



OMNIA ANNOUNCES DIVESTMENT FROM UMONGO IN VALUE ENHANCING DEAL RETURNING R1 BILLION IN CASH

- Continued strategic execution through sale of asset identified as non-core
- Attractive cash receipt for business with limited synergistic benefits
- Deal will further strengthen capital position

Thursday, 21 October 2021: JSE-listed, diversified chemicals company Omnia Holdings (Omnia) and minority shareholder Autumn Storm Investments (Autumn Storm) have negotiated a deal to sell a majority stake in Umongo Petroleum (Umongo) - a supplier of lubricant additives, base oils, process oils and chemicals as well as technical solutions to lubricant blend manufacturers in sub-Saharan Africa.

This transaction will see Orkila South Africa (Orkila) - a subsidiary of Azelis S.A. (Azelis), a global service provider in the specialty chemical and food ingredients industry, secure a 90% share in Umongo. Omnia, together with Autumn Storm, will retain a 10% shareholding, which is subject to a two-year option agreement.

Seelan Gobalsamy, CEO of Omnia commented: **“This is a further step in the execution of our Group’s strategy. We identified Umongo as non-core during our strategic review and while we had not actively marketed the business, we are pleased to have negotiated an attractive deal - one that is in the interest of all stakeholders. Indeed, the Umongo management team is excited about the opportunities for growth that Azelis offers.”**

“We are grateful to Omnia’s leadership for supporting Umongo’s development and guiding us through the dynamic environment over the past few years. I have no doubt that Umongo will continue to reach greater heights and add further value to our customers under Azelis’ strategic guidance,” remarked Boston Moonsamy, Umongo CEO and director of Autumn Storm, who will continue to lead Umongo.

Omnia, which acquired 90% of Umongo in 2017 for R637 million, will be receiving total cash proceeds expected to be approximately R1 billion upon closing, followed by additional proceeds of between R86 million and R105 million if an option on the retained 9% shareholding is exercised.

“The proceeds from the transaction represent an excellent cash return and will further strengthen our capital position. It will provide additional optionality to create value for shareholders, either through capital allocation towards growth opportunities or by returning the cash to shareholders,” added Gobalsamy. An evaluation of Omnia’s balance sheet at its financial year-end in March 2022 will determine how the capital is allocated within its stated framework.

Following consistent strategic execution which has placed Omnia in a healthy cash position, the Group is driving its ‘reset and growth’ phase of its strategy. Omnia is actively pursuing value-adding organic and inorganic growth opportunities, investing in greener technologies and focusing on relevant geographic expansion with a view to enhance Omnia’s positive impact in the world.

“We continue to pursue value accretive opportunities that provide complementary diversification to our core businesses whilst strengthening Omnia’s competitiveness and positioning,” explained Gobalsamy. “I

am delighted by Omnia’s progress on our journey of sustainable growth. We have depth of talent within the Omnia family and a clear strategy taking global sector trends into account – all of which puts us in a strong position.”

The transaction is subject to conditions customary for transactions of this size and nature, including Competition Commission approval. The divestment is not subject to shareholder approval.

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NOTES TO EDITORS:

About OMNIA

Omnia is a diversified chemicals Group that supplies chemicals and specialised services and solutions for the agriculture, mining, and chemical application industries. Using technical innovation combined with intellectual capital, 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’s corporate office is based in Johannesburg, South Africa, and its main production facility is in Sasolburg, some 70 kilometres south of Johannesburg. At 31 March 2021, the Group had a physical presence in 25 countries and operations extending into the African continent, including South Africa, with additional focused operations in Australasia, Brazil, Canada and China.

Operating Segments:



Agriculture RSA: As part of its innovative Nutriology® concept, this division carries out research and development, production, distribution and sales of granular, liquid and speciality fertilizer, as well as a unique range of AgriBio products and value-added services and solutions. The South African customer base includes commercial and small-scale farmers, co-operatives and other corporate clients. The business also supplies manufactured goods to Agriculture International, Mining and Chemicals.

Agriculture International: This division produces and trades in granular, liquid and speciality fertilizer, biostimulants, including humates, fulvates and kelp products. In addition to fertilizers, a full range of trace elements, biostimulants and plant health products are used globally to improve crop health, yields and improve soil health in a sustainable and environmentally conscious way. Products, value-added services and solutions are delivered to a broad customer base in Australia and Brazil and are exported internationally.



Mining RSA: This division comprises the BME business in South Africa. The business focuses on blasting agents – bulk emulsion and blended bulk explosives – complemented by the AXXIS™ electronic detonator system and modern software that are crucial to cost-efficient and safe rock breaking. BME leverages its blasting products, equipment, accessories, services and solutions to add value to customers’ blasting operations. A part of Mining RSA’s revenue relates to the recovery of costs for services and technology. This division also provides raw material and other supplies to Mining International.

Mining International: This division relates to the BME businesses outside of South Africa and also includes the Protea Mining Chemicals business. The territories included here are countries in the SADC, West Africa, Australia, Indonesia, USA and Canada (by way of a joint venture) and supply similar products and services as Mining RSA.



Protea Chemicals: is a long-established and well-known manufacturer and distributor of specialty, functional and effect chemicals, polymers and other value-adding services and solutions. The division relates to both the local and (the smaller) international components of the business. Sectors into which the business supplies a range of specialty and industrial chemicals, technical and product application support and SHEQ-related services, include water, agricultural, industrial and life sciences.

Umongo Petroleum: supplies lubricant additives, base oils, process oils and chemicals as well as technical solutions to lubricant blend manufacturers in sub-Saharan Africa. It is the sole distributor for Chevron Products (base oils) and Chevron Oronite (additives) in South Africa together with several other countries in Africa.