OM HOLDINGS LIMITED

(ARBN 081 028 337)
(Malaysian Registration No. 202002000012 (995782-P))
Incorporated in Bermuda

No. of Pages Lodged:	9	Covering letter
	13	ASX Appendix 4E – Preliminary Final Report

28 February 2022

ASX Market Announcements
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

The Board of OM Holdings Limited ("**OMH**", or the "**Company**", and together with its subsidiaries (the "**Group**"), is pleased to provide the financial results of the Group for the year ended 31 December 2021. A copy of the Group's Appendix 4E for the financial year ended 31 December 2021 is attached to this announcement.

HIGHLIGHTS

- **Net profit after tax attributable to owners of the Company for the year ended 31 December 2021 ("FY2021") of A$81.9 million as compared to A$5.4 million for the year ended 31 December 2020 ("FY2020").**
- **Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") of A$204.0 million for FY2021 compared with A$78.0 million for FY2020.**
- **Basic and diluted earnings per ordinary share of the Group of 11.11 cents for FY2021 as compared to 0.73 cents FY2020.**
- **Revenue from operating activities for FY2021 was A$1.04 billion, representing a 33% increase over FY2020. This increase was primarily attributed to higher total manganese ore and manganese alloys (mainly silicomanganese ("SiMn")) volumes traded in FY2021, coupled with the increase in ferroalloy prices for the year.**
- **Gross profit margin doubled to 26.4% in FY2021, up from 12.3% in FY2020. This was predominantly attributed to stronger ferroalloy prices.**
- **The Group's share of results from its associates for FY2021 was A$5.4 million.**
- **Total borrowings decreased from A$415.0 million as at 31 December 2020 to A$409.0 million as at 31 December 2021 which included repayments against the Sarawak Project Finance Loan of US$19.2 million (approximately equal to A$25.8 million) partially offset by an increase in the utilisation of trade facilities of approximately A$23.6 million for the purchase of ores, alloys and raw material inventories. As a result, total borrowings to equity ratio decreased from 0.89 times as at 31 December 2020 to 0.67 times as at 31 December 2021.**
- **Consolidated cash position of A$112.3 million (included cash collateral of A$16.2 million) as at 31 December 2021 as compared to A$63.0 million (included cash collateral of A$17.1 million) as at 31 December 2020.**
- **Net cash generated from operating activities of A$94.2 million for FY2021.**

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HIGHLIGHTS (CONT'D)

- **Net asset backing per ordinary share of the Group was 82.84 cents as at 31 December 2021 as compared to 63.56 cents per ordinary share as at 31 December 2020, representing a 30% (or 19.28 cents per ordinary share) year-on-year increase.**
- **With the Group having recorded a net profit after tax of A$109.3 million, the Board has resolved to declare a final dividend of A$0.02[(1)] per share for FY2021. The Record Date for the dividend will be 8 April 2022 and the Payment Date will be 6 May 2022.**

(1) For shareholders whose shares are held on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the final dividend of A$0.02 per share (approximately MYR 0.061 per share) will be paid on 6 May 2022. The exchange rate will be fixed at the Record Date of 8 April 2022. All other shareholders will be paid in AUD.

OM HOLDINGS LIMITED – GROUP KEY FINANCIAL RESULTS

KEY DRIVERS (Tonnes)	Year ended 31 December 2021	Year Ended 31 December 2020	Variance %
Sales volumes of Ores & Raw Materials	**1,557,142**	**1,146,970**	36
Sales volumes of Alloys	**419,689**	**415,708**	1

FINANCIAL RESULTS (A$' million)			
Total sales	**1,040.8**	**784.6**	33
Gross profit	**274.5**	**96.3**	>100
Gross profit margin (%)	**26.4**	**12.3**	
Other income	**14.3**	**6.8**	>100
Distribution costs	**(68.7)**	**(41.7)**	65
Administrative expenses	**(21.7)**	**(15.9)**	36
Other operating expenses	**(58.9)**	**(38.4)**	53
Exchange (loss)/gain	**(11.7)**	**0.6**	NM
Impairment charge	**(0.8)**	**-**	100
Finance costs	**(19.8)**	**(28.8)**	(31)
Share of results of associates	**5.4**	**16.5**	(67)
Profit/(Loss) before income tax	**112.6**	**(4.7)**	NM
Income tax (expense)/credit	**(3.3)**	**1.7**	NM
Profit/(Loss) for the year	**109.3**	**(2.9)**	NM
Non-controlling interests	**(27.4)**	**8.3**	NM
Profit after tax attributable to owners of the Company	**81.9**	**5.4**	>100

OPERATING RESULTS ADJUSTED FOR NON-CASH ITEMS		
Net profit/(loss) after tax	**109.3**	**(2.9)**
Adjust for non-cash items:		
Impairment charge	**0.8**	**-**
Write off of property, plant and equipment	**7.3**	**0.3**
Depreciation/amortisation[(2)]	**56.9**	**54.8**
Unrealised exchange (gain)/losses	**6.9**	**(0.6)**
Finance costs (net of income)	**19.5**	**28.1**
Income tax expense/(credit)	**3.3**	**(1.7)**
Adjusted EBITDA[(1)]	**204.0**	**78.0**
Less Depreciation/amortisation	**(56.9)**	**(54.8)**
Adjusted EBIT	**147.1**	**23.2**

(1) Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment expense, write-off of property, plant and equipment, net finance costs, income tax and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' disclosures.

(2) Inclusive of depreciation and amortisation charges recorded through cost of sales.

FINANCIAL ANALYSIS

The Group recorded revenue of A$1.04 billion for the FY2021, which was a 33% increase from the A$784.6 million recorded for the FY2020. The increase in revenue was mainly attributed to higher total manganese ore and manganese alloys (mainly SiMn) volumes traded in FY2021, coupled with the increase in ferroalloy prices in FY2021. Despite the challenging global environment with the COVID-19 pandemic, there has been a strong global recovery since the beginning of 2021 with increased regional demand for manganese ores and ferroalloys. This has in turn translated to a corresponding increase in ferroalloy prices in FY2021, with rather significant increases recorded especially in the second half of FY 2021.

With the shut-down of 4 furnaces since the middle of FY2020 due to border closures and local restrictions imposed on the hiring of new foreign workers due to the COVID-19 pandemic leaving only 12 furnaces operating for the whole of FY2021, the Group's FeSi volumes traded from the Group's 75% owned smelter in Sarawak decreased by approximately 34% in FY2021. The temporary shut-down of the smelter in Sarawak for about 1 month (i.e from end May 2021 to end June 2021) as a result of COVID-19 also contributed to this decrease. FeSi volumes traded in FY2021 were 117,514 tonnes, with a total revenue contribution of A$272.7 million (FY2020: 171,502 tonnes with a revenue contribution of A$250.2 million). Despite a 34% decrease in FeSi volumes traded in FY2021, the average transacted prices of FeSi for FY 2021 increased by approximately 59% (from A$1,459 per tonne for FY 2020 to A$2,321 per tonne for FY2021).

The decrease in FeSi volumes traded was offset by an increase in manganese alloys (mainly SiMn) volumes traded in FY2021 of approximately 24%. A total of 302,175 tonnes of manganese alloys were traded in FY2021 (with a revenue contribution of approximately A$474.4 million) as compared to 244,206 tonnes of manganese alloys traded in FY2020 (with a revenue contribution of approximately A$316.2 million).

Total manganese ore volumes traded (including from the Group's wholly-owned Bootu Creek Manganese Mine (the "Mine") and other third party ores) increased in FY2021 due to stronger global demand. Total manganese volumes traded increased by 402,012 tonnes (approximately 36%) to 1,513,757 tonnes, with a total revenue contribution of A$279.6 million in FY2021 (as compared to 1,111,745 tonnes with a total revenue contribution of A$212.4 million in FY2020). Manganese ore volumes traded from the Mine in FY 2021 increased by approximately 28% (by 170,962 tonnes) to 777,177 tonnes, with a revenue contribution of A$129.4 million (an increase of approximately 27%, as compared to a revenue contribution in FY 2020 of A$101.5 million). The increase in volumes traded was mainly due to the Australian subsidiary, OM (Manganese) Ltd ("**OMM**") carried out mining and production activities for the whole of FY2021. However, for FY2020, mining and production efficiencies at the restart of mining activities in 2020, after the 4 months mining suspension following the Tourag accident, were slower with lower than budgeted yields. Other third party manganese ore volumes traded (including ores from South Africa) in FY2021 also increased by approximately 46% (by 231,050 tonnes) to 736,580 tonnes (as compared to 505,530 tonnes in FY2020). Revenue contributed from other third party manganese ores in FY2021 were A$150.2 million as compared to A$110.9 million in FY2020, an increase of 35%.

With an increase in both product volumes traded in FY2021 and price increases of FeSi and SiMn along with improved operational performance of OMM, the Group recorded an increased gross profit of approximately A$274.5 million in FY2021 (with a gross profit margin of approximately 26%) as compared to a gross profit of A$96.3 million in FY2020 (with a gross profit margin of approximately 12%).

Platts reported that prices of FeSi continued an upward trend since December 2020, closing at US$1,465 per metric tonne CIF Japan at the end of March 2021, and continued to rally to close at US$1,920 per metric tonne CIF Japan at the end of June 2021, and further surged by approximately 116.2% to close at US$4,150 per metric tonne CIF Japan at the end of September 2021. This escalation in FeSi prices was due in part to government policies in China in relation to the on-going power shortages. Power rationing was imposed on energy-intensive industries which resulted in significant cuts in FeSi production, which impacted global supply and demand balance. However, FeSi prices decreased from a high of US$4,150 to close at US$2,110 per metric tonne CIF Japan at the end of December 2021 mainly due to the easing of the energy crunch, as well as lower steel production in China during the quarter ended 31 December 2021.

The price of SiMn to Japan in FY2021 also followed the same trajectory as FeSi. SiMn prices closed at US$1,280 per metric tonne CIF Japan at the end of March 2021, continued to increase to close at US$1,545 and US$1,615 per metric tonne CIF Japan at the end of June 2021 and September 2021 respectively, before softening slightly to close at US$1,535 per metric tonne CIF Japan at the end of December 2021. In addition to the emissions policies in China which dampened ferroalloy production, the increase in both FeSi and SiMn prices were also supported by stronger regional demand amidst reduced supply due to temporary disruptions in India and at OM Sarawak with the temporary shut-down of the Plant in late May 2021 for one month.

As an indication, the index manganese ore prices (44% Mn published by Fastmarkets MB) also increased and closed at US$$5.60/dmtu CIF China at the end of December 2021, up from US$4.21/dmtu CIF China at the end of December 2020 and US$5.22/dmtu at the end of June 2021.

Total distribution costs increased by approximately 65% in FY2021, which was in line with the increase in the total volume of products traded and sold in FY2021. In addition, freight market rates increased significantly in FY2021 and remained elevated, and the heightened freight rate is expected to continue affecting sea borne trade globally into FY2022.

Administrative expenses for FY2021 increased by 36% to A$21.7 million. The increase was mainly due to:

- higher legal and professional fees associated with the Company's secondary listing on Bursa Malaysia Securities Berhad ("Bursa Malaysia");
- bonus and profit-sharing provisions for FY2021 performance (no bonus and profit-sharing provision in FY2020); and
- higher general administrative expenses to enforce COVID-19 safe-distancing and management protocols and requirements throughout the Group.

Other operating expenses increased to A$58.9 million for FY2021 from A$38.4 million for FY2020 mainly due to:

- higher furnace shut-down expenses in FY 2021 as compared to FY 2020. In FY 2021, the Group recorded the furnace shut-down expenses of 4 FeSi furnaces in OM Sarawak for 12 months of A$18.9 million. (as compared to A$11.9 million for FY2020) as the FeSi furnaces were shut down in stages in FY2020 (ie. 2 furnaces in February 2020, 1 furnace in May 2020, and the 4th furnace only in July 2020) for maintenance and upgrading due to local restrictions imposed on the hiring of new foreign workers due to the COVID-19 pandemic;
- A$3.8 million write-down of inventories to net realisable value in FY 2021 (an increase of A$0.8 million over FY 2020);
- higher depreciation and amortisation mainly from the accelerated depreciation/amortisation of the Australian mining asset with the stoppage of mining activities in December 2021; and
- provisions and payments of employee entitlements/redundancies at OMM due to the cessation of mining activities at the Mine.

Foreign exchange losses of A$11.7 million were recorded in FY2021 as compared to foreign exchange gains in FY2020 of A$0.6 million. The foreign exchange losses in FY2021 were mainly due to the discontinuation in cash flow hedges (approximately A$2.9 million) and exchange losses from OM Sarawak and OMM. The foreign exchange gain in FY2020 was mainly attributed to hedging gains from forward foreign exchange contracts to sell USD for AUD.

Finance costs for FY2021 also decreased by approximately 31% to A$19.8 million (as compared to A$28.8 million for FY2020) mainly due to the reduction in bank borrowings with the scheduled repayments of the Project Finance loans by OM Sarawak and generally lower interest rates.

The Group's share of results from its associates of A$5.4 million related to the operating results of its 13% interest in Tshipi é Ntle Manganese Mining (Pty) Ltd.

Despite the global economy still being challenged by the COVID-19 pandemic, there has been a strong global recovery since the beginning of 2021 with increased regional demand for manganese ores and ferroalloys and a strong increase in ferroalloy prices in FY2021. The Group has benefited from this as evidenced by the increase in total product volumes traded in FY2021. The Group recorded a strong profit after tax of A$109.3 million for FY2021 (against a loss after tax of A$2.9 million for FY2020). The Group's basic and diluted profit per ordinary share for FY2021 was 11.11 cents as compared to the basic and diluted earnings per share of 0.73 cents for FY2020.

The Group also recorded a strong positive EBITDA of A$204.0 million in FY2021 as compared to A$78.0 million in FY2020, an increase of more than 100%, on the back of stronger ferroalloy prices and higher product volumes traded.

Results Contributions

The contributions from the Group's business segments were as follows:

A$ million	Year ended 31 December 2021		Year ended 31 December 2020	
	Revenue*	**Contribution**	Revenue*	Contribution
Mining	**84.0**	**(35.1)**	**85.9**	**(19.9)**
Smelting	**639.2**	**139.7**	**548.7**	**(5.3)**
Marketing, logistics and trading	**925.9**	**28.6**	**716.1**	**32.8**
Others	**37.2**	**(6.5)**	**14.0**	**(0.6)**
Net profit before finance costs		**126.7**		**7.0**
Finance costs (net of income)		**(19.5)**		**(28.1)**
Share of results of associates		**5.4**		**16.5**
Income tax (expense)/credit		**(3.3)**		**1.7**
Profit/(Loss) after tax		**109.3**		**(2.9)**
Non-controlling interests		**(27.4)**		**8.3**
Profit attributable to owners of the Company		**81.9**		**5.4**

** revenue contribution from segments is subsequently adjusted for intercompany sales on consolidation*

Mining

This category included the contribution from the Bootu Creek Manganese Mine (the "**Mine**").

The Mine (100% owned and operated by the Company's wholly owned subsidiary OMM) produced 854,487 tonnes of manganese ore with an average grade of 28.42% Mn in FY2021 as compared to 738,019 tonnes of manganese ore with an average grade of 28.10% Mn in FY2020. The increase of approximately 16% was mainly due to OMM carried out mining and production activities for the whole 12 months of FY2021. For FY2020, mining and production efficiencies at the restart of mining activities in early FY2020 were impacted by slower activities and lower than budgeted yields. OMM shipped 697,328 tonnes of manganese ore with an average grade of 28.49% Mn in FY2021 (FY2020: 637,873 tonnes shipped and 4,858 tonnes sold domestically).

Revenue for FY2021 amounted to A$84.0 million and OMM recorded a negative contribution of A$35.1 million for FY2021. Despite higher tonnages of manganese ore sold in FY2021, revenue decreased marginally by 2% as a result of weaker manganese ore prices in FY2021 as compared to FY2020. The negative contribution for FY2021 was also impacted by:

- higher depreciation and amortisation charges of property, plant and equipment of A$22.3 million (an increase of approximately A$3.8 million against FY2020) during the year with the stoppage of mining activities in December 2021;
- provisions and payments of employee entitlements/redundancies due to the cessation of mining activities at the Mine of A$3.3 million; and
- write-down of inventories of A$3.8 million.

Smelting

This business segment covered the operations of the FeSi and manganese alloy smelter operated by OM Sarawak (75% interest) and the Group's 100% owned Qinzhou manganese alloy smelter operated by OM Materials (Qinzhou) Co Ltd ("**OMQ**").

OM Sarawak and OMQ recorded revenues of A$639.2 million for FY2021 as compared to A$548.7 million for FY2020. The increase in revenue was mainly due to the strong increase in ferroalloy prices in FY2021 as compared to FY2020. OM Sarawak produced 131,059 tonnes, 216,539 tonnes and 99,824 tonnes of FeSi, manganese alloy and sinter ore respectively in FY2021 (FY2020: 167,443 tonnes of FeSi and 227,406 tonnes of manganese alloy) with a revenue contribution of A$582.4 million for FY2021 as compared to A$521.9 million for FY2020. As mentioned above, OM Sarawak shut down 4 FeSi furnaces in stages since FY2020 due to limited manpower at the Sarawak plant as a result of labour disruptions which arose from strict governmental imposed travel restrictions related to the COVID-19 pandemic. In addition, the temporary shut-down of the Sarawak plant for about 1 month also contributed to this decrease in production volumes in FY2021.

OMQ produced 47,555 tonnes of manganese alloy and 35,301 tonnes of manganese sinter ore in FY2021 (FY2020: 10,140 tonnes of manganese alloy and 8,051 tonnes of manganese sinter ore) and had a revenue contribution of A$56.8 million for FY2021 as compared to A$26.8 million for FY2020. OMQ's operations were suspended from March 2020 to December 2020 due to the COVID-19 pandemic. During the downtime period, OMQ was able to carry out major maintenance on 1 of the furnaces while the other furnace was upgraded from 16.5 MVA to 25.5 MVA. Full commercial operations for the upgraded furnace and the manganese ore sinter plant subsequently restarted on 31 January 2021, and the other furnace was restarted in March 2021. OMQ was in full operation until December 2021 when production activities were stopped due to elevated power-tariffs from power rationing imposed by the government authorities in China.

The smelting segment recorded a strong positive contribution of A$139.7 million for FY2021 (FY2020: negative contribution of A$5.3 million) mainly due to the strong increase in ferroalloy prices in FY2021 as compared to the soft market prices experienced in FY2020. Due to the strong increase in FeSi and manganese alloy prices (mainly SiMn) in FY2021, FeSi and manganese alloy margins correspondingly increased from 5% and 18% for FY2020 to 35% and 28% respectively for FY2021.

Marketing, logistics and trading

Revenue from the Group's trading operations increased by 29% from A$716.1 million in FY2020 to A$925.9 million in FY2021. This increase was primarily due to higher total volumes of manganese ore and manganese alloys (mainly SiMn) traded in FY2021, as well as stronger ferroalloy prices in FY2021. Despite the increase in revenue, the profit contribution from the Group's trading operations decreased by 13% to A$28.6 million in the current year as compared to A$32.8 million in FY2020. This was mainly due to significantly higher freight and distribution costs incurred in FY2021 as global freight market rates increased sharply and remained elevated throughout the year.

Others

This segment included the corporate activities of OMH, logistics services as well as procurement services rendered by a number of the Group's subsidiaries.

The revenue recognised in this segment mainly related to procurement fees, logistics services and other services rendered by subsidiaries. The negative contribution of A$6.5 million reported in this segment for FY2021 included higher administrative and operating expenses for corporate activities (e.g. legal and professional fees incurred for the Company's secondary listing on the Main Market of Bursa Malaysia in June 2021), provision for profit-sharing for FY2021, and unrealised foreign exchange losses.

FINANCIAL POSITION

As at 31 December 2021, the Group's consolidated cash position was A$112.3 million (including cash collateral of A$16.2 million) as compared to A$63.0 million (including cash collateral of A$17.1 million) as at 31 December 2020. For FY2021, net cash generated from operating activities was A$94.2 million as compared to net cash generated of A$76.6 million for FY2020.

Inventories increased to A$353.3 million as at 31 December 2021 from A$216.3 million as at 31 December 2020. This was mainly due to increased inventories of raw materials (including power inventory) as a result of the Sarawak Plant running 12 out of 16 furnaces in total for the FY2021 and this was also impacted by the 1 month shut-down of the Plant at the end of May 2021. This also included increased inventories of finished goods as at 31 December 2021.

Trade and other receivables decreased to A$56.4 million as at 31 December 2021 from A$63.0 million as at 31 December 2020 mainly due to the general increase in sales at the end of December 2020 with associated receipts collected within the 1st quarter of 2021 and faster collections of receivables in FY2021.

Trade and other payables increased by approximately 10% to A$230.8 million as at 31 December 2021 from A$210.6 million as at 31 December 2020 due to higher purchases of ores, alloys and raw material inventories, and extended payment terms offered by some suppliers due to the COVID-19 pandemic.

The Group's total borrowings decreased from A$415.0 million as at 31 December 2020 to A$409.0 million as at 31 December 2021. The decrease was mainly attributed to the full redemption of the balance of 12.5 million unsecured convertible notes of A$13.9 million in March 2021 and repayments of the Sarawak Project Finance loans during FY2021 of US$19.2 million (equivalent to approximately A$25.8 million). This decrease was partially offset by an increase in the utilisation of trade facilities of approximately A$23.6 million for the purchase of ores, alloys and raw material inventories. In addition, the AUD equivalent of bank borrowings increased due to the translation loss from USD denominated loans to AUD impacted by the strengthening of the USD against the AUD between 31 December 2020 and 31 December 2021. The Group's total borrowings to equity ratio decreased from 0.89 times as at 31 December 2020 to 0.67 times as at 31 December 2021. The borrowings as at 31 December 2021 comprised US$230.5 million (equivalent to approximately A$317.7 million) of Sarawak Project Finance loans associated with the smelter operations.

The Company's net asset backing per ordinary share was 82.84 cents per ordinary share as at 31 December 2021 as compared to 63.56 cents per ordinary share as at 31 December 2020, a 30% (or 19.28 cents per ordinary share) year-on-year increase.

Capital Structure

As at 31 December 2021, the Company had on issue 738,623,337 ordinary shares.

The Company successfully completed its secondary listing process by debuting on the Main Market of Bursa Malaysia on 22 June 2021. As OMH shares are fully fungible between the 2 exchanges, shareholders are able to transfer their shares listed on the ASX to Bursa Malaysia and vice versa for trading.

As at 15 February 2022, a total of 102,655,573 shares were listed on Bursa Malaysia and 635,967,764 shares listed on the Australian Securities Exchange.

INVESTMENT IN NTSIMBINTLE MINING PROPRIETARY LIMITED

Ntsimbintle Mining Proprietary Limited ("**NMPL**") holds a 50.1% interest in Tshipi é Ntle Manganese Mining (Pty) Ltd ("**Tshipi**"), an independently operated and managed black empowered manganese mining company that operates the Tshipi Borwa Manganese Mine located in the world class Kalahari Manganese field in South Africa. The Tshipi Borwa Manganese Mine currently has a production target of approximately 3.3 to 3.6 million tonnes per annum. The Company has a 13% effective beneficial interest in this project via its NMPL investment holding. The Group equity accounts its 13% effective interest in Tshipi's results which equated to a contribution of A$5.4 million for FY2021 compared to A$16.5 million for FY2020. The decrease from the share of results from Tshipi was mainly due to Tshipi's lower net profits in FY2021 as compared to FY2020 mainly due to sustained depressed manganese prices and significant increases to the operation's logistical and shipping costs not borne by the end customers.

Tshipi declared and paid a dividend of ZAR 88 million for the 6 months period ended 31 August 2021 to its two shareholders. The Group received its share of this divided of ZAR 10.9 million (approximately A$1.02 million) net of withholding taxes from NMPL in September 2021. Tshipi has also retained cash for its internal working capital requirements in FY2021.

FINAL DIVIDEND

With the Group having recorded a net profit after tax of A$109.3 million, the Board has resolved to declare a final dividend of A$0.02[(1)] per share for FY2021. The Record Date for the dividend will be 8 April 2022 and the Payment Date will be 6 May 2022.

(1) *For shareholders whose shares are held on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the final dividend of A$0.02 per share (approximately MYR 0.061 per share) will be paid on 6 May 2022. The exchange rate will be fixed at the Record Date of 8 April 2022. All other shareholders will be paid in AUD.*

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley

Joint Company Secretary

Important note from page 3

Earnings before interest, taxation, depreciation and amortisation (ie 'EBITDA') and earnings before interest and tax (ie 'EBIT') are non-IFRS profit measures based on statutory net profit after tax adjusted for significant items and changes in the fair value of financial instruments. The Company believes that such measures provide a better understanding of its financial performance and allows for a more relevant comparison of financial performance between financial periods.

The Company believes that EBITDA and EBIT are useful measures as they remove significant items that are material items of revenue or expense that are unrelated to the underlying performance of the Company's various businesses thereby facilitating a more representative comparison of financial performance between financial periods. In addition, these profit measures also remove changes in the fair value of financial instruments recognised in the statement of comprehensive income to remove the volatility caused by such changes.

While the Company's EBITDA and EBIT results are presented in this announcement having regard to the presentation requirements contained in Australian Securities and Investment Commission Regulatory Guide 230 titled 'Disclosing non-IFRS financial information'(issued in December 2011) investors are cautioned against placing undue reliance on such measures as they are not necessarily presented uniformly across the various listed entities in a particular industry or generally.

This ASX announcement was authorised for release by the Board of OM Holdings Limited.

Further enquiries please contact:
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Email: investor.relations@ommaterials.com

OM HOLDINGS LIMITED

A.R.B.N 081 028 337

Appendix 4E

Preliminary Final Report

For the year ended 31 December, 2021

(previous corresponding period being the year ended 31 December, 2020)

OM Holdings Limited and Controlled Entities
Preliminary Final Report
APPENDIX 4E

Results for Announcement to the Market
OM Holdings Limited
For the year ended 31 December 2021

	Name of Entity:	OM Holdings Limited	
	ARBN:	081 028 337	
1.	**Details of the current and prior reporting period**		
	Current Period:	1 Jan 2021 to 31 Dec 2021	
	Prior Period:	1 Jan 2020 to 31 Dec 2020	
2.	**Results for announcement to the market**		
			A$'000
2.1	Revenues from ordinary activities (excludes property revaluations) Total Revenue	Up 33% to	1,040,810
2.2	Profit for the year	Up >100% to	109,331
2.3	Net profit for the year attributable to owners of the Company	Up >100% to	81,907
2.4	Dividend distributions	Amount per security	Franked amount per security
		A$0.02 [(1)]	Nil
2.5	Record date for determining entitlements to the dividend	8 April 2022	
3.	**Consolidated statement of comprehensive income**	Refer Appendix 1	
4.	**Statements of financial position**	Refer Appendix 2	
5.	**Consolidated statement of cash flows**	Refer Appendix 3	
6.	**Details of dividends or distributions**	Record Date: 8 April 2022 Payment Date: 6 May 2022	
7.	**Consolidated statement of changes in equity**	Refer Appendix 4	
		Current Period A$	Previous Corresponding Period A$
8.	**Net asset backing per ordinary security**	**82.84 cents**	63.56 cents

(1) For shareholders whose shares are held on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the final dividend of A$0.02 per share (approximately MYR 0.061 per share) will be paid on 6 May 2022. The exchange rate will be fixed at the Record Date of 8 April 2022. All other shareholders will be paid in AUD.

9.	**Control gained over entities during the period**	N/A	
10.	**Details of associate and joint venture entities**	Refer Note 3	
11.	**Other significant information**	Refer Note 4	
12.	**Accounting Standards used by foreign entities**	N/A	
13.	**Commentary on the result for the period**	Refer accompanying ASX Announcement	
		Current Period	Previous Corresponding Period
13.1	Profit per share overall operations (undiluted)	**11.11 cents**	0.73 cents
13.4	Segment results	Refer Appendix 5	
14.	**Status of audit or review**	This report is based on financial statements that are in the process of being audited.	
15.	**Dispute or qualification - accounts not yet audited**	N/A	
16.	**Qualifications of audit/review**	N/A	

Consolidated statement of comprehensive income
for the financial year ended 31 December 2021

	Note	**Year ended 31 December 2021 A$'000**	Year ended 31 December 2020 A$'000
Revenue		**1,040,810**	784,633
Cost of sales		**(766,292)**	(688,371)
Gross profit		**274,518**	96,262
Other income		**14,301**	6,756
Distribution costs		**(68,742)**	(41,661)
Administrative expenses		**(21,706)**	(15,924)
Other operating expenses		**(71,397)**	(37,787)
Finance costs		**(19,774)**	(28,827)
Profit/(Loss) from operations		**107,200**	(21,181)
Share of results of associates		**5,412**	16,525
Profit/(Loss) before income tax		**112,612**	(4,656)
Income tax (expense)/credit		**(3,281)**	1,718
Profit/(Loss) for the year	1	**109,331**	(2,938)
Other comprehensive income/(loss), net of tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to Owners of the Company)		**21,576**	(24,160)
Cash flow hedges		**2,854**	1,253
		24,430	(22,907)
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		**5,302**	(6,417)
		5,302	(6,417)
Other comprehensive income/(loss) for the year, net of tax		**29,732**	(29,324)
Total comprehensive income/(loss) for the year		**139,063**	(32,262)
Profit/(Loss) attributable to:			
Owners of the Company		**81,907**	5,352
Non-controlling interests		**27,424**	(8,290)
		109,331	(2,938)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**105,623**	(17,868)
Non-controlling interests		**33,440**	(14,394)
		139,063	(32,262)
Profit per share		**Cents**	Cents
- Basic		**11.11**	0.73
- Diluted		**11.11**	0.73

Statements of financial position
as at 31 December 2021

Appendix 2

	Note	The Company 31 December 2021 A$'000	The Company 31 December 2020 A$'000	The Group 31 December 2021 A$'000	The Group 31 December 2020 A$'000
Assets					
Non-Current					
Property, plant and equipment		**-**	-	**610,684**	612,684
Land use rights		**-**	-	**9,308**	8,922
Exploration and evaluation costs	2	**-**	-	**2,955**	2,326
Mine development costs		**-**	-	**2,689**	16,726
Investment property		**-**	-	**599**	574
Right-of-use assets		**-**	-	**8,073**	1,992
Deferred tax assets		**-**	-	**18,478**	13,788
Interests in subsidiaries		**153,084**	142,117	**-**	-
Interests in associates	3	**-**	-	**119,311**	126,832
Other investment		**-**	-	**-**	1,888
		153,084	142,117	**772,097**	785,732
Current					
Inventories		**-**	-	**353,308**	216,307
Trade and other receivables		**-**	12,553	**56,362**	62,992
Capitalised contract costs		**-**	-	**1,484**	1,856
Prepayments		**125**	88	**3,671**	3,528
Cash collateral		**-**	-	**16,167**	17,080
Cash and bank balances		**44**	42	**96,167**	45,951
		169	12,683	**527,159**	347,714
Total assets		**153,253**	154,800	**1,299,256**	1,133,446
Equity					
Capital and Reserves					
Share capital		**36,931**	36,931	**36,931**	36,931
Treasury shares		**(2,330)**	(2,330)	**(2,330)**	(2,330)
Reserves		**52,261**	48,308	**470,665**	365,042
		86,862	82,909	**505,266**	399,643
Non-controlling interests		**-**	-	**105,035**	68,596
Total equity		**86,862**	82,909	**610,299**	468,239
Liabilities					
Non-Current					
Borrowings		**-**	-	**284,414**	288,279
Lease liabilities		**-**	-	**4,174**	415
Trade and other payables		**-**	-	**54,325**	54,791
Provision		**-**	-	**7,973**	10,869
Deferred tax liabilities		**-**	-	**1,292**	1,229
Deferred capital grant		**-**	-	**10,609**	10,730
		-	-	**362,787**	366,313
Current					
Trade and other payables		**66,391**	57,888	**176,463**	155,760
Provisions		**-**	-	**2,179**	1,806
Contract liabilities		**-**	-	**9,686**	6,064
Borrowings		**-**	14,003	**124,610**	126,766
Lease liabilities		**-**	-	**3,535**	1,255
Deferred capital grant		**-**	-	**778**	736
Income tax payables		**-**	-	**8,919**	6,507
		66,391	71,891	**326,170**	298,894
Total liabilities		**66,391**	71,891	**688,957**	665,207
Total equity and liabilities		**153,253**	154,800	**1,299,256**	1,133,446

Consolidated statement of cash flows

for the financial year ended 31 December 2021

	Year ended 31 December 2021 A$'000	Year ended 31 December 2020 A$'000
Cash Flows from Operating Activities		
Profit/(Loss) before income tax	**112,612**	(4,656)
Adjustments for:		
Amortisation of land use rights	**193**	206
Amortisation of deferred capital grant	**(756)**	(817)
Amortisation of mine development costs	**12,835**	6,505
Depreciation of property, plant and equipment	**38,745**	43,285
Depreciation of right-of-use assets	**5,876**	5,644
Depreciation of investment property	**10**	11
Loss on disposal of property, plant and equipment	**18**	-
Write off of property, plant and equipment	**7,341**	332
Fair value gain on other investment	**-**	(1,388)
Gain on disposal of other investment	**(799)**	-
Unwinding of discount on non-current trade payables	**84**	268
Reclassification from hedging reserve to profit or loss	**2,854**	1,253
Write-down of inventories to net realisable value	**3,775**	3,397
Gain from derecognition of financial liabilities	**(9,219)**	-
Impairment of exploration and evaluation costs	**153**	-
Impairment of receivables	**646**	-
Interest expense	**19,774**	28,827
Interest income	**(298)**	(691)
Share of results of associates	**(5,412)**	(16,525)
Operating profit before working capital changes	**188,432**	65,651
(Increase)/Decrease in inventories	**(123,999)**	4,196
Decrease/(Increase) in trade receivables	**3,498**	(11,397)
Decrease/(Increase) in capitalised contract costs	**327**	(534)
Increase in prepayments, deposits and other receivables	**(3,275)**	(631)
Increase in contract liabilities	**3,178**	765
Increase in trade payables	**26,848**	28,605
Increase/(Decrease) in other payables	**2,752**	(2,049)
Decrease in provisions	**(4,701)**	(1,646)
Cash generated from operations	**93,060**	82,960
Income tax refund/(paid)	**1,157**	(6,401)
Net cash generated from operating activities	**94,217**	76,559
Cash Flows from Investing Activities		
Payments for exploration and evaluation costs	**(754)**	(1,363)
Purchase of property, plant and equipment (including right-of-use assets)	**(8,263)**	(15,490)
Proceeds from disposal of other investments	**2,631**	-
Purchase of other investment	**-**	(500)
Dividend received from an associate	**12,934**	6,048
Interest received	**298**	691
Net cash generated from/(used) in investing activities	**6,846**	(10,614)

Consolidated statement of cash flows (cont'd)
for the financial year ended 31 December 2021

	Year ended 31 December 2021 A$'000	Year ended 31 December 2020 A$'000
Cash Flows from Financing Activities		
Repayments of bank and other loans	**(51,145)**	(33,185)
Proceeds from bank and other loans	**21,140**	12,972
Principal repayments of lease liabilities	**(5,611)**	(6,241)
Capital contribution by non-controlling interest	**2,997**	-
Decrease/(Increase) in cash collateral	**913**	(2,268)
Dividend paid	**-**	(7,367)
Interest paid	**(21,902)**	(30,013)
Net cash used in financing activities	**(53,608)**	(66,102)
Net increase/(decrease) in cash and cash equivalents	**47,455**	(157)
Cash and cash equivalents at beginning of year	**45,951**	48,900
Exchange difference on translation of cash and cash equivalents at beginning of year	**2,761**	(2,792)
Cash and cash equivalents at end of year	**96,167**	45,951

Consolidated statement of changes in equity
for the financial year ended 31 December 2021

	Share capital A$'000	Treasury shares A$'000	Share premium A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
At 1 January 2021	**36,931**	**(2,330)**	**178,363**	**8,868**	**16,064**	**(4,911)**	**6,021**	**160,637**	**399,643**	**68,596**	**468,239**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**81,907**	**81,907**	**27,424**	**109,331**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,140**	**21,576**	**-**	**23,716**	**6,016**	**29,732**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**2,140**	**21,576**	**81,907**	**105,623**	**33,440**	**139,063**
Capital injection from non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,997**	**2,997**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,997**	**2,997**
At 31 December 2021	**36,931**	**(2,330)**	**178,363**	**8,868**	**16,064**	**(2,771)**	**27,597**	**242,544**	**505,266**	**105,033**	**610,299**

	Share capital A$'000	Treasury shares A$'000	Share premium A$'000	Non-distributable reserve A$'000	Capital reserve A$'000	Hedging reserve A$'000	Exchange fluctuation reserve A$'000	Retained profits A$'000	Total attributable to equity holders of the parent A$'000	Non-controlling interests A$'000	Total equity A$'000
At 1 January 2020	36,931	(2,330)	178,363	8,868	16,064	(5,851)	30,181	162,652	424,878	82,990	507,868
Profit/(Loss) for the year	-	-	-	-	-	-	-	5,352	5,352	(8,290)	(2,938)
Other comprehensive income/(loss) for the year	-	-	-	-	-	940	(24,160)	-	(23,220)	(6,104)	(29,324)
Total comprehensive income/(loss) for the year	-	-	-	-	-	940	(24,160)	5,352	(17,868)	(14,394)	(32,262)
Dividends paid	-	-	-	-	-	-	-	(7,367)	(7,367)	-	(7,367)
Transactions with owners	-	-	-	-	-	-	-	(7,367)	(7,367)	-	(7,367)
At 31 December 2020	36,931	(2,330)	178,363	8,868	16,064	(4,911)	6,021	160,637	399,643	68,596	468,239

Operating segments

For management purposes, OM Holdings Limited and its controlled entities ("Group") are organised into the following reportable operating segments as follows:-

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon and manganese sinter ore
Marketing and Trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon and sinter ore

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude the finance income and costs and share of results of associates, which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Sales between operating segments are carried out at arm's length.

Segment performance is evaluated based on the operating profit or loss which in certain respects, as set out below, is measured differently from the operating profit or loss in the consolidated financial statements.

Operating segments (cont'd)

	Mining		Smelting		Marketing and Trading		Others		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	A$'000	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000	**A$'000**	A$'000
Reportable segment revenue										
Sales to external customers	**-**	1,042	**248,476**	197,295	**792,257**	586,296	**77**	-	**1,040,810**	784,633
Inter-segment sales	**84,029**	84,863	**390,675**	351,408	**133,661**	129,775	**37,159**	14,006	**645,524**	580,052
Elimination									**(645,524)**	(580,052)
	84,029	85,905	**639,151**	548,703	**925,918**	716,071	**37,236**	14,006	**1,040,810**	784,633
Reportable segment (loss)/profit	**(35,058)**	(19,919)	**139,682**	(5,357)	**28,619**	32,833	**(6,567)**	(602)	**126,676**	6,955
Reportable segment assets	**97,733**	99,151	**1,075,163**	895,887	**559,356**	449,772	**182,761**	182,568	**1,915,013**	1,627,378
Elimination									**(735,068)**	(620,764)
Interest in associates									**119,311**	126,832
Total assets									**1,299,256**	1,133,446
Reportable segment liabilities	**197,061**	172,257	**635,074**	602,732	**241,933**	185,002	**88,390**	92,234	**1,162,458**	1,052,225
Elimination									**(473,501)**	(387,018)
Total liabilities									**688,957**	665,207
Other segment information										
Purchase of property, plant and equipment	**1,653**	455	**6,095**	14,602	**156**	94	**359**	339	**8,263**	15,490
Depreciation of property, plant and equipment	**6,017**	8,832	**31,788**	33,489	**164**	191	**776**	773	**38,745**	43,285
Write off of property, plant and equipment	**122**	332	**886**	-	**75**	-	**6,258**	-	**7,341**	332
Loss on disposal of property, plant and equipment	**-**	-	**18**	-	**-**	-	**-**	-	**18**	-
Amortisation of land use rights	**-**	-	**193**	206	**-**	-	**-**	-	**193**	206
Addition of exploration and evaluation costs	**644**	1,200	**-**	-	**-**	-	**110**	163	**754**	1,363
Amortisation of mine development costs	**12,835**	6,505	**-**	-	**-**	-	**-**	-	**12,835**	6,505
Depreciation of investment property	**-**	-	**-**	-	**10**	11	**-**	-	**10**	11
Depreciation of right-of-use-assets	**3,435**	2,813	**1,746**	2,184	**441**	456	**254**	191	**5,876**	5,644
Fair value gain on other investment	**-**	-	**-**	-	**-**	(1,388)	**-**	-	**-**	(1,388)
Gain on disposal of other investment	**-**	-	**-**	-	**(799)**	-	**-**	-	**(799)**	-
Impairment of receivables	**-**	-	**-**	-	**-**	-	**646**	-	**646**	-
Write-down of inventories to net realisable value	**3,775**	2,973	**-**	424	**-**	-	**-**	-	**3,775**	3,397
Amortisation of deferred capital grant	**-**	-	**(756)**	(817)	**-**	-	**-**	-	**(756)**	(817)

Operating segment (cont'd)

Reconciliation of the Group's reportable segment profit to the profit/(loss) before income tax is as follows:

	2021	2020
	A$'000	A$'000
Reportable segment profit	**126,676**	6,955
Finance income	**298**	691
Share of results of associates	**5,412**	16,525
Finance costs	**(19,774)**	(28,827)
Profit/(Loss) before income tax	**112,612**	(4,656)

The Group's revenues from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		**Non-Current Assets**	
	2021	2020	**2021**	2020
Principal markets	**A$'000**	A$'000	**A$'000**	A$'000
Asia Pacific	**899,254**	675,954	**634,321**	645,141
Europe	**65,240**	42,875	**-**	-
Middle East	**37,649**	49,511	**-**	-
Africa	**64**	3,220	**119,298**	126,803
Others	**38,603**	13,073	**-**	-
	1,040,810	784,633	**753,619**	771,944

The geographical location of customers is based on the locations at which the goods were delivered. The geographical location of non-current assets is based on the physical location of the assets.

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Profit/(Loss) after taxation

The Group	**2021 A$'000**	2020 A$'000
Profit before income tax has been arrived at after charging/(crediting):		
Amortisation of land use rights	**193**	206
Amortisation of deferred capital grant	**(756)**	(817)
Amortisation of mine development costs	**12,835**	6,505
Depreciation of property, plant and equipment:		
- cost of sales	**21,976**	27,630
- other operating expenses	**16,769**	15,655
Depreciation of right-of-use assets	**5,876**	5,644
Depreciation of investment property	**10**	11
Write off of property, plant and equipment	**7,341**	332
Fair value gain on other investment	**-**	(1,388)
Gain on disposal of other investment	**(799)**	-
Unwinding of discount on non-current trade payables	**84**	268
Write-down of inventories to net realisable value	**3,775**	3,397
Cost of inventories recognized as expenses and included in cost of sales	**766,292**	688,371
Foreign exchange loss/(gain) – net	**11,684**	(574)
Rental expenses:		
- short-term leases	**9,707**	9,865
- leases of low-value assets	**19**	454
Interest income	**(298)**	(691)
Finance costs:		
- loans	**18,512**	27,309
- lease liabilities	**335**	306
- others	**927**	1,212
Employee benefits expenses	**85,608**	70,238

Note 2: Exploration and evaluation costs

The Group	**2021 A$'000**	2020 A$'000
At beginning of year	**2,326**	963
Costs incurred during the year	**754**	1,363
Written off/impairment during the year	**(153)**	-
Exchange Realignment	**28**	
At end of year	**2,955**	2,326

Note 3: Interests in associates

The Group	**2021 A$'000**	2020 A$'000
Interests in associates	**119,311**	126,832

The associates are:

Name of company	Country of incorporation	Percentage of equity held		Principal activities
		2021	2020	
Ntsimbintle Mining Proprietary Limited	South Africa	**26%**	26%	Investment holding
OM Materials Japan Co., Ltd.	Japan	**33%**	33%	Trading of metals and ferroalloy products

Note 4: Other significant information

Sponsor Guarantee issued under the terms of the Power Purchase Agreement with Syarikat Sesco Berhad

Pursuant to the execution of the Amended Power Purchase Agreement ("PPA") between a subsidiary, OM Material (Sarawak) Sdn. Bhd., and Syarikat Sesco Berhad ("SSB"), the Company issued sponsor guarantees to SSB for its 75% interest of the subsidiary's obligations under the PPA.

The sponsor guarantees disclosed above do not fall into the category of financial guarantees as they do not relate to debt instruments. The purpose of these guarantees is essentially to enable SSB to provide the power supply to the subsidiary on the condition that these guarantees are provided by the Company in the event that there are any unpaid claims arising from the PPA owed to SSB. There are no bank loans involved in these guarantees. As such, there is no need for the guarantees to be fair valued.

Project Support guarantee issued under the terms of the Facilities Agreement and the Project Support Agreement

OM Materials (Sarawak) Sdn Bhd, a subsidiary of the Company entered into a project finance Facilities Agreement ("FA") for a limited recourse senior project finance debt facility.

Concurrently, the Company also executed a Project Support Agreement ("PSA") with OM Materials (Sarawak) Sdn Bhd (as Borrower), and the ultimate shareholders of the Borrower (as Obligors). The PSA governs the rights and obligations of the Obligors. These obligations and liabilities of the Obligors are severally liable on the basis of its shareholding proportion in OM Materials (Sarawak) Sdn. Bhd.

The PSA will lapse upon the final payment of the project financing facilities.