)
Adriaan de Lange[1]	**3 882 000**	3 191 000	22[2]
Wayne Koonin	**5 382 000**	5 239 000	3
Seelan Gobalsamy[3]	**2 690 000**	–	–

[1] *Appointed as Group managing director from 1 June 2017*
[2] *FY2019 guaranteed package as Group managing director for a period of 12 months (FY2018: 10 months)*
[3] *Appointed as Group finance director from 1 March 2019 and includes R2.2 million sign on bonus.*

The substantial increase in the Group MD's remuneration in FY2019 reflects the portion of the year in the role (10 months in FY2018 compared to 12 months in FY2019), the conservative level of remuneration applied on appointment compared to the median benchmark and an increase above inflation due to his growing experience in the role.

Wayne Koonin resigned as Group finance director on 28 February 2019 and Seelan Gobalsamy was appointed in his place from 1 March 2019. The remuneration impacts for Wayne and Seelan were as follows:

- Wayne Koonin received the standard payments as per policies currently in place:
  - All benefits received terminated as at 28 February including retirement fund and medical aid membership
  - All vacation leave due was paid out
  - No bonuses were paid
  - He received an exit package of R8 367 557 included in "other" which consisted of notice pay, leave pay and other termination benefits.
  - He exercised all vested shares prior to his last day of work. All unvested shares lapsed, as per the rules of the scheme
- Seelan Gobalsamy was appointed on the following terms:
  - Basic annual salary of R5 595 972
  - Medical aid cover and retirement benefit membership of R75 510
  - Sign-on bonus of R2 200 000
  - R219 996 allowances, including travel allowance

The guaranteed pay adjustments in FY2020 for the executive directors and prescribed officers are tabulated alongside. Mr de Lange and Mr de Villiers' increases in FY2020 are above inflation because his guaranteed packages are still significantly below the market median of R6.1 million for the MD role.

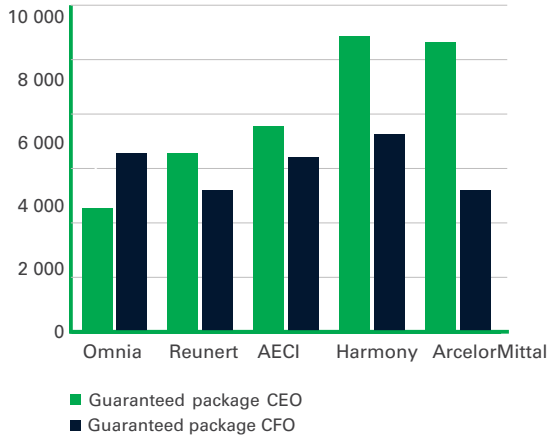
R'000	FY2019	FY2020	FY2020 increase
Executive directors			
Adriaan de Lange	**3 882**	4 396	13%
Seelan Gobalsamy	**490**	5 621	[1]
Wayne Koonin	**5 382**	–	n/a
Prescribed officers			
Jacques de Villiers	**2 325**	2 617	13%
Funani Mojono	**4 279**	4 454	4%
Joe Keenan	**5 760**	5 992	4%
Jan Vermaak	**2 678**	2 851	6%
Michelle Nana	**1 998**	2 076	4%
Khabo Ramoupi	**2 630**	–	[2]
Anusha Teeruth	**2 061**	–	[3]
Total	**31 485**	28 007	

[1] *FY2019 included salary from 1 March 2019 and FY2020 salary for full 12 months*
[2] *Resigned 10 May 2019*
[3] *Resigned 30 April 2019*

Benchmarking of total guaranteed package

Executive remuneration is benchmarked annually against a peer group. In the year, 21st Century Pay Solutions, an independent firm, conducted a review of the executive directors' guaranteed packages based on survey data. The graph below summarises how Omnia's executive directors' guaranteed packages compare to its publicly disclosed comparators.

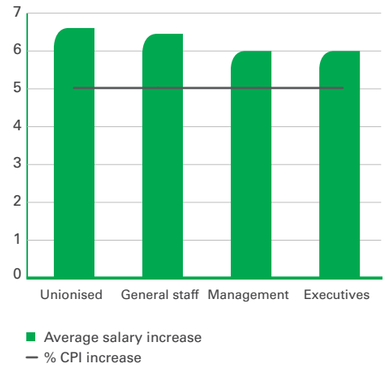
BENCHMARKING OF TOTAL GUARANTEED PACKAGE
(Number)



Unionised staff, general staff, management and executive average salary increases

Higher earning employees receive lower increases than lower-level employees, to assist in lowering the gap between the different levels. This has been the practice for the past few years. Illustrated below are the average percentage increases awarded during FY2018 and FY2019 to executives, management, general staff and unionised staff.

FY2019 average salary increases
(%)



FY2018 average salary increases
(%)



The RNC is satisfied that appropriate salary adjustments were implemented to place Omnia's remuneration levels in line with the market, following best practice and its remuneration philosophy.

STI PERFORMANCE OUTCOMES FOR FY2019

The table below shows that although all the financial targets were missed, there was some achievement of non-financial performance conditions.

FY2019 STI TARGETS AND ACHIEVEMENT					
Measure	Weight	Target	Actual	Score	Weight score
Headline earnings growth	40%	R878m	Missed	–	–
Return on investment capital	10%	12.26%	Missed	–	–
Net working capital as % of revenue	5%	18.5%	Missed	–	–
Cash opex savings against budget	10%	2%	Missed	–	–
Recordable case rate (RCR)	6%	0.41	0.36	200%	12%
Fire, explosion and releases (FER)	5%	1	0.94	100%	5%
BBBEE	3%	Level 3	Level 3	100%	3%
Improvement in the culture score	3%	Improvement	Missed	–	–
Improvement in employee engagement	3%	Improvement	Missed	–	–
Strategic initiatives	15%	Improvement	15%	60%	9%
	100%	162%	145%		29%

The RNC exercised its discretion and reduced all STI payments to zero.

PARTNER 5 PERFORMANCE OUTCOMES FOR FY2019

No shares vested in FY2019 for Tranche 1 and 138 834 shares awarded were forfeited. Similar to Tranche 1, Omnia is unlikely to achieve the set LTI targets for Tranche 2.

EXECUTIVE REMUNERATION

The table below summarises Omnia's executive director and prescribed officer remuneration for FY2019. It comprises an overview of the pay elements available to the executive management team for the 12 months ended 31 March 2019.

	Total guaranteed pay								
R'000	**Salary/ Remuneration**	**Retirement funding**	**Medical aid**	**Car allowance**	**Other***	**Bonus accrual^**	**LTI reflected^^**	**Total FY2019**	**Total FY2018**
Executive directors									
Adriaan de Lange	3 244	292	40	306	–	–	–	**3 882**	8 948
Seelan Gobalsamy[1]	466	–	6	18	2 200	–	–	**2 690**	–
Wayne Koonin[2]	5 059	–	73	250	8 368	–	–	**13 750**	9 939
Rod Humphris[3]	–	–	–	–	–	–	–	**–**	3 603
Prescribed officers									
Jacques de Villiers	1 815	163	78	269	–	–	–	**2 325**	4 735
Funani Mojono[4]	3 739	277	38	225	–	–	–	**4 279**	–
Joe Keenan	5 729	–	31	–	–	–	–	**5 760**	9 515
Jan Vermaak	2 158	194	74	252	–	–	–	**2 678**	8 387
Michelle Nana[5]	1 613	139	28	218	225	–	–	**2 223**	–
Khabo Ramoupi[6]	2 161	194	36	239	–	–	–	**2 630**	3 795
Anusha Teeruth[7]	1 618	146	2	295	–	–	–	**2 061**	9 612
Celeste Appollis[8]	–	–	–	–	–	–	–	**–**	7 981
Martin Kearns[9]	–	–	–	–	–	–	–	**–**	4 190
Total	27 602	1 405	406	2 072	10 793	–	–	**42 278**	70 705

1 *Appointed as Group finance director on 1 March 2019*
2 *Resigned 28 February 2019*
3 *Retired as Group managing director on 31 May 2017 and appointed as non-executive chair from 1 June 2017. Retired as chair effective 6 June 2019 but remains as non-executive director*
4 *Appointed 1 August 2018*
5 *Appointed 1 July 2018*
6 *Resigned 10 May 2019*
7 *Resigned 30 April 2019*
8 *Resigned 30 November 2017*
9 *Retired 1 August 2018*
* *Termination and sign on benefits*
^ *Bonus accrual (short-term incentive): Although performance against targets for FY2019 merited an STI payment, due to the non-financial performance, no bonuses were paid for the year due to the poor financial performance and the upcoming rights offer*
^^ *Disclosure of value of LTIs where their performance period ends during the financial year and option type plans, including Sakhile schemes, the value at year-end of amounts that vest within 12 months of year-end*

	PARTNER 5 TRANCHE 1 – NUMBER OF AWARDS AND VALUE							
Name	**Number of awards at 1 Apr 2018**	**Year granted/ awarded**	**Awarded**	**Cancelled**	**Number of awards at 31 Mar 2019**	**Earliest date of vesting of outstanding awards[1]**	**Market value at grant date**	**Notional value of outstanding awards at 31 Mar 2019[2]**
Executive directors								
Rod Humphris[3]	23 834	2014	–	(23 834)	**–**	Sep 2019	10 131	**–**
Adriaan de Lange[4]	35 000	2014 and 2018	–	(35 000)	**–**	Sep 2019	6 447	**–**
Wayne Koonin[5]	30 000	2014	–	(30 000)	**–**	–	5 526	**–**
Subtotal	88 834		–	(88 834)			22 104	**–**
Prescribed officers								
Martin Kearns[6]	10 000	2014	–	(10 000)	**–**	Sep 2019	1 842	**–**
Jan Vermaak	30 000	2014	–	(30 000)	**–**	Sep 2019	5 526	**–**
Jacques de Villiers	10 000	2018	–	(10 000)	**–**	Sep 2019	1 842	**–**
Subtotal	50 000		–	(50 000)			9 210	**–**
Total	138 834		–	(138 834)	**–**		31 314	**–**

1 *At the expiry of the five-year plan ("the Incentive Period"), the Allocated Trust Units will mature after which the Matured Trust Units of each participant will be increased or decreased in accordance with achievements of the EPS and ROE targets to determine the total Adjusted Matured Units that have been earned. Distribution must take place five months after the end of the five-year plan*
2 *Notional value of awards assumed at 100% of target met, pre-tax. Tranche 1 is based on Omnia Holdings share price of R184.20*
3 *Rod Humphris retired with effect from 31 May 2017 as Group managing director, his shares were proportioned up to date of retirement as per rules of the scheme, approved by the circular to the shareholders*
4 *Adriaan de Lange was appointed as Group managing director from 1 June 2017*
5 *Resigned as Group finance director from 28 February 2019*
6 *Retired 1 August 2018*

PARTNER 5 TRANCHE 2 – NUMBER OF AWARDS AND VALUE								
Name	Number of awards at 1 Apr 2018	Year granted/ awarded	Awarded	Retired/ cancelled	Number of awards at 31 Mar 2019	Earliest date of vesting of outstanding awards[1]	Market value at grant date	Notional value of outstanding awards at 31 Mar 2019
Executive directors								
Rod Humphris[2]	12 134	2016	–	–	12 134	Sep 2021	5 388	–
Adriaan de Lange[3]	45 000	2018	–	–	45 000	Sep 2021	4 662	–
Wayne Koonin[4]	40 000	2016	–	–	40 000	–	4 144	–
Subtotal	97 134		–	–	97 134		14 194	–
Prescribed officers								
Martin Kearns[5]	20 000	2016	–	–	20 000	Sep 2021	2 072	–
Joe Keenan	21 000	2016	–	–	21 000	Sep 2021	2 176	–
Jan Vermaak	28 000	2016	–	–	28 000	Sep 2021	2 901	–
Jacques de Villiers	22 000	2018		–	22 000	Sep 2021	2 279	–
Khabo Ramoupi[6]	7 013	2017	–		7 013	Sep 2021	727	–
Anusha Teeruth[7]	17 150	2018	–	–	17 150	Sep 2021	1 777	–
Subtotal	115 163		–	–	115 163		11 932	–
Total	212 297		–	–	212 297		26 126	–

1 *Notional value of awards assumed at 100% of target met, pre-tax. Tranche 2 is based on Omnia Holdings share price of R103.61*
2 *Rod Humphris retired with effect from 31 May 2017 as Group managing director, his shares were proportioned up to date of retirement as per rules of the scheme, approved by the circular to the shareholders*
3 *Adriaan de Lange was appointed as Group managing director from 1 June 2017*
4 *Resigned as Group finance director from 28 February 2019*
5 *Retired 1 August 2018*
6 *Resigned 6 May 2019*
7 *Resigned 30 April 2019*

SAKHILE 2 SHARE SCHEME

Sakhile 2 is a time-based share scheme for all South African black management and skilled black talent. The allocations criteria were based on the position, benchmark and performance of the individual at the time of the allocation and participation in Sakhile 2 was proposed by divisional management, reviewed by the Group MD and Group human resources director and approved by the RNC.

Sakhile 2 is a rolling seven-year share scheme from the date of allocation of shares. The last allocation of shares to qualifying participants was issued in January 2016. The scheme is equity-settled in terms of which the Sakhile 2 shares are converted into Omnia Holdings Limited shares.

SAKHILE 2 SHAREHOLDING							
	Shares at 31 Mar 2018	Issue date	Exercised during the year	Exercised – OHL shares issued	Shares at 31 Mar 2019	Vesting date	Value at 31 Mar 2019
Prescribed officers							
Khabo Ramoupi	1 528	1 000 – May 2013	–	–	–	1 000 in 2020	–
		528 – Jan 2016	–	–	**1 528**	528 in 2023	–
Anusha Teeruth	260	160 – Dec 2011				160 in 2018	
		100 – Dec 2012	(160)	–^	**100**	100 in 2019	–

^ *Omnia Holdings shares not yet allocated yet as on 31 March 2019*

SAKHILE 1 SHARE SCHEME

As part of the Group's Broad-Based Black Economic Empowerment (BBBEE) initiative, a separate legal entity, Sakhile Initiative Limited was incorporated in 2007 to serve as a vehicle to implement an employee share-incentive scheme – Sakhile 1 - for the permanent Group employees based in South Africa. Sakhile 1 is a 12-year initiative and holds 10% of Omnia Group (Pty) Ltd. In 2019, 1790 current employees held 58% of Sakhile 1, with the remainder being held by Omnia Group Investment Limited.

The initiative was due to vest its first tranche on 1 April 2019, with a further two tranches vesting over the next two years. Due to Omnia being in a closed period and hence unable to issue Omnia shares, the board agreed that this year's pay-out be delayed to October 2019. Participants were informed thereof at the Annual General Meeting (AGM) held on 29 May 2019.

DIRECTORS' INTEREST IN SHARES IN OMNIA

The table below summarises directors' interest in shares in Omnia Holdings Limited:

	31 March 2019				31 March 2018			
	Total	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total	Direct beneficial	Indirect beneficial	Indirect non-beneficial
Frank Butler	**6 500**	**6 500**	**–**	**–**	6 500	6 500	–	–
Rod Humphris	**957 810**	**905 619**	**44 575**	**7 616**	1 042 117	988 942	53 175	–
Ralph Havenstein	**785**	**785**	**–**	**–**	785	785	–	–
Adriaan de Lange	**2 150**	**2 150**	**–**	**–**	2 150	2 150	–	–
Total	**967 245**	**915 054**	**44 575**	**7 616**	1 051 552	998 377	53 175	–

There has been no change in directors' shareholdings between 31 March 2019 and the date of approval of the Group annual financial statements.

NON-EXECUTIVE DIRECTORS' FEES

The table below summarises the directors' fees paid, based on the approved rates as per the AGM of 20 September 2018 for the period 1 October 2018 to 30 September 2019 as well as the fees for the prior period.

R'000	FY2019	FY2018
Rod Humphris[8]	**2 593**	2 458
Nick Binedell	**391**	430
Ronald Bowen	**581**	591
Frank Butler	**684**	624
Tina Eboka	**577**	389
Ralph Havenstein	**764**	634
Sizwe Mncwango	**344**	314
Linda de Beer	**1 014**	251
Seelan Gobalsamy[1]	**531**	–
Thoko Mokgosi-Mwantembe[2]	**381**	–
Wim Plaizier[3]	**77**	–
Neville Crosse[4]	**–**	492
Dr Willie Marais[5]	**–**	304
Daisy Naidoo[6]	**–**	503
Hester Hickey[7]	**–**	521
Total	**7 937**	7 511

[1] *Appointed 10 September 2018. Appointed executive director (Group finance director) 1 March 2019*

[2] *Appointed 1 June 2018*

[3] *Appointed 11 February 2019*

[4] *Retired as non-executive chair from 31 May 2017*

[5] *Retired as non-executive director from 12 March 2018*

[6] *Resigned as non-executive director from 30 January 2018*

[7] *Retired as non-executive director from 30 November 2017*

[8] *Retired as chair effective 6 June 2019 but remains as non-executive director*

GLOSSARY OF TERMS AND ACRONYMS

Agronomist	A person engaged in the scientific study of soil management and crop production, including irrigation and the use of herbicides, pesticides, and fertilizers. Accordingly, an agronomist is a scientist who studies and works in these areas of agriculture
AGM	Annual general meeting
AXXIS™	Patented electronic delay detonators
Axioteq™	Axioteq™ is a newly acquired company within the Group with a mandate to expand globally on technologies and data solutions in the agriculture, mining and transport sectors. Axioteq™ consists of two departments called Innovative Systems and Data Solutions. The Innovative Systems team will focus on different technologies, field services and hardware. The Data Solutions team will focus on data processing, analytics and software
Basic earnings per share	Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year, excluding shares held by the various share-incentive schemes
BlastMapIII™	Blasting patented software
BBBEE	Broad-based black economic empowerment is a process by which the South African Government is trying to ensure economic equity amongst race groups, governed by the Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
BME	Bulk Mining Explosives the explosives operation of the Mining division within Omnia
CAIA	Chemical and Allied Industries' Association – South African industry body that promotes responsible behaviour, supports education initiatives and facilitates government engagement on behalf of chemicals companies
Companies Act	Companies Act, 2008 (Act No 71 of 2008) applies to all companies in South Africa
CPI	Consumer price index – measures changes in the price level of a market basket of consumer goods and services purchased by households
Corporate governance	Framework of rules and practices by which a board of directors ensures accountability fairness and transparency in a company's relationship with all its stakeholders
CSI	Corporate social investment – an organisations philanthropic actives, component of an organisation greater corporate social responsibility
Current ratio	Current assets divided by current liabilities
DAP	Diammonium phosphate
Debt: equity	Is a measure of a Group's financial leverage, calculated by dividing its net interest-bearing borrowings (debt plus bank overdrafts minus cash and cash equivalents) by total equity (including minorities); indicates what proportion of equity and debt the Group is using to finance its assets
DRC	Democratic Republic of the Congo
Dividend cover	Earnings per share divided by the total dividend per share for the year
EPS	Earnings per share is the portion of a Group's profit allocated to each outstanding share of common stock; indicator of a Group's profitability
Enterprise development	The fostering and promotion of entrepreneurship, typically in the form of small businesses
Effective tax rate	Tax expense expressed as a percentage of profit before tax
EnviNOx	A catalyst that converts the N_2O and NOx gasses generated during the production of nitric acid into nitrogen, oxygen and water
EBITDA	Operating profit before finance cost, depreciation and amortisation, net of impairments
EBITDA adjusted	Operating profit before finance cost, depreciation and amortisation, net of impairments and other adjustments as per finance covenants
EBITDA finance cost cover	Operating profit before finance cost, tax, depreciation and amortisation divided by finance cost
ERP	Enterprise resource planning; information technology systems
ESG	Environmental, Social and Governance report
EVA incentive	Economic value add incentive

FY	Financial year refers to the period from 1 April to 31 March
GRI	Global Reporting Initiative – is a reporting standard generally accepted to be the leading international standard for reporting social, environmental and economic performance
HEPS	Headline earnings per share – is the profit attributable to ordinary shareholders after adjusting for non-headline earnings items, divided by the weighted average number of ordinary shares in issue during the year, excluding shares held by the various share incentive schemes
IAR	Integrated Annual Report
IFRS	International Financial Reporting Standards
IoD	Institute of directors for South Africa
IIRC	International Integrated Reporting Council
ISO	International Organisation for Standardisation
ISO 9001	Is the international standard that specifies requirements for a quality management system
ISO 14001	Part of the 14000 family of standards provides practical tools for companies and organisations of all kinds looking to manage their environmental responsibilities
IT	Information technology
KPI	Key performance indicator
K-Humate™	A concentrated soil conditioner produced from humic and fulvic acids
LTIP	Long term incentive plant
MAP	Monoammonium phosphate
MOI	Memorandum of incorporation
NAP2	Sasolburg's nitric acid plant 2
NAV	Net asset value – ordinary shareholders' equity and minority interest divided by the number of shares in issue at year-end, excluding the shares held by the various share incentive schemes
NED	Non-executive director
Net interest-bearing borrowings	Interest-bearing liabilities net of cash resources
Net interest-bearing borrowings to equity percentage	Net interest-bearing borrowings divided by EBITDA
Net working capital ratio	Turnover divided by net working capital
N_2O	Nitrous oxide
NED	Non-executive director
NH_3	Ammonia
NOx	Nitrogen oxide
Omnia/the Group	Omnia Holdings Limited and its subsidiaries
Omnia Fertilizer	The primary business in the Agriculture division
Omnia Specialities	Part of the Agriculture division, this provides a range of specialised products and services targeted at creating value for farming customers
OmniBio™	The management of soil biological life starts with an OmniBio™ analysis, which provides the farmer with a crop-specific proposal, focusing on the major biological indicators found in the soil

GLOSSARY OF TERMS AND ACRONYMS CONTINUED

Omnia Nutriology™	The science of growing – is a concept developed by Omnia that not only concentrates on crops, but includes the development of product ranges, services, relationships and client profitability. Nutriology™ refers to a total crop management process. It is applied throughout the growth stages of the crop. Omnia manages the plant stress to increase yield through soil and foliar applications. Omnia also uses soil, leaf, water and sap analyses to manage the plant during these stages. To bring the Nutriology™ concept to full fruition requires a comprehensive approach, which is made up of the following 12 pillars: production facilities, technology, products, environment and safety, quality, values, research and development, support services, relationships, investment, agronomic services and partners
OmniSAP™	Patented technology used to measure crop growth
Oro Agri	Oro Agri forms part of the Agriculture division and is an international company involved in the R&D, production, distribution and sales of a unique range of patented agriculture biological (AgriBio) products
P_2O_5	Phosphoric acid
PGAN	Porous granular ammonium nitrate
Protea Chemicals	Omnia's Chemicals division, Protea Chemicals is a well-established manufacturer and distributor of specialty, functional and effect chemicals and polymers
Protea Mining Chemicals	One of the companies in Omnia's Mining division; supplier of an extensive range of specialty and commodity chemicals specifically required by the processing and recovery plants in the mining industry in Africa
RCR	Recordable case rate – is a safety indicator, is a recordable case in any incident resulting in occupational illness and/or injury which arises out of or during an employee's normal course of duty and the execution of work-related responsibilities and which, as a result, requires medical treatment excluding diagnostics. Medical treatment is defined as treatment above and beyond first aid, administered by a recognised professional medical practitioner such as a medical doctor, paramedic or nurse. RCR is therefore the number of recordable cases per year or 200 000 working/exposure hours
Responsible Care®	Omnia is a voluntary signatory to the International Council of Chemical Associations (ICCA) that promotes the chemical industry's unique global initiative for continuous improvement in health, safety and environmental performance, together with open and transparent communication with stakeholders run under the auspices of CAIA
Return on net controlled assets	Profit before taxation divided by total of net working capital and assets
ROE	Return on average equity – profit attributable to ordinary shareholders expressed as a percentage of the average opening and closing ordinary shareholders' equity
RNC	Remuneration and nominations committee
Sakhile 1/Sakhile Initiative/ Sakhile Initiative Limited	Established on 1 April 2007 as a broad-based black economic empowerment vehicle for employees residing in South Africa
Sakhile 2/Sakhile Initiative 2/Sakhile Initiative 2 Limited	Established in January 2009 as an investment vehicle to retain senior black employees as well as to attract and retain talented employees of colour
SERC	Social, ethics and risk committee
SHERQ	Safety, health, environment, risk and quality
SENS	Stock Exchange News Service announcements: company announcements such as mergers, take-overs, rights offer, capital issues and cautionary announcements that are published by the JSE
The board	Omnia Holdings Limited board of directors
Umongo Petroleum	Umongo Petroleum forms part of the Chemicals division and is a distributor of Chevron Oronite for South Africa and sub-Saharan Africa. Umongo diversified its business activities to include distribution agreements with Chevron Products Company U.S.A. Inc. (Chevron Products Company), BASF SE (BASF) and Evonik Oil Additives GmbH (Evonik)
SETA	Sector Education and Training Authority: vocational skills training organisation in South Africa

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FORWARD-LOOKING STATEMENTS

Throughout this report there are certain statements made that are "forward-looking statements". Any statements preceded or followed by, or that include the words "forecasts", "believes", "expects", "intends", "plans", "predictions", "will", "may", "should", "could", "anticipates", "estimates", "seeks", "continues", or similar expression or the negative thereof, are forward-looking statements. By their nature, forward-looking statements are speculative and allude to known and unknown risks, opportunities, macro-economic issues and any factors that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and reflect the Group's view at the date of publication of this report. The Group is not obliged to publicly update or revise these forward-looking statements for events or circumstances occurring after the date of publication of this report. Any forward-looking statement contained herein based on current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Forward-looking statements should not be relied on because they involve uncertainties and known and unknown risks which risk factors are described throughout the commentary in this report, and include economic, business and political conditions in South Africa and elsewhere.



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