Nufarm Limited
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16 November 2022

The Manager
Company Announcements Office
ASX
Level 4
20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir/Madam

FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

In accordance with ASX Listing Rule 4.3A, the following documents are attached for release to the market:

- Appendix 4E – Preliminary Final Report
- Operating and Financial Review
- Directors' Report (including the remuneration report)
- Financial Statements and Accounting Policies

Nufarm will conduct an investor briefing on the 2022 full year results at 9am AEDT. The briefing will be audio webcast live at https://webcast.openbriefing.com/9277/.

This announcement has been released simultaneously to the New Zealand Stock Exchange.

Authorised for lodgement by

K Hall

Kate Hall
Group General Counsel and Company Secretary
Nufarm Limited

Appendix 4E

Nufarm Limited
ABN 37 091 323 312

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

This statement includes the consolidated results for Nufarm Limited group for the year ended 30 September 2022 (“2022” or “FY22”) compared with the year ended 30 September 2021 (“2021” or “FY21”).

1. Results for announcement to the market

Trading results	2022 $000	2021 $000	Movement $000	Movement %
Revenue from ordinary activities	3,772,970	3,215,651	557,319	17.3%
Profit/(loss) from ordinary activities after tax attributable to members				
- before material items	107,438	65,128	42,310	65.0%
- after material items	133,197	61,058	72,139	118.1%

2. Dividends and distributions

Dividends to shareholders	Final dividend 30 September 2022	Interim dividend 31 March 2022	Final dividend (prior year) 30 September 2021	Interim dividend (prior year) 31 March 2021
Amount per security	6 cents	4 cents	4 cents	nil
Franked amount per security at 30%	nil	nil	nil	nil
Amount per security of foreign source	6 cents	4 cents	4 cents	nil
Dividend:				
- Date payable	9 December 2022	17 June 2022	17 December 2021	n/a
- Record date for entitlement	25 November 2022	27 May 2022	26 November 2021	n/a

The dividend reinvestment plan (DRP) will be made available to shareholders for the final dividend. Directors have determined that the issue price will be calculated on the volume weighted average price of the company’s ordinary shares on the ASX over the 10-day period commencing on 21 November 2022 and ending on 2 December 2022. The last election date for shareholders who are not yet participants in the DRP is 28 November 2022.

Nufarm Step-up securities distribution	Distribution rate (%)	Total amount ($000)
15 April 2021	4.01	5,013
15 October 2021	4.00	5,029
19 April 2022	3.97	5,072
17 October 2022 (distributed subsequent to the year ended 30 September 2022)	4.86	6,055

3. Other summary data

Metric	2022	2021
Net tangible assets per ordinary share	A$2.53	A$2.31
Staff employed	2,811	2,678

Appendix 4E (continued)

4. Entities where control was gained during the period

Entities	Date
Nufarm Nordics AB	29 March 2022

5. Entities where control was lost during the period

Entities	Date
Nufarm Cropcare Private Limited	4 August 2022

6. Details of equity accounted investees

Entity	30 September 2022	30 September 2021
Seedtech Pty Ltd	25.00%	25.00%
Leshan Nong Fu Trading Co., Ltd	35.00%	35.00%
Crop.zone GmbH	14.77%	10.71%

7. Commentary

Additional Appendix 4E disclosure requirements and further information including commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the current period are contained in the Preliminary Final Report for the year ended 30 September 2022. The consolidated financial statements contained within the Preliminary Final Report for the year ended 30 September 2022, on which this report is based, have been audited by KPMG.

Directors' report

The directors present their report together with the financial report of Nufarm Limited ('the company') and of the group, being the company and its subsidiaries and the group's interests in associates and jointly controlled entities, for the financial year ended 30 September 2022 and the auditor's report thereon.

Directors

The directors of the company at any time during or since the end of the financial year are:

J Gillam (Chair)

G Hunt (Managing Director)

G Davis

A Gartmann (appointed 23 September 2022)

D Jones

P Margin

M McDonald

L Saint

T Takasaki (resigned 31 May 2022)

F Ford (retired 17 December 2021)

Unless otherwise indicated, all directors held their position as a director throughout the entire period and up to the date of this report. Details of the qualifications, experience and responsibilities and other directorships of the Directors are set out below.

Name, qualifications and responsibilities	Tenure and experience
John Gillam BCom, MAICD, FAIM Independent non-executive chair Chair of the nomination committee	John Gillam joined the board on 31 July 2020 and was appointed chair on 24 September 2020. John has extensive commercial and leadership experience from a 20-year career with Wesfarmers where he held various senior leadership roles including chief executive officer of the Bunnings Group, Managing Director of CSBP and chairman of Officeworks. Other directorships and offices (current and recent): • Chair of CSR Limited (director since December 2017 and chair since 1 June 2018) • Chair of BlueFit Pty Limited (since February 2018) • Director of the Heartwell Foundation (since 2009) • Director of Clontarf Foundation (since 2017)
Greg Hunt Managing director and CEO	Greg Hunt joined the board on 5 May 2015. Greg joined Nufarm in 2012 and was group executive commercial operations prior to being appointed acting chief executive officer in February 2015. Greg has considerable executive and agribusiness experience. Greg had a successful career at Elders before being appointed managing director of Elders Australia Limited, a position he held between 2001-2007. After leaving Elders, Greg worked with various private equity firms focussed on the agriculture sector and has acted as a corporate advisor to Australian and international organisations in agribusiness related matters.
Gordon Davis BForSc, MAgSc, MBA Independent non-executive director Chair of the risk and compliance committee Member of the audit committee Member of the human resources committee Member of the nomination committee	Gordon Davis joined the board on 31 May 2011. Gordon was managing director of AWB Limited (from 2006 to 2010) and has held various senior executive positions with Orica Limited, including general manager of Orica Mining Services (Australia, Asia) and general manager of Incitec Fertilisers. He has also served in a senior capacity on various industry associations. Other directorships (current and recent): Director of Healius Limited (formerly Primary Health Care Limited) (since August 2015) Director of Midway Limited (since April 2016)

Name, qualifications and responsibilities	Tenure and experience
Alexandra Gartmann BSc (Resource & Environmental Management) Independent non-executive director Member of the nomination committee Member of the audit committee Member of the risk and compliance committee	Alexandra Gartmann joined the board on 23 September 2022. Alexandra brings over 25 years of deep industry experience in rural, agriculture and community focused organisations and is the former chief executive officer of the Rural Bank, a division of the Bendigo & Adelaide Bank. Her executive career includes roles such as Bendigo & Adelaide Bank Executive Marketing, Partnerships & Corporate Affairs and chief executive officer of Rural Bank and as chief executive officer of the Foundation for Rural & Regional Renewal and The Birchip Cropping Group. Alexandra serves on boards across agriculture, banking and the environment. Other directorships and roles (current and recent): • Chair of the Victorian Agriculture & Climate Change Council • Trustee of the Helen MacPherson Smith Trust • Director of the Australian Farm Institute • Former chair of the CSIRO Agriculture and Food Advisory Council • Member of the National Rural Advisory Council
Dr David Jones BA (Hons) Science, PhD Independent non-executive director Chair of the innovation committee Member of the nomination committee	David Jones joined the board on 23 June 2021. David has held chair and director roles in large global agricultural business. His experience includes as Head of Business Development at Syngenta and former Chairman of Zeneca China, Arysta Life Science, and Plant Impact. David has broad leadership experience in operations, strategy, mergers and acquisitions and intellectual property in multiple jurisdictions including Asia, Latin America, Europe and the United States. Other directorships (current and recent): • Chairman of Enko Chem Inc (since July 2021) • Chairman of BigSis (since 2020) • Former Chairman of Commercial Advisory Board of Enko Chem Inc (2019 to July 2021)
Peter Margin BSc(Hons), MBA Independent non-executive director Chair of the human resources committee Member of the risk and compliance committee Member of the nomination committee Member of the innovation committee	Peter Margin joined the board on 3 October 2011. Peter has many years of leadership experience in major Australian and international food companies including executive chairman of Asahi Holdings (Australia) Pty Ltd, chief executive/managing director of Goodman Fielder Ltd and before that chief executive/managing Director of National Foods Ltd. Other directorships (current and recent): • Deputy chairman of Bega Cheese Limited (since September 2020) • Director of Costa Group Holdings Limited (since June 2015) • Former chairman of Asahi Holdings (Australia) Pty Ltd (to December 2020)
Marie McDonald LLB(Hons), BSc(Hons) Independent non-executive director Member of the nomination committee Member of the audit committee Member of the risk and compliance Committee Member of the innovation committee	Marie McDonald joined the board on 22 March 2017. Marie is widely recognised as one of Australia's leading corporate and commercial lawyers having been a Senior Partner at Ashurst until 2014 where she specialised in mergers and acquisitions, corporate governance and commercial law. Marie was chair of the Corporations Committee of the Business Law Section of the Law Council of Australia from 2012 to 2013, having previously been the deputy chair, and was a member of the Australian Takeovers Panel from 2001 to 2010. Marie is currently a member of the Melbourne University Law School Foundation Board. Other directorships (current and recent): • Director of CSL Limited (since 14 August 2013) • Director of Nanosonics Limited (since 24 October 2016) • Director of Walter and Eliza Hall Institute of Medical Research (since October 2016)

Name, qualifications and responsibilities	Tenure and experience
Lynne Saint BCom, GradDip Ed Studies, FCPA, FAICD Independent non-executive director Chair of the audit committee Member of the human resources committee Member of the nomination committee	Lynne Saint joined the board on 18 December 2020. Lynne has broad financial and commercial experience from a global career including more than 19 years with Bechtel Group where she served as chief audit executive and chief financial officer of the Mining and Metals Global Business Unit. Her expertise encompasses strong financial skills, corporate governance, enterprise risk, supply chain risk and project management. Other directorships (current and recent): • Director of Iluka Resources (since 24 October 2019) • Ventia Services Group Limited (since 1 July 2021)

Former Directors

Toshikazu Takasaki BBA Non-independent non-executive director Member of the risk and compliance committee Member of the nomination committee	Toshikazu Takasaki joined the Board on 6 December 2012 and resigned on 31 May 2022. Mr Takasaki represented the interests of shareholder Sumitomo Chemical Company (SCC). He is a former executive of SCC holding senior management positions in businesses relating to crop protection, both within Japan and in the US. He is now a business consultant with a national qualification registered by the Japanese Ministry of Economy, Trade and Industry as a small and medium sized Enterprise Consultant.
Frank Ford MTax, BBus (Acc), FCA Independent non-executive director Member of the nomination committee Member of the audit committee	Frank Ford joined the board on 10 October 2012 and retired on 17 December 2021. Frank is a former Managing Partner of Deloitte Victoria after a long and successful career as a professional advisor spanning some 35 years. During that period, Mr Ford was also a member of the Deloitte Global Board, Global Governance Committee and National Management Committee.

Company secretary

Kate Hall (LLB (Hons), BSc and LLM (IP)) was appointed company secretary on 20 April 2022. Kate has more than 20 years' Australian and international experience as a general counsel and senior executive leading legal, intellectual property, governance, risk and compliance functions. Most recently, she was general counsel of Mayne Pharma, an international, ASX listed pharmaceutical company where she had oversight of the company secretariat function. Kate was also special counsel at Minter Ellison and IP counsel at Royal Dutch Shell in The Hague.

Fiona Smith (BSc, LLB, GDipGov, FGIA) was company secretary between 27 June 2019 and her retirement on 31 January 2022. Fiona is a senior legal and governance professional with 20 years' experience in company secretarial roles arising from her time spent in such roles in listed companies. Fiona reported directly to the Board.

Terrie Morgan and Paul Townsend (CFO) were appointed company secretaries on a transitional basis between 31 January 2022 and 20 April 2022.

Directors' interests in shares and step-up securities

Relevant interests of the directors in the shares and step-up securities issued by the company and related bodies corporate are, at the date of this report, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, as follows:

	Nufarm Ltd Ordinary shares	Nufarm Finance (NZ) Ltd Step-up securities
J Gillam	185,000	–
G Hunt	589,847	–
G Davis	71,609	–
A Gartmann[1]	–	–
D Jones	82,000	–
M McDonald	34,827	–
P Margin	31,867	–
L Saint	14,290	–

1. Alexandra Gartmann was appointed as director on 23 September 2022.

Directors' meetings

The number of directors' meetings (including meetings of board committees) and number of meetings attended by each of the directors of the company during the financial year are:

	Board		Audit		Risk and Compliance		Innovation		Human Resources		Nomination	
	A	B	A	B	A	B	A	B	A	B	A	B
John Gillam	10	10	–	4	–	4	–	3	–	2	4	4
Greg Hunt	10	10	–	4	–	3	–	2	–	3	4	4
Gordon Davis	10	10	5	5	4	4	–	2	4	4	4	4
Alexandra Gartmann[1]	1	1	–	–	–	–	–	–	–	–	1	1
David Jones	10	10	–	2	–	–	5	5	–	–	4	4
Peter Margin	10	10	–	4	4	4	5	5	4	4	4	4
Marie McDonald	10	10	5	5	4	4	5	5	–	4	4	4
Lynne Saint	10	10	5	5	–	4	–	4	4	4	4	4
Frank Ford[2]	3	3	1	1	–	–	–	–	–	–	–	–
Toshikazu Takasaki[3]	7	6	3	3	3	3	–	1	–	2	1	1

Column A: indicates the number of meetings held during the period of each director's tenure. Where a director is not a member of a committee but attended committee meetings during the period, then only the number of meetings attended is shown.

Column B: indicates the number of meetings attended by each director.

1 Alexandra Gartmann joined the board on 23 September 2022.

2 Frank Ford retired on 17 December 2021.

3 Toshikazu Takasaki resigned on 31 May 2022.

Principal Activities and Changes

Nufarm's principal activities during the financial year were the manufacture and sale of crop protection products and its proprietary seed technologies business which are further described in the Operating and Financial Review accompanying this Directors' Report.

Nufarm employs approximately 2,800 people at its various locations in Australasia, Africa, the Americas and Europe.

The company is listed on the Australian Securities Exchange (symbol NUF). Its head office is located at Laverton in Melbourne.

Results

The net profit/(loss) attributable to members of the group for the 12 months to 30 September 2022 is $107.4 million. The comparable figure for the 12 months to 30 September 2021 was $65.1 million.

Operating and Financial Review and Future Prospects

The operating and financial review and future prospects are set out in the Operating and Financial Review on pages 6 to 19 and forms part of this Directors' Report.

Dividends

The following unfranked dividends have been paid, declared or recommended since the end of the preceding financial year.

Type	Cents per share	Total amount $000	Date of payment
2021 final dividend paid	4.0	15,200	17 December 2021
2022 interim dividend paid	4.0	15,199	17 June 2022
2022 final dividend declared	6.0	22,810	9 December 2022

Nufarm Step-up Securities distributions

Distribution for the period 15 October 2021 – 14 April 2022 at the rate of 3.9651 per cent paid 19 April 2022	$5,072
Distribution for the period 15 April 2021 – 14 October 2021 at the rate of 3.9962 per cent paid 15 October 2021	$5,029

State of Affairs

The state of the group's affairs are set out in the Operating and Financial Review accompanying this Directors' Report.

Events subsequent to reporting date

On 17 October 2022 a distribution was paid by Nufarm Finance (NZ) Ltd on the Nufarm Step-up Securities. The distribution rate was 4.8647 per cent resulting in a gross distribution of $6,055 million.

Post year end it was announced that Nufarm has entered into a five year A$800 million revolving Asset Based Lending credit facility (the ABL Facility) secured against trade receivables and inventory located in Australia, the United States and Canada. A smaller A$150 million Liquidity Facility (the Liquidity Facility) with a two year term has also been established to sit alongside the ABL Facility to assist in the ongoing funding of Nufarm's working capital requirements. Concurrently, the existing syndicated bank facility (SFA) and group receivables securitisation facility were both wound up with amounts drawn under those existing facilities settled via proceeds obtained under the new facilities.

On 16 November 2022 the directors declared a final and unfranked dividend of six cents per share which is payable on 9 December 2022.

On 10 November 2022, the group further increased its investment in Enko Chem via an additional investment of USD $5 million. The group intends to hold this investment for the long term for strategic purposes and has designated the investment at FVOCI.

Other than noted above, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected, or may significantly affect in future years, Nufarm's operations or the state of Nufarm's operations.

Remuneration Report

The Remuneration Report set out on pages 20 to 35 forms part of this Directors' Report.

Environmental performance

Details of Nufarm's performance in relation to environmental regulations are set out in the Operating and Financial Review accompanying this Directors' Report. The group did not incur any prosecutions or fines in the financial period relating to environmental performance. The group publishes annually a sustainability report. This report can be viewed on the group's website or a copy will be made available upon request to the company secretary.

Non-audit services

During the year KPMG, the company's auditor, has performed certain other services in addition to their statutory duties. Details of the audit fee and non-audit services are set out in note 37 on page 106 to the financial report.

The board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the reason that all non-audit services were subject to the corporate governance procedures adopted by the company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor.

Indemnities and insurance for directors and officers

The company has entered into insurance contracts which indemnify directors and officers of the company, and its controlled entities, against liabilities. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

An indemnity agreement has been entered into between the company and each of the directors named earlier in this report. Under the agreement, the company has agreed to indemnify the directors against any claim or for any expenses or costs, which may arise as a result of the performance of their duties as directors to the extent allowed by law. There are no monetary limits to the extent of this indemnity.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 36 and forms part of the Directors' Report for the financial year ended 30 September 2022.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

This report has been made in accordance with a resolution of directors.

J Gillam
Director

G Hunt
Director

Melbourne
16 November 2022

Operating and Financial Review

Group results

This Operating and Financial Review includes financial information based on financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and audited by KPMG. Information is presented on a continuing operations basis unless otherwise specified. Non-IFRS measures including underlying EBIT and underlying EBITDA are used internally by management to assess the performance of Nufarm's business, make decisions on the allocation of its resources and assess operational management. Non-IFRS measures have not been subject to audit or review. All amounts are in Australian dollars unless otherwise specified.

Summary financial results (continuing operations unless otherwise specified)	**12 months ended 30 September 2022 $000**	12 months ended 30 September 2021 $000	Change %
Revenue	3,772,970	3,215,651	17%
Revenue excluding Corporate revenue	3,579,856	3,017,936	19%
Gross profit	972,585	834,705	17%
Underlying gross profit	988,863	834,705	18%
Underlying gross profit margin excluding corporate revenue	27.6%	27.7%	(0.1)%pts
Underlying SG&A	(710,061)	(654,390)	9%
Research and development expenditure	(51,100)	(36,663)	39%
Underlying EBITDA	446,751	361,107	24%
Underlying EBIT	236,661	153,100	55%
Operating profit	208,287	156,977	33%
Underlying net external interest	(51,574)	(58,488)	12%
Foreign exchange (gains)/losses	(2,838)	(2,802)	(1)%
Net financing costs	(80,184)	(61,290)	(31)%
Underlying net profit after tax	133,197	61,058	118%
Underlying effective tax rate	26.9%	33.5%	(6.6)%pts
Net profit after tax	107,438	65,128	65%
Statutory effective tax rate	16.1%	31.9%	(15.8)%pts
Basic earnings per share – excluding material items (cents)	33.1	14.1	135%
Basic earnings per share (cents)	26.3	15.2	73%
Final dividend per share declared (cents)	6 cents	4 cents	50%
Total dividends per share in respect of twelve month period (cents)	10 cents	4 cents	150%

Earnings

Favourable seasonal conditions and soft commodity prices generated strong demand for Nufarm crop protection products and seed technologies. This resulted in revenue growth of 17 per cent to $3.8 billion relative to the comparative period while operating profit increased by 33 per cent to $208 million.

Excluding non-operating corporate revenue (representing sales to Sumitomo Chemical Company Ltd under supply agreements following the Latin American operations divestment), revenue grew 19 per cent to $3.6 billion.

Gross profit for the period was $973 million, which included material items of $16 million. Excluding the impacts of the material items and non-operating corporate revenue, underlying gross profit margin was stable at 28 per cent over the prior comparative period.

Net profit after tax increased 65 per cent to $107 million. This movement helped to lift basic earnings per share to 26.3 cents. Excluding material items, basic earnings per share rose 135 per cent to 33.1 cents.

Underlying EBITDA of $447 million increased by $86 million, representing growth of 24 per cent for the year ended 30 September 2022, with increased revenue and higher gross profit impacted by an increase in costs.

Underlying selling, general and administration costs (underlying SG&A) increased by $56 million as compared to the prior comparative period across a number of expense categories. This included underlying SG&A costs associated with supporting growth opportunities in respect of Nuseed and Nucrop. Research and development expenditure increased by $14 million as compared to the prior comparative period.

Depreciation and amortisation was $214 million for the year. Removing the impact of material items, depreciation and amortisation was $2 million higher relative to the prior comparative period.

Underlying net external interest decreased by $7 million to $54 million for the twelve months ended 30 September 2022 largely reflecting interest savings achieved from the completion of the high yield bond refinancing in January 2022.

Net foreign exchange losses were $3 million which was consistent with the prior comparative period. This was despite global currency volatility associated with a range of events including the conflict in Ukraine. This outcome reflects the group's targeted currency exposure risk mitigation program to assist in the management of foreign exchange risk.

The statutory effective tax rate was 16.1 per cent which included the impacts of bringing to account previously unrecognised deferred tax assets. Excluding material items, the underlying effective tax rate is 26.9 per cent.

Underlying net profit after tax increased to $133 million from $61 million in the prior comparative period. Return on funds employed (ROFE) increased to 9.5 per cent, with the increase in underlying EBIT contributing to the improvement.

Operating and Financial Review continued

Cash flow

Cash flow results	12 months ended 30 September 2022 $000	12 months ended 30 September 2021 $000	Change %
Underlying net operating cash flow	366,120	439,807	(17)%
Net operating cash flow – material items	(6,551)	(15,616)	58%
Total net operating cash flow	359,569	424,191	(15)%
Underlying net investing cash flow	(240,409)	(146,299)	(64)%
Net investing cash flow – material items	–	–	n/a
Total net investing cash flow	(240,409)	(146,299)	(64)%
Total underlying net operating and investing cash flow	125,711	293,508	(57)%
Total net operating and investing cash flow	119,160	277,892	(57)%

The group's total net operating and investing cash flow for the year ended 30 September 2022 was a cash inflow of $119 million.

Underlying net operating cash flow was a $366 million inflow reflecting the working capital position and improvement in underlying earnings. Operating cash flow generation is highly correlated with changes in net working capital and underlying EBITDA.

Net cash outflow from investing activities increased 64 per cent with the majority of the increase due to investment in plant and equipment, increased investments in Enko and Crop.Zone, and the acquisition of the Biovertis energy cane assets from GranBio Investimentos SA (GranBio). The investments in Enko, Crop.Zone and Biovertis illustrates the group's commitment to utilise free cash flow on growth opportunities.

Balance Sheet Management

Financial position	As at 30 September 2022 $000	As at 30 September 2021 $000	Change %
Net debt	346,168	316,817	9%
Net working capital	862,696	854,431	1%
ANWC/sales excluding external corporate (%)	28.3%	34.3%	(600)bps
ANWC/sales (%)	26.8%	32.2%	(540)bps
Leverage – continuing operations (includes lease liabilities)	0.8	0.9	(12)%
Gearing %	13.9%	13.0%	90 bps
ROFE – total group	9.5%	5.9%	360 bps

Net debt has increased 9 per cent to $346 million. The average net working capital to sales (ANWC/sales (%)) ratio continued to improve to 26.8 per cent (28.3 per cent excluding non-operating corporate revenue). Management will continue to focus on working capital via a range of actions including customer terms, supplier negotiations and effective stock management.

Statutory core leverage was 0.8x at 30 September 2022, and currently remains below the group target of 1.5x – 2.0x. Given the low leverage ratio, the group continues to apply free cashflow to growth opportunities such as the investments in Biovertis, Crop.Zone and Enko.

Capital Management

In FY21, Nufarm completed a review of its capital structure and capital management principles with the aim of maintaining a robust and durable capital structure and clear guidelines for the application of free cashflow generated from business operations.

Our financing arrangements aim to ensure Nufarm has the required financial resilience to withstand adverse trading cycles without experiencing undue balance sheet stress.

Post year end, it was announced that Nufarm has entered into a five year A$800 million revolving Asset Based Lending credit facility (the ABL Facility) secured against trade receivables and inventory located in Australia, the United States and Canada. A smaller A$150 million Liquidity Facility (the Liquidity Facility) has also been established to sit alongside the ABL Facility to assist in the ongoing funding of Nufarm's working capital requirements. Concurrently, the existing syndicated bank facility (SFA) that had a customary term of three years and group receivables securitisation facility that had a 12 month term were both wound up with amounts drawn under those existing facilities settled via proceeds obtained under the new facilities.

Complementing the US$350 million Senior Unsecured Notes which were issued in January 2022 and due in January 2030, the ABL Facility will deliver considerable benefits to Nufarm's capital structure, transitioning Nufarm to a covenant-lite financing structure and significantly extending the duration of the group's debt maturity profile. An asset based lending facility provides a less restrictive and more flexible financial covenant regime.

Nufarm's new working capital debt facilities are important components underpinning a flexible and durable c apital structure that will provide greater financial resilience across operating cycles and variable trading conditions. The extended term of the group's working capital debt facilities demonstrates confidence by relationship lenders in Nufarm's strong balance sheet position, strategic direction and future growth aspirations.

Dividend

As part of Nufarm's review of its capital management framework, the Board has adopted a change in the dividend policy to align dividend payments to free cash flow generation, subject to the balance sheet meeting its target leverage range of 1.5x – 2.0x and there being insufficient growth opportunities. Nufarm's dividend policy ensures appropriate focus on cash generation, especially net working capital management, and greater focus on maintaining an appropriate capital structure for the group.

The Board has determined to pay an unfranked final dividend of 6 cents per share. The final dividend will be paid on 9 December 2022 to the holders of all fully paid shares in the company as at the close of business on 25 November 2022. The dividend reinvestment plan (DRP) will be made available to shareholders for the final dividend. Directors have determined that the issue price will be calculated on the volume weighted average price of the company's ordinary shares on the ASX over the 10-day period commencing on 21 November 2022 and ending on 2 December 2022. The last election date for shareholders who are not yet participants in the DRP, is 28 November 2022.

At this point Nufarm has decided to not pursue any further capital management options beyond the payment of the final six cents per share dividend for FY22. The company will continue to evaluate appropriate capital management options, and in the near term, retain flexibility as it heads into FY23.

Review of operations

Nufarm's business has two main reporting segments, crop protection and seed technologies. The crop protection business is focused on major agricultural markets in Asia Pacific (APAC), Europe and North America. The seed technologies business operates in more than 30 countries across the globe.

Revenue – Underlying ($000s)	12 months ended 30 September 2022 $000	12 months ended 30 September 2021 $000	Change $'000	Change %
Crop protection				
APAC	1,038,424	858,407	180,017	21%
North America	1,350,190	1,112,423	237,767	21%
Europe	894,931	806,485	88,446	11%
Total Crop protection	*3,283,545*	*2,777,315*	*506,230*	*18%*
Seed Technologies – global	296,311	240,621	55,690	23%
Corporate	193,114	197,715	(4,601)	-2%
Nufarm Group	**3,772,970**	**3,215,651**	**557,319**	**17%**

EBITDA – Underlying ($000s)	12 months ended 30 September 2022 $000	12 months ended 30 September 2021 $000	Change $'000	Change %
Crop protection				
APAC	134,534	111,550	22,984	21%
North America	147,899	104,394	43,505	42%
Europe	171,109	171,696	(587)	0%
Total Crop protection	*453,542*	*387,640*	*65,902*	*17%*
Seed Technologies – global	58,544	46,322	12,222	26%
Corporate	(65,335)	(72,855)	7,520	-10%
Nufarm Group	**446,751**	**361,107**	**85,644**	**24%**

EBIT – Underlying ($000s)	12 months ended 30 September 2022 $000	12 months ended 30 September 2021 $000	Change $'000	Change %
Crop protection				
APAC	117,236	91,436	25,800	28%
North America	117,121	71,716	45,405	63%
Europe	41,346	45,953	(4,607)	-10%
Total Crop protection	*275,703*	*209,105*	*66,598*	*32%*
Seed Technologies – global	27,201	17,817	9,384	53%
Corporate	(66,243)	(73,822)	7,579	-10%
Nufarm Group	**236,661**	**153,100**	**83,561**	**55%**

Crop protection APAC

Revenue of over $1 billion increased 21 per cent relative to the prior comparative period with favourable seasonal conditions and strong soft commodity prices generating solid demand. Higher raw material and freight costs correlated with external selling prices which contributed to the increase in revenue.

Continued momentum from successful product launches in Australia and Indonesia and an increase in the proportion of Nufarm branded sales volumes in Australia contributed to a favourable product mix and higher margins. Benefits from manufacturing footprint rationalisation and performance improvement initiatives have contributed to improved EBTIDA.

Overall, the segment delivered a very strong result for the year with Underlying EBITDA of $135 million, an increase of 21 per cent on the prior comparative period.

Crop protection North America

Revenue of $1.4 billion increased 21 per cent relative to the prior comparative period. Attractive soft commodity prices remaining high relative to historical levels driving demand for crop protection products. Increased active ingredient prices and supply chain and logistics rates correlated with external selling prices which contributed to the increase in revenue. The North America segment has focused on customer support and key relationship management during these challenging times to sustain and grow Nufarm's market positions.

Operating costs increased relative to the prior comparative period as logistics and warehousing rates increased. Also, with COVID-19 restrictions easing, travel for customer visits and industry conferences has continued to rebound toward pre-pandemic levels contributing to the increase.

Overall, the segment has delivered a strong financial performance with underlying EBITDA of $148 million, an increase of 42 per cent relative to the prior comparative period.

Crop protection Europe

Revenue of $895 million increased 11 per cent relative to the prior comparative period. Sales performance in Romania, Baltics, Poland, UK, Germany and France were particularly strong due to targeted campaigns, strong customer relationships and reliable supply under difficult procurement and logistic conditions. Revenue growth has been achieved despite €33 million lost from sales of products which were phased out in FY22.

Operating costs increased relative to the prior comparative period due in part to increased freight and logistics rates and increased energy costs. COVID-19 restrictions have eased which resulted in increased travel and other discretionary expenditure which was limited by COVID-19 during the prior comparative period. The financial benefits from the closure of the 2,4-D synthesis manufacturing facility in Linz in March 2021 are being realised through the ability to source alternative supply at competitive pricing after consideration of price increases in technical inputs for synthesis activities.

Overall, the segment has performed well despite the challenges faced during the year resulting in underlying EBITDA of $171 million, in line with the prior comparative period.

Seed Technologies

The seed technologies segment includes sales of seed and downstream oil products, under the Nuseed brand, and seed treatment products.

Revenue of $296 million increased 23 per cent relative to prior comparative period. Increased revenue from seed sales reflected stronger demand for Nuseed's hybrid canola varieties in Australia, South America and Canada; Sorghum in Brazil, USA and other international markets; and Sunflower in key global markets.

Underlying EBITDA of $59 million was up 26 per cent on the prior comparative period. The strong segment result represents broad based growth across the Nuseed platforms.

In February, Nufarm entered into a strategic ten-year offtake and market development agreement with bp that will see bp, or its affiliates, purchase Nuseed Carinata Oil that it plans to process or sell into growing markets. The agreement enables the expansion of Nuseed Carinata production to increase low carbon renewable oil feedstock sustainably, while supporting higher economic returns on the investment in the Nuseed Carinata platform. Nufarm also launched the first hybrid Nuseed Carinata, Nujet 400, with an approximate >25 per cent yield improvement, in South America and the Southern United States which has generated strong interest and expanded grower contract production in 2022-23.

In September, Nufarm announced a US$25 million acquisition of energy cane assets from GranBio group, a leading Brazilian industrial biotechnology group, to accelerate the development and global expansion of energy cane.

Outlook

The outlook for soft commodity prices remains positive and improved seasonal conditions in key grain producing regions continues to support strong demand for seed and crop protection products.

Active ingredient pricing volatility and global supply chain and logistics challenges have eased in the second half of FY22. There continues to be uncertainty and volatility in relation to the broader global political and macroeconomic environment. These uncertainties have the potential to quickly change market dynamics and increase the competitive environment across all regions.

Assuming normal seasonal conditions and on a constant currency basis[1], Nufarm is planning for modest underlying EBITDA growth in FY23. Further:

- Depreciation and amortisation to be materially in line with FY22
- Increased capital expenditure to approximately $220 million with carry over CAPEX from FY22 and targeted investments in growth opportunities
- An underlying effective tax rate which is materially in line with FY22 assuming the mix of geographical earnings is consistent with FY22.

Forward looking statements in this review are based on information and assumptions known to date and are subject to various risks and uncertainties including (without limitation) changes in product demand, the timing and success of new product launches, decisions by regulatory authorities regarding approval and ongoing registration of Nufarm products, operational changes, difficulties or delays in manufacturing, third party supply interruptions, weather volatility, cyberattack/unauthorised access, the loss of key personnel, safety incidents, environmental damage, product contamination and quality, compliance breaches, litigation or government investigations, global economic & geo-political uncertainty and conflict including in Russia and the Ukraine, energy security and inflation including increases in costs of goods, and the effect of economic conditions generally. Actual results, performance or achievements may be significantly different. Such forward looking statements are not guarantees of future performance. Many of the known and unknown risks and uncertainties impacting these forward looking statements are beyond the control of Nufarm. Further information about Nufarm's risks are set out on page numbers 14 to 19 of this review.

Material items

Individually material items are those items where their nature, including the expected frequency of the events giving rise to them, and/or amount is considered material to the consolidated financial report. Such items included within the group's profit for the period are detailed below.

Transactions related to Russia and Ukraine

Regarding the ongoing conflict between Russia and Ukraine, together with continued uncertainty with respect to sanctions, regulatory and operating implications, the group has undertaken assessments of its operations and assets in these geographies. The pre-conflict revenue contribution from Ukraine and Russia was one per cent in the year ended 30 September 2021, and the total assets in Ukraine and Russia made up one per cent of total group assets at 30 September 2021.

During the year ended 30 September 2022, the group has assessed the recoverability of assets, primarily trade receivables and inventories, in respect of the group's operations in Russia and Ukraine and has recognised a pre tax expense of $29.5 million following this assessment. At 30 September 2022, the total assets in Ukraine and Russia make up less than half a per cent of total group assets.

Debt refinancing costs

During the period the group refinanced its high yield bond and incurred costs related to early redemption call premium and accelerated amortisation of deferred debt establishment transaction costs.

1. Constant currency financial information seeks to remove the impact of movements in monthly exchange rates that impact on the translation of foreign currency earnings and balances into Australian Dollars to facilitate the comparability of operational performance. The current financial reporting period EBITDA has been translated, from subsidiary functional currency into Australian Dollars, at the corresponding monthly exchange rates from the prior comparable financial reporting period.

Transactions related to South American business disposal – onerous contract provision reversal

During the period ended 31 July 2020 the group entered into a supply agreement contract signed as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the year ended 30 September 2022 market conditions in relation to the terms of the contract have improved. The group has assessed that the full provision will no longer be required and it has therefore been fully reversed. The contract expired in March 2022.

Deferred tax adjustments

Australian Accounting Standards require that the group recognises a deferred tax asset arising from unutilised tax losses and tax credits, to the extent that it is probable that future taxable profit will be available, against which the tax losses and tax credits can be utilised. The net recognition of the deferred tax assets of $20.119 million in respect of the tax losses reflects improved financial performance and outlook for the group.

IFRS and Non-IFRS financial information

Nufarm results are reported under International Financial Reporting Standards (IFRS) including underlying EBIT and underlying EBITDA which are used to measure segment performance. This release also includes certain non-IFRS measures including underlying net profit after tax and gross profit margin. These measures are used internally by management to assess the performance of Nufarm's business, make decisions on the allocation of its resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

The following notes explain the terms used throughout the operating and financial review:

(1) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is underlying EBIT before depreciation and amortisation and material items. Nufarm believes that underlying EBIT and underlying EBITDA provide useful information, but should not be considered as an indication of, or an alternative to, profit/(loss) for the period as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

(2) Underlying EBITDA is used to reflect the underlying performance of Nufarm's operations. Underlying EBITDA is reconciled to operating profit below on a continuing basis.

Operating profit reconciliation (continuing operations unless specified)	12 months ended 30 September 2022 $000	12 months ended 30 September 2021 $000	Change %
Underlying EBITDA	446,751	361,107	24%
add Depreciation and amortisation excluding material items	(210,090)	(208,007)	(1)%
Underlying EBIT	236,661	153,100	55%
Material items impacting operating profit	(28,374)	3,877	large
Operating profit	208,287	156,97	33%

(3) Non-IFRS measures are defined as follows:

Term	Definition
Gross profit margin	Gross profit as a percentage of revenue
Underlying gross profit	Gross profit less material items
Underlying gross profit margin	Underlying gross profit as a percentage of revenue
Underlying SG&A	Sales, marketing and distribution expenses plus General and administrative expenses less material items
Underlying EBIT	Earnings before net financing costs, taxation and material items
Underlying EBITDA	Underlying EBIT before depreciation and amortisation and material items
Underlying net external interest	Financial income, plus interest expense – external, plus interest expense – amortisation of debt establishment transaction costs, plus lease liability – interest expense, less material items
Underlying net financing costs	Net financing costs less material items
Underlying net profit after tax	Profit/(loss) for the period attributable to the equity holders of Nufarm Limited less material items
Underlying income tax benefit/(expense)	Income tax benefit/(expense) excluding material items
Underlying effective tax rate	Underlying income tax benefit/(expense) divided by underlying net profit after tax
Net debt	Current loans and borrowings, plus non-current loans and borrowings, plus cash and cash equivalents
Net working capital	Current trade and other receivables, plus inventories less current trade and other payables
Average net working capital	Net working capital measured at each month end as an average
ANWC/sales (%)	Average net working capital as a percentage of rolling 12 months revenue
ANWC/sales excluding external corporate (%)	Average net working capital as a percentage of rolling 12 months revenue excluding non-operating corporate revenue
Leverage	Net debt/rolling 12 months underlying EBITDA
Interest coverage ratio	Rolling 12 months underlying EBITDA/rolling 12 months net external interest
Gearing %	Net debt/(net debt plus equity)
Return on funds employed (ROFE)	12 months rolling underlying EBIT divided by the average of opening and closing funds employed (total equity plus net debt)
Underlying net operating cash flow	Net cash from operating activities excluding material items cash flows
Underlying net investing cash flow	Net cash from investing activities excluding material items cash flows
Constant currency	Constant Currency financial information seeks to remove the impact of movements in monthly exchange rates that impact on the translation of foreign currency earnings and balances into Australian Dollars to facilitate the comparability of operational performance. The current financial reporting period profit or loss, and balance sheet, has been translated, from subsidiary functional currency into Australian Dollars, at the corresponding monthly exchange rates from the prior comparable financial reporting period

Key risks

A summary of the material risks that could impact the achievement of Nufarm's business objectives is included below. The group's processes for managing risk are set in the group's Corporate Governance statement which is available in the corporate governance section of our website, www.nufarm.com/CorporateGovernance.

The risks below are set out in no particular order. There are interdependencies between them and so an increased exposure for one risk may elevate the exposure of other risks. Nufarm may be impacted by other more general risks that Australian businesses with global operations may face as well as emerging risks that are not listed below.

Strategic context	What this means for Nufarm Ltd (risk/uncertainty)	How this is being managed
Strategic growth (medium to long term)		
Regulation and market access The crop protection industry is highly regulated with government controls and standards imposed on all aspects of the industry's operations. Crop protection products are subject to regulatory review and approval in all markets in which they are sold, with the requirements of regulatory authorities varying from country to country. Europe, in particular, is highly regulated and there is increasing political influence on the regulatory system. This is increasing the uncertainty in predicting regulatory outcomes. In relation to seed, Omega 3 trait presence in canola is also highly regulated in many markets across the globe (e.g. China) therefore Industry resistance to Omega 3 co-existence will continue until full de-regulation. Continued legal and community focus on the impact of crop protections products has been increasing, particularly in the US which may give rise to increased litigation risk in personal bodily injury class actions.	**Demand for new/different products and supporting manufacturing capability** Regulatory policies can have an impact on the availability and usage of crop protection and seed technology products and, in some cases, can result in the restriction or removal of certain products from the market, which may have a material adverse effect on the financial performance of Nufarm. Social/activist pressure to strengthen regulatory requirements as they relate to synthetic crop protection products may increase. Over time, our synthetic crop protection products may become less commercially viable in certain markets. This may bring the opportunity to increase our biological and other sustainable solutions presence in those markets. For example, seed technologies that improve crop resilience and yield will be in demand. This may require re-alignment and/or expansion of our manufacturing and processing footprint which will require capital investment to ensure we have the manufacturing and processing capability to produce new products that are pivotal to our growth. If the manufacturing footprint is not aligned to product portfolio, there is a risk that Nufarm's assets will be under-utilised and/or not ready to manufacture new product lines, thereby impacting our financial performance.	**Continually evolving our product portfolio and customer strategy** • Nufarm has increased its investment and expanded its partnership with crop health company, Enko. Enko is a like-minded company that recognises that innovation and technology are the future for sustainable agriculture practices. • All product development is aligned to Nufarm's strategic focus on key geographies and crops. This is supported by centralised systems and processes to approve and monitor development activities and provide ongoing support and technical advice to the marketing and commercial functions. • The Nufarm portfolio team conducts regular assessments of advancements in application technology and product development. This is a key input to the product development pipeline and participation in potential partnerships with third parties with access to alternative technologies. • Nufarm monitors regulatory developments across its key regions of operations closely and completes detailed regulatory risk scenario analysis biannually. The Nufarm portfolio team considers this analysis in the maintenance and ongoing development of our portfolio. • Nufarm participates in several industry bodies and task forces which provide input and analysis to regulatory bodies on the use of our key products. We are undertaking a significant consultation process with the industry to build and maintain support for Omega 3 coexistence. **Alignment of manufacturing capability** • Assessment of the viability of our manufacturing footprint is completed on an ongoing basis. • Capital plans developed to support replacement of ageing plant and preventative maintenance programs have been established to minimise production downtime. During FY22, we have committed to and have commenced implementation of a significant investment in our Wyke plant will mitigate risks associated with ageing plant and enhance capability to support our growth plans.

Strategic context	What this means for Nufarm Ltd (risk/uncertainty)	How this is being managed
Global economic & geo-political uncertainty The social, economic and political impacts of the pandemic remain to be seen. The global economic environment is inflationary. The Ukraine crisis has not materially impacted our financial position to date. However, uncertainties remain given the crisis is ongoing, such as volatility of energy prices and further supply chain impacts.	**Capability to execute strategy** Inability to operationalise our strategy could result in loss of market share and variability in our earnings. • **Capital** – Nufarm's manufacturing footprint may require further capital investment to ensure we have the manufacturing capability to produce new products that are pivotal to our growth. • **Supply chain** – Our growth depends on getting our products between Nufarm global locations and to customers efficiently and effectively. Freight and logistics availability and supply generally may become increasingly harder and costlier to do which may negatively impact our financial performance. Supply chain partners may cease to exist or financial pressure may drive others to take shortcuts that impact their quality of service or integrity. • **Workforce capability** – The post-pandemic world has shifted how, where and why people work and like many other organisations, Nufarm continues to assess how this may impact our strategic workforce planning for the future. Executing our strategy will mean strengthening existing functions and introducing new processes/functions. If we can't retain or attract existing and new skills, there is a risk that these processes and functions will not operate at the standard that will be required to execute our strategy.	**Continually monitoring our operational capability** • The Finance team has reviewed Nufarm's capital management principles against our longer-term objectives and also Nufarm's capital structure. • The manufacturing capital expenditure plan is reviewed annually as part of the budgeting process. • The Procurement team continued its work to improve diversification of supply and reduce key dependencies. • Suppliers operating in high-risk jurisdictions are subject to Ecovadis risk assessments. • The People Plan and HR strategic priorities are set annually and monitored throughout the year. • An annual talent showcase and succession planning processes ensure that key roles/competencies are identified and managed.
Innovation • Nufarm introduces innovative crop protection and seed technology products where there may be a risk of infringement of third-party intellectual property rights. • Nufarm holds or has the right to use intellectual property covering its products, which intellectual property may be lost or infringed.	• Nufarm risks potential liability if it infringes third party intellectual property rights, and may need to withdraw products or negotiate a licensing deal. • If Nufarm doesn't take adequate steps to protect or enforce its intellectual property rights it will lose the value of these rights.	• Disciplined product selection process taking into account possible intellectual property infringement. • Expert IP advice is obtained regarding freedom to operate, protection and enforcement. • Aim to share responsibility with product development partners where feasible.

Climate Related Risks

The climate change risks and opportunities were assessed against two scenarios:

- Low emissions scenario (High Transition Impact) – Global average temperature below 2°C warming relative to pre-industrial levels
- High emissions scenario (High Physical Impact) – Global average temperature above 3°C warming relative to pre-industrial levels

Two time horizons were chosen for the assessment, a short (2030) and a long term horizon (2050).

To assess physical risks, we have performed a demand analysis by assessing the impact of the various TCFD climate drivers on agricultural conditions and Nufarm's associated products using the IPCC Sixth Assessment Report and online area and topographic maps for regions.

Chronic physical risks refer to longer-term shifts in climate patterns such as sustained higher temperatures or changes to precipitation patterns. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, droughts, heatwaves, or floods.

The descriptions of risks, opportunities and resilience are not forecasts, but describe what could happen if the world's development progressed as described in each of these scenarios. The impact of the risks is described qualitatively and does not take into account mitigating actions that may already be in progress. This assessment was the first scenario analysis performed by Nufarm, and therefore focuses on qualitative assessment.

Transition risks

Description – Risk	Description – Opportunity	Strategy and mitigating actions
1. Changes in product demand – driven by changes in the market, and in policy and regulation Transition: Policy, legal and regulation; Market		
Risk Scenario: 2° Time horizon: 2030 Under the low emissions scenario, growers across the globe will adapt and evolve their farming methods and crop choice in direct response to regulation and/or consequent economic/market conditions. ***Impact: Reduced volume of sales***	**Opportunity** Scenario: 2° >3° Time horizon: 2050 Under both high emissions and low emissions scenarios, changes in climate also create opportunities for Nufarm to evolve our product offerings and target markets. ***Impact: Increased revenue***	Improving yields and new plant-based solutions are important elements in improving nutrition, supporting the environment and the getting the most from every acre.
2a. Operational changes – fossil fuel & carbon footprint reduction/compliance with GHG policy & regulation **2b. Operational cost/CoGS increase – suppliers passing on transition costs** Transition: Policy, legal and regulation		
Risk Scenario: 2° Time horizon: 2030 Under the low emissions scenario, our manufacturing and processing facilities in some locations may be impacted by regulatory changes to address climate change. ***Impact: Increased capital and operational expenditure***	**Opportunity** Scenario: 2° >3° Time horizon: 2030 – 2050 Under both emissions scenarios, there are opportunities to achieve greater productivity, resource efficiency and resilience to climate variability. ***Impact: Reduced operating costs, access to new markets and sources of finance, reduced climate-related impact on revenue***	It's important to us that we reduce our consumption of precious resources and minimise our impact on the world around us. Our GRI Content and Index contains more information on how we are progressively planning for and implementing measures to reduce our environmental footprint. Just as Nufarm 'partners for growth' with our distribution channel partners, we also apply this philosophy when establishing and maintaining our key supply partnerships and alliances. As we and our partners plan our transition pathways, we will continue to work closely to understand and manage any increase to supply costs.

Physical risks

Risk/Opportunity **3a. Changes in product demand – driven by climate unsuitability (chronic physical)** **3b. Changes in product demand – driven by acute physical events** Physical		
Risk Scenario: >3° Time horizon: 2030 – 2050 The physical risk to Nufarm's grower demand is the impact of climate events on the grower's crops, disrupting demand for Nufarm's crop protection products and seed technologies. The increasing volatility of weather patterns will increase the frequency and intensity of adverse weather events. These may result in significant crop damage and reduction in yields. Under a high emissions scenario, there may be a shift in agricultural regions, increasing weather variability and changes in prevalence of pests and diseases. ***Impact: Reduced sales***	**Opportunity** *Refer to the opportunities outlined under* **1. Changes in product demand – driven by adaptation policy and regulation and the market response to policy and regulation**	The climate change risk assessment gives us insights into how climate change may impact our core crop selection and geographies. We will integrate these insights into our longer term strategic planning process.

Risk/Opportunity

4. Impacts on our operations (including supply chain) – driven by changes in climate and weather events

Physical

Risk

Scenario: >3°

Time horizon: 2030 – 2050

Under a high emissions scenario, our operations may be subject to more disruption from climate and weather physical events. Repeated disruptions may render parts of our supply chain and manufacturing arrangements unviable in the long term.

Impact: Increased operational expenditure

Opportunity

Refer to the opportunities outlined under **2a. Operational changes – fossil fuel and carbon footprint reduction/compliance with GHG policy & regulation** and **2b. Operational cost/CoGS increase – suppliers passing on transition costs**

Our business continuity and insurance programs consider physical risk exposures relating to our manufacturing and non-manufacturing operations including identifying actions to physically strengthen our facilities.

The longer term suitability of our manufacturing footprint and supply chain arrangements is assessed through our strategic risk management process.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Operational continuity (what we do)	
Weather volatility – seasonality The timing of weather seasons in the geographies in which Nufarm operates is uncertain and varies from year to year. Consequently, there is a risk that unusually early or late seasons may have a negative impact on demand for Nufarm products in a particular year and therefore its financial performance.	• Nufarm's operations are global, providing geographic diversification to climatic and seasonality risks and our product portfolio is diverse, supporting a wide range of agricultural applications. • At an operating level, Nufarm's business planning processes incorporate forecasting and supply planning based on typical weather conditions. These processes have been strengthened to enhance the agility of the supply chain to respond to pandemic, geo-political/economic and weather-related impacts.
Weather volatility – physical damage An increase in extreme weather events as a result of changing climatic conditions could also result in operational disruptions, such as physical damage to our manufacturing facilities or disruption to our supply chain for key raw material inputs or delivery of finished goods to our customers. Significant disruption to our manufacturing facilities could materially impact production and our financial performance.	• Nufarm maintains a comprehensive insurance program which is supported by continuity strategies across our global manufacturing footprint and key suppliers. • Arrangements have been established with key toll manufacturers to support our internal manufacturing capability.
Third party supply interruptions Nufarm relies on supply of various active ingredients, intermediates and other inputs from a number of third-party suppliers, including suppliers based in China. The reliability of supply and the cost of these inputs can be impacted by a range of factors including, but not limited to, manufacturing closures or temporary disruptions, compliance with more stringent environmental and/or safety standards, and other changes in government policy or regulation. Significant interruptions can impact our ability to fulfil orders which may ultimately increase our costs.	• Nufarm's procurement and integrated business planning processes include the ongoing assessment of supply availability as input to manufacturing and safety stock levels. • Where possible, we have entered into specific supply arrangements to assist with availability and pricing of key active ingredients. • Alternate supply arrangements have been established, where permitted under regulatory requirements. • Our manufacturing facilities are geographically aligned with distribution to minimise disruption to supply.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Cyber-attack/unauthorised access Nufarm's operations are supported by several key IT systems and applications. Complete or partial failure of the IT systems, applications or data centre infrastructure due to unauthorised access, cyberattacks or natural disasters could have a significant impact on Nufarm's ability to maintain operations and service customers. This could adversely impact Nufarm's financial position and/or reputation.	• Nufarm has made significant investment in IT systems, infrastructure and capability to support the efficient operation of the business. This investment has included a global integrated business planning system, new financial system across Europe, significant uplift in our customer platforms and realignment to the Cloud for certain services to gain access to improved technology and capability. • Nufarm has implemented disaster recovery strategies over its key IT systems, applications and data centres, which are reviewed and tested on a regular basis. • Cyber threats are assessed on an ongoing basis to the best of our knowledge based on the continually evolving nature of these threats. Security controls are updated to mitigate these risks supported by a combination of external and internal vulnerability testing.
Loss of key personnel The loss of key personnel or the inability to recruit and retain or motivate high calibre staff could have a material adverse effect on Nufarm. Nufarm operates globally and has facilities in multiple jurisdictions. Management of a complex business that operates globally has a higher employee risk/complexity than a business which operates in one jurisdiction. The addition of new employees and the departure of existing employees, particularly in key positions, can be disruptive and could have an adverse effect on Nufarm and may impact Nufarm's financial performance and future prospects.	• Critical roles across the organisation have been identified and appropriate succession and retention strategies developed. • Guidelines for remuneration and reward have been developed to ensure Nufarm can attract and retain talent.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Operational sustainability & compliance (how we do it)	
Safety incident Operation of Nufarm's manufacturing sites across the globe require major hazard facility licences. Operating within these environments can lead to personal injury, loss of life or damage to property. Regulatory bodies undertake regular audits of Nufarm's sites to ensure that it is appropriate to renew the licences. These audits can result in suspension of operations, fines or penalties or remediation expenses.	• A robust and comprehensive Health, Safety and Environment (HSE) program is in place which provides clear guidance on culture, behaviours, process, metrics and reporting. • This program includes the ongoing audit and assessment of HSE risks and practices. • A program of regular reporting at a local, regional and global level is in place, including quarterly reporting to the Executive Management and Board. • Wellbeing seminars, encouragement of leave-taking and a range of other COVID-related fatigue support measures are in place and continue to be advocated throughout the organisation.
Environmental damage Nufarm operates in a regulatory environment that establishes high standards in terms of environmental compliance. Any material failure by Nufarm to adequately control hazardous substances and manufacturing operations, including the discharge of waste material, or to meet its various statutory and regulatory environmental responsibilities, could result in significant liabilities as well as ongoing costs relating to operational inefficiencies which may arise. This extends to historical environmental issues that may be present in sites that we have acquired.	• Environmental risk assessments have been completed across all our key operational sites and guidelines on the management of environmental risks aligned to ISO 14001 on environmental management systems have been implemented. • Local management engage with local environmental authorities on key risks and compliance.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Product contamination/quality Nufarm manufactures and supplies a range of crop protection products and seed solutions which must be manufactured, formulated and packaged to exact standards, with strict quality controls. The performance of those products would be negatively impacted if those quality standards are not met and this could, in turn, have an adverse impact on the reputation and success of Nufarm. We produce GM and non-GM seed. Unapproved GM products are highly regulated in many markets across the globe. Some markets accept a small level of unapproved trait presence whilst others have no tolerance. A significant unintended low-level presence/trait event could lead to significant liabilities owed to third parties and impact our growth.	• Quality guidelines and procedures are defined across the manufacturing process, including external tolling activities. This includes a detailed contamination prevention program with associated procedures and are aligned to the 'Contamination Prevention in the Manufacture of Crop Protection Products Guidelines and Best Practices' issued by CropLife International. • Manufacturing processes are subject to rigorous testing to ensure quality standards are met and an ongoing review program is in place with the aim of ensuring operations adhere to the quality standards. • In relation to controlling GM traits, trait testing is undertaken at breeding to production handover and prior to commercial release. We are actively working to promote industry coordination and transparency of hybrid seed production zones.
Compliance breach Nufarm's global footprint requires compliance with government legislation and regulations across all the countries within which we are established to maintain our licenses to operate. New legislation or changes to requirements could have an adverse impact on our operations, financial position or relationship with key customers and suppliers. This includes requirements relating to occupational health and safety, environment, product registration, sanctions and anti-bribery, data privacy, taxation and review of contractual obligations with key suppliers and customers. Geopolitical risks such as changes to tariffs and sovereign risk impacting the political stability of certain countries we operate in could impact the price and volume of agricultural products traded in these regions.	• Policies and procedures have been developed supporting legislative and regulatory compliance. Nufarm's Code of Conduct provides overarching guidance on behaviours and is supported by procedures for sanction implications, ethical sourcing and management of sensitive personal data. • Nufarm also maintains a dedicated internal legal team across its key regional operations, which is supported externally as required, to provide input on key legislative and regulatory compliance. • Nufarm's internal tax department has developed specific guidance on the group's tax strategy and policies to ensure compliance and alignment with tax authorities on the treatment of transactions. • Nufarm has an online global whistleblower program to allow employees to report any unethical, illegal or fraudulent behaviour.

Risk/uncertainty inherent in Nufarm's operations	How we are managing this
Financial exposures (how we fund what we do)	
Debt financing Nufarm has significant short term bilateral funding and supplier financing facilities to fund its working capital requirements. Continued access to these facilities is dependent upon compliance with relevant banking covenants and the successful renewal of these facilities as and when they fall due. Nufarm's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If Nufarm is unable to refinance its debt obligations, or to do so on reasonable terms, it may have an adverse effect on the financial position and performance of Nufarm. **Foreign exchange exposure** Global crop protection companies such as Nufarm purchase inputs and determine selling prices in a range of international currencies and are therefore exposed to fluctuations in exchange rates. Further, a substantial portion of Nufarm's revenues, costs, assets and liabilities are denominated in currencies other than Australian dollars. As a result, exchange rate movements affecting these currencies may impact the financial performance and future prospects of the business of Nufarm. **Working Capital Management** Effective management of working capital is a key operational priority across the group and is impacted by factors such as changing customer demand as a result of seasonality and climatic conditions, changes in customer credit profiles and supply constraints.	• A clearly defined funding strategy is in place which includes a diversified funding structure with a range of debt maturity profiles. • Board and executive oversight is in place to monitor ongoing compliance with key banking covenants and facilitate the early identification of any covenants under stress. • Further details on strategies to manage liquidity, credit and market risk is included in Note 29 of the consolidated financial statements. • Nufarm has implemented a range of financial risk management policies and procedures to assist with the management of foreign exchange exposure. The group treasury function manages financial risks in accordance with these policies. Where possible, currency and interest rate risk is managed through hedging strategies (refer note 29 of the consolidated financial statements). • Policies and procedures have been developed to support the management of customer credit, inventory and procurement. • Nufarm's procurement and integrated business planning processes provide a focus on working capital management regionally and globally. This is supported by an investment in systems and data analytics to provide timely data on key working capital drivers. • Performance metrics supporting working capital management have been defined at a global and regional level and included in individual objectives and performance related remuneration for senior management.

Remuneration Report

A letter from the chair of the Human Resources Committee (HRC)

Dear fellow shareholder,

On behalf of the board, I am very pleased to present the remuneration report for the financial year ended 30 September 2022 (FY22).

At Nufarm, our people are our most important asset. They play a key role in achieving the company's strategic objectives and delivering sustainable, long-term value for our shareholders.

I was particularly proud to see how our people maintained their unwavering commitment to our customers over the past year. As a result, our financial results have been extremely positive with underlying EBITDA[1] of $447m achieved – a significant 24% uplift on what was a very strong financial result in the previous financial year. This strong financial performance has enabled the board to declare total dividends of 10.0 cents per share in respect of the twelve-month period.

On behalf of the board, I would like to acknowledge all the efforts of our people, led by the Nufarm leadership team, in continuing to deliver great outcomes for our customers through what was a challenging external environment.

Safety is our number one priority at Nufarm. Employee health and wellbeing were always the most important concern for the board and the human resources committee as we navigated through challenges presented by COVID-19 in multiple jurisdictions across the globe. Employee health and wellbeing will remain at the forefront as we continue to navigate these challenges.

As a global organization, we experienced direct and indirect impacts from the war in Ukraine. Nufarm has operations in both Ukraine and Russia and our first priority was to ensure our people and families in both countries were safe and supported.

Nufarm is a very different company today from what it was five years ago and we have seen the fruits of the significant work we have undertaken over the past few years. We are focused on core crops and geographies, and we have a refreshed capital structure and streamlined operations. We are positioned for growth.

Technology and innovation are core to this growth. In February, we announced our aspiration to achieve revenues in excess of $4 billion by 2026 with significant contributions from both our crop protection and seed technologies businesses.

The future for Nufarm is bright and I am excited by the opportunities that lie ahead over the next 12 months and beyond.

Executive remuneration outcomes for the 2022 year

In our prior year remuneration report, we introduced the 2022 executive incentive plan (EIP) which came into effect 1 October 2021 and replaced the previous short term incentive (STI) and long term incentive (LTI) plans from that date. I believe the EIP reflects a more contemporary remuneration framework, is a better fit for the needs of our growing global business and has already proved effective in attracting and retaining our talent.

Financial performance in FY22 has been extremely strong with revenue and underlying EBITDA growth in all regions and the seed technologies business. Key financial metrics have also improved with an increase in cash generation from operations, an improved working capital performance and higher return on assets.

The company's improved financial performance has been reflected in the EIP outcomes for key management personnel (KMP). Each of the FY22 EIP financial measures exceeded their target, and no discretion was exercised to adjust the timing or amount of the outcome.

The FY20 LTI plan was tested on 30 September 2022: despite significant improvement in the FY22 return of funds employed (ROFE), the 3-year ROFE targets were not achieved; however, a portion of the relative total shareholder return (RTSR) target was achieved and consequently a percentage of the incentive rights vested.

Further details of remuneration outcomes are set out in section 3.2 of the Remuneration Report.

Director fees

There have been no changes to chair or non-executive director fees during FY22.

Changes to key management personnel

On 1 September 2022, Dave Allen was appointed group executive global supply chain replacing Elbert Prado in this role.

Dave Allen is an international operations and supply chain executive, and management consultant. He has a highly successful track record within global organisations of delivering strategic change, business transformation and capability development. His areas of expertise include manufacturing, operations, procurement, sales and operations planning, logistics and IT. He will be a valuable addition to the leadership team at Nufarm with his considerable operational and supply chain management skills.

Elbert Prado joined Nufarm in 2013 and has over 40 years' experience in manufacturing and supply chain with extensive global experience managing global supply chains. I would like to thank Elbert Prado for his commitment and dedication in the role group executive global supply chain role. His extensive knowledge and experience in the global agricultural industry was of great value to Nufarm.

In summary

To close, FY22 was a very strong year for Nufarm and I believe the remuneration outcomes reflect the strong financial results. I am excited by the future prospects for our business and believe we have the right team to achieve our growth aspirations.

While the board and the human resources committee are confident that remuneration outcomes for FY22 are appropriate, we will continue to engage with shareholders and listen to feedback on the effectiveness of our remuneration policy, framework, and governance to ensure it continues to meet the needs of the business and its stakeholders.

It is my pleasure as the chair of the human resources committee to present Nufarm's remuneration report to shareholders for your consideration and support.

Peter Margin

Peter Margin
Chair – Human Resources Committee

1. Underlying EBITDA is earnings before net finance costs, taxation, depreciation, amortisation and material items.

Audited remuneration report

The audited remuneration report is designed to provide shareholders with an understanding of Nufarm's remuneration policies and the link between our remuneration strategy and performance. This report details Nufarm's remuneration framework and outcomes for KMP for the financial year ended 30 September 2022 (FY22). The report has been prepared in accordance with section 300A of the Corporations Act 2001 (Corporations Act).

Section	What it covers
1 Remuneration snapshot	
1.1 Key management personnel	• Lists the names and roles of the non-executive directors and executive KMP whose remuneration details are disclosed in this report.
1.2 Changes for FY22	• Outlines the changes to non-executive directors and executive KMP arrangements in FY22.
1.3 Summary of FY22 non-executive director (NED) fees	• Details the NED fee changes in FY22.
1.4 Executive KMP remuneration outcomes	• Details the key remuneration outcomes in FY22.
1.5 Actual total remuneration earned by executives in FY22	• Provides voluntary disclosure of how much executive KMP were paid in FY22.
2 Setting senior executive remuneration	
2.1 Remuneration governance	• Explains Nufarm's remuneration policy, and how the board and human resources committee (HRC) make decisions, including the use of external consultants.
2.2 Remuneration strategy	• Explains Nufarm's remuneration strategy implemented for FY22.
2.3 Remuneration components	• Shows how executive remuneration is structured to support business objectives and explains the executive remuneration mix.
2.4 Remuneration outlook	• Indicates how Nufarm intends to apply its remuneration policy for FY23.
3 Executive remuneration outcomes	
3.1 Financial performance	• Provides a breakdown of Nufarm's performance over the past five reporting periods.
3.2 Plan outcomes	• Details the performance outcomes for the respective plans relevant to executive remuneration for FY22 including executive incentive plan outcomes and long term incentive plan outcomes.
3.3 Senior executive contract details	• Lists the key contract terms governing the employment of executive KMP (including termination entitlements where relevant).
4 Non-executive director remuneration	• Provides details of the fee structure for board and committee roles.
5 Remuneration tables	
5.1 Remuneration of directors and disclosed executives	• Provides the remuneration disclosures required by the Corporations Act and in accordance with relevant Australian Accounting Standards.
5.2 Equity instruments held by directors and disclosed executives	• Provides details on equity instruments held, vested, forfeited during the period.
5.3 Shares held in Nufarm	• Provides details on the number of Nufarm shares held during the period.

2. Remuneration snapshot

1.1 Key management personnel

This remuneration report is focused on the KMP of Nufarm, being those persons with authority and responsibility for planning, directing and controlling the activities of Nufarm. KMP includes the non-executive directors (NED) and senior executives (referred to as executive KMPs throughout this report). Unless otherwise indicated, the KMP were classified as KMP for the entire financial year.

Non-executive Directors	
John Gillam	Chair and independent, non-executive director
Gordon Davis	Independent, non-executive director
Alexandra Gartmann	Independent, non-executive director (effective 23 September 2022)
David Jones	Independent, non-executive director
Peter Margin	Independent, non-executive director
Marie McDonald	Independent, non-executive director
Lynne Saint	Independent, non-executive director
Former Non-executive Directors	
Frank Ford	Independent, non-executive director (ceased 17 December 2021)
Toshikazu Takasaki	Non-executive director (ceased 31 May 2022)

Executive KMP	
Greg Hunt	Managing director and chief executive officer
Paul Townsend	Chief financial officer
Dave Allen	Group executive supply chain operations (effective 1 September 2022)
Former KMP	
Elbert Prado	Group executive supply chain operations (ceased 31 August 2022)

1.2 Changes for FY22

Additions:

- Dave Allen commenced as group executive supply chain operations on 1 September 2022 replacing Elbert Prado in this role.
- Alexandra Gartmann commenced as an independent, non-executive director on 23 September 2022.

Cessations:

- Frank Ford retired as an independent, non-executive director from the Nufarm board at the conclusion of the AGM on 17 December 2021.
- Toshikazu Takasaki's final day on the Nufarm board as a non-executive director was 31 May 2022
- Elbert Prado ceased in his role as group executive supply chain operations, and consequently ceased being executive KMP of Nufarm on 31 August 2022. Elbert continues his employment with Nufarm.

1.3 Summary of FY22 NED fees

NED fees are fixed and do not have any variable components. The chair receives a fee for chairing the Nufarm board and is not paid any other fees. Other NEDs receive a base fee and additional fees for each additional committee chair positions and membership. The chair's fee and non-executive director fees remained unchanged for a third year, although directors' committee fees were adjusted from 1 October 2021 to reflect changes to the structure of the board committees. No additional retirement benefits were paid. Fees paid to NEDs are subject to a maximum annual non-executive director fee pool of $2 million approved by shareholders at the 2017 AGM.

1.4 Executive KMP remuneration outcomes

The overall structure and philosophy of Nufarm's approach to remuneration remained consistent throughout FY22. The organisation's remuneration philosophy continues to be based on linking financial rewards directly to employee contributions and company performance.

Fixed annual remuneration (FAR)	During FY22 Greg Hunt received 3% increase, Paul Townsend received 2.5% and Elbert Prado received 2.5% increase to his base salary.
Executive incentive Plan (EIP)	The FY22 EIP was tested on 30 September 2022 against relevant performance measures. Financial performance for FY22 exceeded the maximum level for the financial performance measures. In addition, executive KMP were assessed as achieving relevant FY22 non-financial measures. The EIP program consists of a cash portion and an equity portion. The cash portion is equal to 33%, and the equity portion is equal to 66% of the total reward based on the testing undertaken at 30 September 2022. The equity granted is subject to service and performance conditions, with a vesting date of 30 September 2025. The number of rights to be granted will be determined using the value of the equity portion of the EIP remuneration divided by the 5-day VWAP following the release of the preliminary final report in November 2022.
Historical Short-term incentive (STI)	The FY21 STI plan included the achievement of certain performance measures and resulted in the granting of rights, subject to service conditions, in Nufarm ordinary shares with a vesting date of 30 September 2023.

Historical Long-term incentive (LTI)	The FY20 LTI plan was tested on 30 September 2022. The average cumulative Return on Funds Employed (ROFE) achievement was below threshold and the Relative Total Shareholder Return (RTSR) achievement was above threshold. Therefore, the plan met the entry hurdle associated with the RTSR. The outcome was that relevant executive KMP received equity related to the FY20 LTI plan based on the RTSR outcome. The final historical LTI (FY21) plan is due to be tested on 30 September 2023.

1.5 Actual total remuneration earned by executives in FY22 (unaudited)

The table below details actual pay and benefits for executive KMPs who were employed during the reporting period. This table aims to assist shareholders in understanding the cash and other benefits received by executive KMPs from the various components of their remuneration during FY22.

As a general principle, Australian Accounting Standards require the value of share-based payments to be calculated at the time of grant and accrued over the performance period and restriction period. The Corporations Act and Australian Accounting Standards also require that pay and benefits be disclosed for the period that a person is an executive KMP. This may not reflect what executive KMPs received or became entitled to during FY22 (especially if they became KMP part way through the year).

The figures in this table have not been prepared in accordance with Australian Accounting Standards. They provide additional voluntary disclosures to Table 5.1 (which provides a breakdown of executive KMPs remuneration in accordance with statutory requirements and Australian Accounting Standards). The treatment of the remuneration elements in this disclosure are as follows:

- Fixed annual remuneration earned between 1 October 2021 and 30 September 2022. This includes superannuation.
- STI and EIP cash illustrates the cash payable under the FY21 STI plan and FY22 EIP respectively, which is payable at 30 September of the relevant year, and is paid following the release of the audited results.
- STI rights vested and LTI rights vested illustrates the number of rights vested during the period 1 October 2021 and 30 September 2022. The values represent the number of rights vested multiplied by the share price at the relevant date.

		Fixed annual remuneration				At risk remuneration (Realised)				Total[2]	
In AUD	Period	Salary and Fees $000	Other benefits[1] $000	Super-annuation $000	Total $000	STI and EIP cash $000	STI rights vested $000	LTI rights vested $000	Other long term $000	Total Re-muneration $000	LTI rights forfeited $000
Directors' Non-executive											
Sub total directors' non-executive (realised)	FY22	1,468	-	99	1,567	-	-	-	-	1,567	-
	FY21	1,511	-	125	1,636	-	-	-	-	1,636	-
Executive KMP											
G Hunt Managing director & CEO	FY22	1,332	-	28	1,360	810	-	327	-	2,497	(470)
	FY21	1,294	-	26	1,320	698	-	-	-	2,018	(782)
P Townsend Chief financial officer	FY22	744	-	28	772	354	-	-	-	1,126	-
	FY21	603	-	21	624	265	-	-	-	889	-
D Allen[3] Group executive supply chain	FY22	61	1	-	62	-	-	-	-	62	-
	FY21	-	-	-	-	-	-	-	-	-	-
Former Executive KMP											
P Binfield[4] Chief financial officer	FY22	-	-	-	-	-	-	-	-	-	-
	FY21	206	213	6	425	50	-	-	-	475	-
E Prado[5] Group executive supply chain	FY22	691	57	49	797	298	-	-	-	1,095	-
	FY21	707	60	45	812	259	54	-	-	1,125	(238)
Sub total executive KMP (realised)	FY22	2,828	58	105	2,991	1,462	-	327	-	4,780	(470)
	FY21	2,810	273	98	3,181	1,272	54	-	-	4,507	(1,020)
Total directors' and executive KMP (realised)	**FY22**	**4,296**	**58**	**204**	**4,558**	**1,462**	**-**	**327**	**-**	**6,347**	**(470)**
	FY21	**4,321**	**273**	**223**	**4,817**	**1,272**	**54**	**-**	**-**	**6,143**	**(1,020)**

Notes to table:
1. Other benefits includes allowances, health insurance and other costs for overseas based executives.
2. "Total" represents total remuneration paid in the financial period.
3. Mr D Allen was appointed as a KMP effective from the 1 September 2022.
4. Mr P Binfield ceased to be a KMP on 31 December 2020.
5. Mr E Prado ceased being a KMP effective 31 August 2022. The table excludes the value of LTI rights that Mr Prado is eligible to receive, that have vested in September 2022 ($103,790); and the value of LTI rights that Mr Prado forfeited at 30 September 2022 ($149,360)

Note: LTI rights vested or forfeited are valued at the Nufarm share price prevailing upon the vesting or forfeiture date ($5.0 at 30 September 2022, $4.80 at 30 September 2021).

2 Setting senior executive remuneration

2.1 Remuneration governance

The HRC is responsible for reviewing and making recommendations to the Nufarm board on remuneration policies and practices of the board, the CEO and other executive KMP. The HRC is comprised of a minimum of three independent non-executive directors and is tasked with ensuring that remuneration policies and packages retain and motivate high calibre executives and have a clear relationship between company performance and executive remuneration. The HRC charter can be found at www.nufarm.com.

The board has progressively increased the remit of the HRC to include a wider talent and succession agenda including a review of Nufarm's diversity and inclusion strategy.

The HRC reviews executive KMPs' remuneration annually to ensure there is a balance between fixed and at risk pay, and it reflects both short term and long term objectives aligned to Nufarm's strategy. In conjunction with information provided by Egan Associates the board reviews the CEO's remuneration based on market benchmarks, performance against agreed measures and other relevant factors, while the CEO undertakes a similar exercise in relation to the other Executive KMPs. The results of the CEO's annual review of executive KMPs' performance and remuneration are subject to board review and approval.

The board measures financial performance under the applicable EIP and LTI plans using audited numbers. The relative total shareholder return (RTSR) used within the LTI plan is measured by an independent external advisor.

Within the remuneration framework, under specific circumstances, the board has discretion to lapse or enforce forfeiture (or potentially cash repayment where an award has been issued as cash or converted into cash) of any rights, options or shares issued under the terms of the relevant plans.

In accordance with Nufarm's Security Trading Policy, executive KMPs are not permitted to enter into margin lending, short-term or speculative dealing or hedging of Nufarm securities, including any rights.

The board considered all information in light of company performance, changes during the year to the scope and scale of executive roles, individual performance and the motivation and retention of key individuals, in making remuneration decisions.

2.2 Remuneration Strategy

In FY22 Nufarm's remuneration strategy and reward framework was reviewed and enhanced to:

- Create a pay for performance culture where financial rewards are directly linked to both short and long term company performance
- Attract global talent, and reward and retain participants
- Address the cyclical nature of the sector
- Include annual financial and non-financial targets that are both key to company performance, and in the control of the participants
- Distribute awards in a mix of cash and equity.

For FY22 the remuneration strategy translates into the Executive KMP remuneration package detailed below:

Fixed annual remuneration	Executive Incentive Plan	
Attract, motivate, and retain highly skilled employees	Reward achievement if financial and personal/team strategic objectives are met and align to long-term shareholder value creation	
Cash	**Cash**	**Equity**
Base salary plus superannuation	33.33% of EIP remuneration paid in cash annually following release of audited financial statements.	66.67% of EIP remuneration is converted into rights, with service and performance conditions, with an additional 3 year vesting period (4 year total).
Cash remuneration levels are set based on market and internal relativity, performance, and experience	EIP remuneration levels are set based on market benchmarking and balance between fixed and at risk pay to ensure it is reflective of both short and long term Nufarm objectives. Outcomes are based on short term financial and non-financial performance measures. EIP remuneration converted into rights are subject to service and non-financial performance measures to be tested prior to vesting.	

2.3 Remuneration components

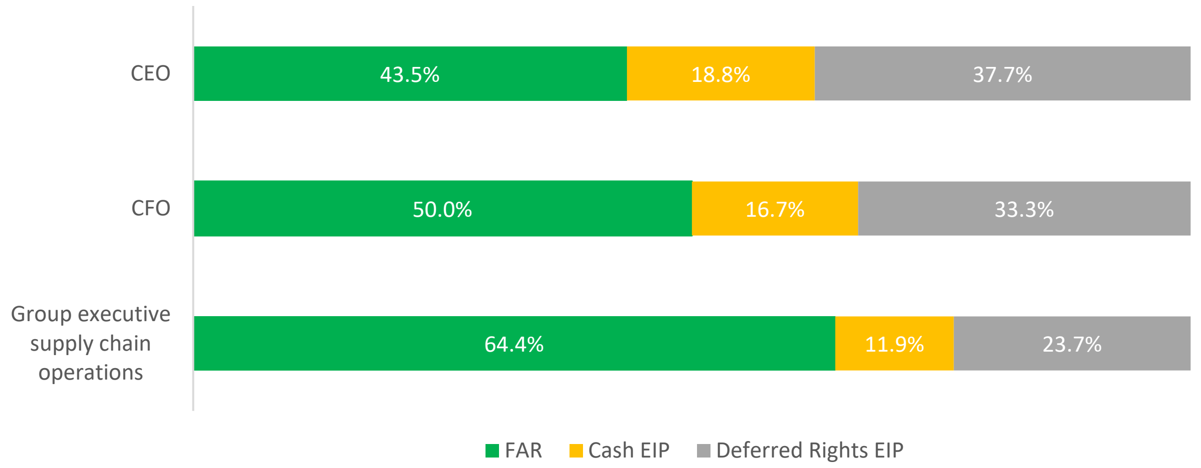
a) Remuneration structure

In FY22, the executive remuneration structure is based on Fixed Annual Remuneration (FAR) with additional incentives ("at risk") available to be earned subject to specified performance measures. The variable "at risk" components of the remuneration structure represent the Executive Incentive Plan (EIP)

In previous years, the executive remuneration included specified short term and long term incentives available to be earned subject to performance. Under these historical remuneration structures, the variable "at risk" components of the remuneration structure were represented by short term incentive (STI) plans and long term incentive (LTI) plans.

The graphic below outlines the remuneration mix for executive KMP's directly linked to FY22. For the group executive supply chain operations the remuneration mix presented is for Elbert Prado who was KMP during FY22 until 31 August 2022. For the period 1 September 2022 to 30 September 2022, Dave Allen was not a participant to the FY22 EIP and therefore his remuneration mix was 100% FAR during this period.

The variable "at risk" components of EIP (including potential deferred rights) are expressed at target.



b) Executive incentive plan

What is the plan's aim?	The plan rewards a combination of financial and non-financial performance measures that are aligned to the creation of shareholder value. Primary emphasis is placed on profitability, return on investment, and cash flow. The non-financial measures focus our Executive KMP on executing the most critical objectives aligned to the company's strategy.	
How is the EIP target payout established?	The Executive Incentive Plan (EIP) target payout is set annually as a percentage of fixed annual remuneration (FAR) (CEO, CFO) or base salary (group executive supply chain operations) applicable during the year. This is pro-rated if that percentage is changed during the year.	
Who participates in the EIP and what is the "at risk" amount as a % of FAR	Managing director & Chief executive officer	130% of FAR
	Chief financial officer	100% of FAR
	Group executive supply chain operations	85% of base salary
What measures are used in the plan?	The EIP consists of short term performance elements with an equal weighting allocated to each. These elements determine the initial cash remuneration and remuneration that is converted into rights, with a long term non-financial element to be assessed at the completion of the performance period (4 years) prior to the vesting of EIP rights.	

Elements – Short Term	Weighting	Measured by
Profit	25%	Group underlying EBIT (uEBIT)
Return on Investments	25%	Average group underlying return on funds employed (ROFE)
Cash flow	25%	Average net working capital divided by sales (ANWC/Sales)
Non-financial	25%	Defined non-financial strategic or operational goals as determined by the board for each executive KMP. These include: • Safety and Environment • Sustainability • Strengthening key supplier relationships • Enhancing financial standing • Strategic growth for the Crop protection and Nuseed business

Elements – Long Term	
The long term non-financial measures focus on non-financial strategic and operational goals including:	
Portfolio	Profitably build the crop protection and seeds portfolios to underpin the 2026 revenue aspiration.
Supply Chain	Optimise global supply chain footprint to achieve company benchmarks for customer excellence, manufacturing efficiency, total delivered cost in line with our 2026 revenue aspiration.
Environmental, Social and Governance (ESG)	1. Sustainability initiatives as published in Nufarm's sustainability report ie. • 30% reduction in scope 1 and 2 greenhouse gas emissions from our manufacturing sites by 2030. • 20% reduction in hazardous waste by 2025. • 25% reduction in our volatile organic air emissions (VOCs) by 2025. • ISO14001 certification at all manufacturing sites by 2025 (excluding Cairo). 2. Build a leading portfolio of seed products that positively impact global environmental issues.

Is there a minimum threshold for EIP payment?

In order to earn an award in the EIP, the profit element must meet its minimum threshold. If this is not met, all elements are forfeited.

How are the EIP payments determined?

The EIP is comprised of three performance levels for each element: minimum, target and maximum outcomes. The minimum, target and maximum values for financial performance measures will be set, reviewed, and approved by the board annually for each KMP.

Performance Levels	
Minimum	The minimum performance outcome that must be achieved before any EIP payment will be made in relation to the measure
Target	An outcome delivering significant benefit to the company achieved by great performance
Maximum	A stretch goal that could only be achieved by sustained outstanding performance

	Profit	Return on investments	Cash flow	Non-financial
Minimum	85% of budgeted* uEBIT	85% of budgeted* ROFE	105% of budgeted* ANWC/Sales	Determined by the board based on individual performance
Target	100%	100%	100%	
Maximum	120%	120%	95%	

*Annual budgets are reviewed and approved by the board to ensure they demonstrate growth potential and achievement of strategic milestones.

Once performance levels are set, EIP payments are calculated based on payout slopes with a minimum of 25% to a maximum of 150% for each financial measure. All measures are equally weighted at 25% of the total award.

	Profit	Return on Investments	Cash flow	Non-financial
Minimum	25% of EIP target payment			0% to 100% of EIP target payment
Target	100%			
Maximum	150%			

Are payments in cash or equity?

Two thirds (66.67%) of the total EIP payment are deferred into performance rights over Nufarm ordinary shares, and the remaining one third (33.33%) is paid as cash at the end of year one, following the release of the audited financial statements.

When do the shares vest?

At the end of the four year performance period the rights are retested against key strategic objectives, including ESG and other key deliverables as determined by the board. Withholding a large portion of the award as rights with service and performance measures, ensures the participants maintain a focus on both short and long term company performance as well as ensuring alignment with shareholder experience.

Is there a "claw back" provision in the plan?

The Nufarm board have absolute discretion regarding the amount and timing of any EIP payments. The EIP is governed by the overarching Nufarm Equity Incentive Plan rules.

Within the remuneration framework, under specific circumstances, the board has discretion to lapse or enforce forfeiture (or potentially cash repayment where an award has been issued as cash or converted into cash) of any rights, options or shares issued under the terms of the relevant plans.

What happens if the executive KMP leaves Nufarm?

Unless the board determines otherwise:

a) if employment is terminated for cause (as defined below) or the KMP resigns (or give notice of resignation) prior to the date on which the EIP award is delivered, the employee will not be entitled to an EIP award.

An employee will be "terminated for cause", where employment with the group is terminated because the employee:

- acted fraudulently or dishonestly;
- engaged in serious or willful misconduct;
- is seriously negligent in the performance of your duties;
- committed a serious breach of your employment contract;
- committed an act, whether at work or otherwise, which could reasonably be regarded to have brought the company or a group company into disrepute; or
- is convicted of an offence punishable by imprisonment.

	b) if an employee ceases employment for any other reason prior to the date on which the EIP award is delivered, it will be pro-rated (based on the portion of the performance period that has elapsed up until the date of termination). Unvested equity will remain intact and continue to vest under the plan rules.

c) Long term incentive plans

What LTI plans were applicable for FY22	The legacy LTI plans applicable during the FY22 financial year were: • FY20 Long term incentive plan • FY21 Long term incentive plan LTI plan rights are subject to vesting conditions at the conclusion of the applicable performance period.	
For which current Executive KMP are the LTI plans applicable	**FY20 Long term incentive plan**	Managing director & chief executive officer
		Other selected senior managers, including Elbert Prado (previous group executive supply chain operations)
	FY21 Long term incentive plan	Managing director & chief executive officer
		Chief financial officer
		Other selected senior managers, including Elbert Prado (previous group executive supply chain operations)
Are the awards cash or equity?	The plan rules provide the flexibility to use a number of different instruments provided they comply with local regulations and sound practice. At the time of vesting the board will determine if the rights convert to ordinary shares or cash or other instruments which may be in use at the time.	
When are the awards made?	Under the plans, LTI plan participants receive the award as soon as practical after the announcement of the audited financial statements pertaining to the final year of the performance period.	
How do the awards vest?	The performance/vesting period for awards is three years. Awards will vest in two equal tranches as follows: • 50% of the LTI plan grant will vest subject to the achievement of RTSR performance hurdle measured against a selected comparator group of companies; and • 50% of the LTI plan grant will vest subject to a 3-year average of an absolute annual ROFE target.	
What is the comparator group for the assessment of relative TSR	At the inception of the LTI plans the board approved the adoption of the "S&P ASX 200 excluding those companies in the financial, materials and energy groups" as the RTSR comparator group.	
How is RTSR calculated?	RTSR will be measured over the performance period. For the purposes of this measurement, each company's share price will be measured using the average price over 60 days up to (but excluding) the first day of the performance period, and the average closing price over 60 days up to and including the last day of the performance period.	
What is the RTSR performance required for vesting?	**RTSR of Nufarm relative to the RTSR of comparator group companies**	**Proportion of RTSR grant vesting**
	Less than 50th percentile	0%
	50th percentile	50%
	Between 51st percentile and 75th percentile	Straight line vesting between 50% and 100%
	75th percentile or above	100%
How is the ROFE target set?	ROFE objectives are set by the board at the beginning of each year. There is both a "target" and a "stretch" hurdle. These numbers are based on the budget. Target represents a sustainable return to acceptable ROFE levels. Stretch recognises achievement well above budget. This ensures that full vesting of the LTI plan is truly reliant on outstanding performance.	
How is ROFE measured?	Return is calculated on the group's earnings before interest and taxation and adjusted for any material items. Funds employed are represented by shareholder's funds plus total interest-bearing debt (including lease liability). For measuring ROFE performance in the LTI plan, ROFE will be averaged over the life of the plan.	
What is the ROFE performance required for vesting?	**Percentage of ROFE target achieved**	**Proportion of ROFE grant vesting**
	Less than target	0%
	Target	50%
	Between target and stretch	Straight line vesting between 50% and 100%
	Stretch	100%

What happens if the awards do not vest?	Any proportion of the RTSR or ROFE grants that have not met the performance required to vest at the end of the 3-year performance period will lapse and consequently be forfeited as a result.
Is there a clawback provision in the plan?	The Nufarm board have absolute discretion regarding the amount and timing of any LTI rights vesting. The LTI plan is governed by the overarching Nufarm Equity Incentive Plan rules. Within the remuneration framework, under specific circumstances, the board has discretion to lapse or enforce forfeiture (or potentially cash repayment where an award has been issued as cash or converted into cash) of any rights, options or shares issued under the terms of the relevant plans.
What happens in an Executive KMP leaves?	To be eligible under the LTI plan, the executive must be employed by Nufarm on the 1st anniversary of the allocation. If the executive leaves before this date, the allocation is forfeited. If the executive leaves under "qualifying leaver" provisions after the 1st anniversary and before the 3rd anniversary of the plan the allocation will be pro-rated and the pro-rated allocation will remain "on foot" in the plan subject to certain overriding discretions set out in the plan.

2.4 Remuneration outlook

As flagged in the FY2021 Remuneration report, the board through the HRC committee appointed Egan Associates as a remuneration consultant to provide remuneration benchmarking for executive KMP.

In addition, with the assistance of an external provider, the board initiated a review of Nufarm's executive remuneration framework to:

- Better understand local and global market practices and trends
- Review the efficacy of the current incentive schemes
- Provide insights into the design of a Nufarm incentive scheme that ensures it:
    - Attracts and retains talent from a global pool
    - Focuses executives on creating value for shareholders consistent with the company's strategy and values
    - Rewards performance through the cycles of volatility inherent in the sector
    - Rewards results that strengthen the business and deliver long term value

As an outcome of the above review and utilising the information provided by Egan Associates the board established appropriate remuneration packages for KMP including the executive incentive plan in FY22, and this plan will remain in place in FY23.

3 Executive remuneration outcomes

3.1 Financial performance

Details of Nufarm's performance, share price and dividends over the past five years are summarised in the table below:

		Continuing group[1]				
Performance measures		**FY22**	**FY21**	**Sept 20[2,4]**	**FY20[3,4]**	**FY19[3,4]**
Nufarm performance						
Underlying EBITDA*	$m	446.8	361.1	(43.4)	235.8	300.1
Underlying EBIT*	$m	236.7	153.1	(78.8)	34.4	135.3
Underlying NPAT*	$m	133.2	61.1	(85.9)	(80.6)	39.6
ANWC/Sales**	%	28.3	34.3	44.7	46.4	47.7
ROFE achieved	%	9.5	5.9	n/a	1.2	4.6
Shareholder value						
TSR	%	24.8	(45.3)	(4.2)	(49.2)	(31.0)
Total dividends declared	Cents	10.0	4.0	-	-	-
Closing share price	$m	5.00	4.80	3.85	4.02	4.88

Notes to table:

1. Performance measures for the periods FY19 and FY20 are presented on a continuing operations basis.

2. "Sept 20" in this table represents the 2 months ended 30 September 2020.

3. FY20 and FY19 are presented for the respective 12 months ended 31 July.

4. Performance metrics for Sept 20, FY20 and FY19 have not been restated for the change in accounting policy with respect to the IFRIC agenda decision on cloud computing arrangement costs as discussed in the previous year Annual Report.

* Underlying EBIT is earnings before net finance costs and taxation excluding material items. Underlying EBITDA is earnings before net finance costs, taxation, depreciation and amortisation excluding material items. Underlying NPAT is Net Profit/(Loss) after Tax excluding material items. Underlying NPAT, Underlying EBIT and Underlying EBITDA are used internally by management to assess performance of the business and make decisions on the allocation of our resources.

** Average Net Working Capital / Sales is used throughout the business and highlights the management of working capital over the full year.

3.2 Plan outcomes

Based on an Underlying EBIT of $236.7 million, ROFE of 9.5% and ANWC/Sales % of 28.3%, and performance against individual and strategic business objectives, executive KMP's employed for the performance period were awarded an incentive in accordance with the rules of the FY22 EIP and the historical FY20 LTI Plan.

a) FY22 Executive incentive plan outcomes

In line with the introduction of the EIP and Nufarm's commitment to continue to improve transparency, the outcomes against targets for Executive KMPs are shown below which include actual targets:

Executive KMPs	Threshold	Group uEBIT				Group ROFE				Group ANWC/sales %				Non-financial	
	Group uEBIT[1]	Weight	Target[1]	Actual[1]	Outcome	Weight	Target	Actual	Outcome	Weight	Target	Actual	Outcome	Weight	Outcome
Greg Hunt	145.6m	25%	171.3m	236.7m	150%	25%	6.8%	9.5%	150%	25%	37.0%	28.3%	150%	25%	100%
Paul Townsend	145.6m	25%	171.3m	236.7m	150%	25%	6.8%	9.5%	150%	25%	37.0%	28.3%	150%	25%	100%
Elbert Prado[2]	145.6m	25%	171.3m	236.7m	150%	25%	6.8%	9.5%	150%	25%	37.0%	28.3%	150%	25%	100%
Dave Allen[3]	n/a														

Notes to table:

1. Figures presented are $ millions.
2. Although Elbert Prado ceased being KMP prior to the performance measure testing date but was incentivized via the EIP during FY22. Elbert continued to be eligible under the plan post 31 August 2022 in his continuing role with Nufarm.
3. Dave Allen was appointed as a KMP on 1 September 2022 and was not a participant in the FY22 EIP.

	FY22 Executive incentive plan potential						
Executive KMPs	At target $	At maximum $	Total Award $	FY22 EIP Award as a % of target potential	FY22 EIP as % of FAR	To be paid in cash in December 2022	To be converted into rights with vesting date 30 September 2025[(3)]
Greg Hunt	1,767,061	2,429,709	2,429,709	138%	138%	809,903	1,619,806
Paul Townsend	771,825	1,061,259	1,061,259	138%	138%	353,753	707,506
Elbert Prado[1]	709,447	975,490	975,490	138%	138%	325,163	650,326
Dave Allen[2]	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Executive KMP average	1,082,778	1,488,819	1,488,819	138%	138%	496,273	992,546

Notes to table:

1. Elbert Prado ceased being KMP on 31 August 2022 but was incentivized via the EIP during FY22. Elbert continued to be eligible under the plan post 31 August 2022 in his continuing role with Nufarm. The information is presented on a full year basis.

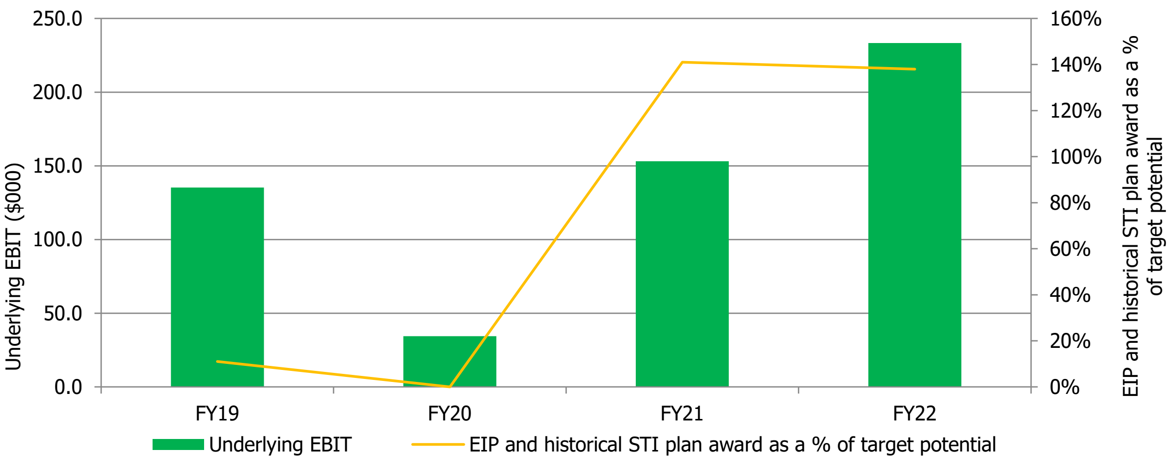
2. Dave Allen was appointed as a KMP on 1 September 2022 and was not a participant in the FY22 EIP.

3. The amounts to be converted into rights are converted by dividing this amount by the 5-Day VWAP of the Nufarm share price following the announcement of the audited financial statements. The vesting of the rights is subject to the achievement of long term non-financial measures to be tested on or prior to 30 September 2025 by the Nufarm board.

Plan performance relative to Nufarm's uEBIT results

The following chart compares Nufarm's current EIP and historical STI plan performance results against underlying EBIT over the last four performance measurement periods. Nufarm's incentive plans measure performance against a range of financial and non-financial metrics with varied weightings. Accordingly, the pay for performance relationship is based on the performance against these metrics as a whole and may not always align with underlying EBIT performance solely.

Underlying EBIT vs plan outcomes (EIP and Historical STI performance)



b) Long Term Incentive Plan outcomes

The performance period for the FY20 LTI plan concluded on 30 September 2022.

The results of Nufarm's RTSR are calculated by an external provider. ROFE is calculated on an underlying basis which excludes the impact of material items. Accordingly, the board determined the ROFE outcome to ensure no windfall gains or losses and accordingly adjusted for the net impact of material items. The board approved the vesting outcomes in accordance with the LTI plan rules.

FY20 LTI plan testing as at 30 September 2022

The vesting table for the FY20 LTI plan is detailed below reflecting performance up to 30 September 2022 against the two performance measures of RTSR and ROFE.

Performance measure*	Threshold	Actual	% of total plan vested
RTSR	50th percentile	66th percentile	41%
ROFE	5.9 %	5.5 % (below threshold)	0%
Total			41%

* Refer to section 2.3(c) for further information regarding the LTI plan measures.

FY20 LTI award outcome

The table below details the individual outcome for the FY20 LTI plan award granted 1 August 2019.

	FY20 LTI award vested 30 September 2022					
Executive KMP	Total number of rights available	Total number of rights awarded	Total award as a % of potential	Average granted date fair value of awarded rights	Total grant date fair value of award $	Total grant date fair value of lapsed award $
Greg Hunt	159,456	65,377	41.0%	227,512	666,526	439,104
Paul Townsend[1]	n/a	n/a	n/a	n/a	n/a	n/a
Elbert Prado[2]	50,630	20,758	41.0%	72,238	211,633	139,396
Dave Allen[1]	n/a	n/a	n/a	n/a	n/a	n/a

Notes to table:

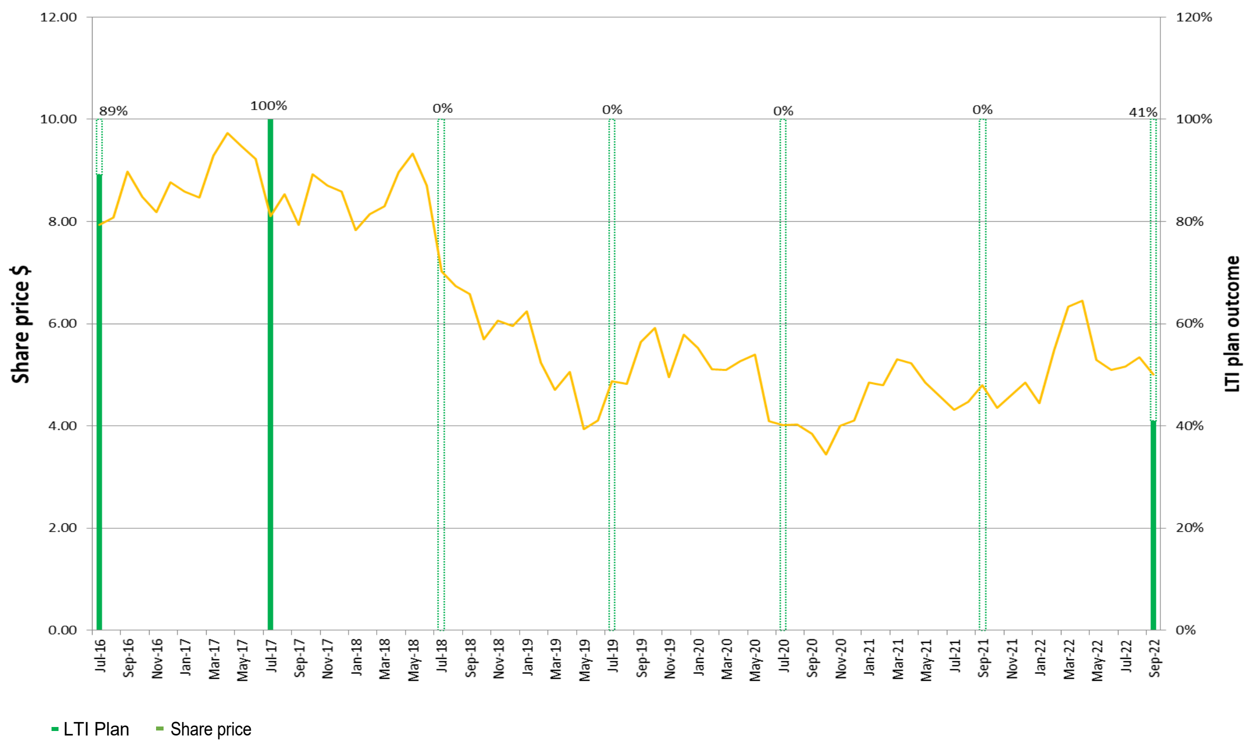
1. Paul Townsend and Dave Allen did not participate in the FY20 LTI plan as they were not employed by Nufarm at the time of plan issue

2. Elbert Prado ceased being KMP on 31 August 2022 but was incentivized via the FY20 LTI plan during FY22. Elbert continued to be eligible under the plan post 31 August 2022 in his continuing role with Nufarm. The information is presented on a full year basis.

Historical LTI plan performance relative to Nufarm's share price

The following chart compares Nufarm's LTI plan vesting results for the past six LTI plans (as a percentage of plan maximum) to the share price history during the same period. The FY16, FY17, FY18 and FY19 LTI plans did not meet the hurdle and therefore are depicted below as hollow bars.

Nufarm historical share price vs LTI outcome



The hollow bars indicate periods in which the LTI plans did not achieve threshold and lapsed.

3.3 Senior Executive contract details

The company has employment contracts with the executive KMPs. These contracts formalise the terms and conditions of employment. The contracts are for an indefinite term. The contracts of the CEO and other executive KMPs have been structured to be compliant with the termination benefits cap under the Corporations Act.

The company may terminate the contract of the CEO and other executive KMPs by giving 6 months' notice, in which case the CEO and other executive KMPs would be entitled to a termination payment of 12 months fixed annual remuneration inclusive of any notice paid in lieu. The contract also provides for payment of applicable statutory entitlements.

The CEO and other executive KMPs may terminate the contract by giving the company 6 months' notice. The company may terminate the employment contracts immediately for serious misconduct.

4. Non-executive directors (NED) remuneration

Nufarm's operations are managed under the direction of the board. The board oversees the performance of Nufarm management in seeking to deliver superior business and operational performance and long-term growth in shareholder value. The board recognises that providing strong leadership and strategic guidance to management is important to achieve our goals and objectives.

Fees for non-executive directors are set at a level to attract and retain directors with the necessary skills and experience to allow the board to have a proper understanding of, and competence to deal with, current and emerging issues for Nufarm's business. The board seeks to attract directors with different skills, experience, expertise, and diversity. Additionally, when setting non-executive director fees, the board takes into account factors such as external market data on fees and the size and complexity of Nufarm's operations. The non-executive directors' fees are fixed, and non-executive directors do not participate in any Nufarm incentive plan.

The board's policy with regard to NED remuneration is to position board remuneration at the market median with comparably sized listed entities. The board determines the fees payable to non-executive directors within the aggregate amount approved from time to time by shareholders. At the company's 2017 AGM, shareholders approved an aggregate of $2,000,000 per year (including superannuation costs). The total fees for FY22 remained within the approved cap.

	Fees applicable from 1 October 2021 ($) per annum
Chair[1]	392,567
Director	160,597
Audit committee chair	27,000
Audit committee member	13,500
Risk and Compliance committee chair	27,000
Risk and Compliance committee member	13,500
HR committee chair	27,000
HR committee member	13,500
Innovation committee chair	27,000
Innovation committee member	13,500

Notes to the table:

1. The Chair receives no fees as a member of any committee.

5. Remuneration tables

5.1 Remuneration of directors and disclosed executives

		Short Term					Post-employment		Share based payments (SBP)	Total		
In AUD	Period	Salary and Fees $000	Cash Bonus (Vested) $000	Other benefits [1] $000	Total short term $000	Other long term benefits [2] $000	Super-annuation $000	Termination benefits $000	Equity settled expenses $000	Total Re-muneration $000	Percentage of remuneration performance based %	SBP expense as a proportion of total remuneration %
Non-executive Directors												
J Gilliam	FY22	359	-	-	359	-	34	-	-	**393**		
Chair	FY21	361	-	-	361	-	36	-	-	**397**		
G Davis	FY22	200	-	-	200	-	15	-	-	**215**		
Director	FY21	195	-	-	195	-	20	-	-	**215**		
A Gartmann[3]	FY22	4	-	-	4	-	-	-	-	**4**		
Director	FY21	-	-	-	-	-	-	-	-	**-**		
D Jones	FY22	188	-	-	188	-	-	-	-	**188**		
Director	FY21	49	-	-	49	-	-	-	-	**49**		
P Margin	FY22	215	-	-	215	-	-	-	-	**215**		
Director	FY21	212	-	-	212	-	-	-	-	**212**		
M McDonald	FY22	183	-	-	183	-	18	-	-	**201**		
Director	FY21	188	-	-	188	-	19	-	-	**207**		
L Saint	FY22	183	-	-	183	-	18	-	-	**201**		
Director	FY21	136	-	-	136	-	14	-	-	**150**		
Former Non-Executive Directors												
A Brennan[4]	FY22											
Director	FY21	37	-	-	37	-	4	-	-	**41**		
F Ford[5]	FY22	32	-	-	32	-	3	-	-	**35**		
Director	FY21	175	-	-	175	-	18	-	-	**193**		
T Takasaki[6]	FY22	106	-	-	106	-	11	-	-	**117**		
Director	FY21	158	-	-	158	-	16	-	-	**174**		
Sub total Non-executive Directors remuneration	**FY22**	**1,470**	**-**	**-**	**1,470**	**-**	**99**	**-**	**-**	**1,569**		
	FY21	**1,511**	**-**	**-**	**1,511**	**-**	**127**	**-**	**-**	**1,638**		
Executive KMP												
G Hunt	FY22	1,332	810	66	2,208	42	28	-	833	**3,111**	53%	27%
Managing director & CEO	FY21	1,294	698	50	2,042	32	26	-	472	**2,572**	45%	18%
P Townsend	FY22	744	354	-	1,098	19	28	-	339	**1,484**	47%	23%
Chief financial officer	FY21	603	265	19	887	15	21	-	162	**1,085**	39%	15%
D Allen[7]	FY22	61	-	1	62	-	-	-	-	**62**	0%	0%
Group executive supply chain	FY21	-	-	-	-	-	-	-	-	**-**	0%	0%
Former Executive KMP												
P Binfield[8]	FY22	-	-	-	-	-	-	-	-	**-**	0%	0%
Chief financial officer	FY21	206	50	(31)	225	(177)	6	213	-	**267**	19%	0%
E Prado[9]	FY22	691	298	57	1,046	-	49	-	276	**1,371**	42%	20%
Group executive supply chain	FY21	707	259	60	1,026	-	45	-	179	**1,250**	35%	14%
Sub total - total executive KMP remuneration	**FY22**	**2,828**	**1,462**	**124**	**4,414**	**61**	**105**	**-**	**1,448**	**6,028**		
	FY21	**2,810**	**1,272**	**98**	**4,180**	**(130)**	**98**	**213**	**813**	**5,174**		
Total directors and executive remuneration	**FY22**	**4,298**	**1,462**	**124**	**5,884**	**61**	**204**	**-**	**1,448**	**7,597**		
	FY21	**4,321**	**1,272**	**98**	**5,691**	**(130)**	**225**	**213**	**813**	**6,812**		

Notes to the table:

1. Other benefits includes movements in annual leave accrual. For overseas based Executives other benefits include allowances, health insurance and other costs. A negative balance may appear where the leave accrual has decreased from the prior year.
2. Other long term includes movement in long service leave provisions. A negative balance may appear where the leave accrual has decreased from the prior year.
3. Ms A Gartmann was appointed a director on the 23 September 2022.
4. Ms A Brennan ceased being a director on 18 December 2020 following her retirement
5. Mr F Ford ceased being a director on the 17 December 2021.
6. Mr T Takasaki ceased being a director on 31 May 2022.
7. Mr D Allen was appointed as an Executive KMP effective from the 1 September 2022.
8. Mr P Binfield announced his resignation on 14 September 2020 and therefore forfeited his equity based compensation in accordance with the plan rules, resulting in negative renumeration from the reversal of prior awards. An STI cash bonus was paid to Mr Binfield upon achievement of the delivery of a report recasting how operating expense savings could be accelerated into FY21. Upon departure from Nufarm, Mr Binfield received a termination payment consisting of annual and long service leave accrued.
9. Mr E Prado ceased being an Executive KMP effective 31 August 2022. The remuneration amounts, including the cash bonus (vested) and the equity settled expenses, represent expenses accrued during the period 1 October 2021 to 31 August 2022.

5.2 Equity instruments held by directors and disclosed executives

The following tables show the number of:

- options/performance rights over ordinary shares in the company;
- right to deferred shares granted under previous years STI schemes; and
- shares in the company

that were held during the financial year by disclosed executives and non-executive directors of the group, including their close family members and entities related to them. Equity instruments in relation to the FY22 EIP will be granted following the release of the FY22 audited financial statements.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

Disclosed executives' rights over ordinary shares in Nufarm Limited

	Scheme	Balance at 1 Oct 2021	Granted as remun-eration (f)	Exercised	Forfeited or lapsed	Net change other (e)	Balance at 30 Sept 2022 (d)	Vested during 2022	Vested at 30 Sept 2022 (a)	Value at date of forfeiture (c)
Executive KMP										
G Hunt	LTI rights	393,404	-	-	(94,079)	-	299,325	65,377	65,377	470,395
	STI rights deferred (b)	-	145,890	-	-	-	145,890	-	-	-
P Townsend	LTI rights	74,161	-	-	-	-	74,161	-	-	-
	STI rights deferred (b)	-	55,465	-	-	-	55,465	-	-	-
D Allen	LTI rights	-	-	-	-	-	-	-	-	-
	STI rights deferred (b)	-	-	-	-	-	-	-	-	-
Former Executives										
E Prado	LTI rights	118,497	-	-	-	(118,497)	-	-	-	-
	STI rights deferred (b)		54,238	-	-	(54,238)	-	-	-	-
Total	**LTI rights**	**586,062**	**-**	**-**	**(94,097)**	**(118,497)**	**373,486**	**65,377**	**65,377**	**470,395**
	STI rights deferred (b)	**-**	**255,593**	**-**	**-**	**(54,238)**	**201,355**	**-**	**-**	**-**
Non-KMP Officers										
K Hall	LTI rights	-	-	-	-	-	-	-	-	-
	STI rights deferred (b)	-	-	-	-	-	-	-	-	-
Former Non-KMP Officers										
F Smith	LTI rights	89,431	-	-	-	(89,431)	-	-	-	-
	STI rights deferred (b)	-	-	-	-	-	-	-	-	-
Total		**675,493**	**255,593**	**-**	**(94,097)**	**(262,166)**	**574,841**	**65,377**	**65,377**	**470,395**

Notes to the table:

(a) All rights that are vested are exercisable.

(b) Deferred rights were granted as remuneration during the year ended 30 September 2022 in relation to the year ended 30 September 2021. Deferred rights in respect of the FY22 Executive Incentive Plan to be granted as remuneration on the back of the current year EIP outcomes will be determined and allocated in December 2022.

(c) 59% of LTI performance rights due to vest in the year ended 30 September 2022 were forfeited due to a failure to satisfy service or performance conditions. The value of the LTI performance rights forfeited is expressed in the table above using the share price of the company as at the date of forfeiture (30 Sep 2022: $5.00).

(d) 308,159 of the total LTI performance rights held by KMPs or non-KMP officers are due to vest in the period ending 30 September 2023.

(e) "Net change other" reflects changes to KMPs and non-KMP officers during the period.

(f) The number of FY21 STI performance rights granted as remuneration during FY22 were determined by dividing the KMP's total STI grant opportunity by $4.78, being the five-day VWAP post the announcement of the group's annual results for the year ended 30 September 2021.

Non-executive director rights over ordinary shares in Nufarm Limited

Nufarm's non-executive director rights (NED rights) plan commenced in 2021. Under the terms of this plan, non-executive directors may allocate a fixed portion of their remuneration to be used to purchase NED rights. In accordance with Nufarm's Security Trading Policy, the rights will vest every 6 months on the second business day following the date in which Nufarm publicly releases its half-yearly and annual financial statements. All vested rights are converted into ordinary shares via on market purchase and are subject to restrictions in accordance with the plan rules. There are no performance obligations attached to the NED rights or restricted shares, and changes in value of the NED rights and restricted shares are not considered to be remuneration.

The first six-monthly tranche of NED rights issued under the plan vested into shares in May 2022. Rights issued under the second tranche are scheduled to vest in November 2022. These rights, as well as those that subsequently convert to restricted shares, combine to form part of the non-executive Director's Minimum Shareholding Requirement (MSR). The movement during the reporting period in the number of rights for each non-executive director, including their related parties, is set out in the table below:

	Balance at 1 Oct 2021 (a)	Rights acquired	Vested and converted to shares (b)	Forfeited	Balance at 30 Sept 2022 (d)
Non-executive directors					
J Gilliam	-	-	-	-	-
G Davis	-	-	-	-	-
A Gartmann	-	-	-	-	-
D Jones	-	-	-	-	-
P Margin	-	8,394	(4,197)	-	4,197
M McDonald	-	-	-	-	-
L Saint	-	15,262	(7,631)	-	7,631
Former Non-executive directors					
T Takasaki	-	-	-	-	-
Total	**-**	**23,656**	**(11,828)**	**-**	**11,828**

Notes to table:

(a) The Non-executive director NED plan only commenced in November 2021, therefore there is a nil opening balance as at the 1 October 2021.
(b) This represents the rights that have vested and subsequently been converted to ordinary shares.

5.3 Shares held in Nufarm Limited

During FY21 the board introduced a non-executive director minimum shareholding policy which applies to all non-executive directors except for any nominee directors appointed to the board. The policy requires that non-executive directors are required to accumulate and then hold a minimum holding of Nufarm securities equivalent to 100 per cent of their total pre-tax annual base fee including superannuation. This minimum holding is to be achieved within five years of appointment or for those non-executive directors who were a member of the board at the date the policy was adopted, within five years of the adoption. The minimum share-holding requirement at 30 September 2022 was 30,385 shares. In line with the minimum shareholding policy and the transitional arrangements all applicable non-executive directors comply with the policy.

	Balance as at 1 Oct 2021	Granted as remuneration	On exercise of rights	Net change other	Balance as at 30 Sept 2022
Directors					
J Gillam	185,000	-	-	-	185,000
G Davis	71,609	-	-	-	71,609
A Gartmann[1]	-	-	-	-	-
D Jones	82,000	-	-	-	82,000
P Margin	13,906	-	-	17,961	31,867
M McDonald	34,827	-	-	-	34,827
L Saint	6,659	-	-	7,631	14,290
Former Directors					
F Ford[2]	51,400	-	-	(51,400)	-
T Takasaki[3]	-	-	-	-	-
Executive KMP					
D Allen[4]	-	-	-	9,843	9,843
G Hunt	564,847	-	-	25,000	589,847
P Townsend	11,000	-	-	9,500	20,500
Former Executive KMP					
E Prado[5]	17,829	-	-	(17,829)	-
Total	**1,039,077**	-	-	**52,106**	**1,162,757**

Notes to table:
1. A Gartmann was appointed a director as of the 23 September 2022
2. Net change other for FA Ford reflects that he has ceased to be a director from 17 December 2021
3. T Takasaki ceased being a director as of the 31 May 2022
4. D Allen's net change other movement reflects opening balance of shares following becoming a KMP on 1 Sep 2022.
5. Net change other for E Prado reflects that he has ceased to be a KMP on 31 August 2022.

Shares issued as a result of the exercise of options

There were nil (2021: nil) shares issued as a result of the exercise of options during the year.

Unissued shares under option

There are nil (2021: nil) unissued shares under option.

Loans to key management personnel

There were no loans to key management personnel at 30 September 2022 (2021: Nil).

Other key management personnel transactions with the company or its controlled entities

Apart from the details disclosed in this note, no director has entered into a material contract with the company or entities in the group since the end of the previous financial year and there were no material contracts involving director's interest existing at year-end.

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

From time to time, key management personnel of the company or its controlled entities, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

This report has been made in accordance with a resolution of directors.

JC Gillam
Director

GA Hunt
Director

Melbourne
16 November 2022

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nufarm Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Nufarm Limited for the financial year ended 30 September 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Sargent

Partner

Melbourne

16 November 2022

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 September

	Note	Consolidated 2022 $000	2021 $000
Revenue		3,772,970	3,215,651
Cost of sales		(2,800,385)	(2,380,946)
Gross profit		972,585	834,705
Other income	7	9,051	9,021
Sales, marketing and distribution expenses		(523,344)	(477,623)
General and administrative expenses		(198,813)	(172,890)
Research and development expenses		(51,100)	(36,663)
Share of net profits/(losses) of equity accounted investees	18	(92)	427
Operating profits/(losses)		208,287	156,977
Financial income	10	2,381	1,616
Financial expenses excluding foreign exchange gains/(losses)	10	(79,727)	(60,104)
Net foreign exchange gains/(losses)	10	(2,838)	(2,802)
Net financial expenses		(82,565)	(62,906)
Net financing costs		(80,184)	(61,290)
Profit/(loss) before income tax		128,103	95,687
Income tax benefit/(expense)	11	(20,665)	(30,559)
Profit/(loss) for the period		107,438	65,128
Attributable to:			
Equity holders of the group		107,438	65,128

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 September

	Note	Consolidated 2022 $000	2021 $000
Profit/(loss) for the period		107,438	65,128
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences for foreign operations		(67,496)	14,365
Effective portion of changes in fair value of cash flow hedges		234	227
Effective portion of changes in fair value of net investment hedges		6,293	1,659
Items that will not be reclassified to profit or loss:			
Gains/(losses) due to changes in fair value of other investments		4,293	270
Actuarial gains/(losses) on defined benefit plans		12,635	12,033
Income tax on share based payment transactions		359	680
Other comprehensive profit/(loss) for the period, net of income tax		(43,682)	29,234
Total comprehensive profit/(loss) for the period		63,756	94,362
Attributable to:			
Equity holders of the group		63,756	94,362
Earnings per share			
Basic earnings/(loss) per share	28	26.3	15.2
Diluted earnings/(loss) per share	28	26.1	15.1

The amounts recognised directly in equity are disclosed net of tax.
The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Consolidated balance sheet

As at 30 September

	Note	Consolidated 2022 $000	Consolidated 2021 $000
Current assets			
Cash and cash equivalents	14	585,702	724,215
Trade and other receivables	15	550,251	811,714
Inventories	16	1,602,457	976,163
Current tax assets	17	19,251	22,709
Assets held for sale	12	3,438	-
Total current assets		2,761,099	2,534,801
Non-current assets			
Trade and other receivables	15	3,778	1,427
Investments in equity accounted investees	18	6,462	3,750
Other investments	19	54,850	4,267
Deferred tax assets	17	164,801	142,612
Property, plant and equipment	20	475,331	441,367
Intangible assets	21	1,192,777	1,243,831
Total non-current assets		1,897,999	1,837,254
TOTAL ASSETS		4,659,098	4,372,055
Current liabilities			
Trade and other payables	22	1,290,012	933,446
Loans and borrowings	23	269,169	252,536
Employee benefits	24	30,595	19,234
Current tax payable	17	10,773	4,434
Provisions	26	6,878	13,778
Total current liabilities		1,607,427	1,223,428
Non-current liabilities			
Payables	22	28,827	5,777
Loans and borrowings	23	662,701	788,496
Deferred tax liabilities	17	146,141	133,893
Employee benefits	24	61,281	98,998
Total non-current liabilities		898,950	1,027,164
TOTAL LIABILITIES		2,506,377	2,250,592
NET ASSETS		2,152,721	2,121,463
Equity			
Share capital		1,837,228	1,835,888
Reserves		42,751	94,992
Retained earnings		25,810	(56,349)
Equity attributable to equity holders of the group		1,905,789	1,874,531
Other securities	27	246,932	246,932
TOTAL EQUITY		2,152,721	2,121,463

The consolidated balance sheet is to be read in conjunction with the attached notes.

Consolidated statement of cash flows

For the year ended 30 September

	Note	Consolidated 2022 $000	Consolidated 2021 $000
Cash flows from operating activities			
Profit/(loss) for the period - after tax		107,438	65,128
Adjustments for:			
Tax expense/(benefit)		20,665	30,559
Net finance expense		77,346	58,488
Depreciation & amortisation		213,680	208,007
Inventory write down	8	58,278	16,853
Share of (profits)/losses of associates net of tax	18	92	(427)
Other		(363)	(221)
Movements in working capital items:			
(Increase)/decrease in receivables		259,518	49,013
(Increase)/decrease in inventories		(684,572)	53,912
Increase/(decrease) in payables		390,551	18,824
Exchange rate change on foreign controlled entities working capital items		8,853	10,515
Cash generated from operations		451,486	510,651
Interest received		2,381	1,616
Dividends received		9	14
Interest paid		(62,278)	(56,837)
Taxes paid		(32,029)	(31,253)
Net operating cash flows	6	359,569	424,191
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		643	780
Payments for property, plant and equipment		(75,802)	(48,809)
Payments for other investments, associates or joint ventures		(46,170)	(4,592)
Purchase of a business, net of cash acquired		(33,965)	-
Payments for acquired intangibles and major product development expenditure		(85,115)	(93,678)
Net investing cash flows	6	(240,409)	(146,299)
Cash flows from financing activities			
High yield bond - early redemption costs		(18,988)	-
Debt establishment transaction costs	23	(14,354)	(1,437)
Proceeds from borrowings	23	497,895	467,488
Repayment of borrowings	23	(668,645)	(416,788)
Lease liability payments	23	(20,116)	(19,851)
Distribution to other securities holders	27	(10,201)	(10,229)
Dividends paid	27	(29,957)	-
Net financing cash flows	6	(264,366)	19,183
Net increase/(decrease) in cash and cash equivalents		(145,206)	297,075
Cash at the beginning of the period		724,215	423,914
Exchange rate fluctuations on foreign cash balances		6,693	3,226
Cash and cash equivalents at period end date	14	585,702	724,215

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Consolidated statement of changes in equity

For the year ended 30 September

Consolidated	Share capital $000	Translation reserve $000	Capital profit reserve $000	Other reserve $000	Retained earnings $000	Total $000	Other securities $000	Total equity $000
	Attributable to equity holders of the group							
Balance at 1 October 2020	1,834,934	46,796	33,627	(5,744)	(126,117)	1,783,496	246,932	2,030,428
Profit/(loss) for the period from continuing operations	-	-	-	-	65,128	65,128	-	65,128
Other comprehensive income								
Foreign exchange translation differences	-	14,365	-	-	-	14,365	-	14,365
Gains/(losses) on cash flow hedges taken to equity	-	-	-	227	-	227	-	227
Gains/(losses) on net investment hedges taken to equity	-	-	-	1,659	-	1,659	-	1,659
Gains/(losses) due to changes in fair value of other investments	-	-	-	270	-	270		270
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	12,033	12,033	-	12,033
Income tax on share based payment transactions	-	-	-	680	-	680	-	680
Total comprehensive income/(loss) for the period	-	14,365	-	2,836	77,161	94,362	-	94,362
Transactions with owners, recorded directly in equity								
Employee share award entitlements and share issuances	954	-	-	3,112	-	4,066	-	4,066
Dividends paid to shareholders	-	-	-	-	-	-	-	-
Dividend reinvestment plan	-	-	-	-	-	-	-	-
Distributions to other security holders	-	-	-	-	(7,393)	(7,393)	-	(7,393)
Balance at 30 September 2021	1,835,888	61,161	33,627	204	(56,349)	1,874,531	246,932	2,121,463
Balance at 1 October 2021	1,835,888	61,161	33,627	204	(56,349)	1,874,531	246,932	2,121,463
Profit/(loss) for the period from continuing operations	-	-	-	-	107,438	107,438	-	107,438
Other comprehensive income								
Foreign exchange translation differences	-	(67,496)	-	-	-	(67,496)	-	(67,496)
Gains/(losses) on cash flow hedges taken to equity	-	-	-	234	-	234	-	234
Gains/(losses) on net investment hedges taken to equity	-	-	-	6,293	-	6,293	-	6,293
Gains/(losses) due to changes in fair value of other investments	-	-	-	4,293	-	4,293	-	4,293
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	12,635	12,635	-	12,635
Income tax on share based payment transactions	-	-	-	359	-	359	-	359
Total comprehensive income/(loss) for the period	-	(67,496)	-	11,179	120,073	63,756	-	63,756
Transactions with owners, recorded directly in equity								
Employee share award entitlements and share issuances	901	-	-	4,076	-	4,977	-	4,977
Dividends paid to shareholders	-	-	-	-	(30,396)	(30,396)	-	(30,396)
Dividend reinvestment plan	439	-	-	-	-	439	-	439
Distributions to other security holders	-	-	-	-	(7,518)	(7,518)	-	(7,518)
Balance at 30 September 2022	1,837,228	(6,335)	33,627	15,459	25,810	1,905,789	246,932	2,152,721

The amounts recognised directly in equity are disclosed net of tax.

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

1 Reporting entity

Nufarm Limited (the 'company') is a company limited by shares and domiciled in Australia that is listed on the Australian Securities Exchange. The address of the company's registered office is 103-105 Pipe Road, Laverton North, Victoria, 3026. The consolidated financial statements of the company as at and for the year ended 30 September 2022 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates and jointly controlled entities.

The group is a for-profit entity and is primarily involved in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease, and seed treatment products. Operating profits/(losses) may fluctuate throughout the year due to seasonality inherent within the crop protection and seed technology markets, and the geography of operations.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Changes to significant accounting policies are described in note 3.

The consolidated financial statements were authorised for issue by the board on 16 November 2022.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value, and defined benefit fund obligations that are measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the company's functional and presentation currency. The company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Director's Reports) Instrument 2016/191 and, in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amount recognised in the financial statements are described below.

(i) Business combinations

Fair valuing assets and liabilities acquired in a business combination involves the group making assumptions about the timing of cash inflows and outflows, growth assumptions, discount rates and cost of debt.

(ii) Impairment testing

The group determines whether goodwill and intangibles with indefinite useful lives are impaired on an annual basis or at each reporting date if required, using the higher of a value in use (VIU) or a fair value less cost to dispose (FVLCD) methodology to estimate the recoverable amount of cash generating units. VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal.

2 Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(ii) Impairment testing (continued)

VIU is determined by applying assumptions specific to the group's continued use and cannot consider future development. The determination of recoverable value often requires the estimation and discounting of future cash flows which is based on information available at balance date such as expected revenues from products, the return on assets, future costs, growth rates, applicable discount rates and useful lives.

FVLCD is an estimate of the amount that a market participant would pay for an asset or Cash Generating Unit (CGU), less the cost to dispose. Fair value is generally determined using independent market assumptions to calculate the present value of the estimated future cash flows expected to arise from the continued use of the asset, and its eventual sale where a market participant may take a consistent view. Cash flows are discounted using an appropriate discount rate to arrive at a net present value of the asset which is compared against the asset's carrying value.

These estimates are subject to risk and uncertainty that may be beyond the control of the group, hence there is a possibility that changes in circumstances will materially alter projections, which may impact the recoverable amount of assets at each reporting date.

Other non-current assets are also assessed for impairment indicators. Refer to note 21 for key assumptions made in determining the recoverable amounts of the CGU's.

(iii) Income taxes

Uncertain tax matters:
The group is subject to income taxes in Australia and overseas jurisdictions. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group has exercised judgement in the application of tax legislation and its interaction with income tax accounting principles. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised in the period in which the tax determination is made.

Deferred tax:
Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Judgement is required by the group to determine the likely timing and the level of future taxable income. The group assesses the recoverability of recognised and unrecognised deferred taxes including losses in Australia and overseas incorporating assumptions including expected revenues from products, the return on assets, future costs, growth rates and useful lives.

Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

(iv) Defined benefit plans

A liability in respect of defined benefit pension plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund at the reporting date, calculated annually by independent actuaries and requires the exercise of judgement in relation to assumptions for expected future salary levels, long term price inflation and bond rates, experience of employee departures and periods of service. Refer to note 24 for details of the key assumptions used in determining the accounting for these plans.

2 Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(v) Working capital

In the course of normal trading activities, the group uses judgement in establishing the carrying value of various elements of working capital, which is principally inventories and trade receivables. Judgement is required to estimate the provision for obsolete or slow moving inventories and bad and doubtful receivables. In estimating the provision for obsolete or slow moving inventories the group considers the net realisable value of inventory using estimated market price less cost to sell.

In estimating the provision for bad and doubtful receivables the group measures the expected credit losses (ECLs) using key assumptions to determine a probability weighted basis including the geographical location's specific circumstances.

Actual expenses in future periods may be different from the provisions established and any such differences would impact future earnings of the group.

(vi) Capitalised development costs

Development expenditure is recognised as an intangible asset when the group judges and can demonstrate:

(a) the technical feasibility of completing the intangible asset so that it will be available for use;

(b) intention to complete;

(c) ability to use the asset; and

(d) how the asset will generate future economic benefits and the ability to measure reliably the expenditure during development.

The criteria above are derived from independent valuations and predicated on estimates and judgments including future cash flows, revenue streams and value in use calculations. Estimates and assumptions may change as new information becomes available. If, after having commenced the development activity, a judgement is made that the intangible asset is impaired, the appropriate amount will be written off to the income statement.

(vii) Intellectual property

Intellectual property consists of product registrations, product access rights, copyright, patents, trademarks, task force seats, product distribution rights and product licences acquired from third parties. The group assesses intellectual property to have a finite life. Changes to estimates related to the useful life of intellectual property are accounted for prospectively and may affect amortisation rates and intangible asset carrying values.

(viii) Coronavirus (COVID-19)

The group has carefully considered the effect of the Coronavirus in preparing its financial statements for the year ended 30 September 2022. Where applicable, the group has incorporated judgements, estimates and assumptions specific to the impact of the Coronavirus in determining the amounts recognised in the financial statements. This was done based on conditions existing at balance sheet date, recognising that an element of uncertainty still exists.

(vii) Russia and Ukraine conflict

The group has carefully considered the effect of the Russian and Ukrainian conflict in preparing its financial statements for the year ended 30 September 2022. Where applicable, the group has incorporated judgements, estimates and assumptions specific to the impact of the conflict, primarily in respect of the net realisable value of inventory and the expected credit losses for outstanding receivables, in determining the amounts recognised in the financial statements. Estimates and assumptions may change as the situation in these geographies change, with actual expenses in future periods differing from the provisions established, and any such differences would impact future earnings of the group.

(e) Reclassification

Where applicable comparatives are adjusted to present them on the same basis as current period figures.

3 Significant accounting policies

Except as described below, the group's accounting policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

(a) Impact of new accounting standards and interpretation and changes in accounting policies

(i) New and amended accounting standards and interpretations adopted by the group

In the current year the group has adopted the following new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current financial reporting period. Their adoption has not had a material impact on the disclosures or amounts reported in these financial statements:

- AASB 2020-4 Amendments to Australian Accountng Standards - Covid-19-Related Rent Concessions
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2

(ii) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

There are no standards that are not yet effective that would be expected to have a material impact on the group in the current or future reporting periods

(b) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the group takes into consideration potential voting rights that currently are exercisable.

The group measures goodwill at the acquisition date as:
• the fair value of the consideration transferred; plus
• the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
• the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

3 Significant accounting policies (continued)

(ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

(iii) Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

When the group loses control over a subsidiary it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit and loss. Any interest retained is measured at fair value when control is lost.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as an equity transaction with the owners of the group.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iv) Investments in equity accounted investees

The group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the group's share of the income and expenses and equity movements of the investees after adjustments to align the accounting policies of the investees with those of the group, until the date on which significant influence or joint control ceases. On loss of significant influence the investment is no longer equity accounted and is revalued to fair value.

Where the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 3(i).

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Significant accounting policies (continued)

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are included in net financing costs.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in translation reserve except to the extent that the translation difference is allocated to NCI. When a foreign operation is disposed of, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the translation reserve.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Non-derivative financial assets

Financial assets are classified, at initial recognition, as either measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables, the group initially measures a financial asset at its fair value plus transaction costs on trade date at which the group becomes a party to the contractual provisions of the instrument. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under AASB 15 Revenue from Contracts with Customers. Refer to note 3(m).

3 Significant accounting policies (continued)

(d) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Amortised cost
- Fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

Financial assets at amortised cost
This category is the most relevant to the group. Financial assets are measured at amortised cost if both of the following conditions are met and is not designated as FVTPL:
• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (FVOCI) - debt instruments
The group measures debt instruments at fair value through OCI if both of the following conditions are met and is not designated as FVTPL:
• The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

3 Significant accounting policies (continued)

(d) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets at fair value through OCI (FVOCI) - equity instruments

Upon initial recognition, the group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, gains are recorded in OCI.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy. Financial assets with cash flows that are not 'solely payments of principal and interest' (SPPI) are classified and measured at fair value through profit or loss, irrespective of the business model.

In assessing whether the contractual cash flows are SPPI, the group considers the contractual terms of the instrument by considering events, terms and prepayment / extension features that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Upon initial recognition attributable transaction costs are recognised in profit and loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

(ii) Non-derivative financial liabilities

At initial recognition, financial liabilities are classified at FVTPL, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group initially recognises debt securities and subordinated liabilities on the date they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. This includes trade payables that represent liabilities for goods and services provided to the group prior to the end of the period which are unpaid.

The group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables.

3 Significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

(iv) Other securities

Nufarm step-up securities

The Nufarm step-up securities (NSS) are classified as non-controlling equity instruments as they are issued by a subsidiary. After-tax distributions thereon are recognised as distributions within equity. Further details can be found in note 27.

(v) Derivative financial instruments, including hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The group designates certain derivatives as either:

• hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
• hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
• hedges of a net investment in a foreign operation (net investment hedges).

The group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

• There is an 'economic relationship' between the hedged item and the hedging instrument.
• The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
• The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the group actually uses to hedge that quantity of hedged item.

3 Significant accounting policies (continued)

(d) Financial instruments (continued)

(v) Derivative financial instruments, including hedge accounting (continued)

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Derivatives that do not qualify or are not designated for hedge accounting

Certain derivative instruments do not qualify, or are not designated for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify, or is not designated for hedge accounting are recognised immediately in profit or loss.

3 Significant accounting policies (continued)

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

* buildings	15-50 years
* leasehold improvements	5 years
* plant and equipment	10-15 years
* motor vehicles	5 years
* computer equipment	3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(f) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of business combinations is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

3 Significant accounting policies (continued)

(f) Intangible assets (continued)

(ii) Intellectual property

Intellectual property consists of product registrations, product access rights, copyright, patents, trademarks, task force seats, product distribution rights and product licences acquired from third parties. Intellectual property is assessed to have a finite life. Finite life intellectual property is amortised over its useful life but not longer than 30 years. Intellectual property Intangibles acquired by the group are measured at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is expensed when incurred.

(iii) Computer software

Computer software the group controls, is measured initially at acquisition cost or costs incurred to develop the asset. Cost includes expenditure that is directly attributable to the acquisition or development of the software. Software assets acquired in a business combination are recognised at fair value at the date of acquisition. Following initial recognition, computer software with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. They are amortised on a straight-line basis over their estimated useful lives.

(iv) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes, or for extended use of existing products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use and capitalised borrowing costs. Development expenditure that does not meet the above criteria is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

(vi) Amortisation of intangible assets

Amortisation is calculated over the cost of the asset, less its residual value. With the exception of goodwill, intangibles with a finite life are amortised on a straight-line basis in profit and loss over the estimated useful lives of the intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life for intangible assets with a finite life, for the current and comparative periods, are as follows:

* capitalised development costs	5 to 30 years
* intellectual property	over the useful life and not more than 30 years
* computer software	3 to 7 years

Amortisation methods, useful lives and residual values are reassessed at each reporting date.

3 Significant accounting policies (continued)

(g) Leases

Lease liability

Lease liabilities are initially measured at the present value of lease payments that are not paid at that date. The lease payments are discounted using either the interest rate implicit in the lease, where that rate can be readily determined, or the incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following (where applicable):
(a) fixed payments, less any lease incentives receivable;
(b) variable lease payments, measured using the index or rate as at the commencement;
(c) amounts expected to be paid by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in the above.

Lease liabilities are measured at amortised cost using the effective interest method.

Interest is recognised as part of the financial expenses in the Income Statement.

Incremental borrowing rate

The group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Adjustments made relate to the standalone borrowing capacity of entities within the group, in addition to financing rates applicable in the geographical regions in which it operates

Right of use asset

The right-of-use asset is initially measured at cost, and comprises the following (where applicable):
(a) the amount of the initial measure of the lease liability, as described above;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease terms and conditions of the lease, unless those costs are incurred to produce inventories.

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

Determining the lease term

The lease term is the non-cancellable period of a lease, together with both:
(a) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and
(b) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

The lease term is revised if there is a change in the non-cancellable period of a lease.

Short term / low value leases

Leases with a short term (duration of a year or less at the time of commencement) and leases which are low value are expensed on a straight line basis over the lease term.

3 Significant accounting policies (continued)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Impairment

(i) Non-derivative financial assets

The group recognises an allowance for expected credit losses (ECLs) for all financial assets at amortised cost and debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The group considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Objective evidence of impairment includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy, and, in the case of an investment in an equity security, a significant or prolonged decline in its fair value.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the statement of profit or loss and other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

3 Significant accounting policies (continued)

(i) Impairment (continued)

(ii) Non-financial assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

Refer to use of estimates and judgements note 2 and intangibles note 21 for further information.

(j) Assets held for sale

Assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the group's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

Refer to use of estimates and judgements note 12 for assets held for the sale during the period

(k) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value economic benefits, consideration is given to any applicable minimum funding requirements.

3 Significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) Defined benefit plans (continued)

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan asset (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The group's net obligation in respect of long-term employee benefits, other than defined benefit plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting period, then they are discounted to their present value.

(v) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vi) Share-based payment transactions

The group has a global share plan for employees whereby matching and loyalty shares are granted to employees. The group's previous global share plan, which was suspended in December 2020, included loyalty shares granted to employees. Although the plan is suspended the loyalty component of the plan will continue until November 2025. The fair value of matching and loyalty shares granted is recognised as an expense in profit or loss over the respective service period, with a corresponding increase in equity. Refer to note 25 for further details.

The group has short term incentive plans (STI) available to key executives, senior managers and other managers globally. For the year ended 30 September 2021 a pre-determined percentage of the STI is paid in cash with the remainder deferred into either shares or rights to ordinary shares which have a two year vesting period following the year in which the short term incentives are measured. For the year ended 30 September 2022, the STI plans will be fully cash settled. The cash portion is recognised immediately as an expense at the time of performance testing. The fair value of the STI shares or rights is expensed over the vesting period including the year in which the short term incentives are measured. Refer to note 25 for further details on this plan.

3 Significant accounting policies (continued)

(k) Employee benefits (continued)

(vi) Share-based payment transactions (continued)

The group has a Key Leadership Incentive Plan (KLIP) which is available to key executives and certain selected senior managers. Performance rights have been granted to acquire ordinary shares in the group subject to the satisfication of service vesting conditions. The fair value of the KLIP rights is expensed over the relevant vesting period. For further information refer to note 25 for further details on the plan

The group has two long term incentive plans (LTIP) in place, granted on 1 October 2019 and 1 October 2020, which were available to key executives and certain selected senior managers. The vesting dates for the existing plans are 30 September 2022 and 30 September 2023 respectively. Performance rights were granted to acquire ordinary shares in the group subject to the achievement of market and non-market performance conditions. The fair value of the LTIP rights is expensed over the relevant vesting period. For further information refer to note 25 for further details on the plan.

The group has a executive incentive plan (EIP) which is available to key executives. A pre-determined percentage of the EIP is paid in cash with the remainder deferred into rights to ordinary shares which have vesting periods of one to three years following the year in which the performance conditions are measured. The deferred rights are subject to service vesting conditions and applicable performance conditions. The cash portion is recognised immediately as an expense at the time of performance testing. The fair value of the EIP rights is expensed over the vesting period including the year in which the performance measures are measured. Refer to note 23 for further details on this plan.

(l) Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(m) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

(i) Goods sold

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(ii) Variable consideration

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of certain products provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

3 Significant accounting policies (continued)

(m) Revenue from contracts with customers (continued)

(ii) Variable consideration (continued)

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The group uses the expected value method, including applying any constraints, to determine variable consideration to which the group will be entitled. For goods that are expected to be returned, instead of revenue, the group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Rebates and sales incentives

The group provides rebates and sales incentives to certain customers once thresholds specified in the contract are met or exceeded. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the group applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

(iii) End point royalties

The group receives royalty revenue from growers for certain varieties of seed. Sales or usage based royalties are recognised as revenue at the later of when the sales or usage occurs and the performance obligation is satisfied, which would be when the harvest occurs and the royalty is paid.

(iv) Significant financing components

The group may receive short-term advances from its customers. Using the practical expedient in AASB 15, the group does not adjust the promised amount of consideration for the effects of a significant financing component as it is expected, at contract inception, that the period between the transfer of the good and when the customer pays for that good will be one year or less.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

(o) Finance income and finance costs

The group's finance income and finance costs include the following: interest income, interest expense, dividends on preference shares issued classified as financial liabilities, financial assets, the net gain or loss on financial assets at fair value through profit or loss, the foreign currency gain or loss on financial assets and financial liabilities, the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination, the fair value loss on contingent consideration classified as a financial liability, impairment losses recognised on financial assets (other than trade receivables), the net gain or loss on hedging instruments that are recognised in profit or loss, and the reclassification of net gains or losses previously recognised in other comprehensive income.

Interest income or expense is recognised using the effective interest method.

Finance costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets.

(p) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

3 Significant accounting policies (continued)

(p) Income tax (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of cash dividends are recognised at the same time as the liability to pay the related dividend is recognised. The group does not distribute non-cash assets as dividends to its shareholders.

(i) Tax consolidation

The company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Nufarm Limited (the 'head entity').

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the company as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement (refer following). Any difference between these amounts is recognised by the company as an equity contribution amounts or distribution.

The company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

3 Significant accounting policies (continued)

(p) Income tax (continued)

(ii) Nature of tax funding arrangements and tax sharing agreements

The head entity of the Australian tax-consolidated group, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity of the Australian tax-consolidated group, in conjunction with other members of the tax-consolidated group, has also entered a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(q) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST or equivalent), except where the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authorities are classified as operating cash flows.

(r) Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise convertible notes and share options granted to employees.

(s) Segment reporting

Determination and presentation of operating segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' results are reviewed regularly by the group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and to assess its performance.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

4 Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, and willingly. The market value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches quoted market prices for similar items when available and replacement cost when appropriate.

(ii) Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on effort required to complete and sell the inventories.

(iv) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(v) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on Government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(vii) Share-based payment transactions

The fair value of the rights to ordinary shares issued under the respective Nufarm incentive plans have been measured using Monte Carlo Simulation or the Binomial Tree. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments, dividends, and the risk-free rate (based on government bonds).

5 Operating segments

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the group's management and internal reporting structure.

Operating segments
The group operates predominantly along two business lines, being crop protection and seed technologies.

The crop protection business deals in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease. It is managed by major geographic segments, being Australia, New Zealand and Asia (together "APAC"), Europe and North America.

The seed technologies business deals in the sale of seeds, bioenergy and seed treatment products. The seed technologies business is managed on a worldwide basis.

Information regarding the results of each operating segment is included below. Performance is measured based on underlying EBITDA and underlying EBIT, as defined below, as included in the internal management reports that are reviewed by the group's CEO. These metrics are used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Segment revenue is based on the geographic location of customers.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The non-operating corporate segment comprises mainly corporate expenses, and unallocated interest-bearing loans, borrowings and corporate assets. From April 2020, the non-operating corporate segment revenue represents revenue earned on delivering products under a two year supply agreement with Sumitomo Chemical Company Ltd as the purchaser of the group’s South American business, that was divested in April 2020.

5 Operating segments (continued)

2022 Operating Segments	Crop Protection APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Revenue							
Total segment revenue	1,038,424	894,931	1,350,190	3,283,545	296,311	193,114	3,772,970
Results							
Underlying EBITDA [(a)]	134,534	171,109	147,899	453,542	58,544	(65,335)	446,751
Depreciation & amortisation excluding material items	(17,298)	(129,763)	(30,778)	(177,839)	(31,343)	(908)	(210,090)
Underlying EBIT [(a)]	**117,236**	**41,346**	**117,121**	**275,703**	**27,201**	**(66,243)**	**236,661**
Material items included in operating profit (refer note 6)							(28,374)
Net financing costs							(80,184)
Profit/(loss) before tax							**128,103**

2021 Operating Segments	Crop Protection APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Revenue							
Total segment revenue	858,407	806,485	1,112,423	2,777,315	240,621	197,715	3,215,651
Results							
Underlying EBITDA [(a)]	111,550	171,696	104,394	387,640	46,322	(72,855)	361,107
Depreciation & amortisation excluding material items	(20,114)	(125,743)	(32,678)	(178,535)	(28,505)	(967)	(208,007)
Underlying EBIT [(a)]	**91,436**	**45,953**	**71,716**	**209,105**	**17,817**	**(73,822)**	**153,100**
Material items included in operating profit (refer note 6)							3,877
Net financing costs							(61,290)
Profit/(loss) before tax							**95,687**

(a) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT before depreciation, amortisation and material items.

2022 Operating Segments	Crop protection APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Assets							
Segment assets	748,926	1,267,220	1,320,015	3,336,161	618,741	636,498	4,591,400
Equity accounted & other investments	2,165	3,514	-	5,679	1,188	54,445	61,312
Total assets	751,091	1,270,734	1,320,015	3,341,840	619,929	690,943	4,652,712
Liabilities							
Segment liabilities	683,743	245,970	376,031	1,305,744	90,662	1,103,585	2,499,991
Total liabilities	683,743	245,970	376,031	1,305,744	90,662	1,103,585	2,499,991
Other segment information							
Capital expenditure (cash basis)[(b)]	20,579	70,894	26,923	118,396	77,963	44,693	241,052

2021 Operating Segments	Crop protection APAC $000	Europe $000	North America $000	Total $000	Seed Technologies Global $000	Non Operating Corporate $000	Group Total $000
Assets							
Segment assets	667,866	1,306,106	947,116	2,921,088	562,871	880,079	4,364,038
Equity accounted & other investments	2,146	941	-	3,087	663	4,267	8,017
Total assets	670,012	1,307,047	947,116	2,924,175	563,534	884,346	4,372,055
Liabilities							
Segment liabilities	561,395	238,480	223,379	1,023,254	41,570	1,185,768	2,250,592
Total liabilities	561,395	238,480	223,379	1,023,254	41,570	1,185,768	2,250,592
Other segment information							
Capital expenditure (cash basis)[(b)]	12,161	71,041	27,255	110,457	33,003	3,619	147,079

(b) Capital expenditure includes cash investments in property, plant and equipment, intangibles and other investments but excludes right of use lease assets

5 Operating segments (continued)

Geographical information - revenue by location of customer

	Revenue	
	2022	2021
	$000	$000
United States of America	1,104,667	955,090
Australia	801,219	577,556
Rest of world (b)	1,867,084	1,683,005
Total	3,772,970	3,215,651

(b) Other than Australia and the United States of America sales to other countries are individually less than 10% of the group's total revenues.

Geographical information - non-current assets by location of asset

	Non-current assets	
	2022	2021
	$000	$000
United States of America	453,371	413,962
Germany	381,766	467,501
United Kingdom	346,587	349,113
Australia	339,798	277,875
Rest of world (c)	211,676	186,191
Unallocated (d)	164,801	142,612
Total*	1,897,999	1,837,254

(c) Other than Germany, Australia, United States of America, and the United Kingdom, non-current assets held in other countries are individually less than 10% of the group's total non-current assets.
(d) Unallocated non-current assets predominately include deferred tax assets.

6 Individually material income and expense items

Individually material items are those items where their nature, including the expected frequency of the events giving rise to them, and/or amount is considered material to the financial statements. Such items included within the group's profit for the period are detailed below.

	Consolidated		Consolidated	
	2022	2022	2021	2021
	$000	$000	$000	$000
	pre-tax	after-tax	pre-tax	after-tax
Material items by category:				
Transactions related to Russia and Ukraine	(29,454)	(28,191)	-	-
Debt refinancing costs	(25,772)	(18,767)	-	-
Transactions related to South American Business disposal	1,080	1,080	6,300	6,300
Deferred tax asset recognition	-	20,119	-	-
Asset rationalisation and restructuring	-	-	(2,031)	(1,838)
Legal costs	-	-	(392)	(392)
Total	(54,146)	(25,759)	3,877	4,070

6 Individually material income and expense items (continued)

30 September 2022 Material items

Transactions related to Russia and Ukraine

Regarding the ongoing conflict between Russia and Ukraine, together with continued uncertainty with respect to sanctions, regulatory and operating implications, the group has undertaken assessments of its operations and assets in these geographies. The pre-conflict revenue contribution from Ukraine and Russia was 1 percent in the year ended 30 September 2021, and the total assets in Ukraine and Russia made up 1 percent of total group assets at 30 September 2021.

During the year ended 30 September 2022, the group has assessed the recoverability of assets, primarily trade receivables and inventories, in respect of the group's operations in Russia and Ukraine and has recognised a pre tax expense of $29.5 million following this assessment. At 30 September 2022, the total assets in Ukraine and Russia make up less than half a percent of total group assets.

Debt refinancing costs

During the period the group refinanced its high yield bond and incurred costs related to early redemption call premium and accelerated amortisation of deferred debt establishment transaction costs.

Transactions related to South American business disposal - onerous contract provision reversal

During the period ended 31 July 2020 the group entered into a supply agreement contract as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the year ended 30 September 2022 market conditions in relation to the terms of the contract have improved. The group has assessed that the full provision will no longer be required and it has therefore been fully reversed. The contract expired in March 2022.

Deferred tax adjustments

Australian Accounting Standards require that the group recognises a deferred tax asset arising from unutilised tax losses and tax credits, to the extent that it is probable that future taxable profit will be available, against which the tax losses and tax credits can be utilised. The net recognition of the deferred tax assets of $20.119 million in respect of the tax losses reflects improved financial performance and outlook for the group.

30 September 2021 Material items

Legal costs

In the financial years ended 31 July 2019 and 31 July 2020, the group incurred legal costs associated with the enforcement of Omega-3 canola trademark and patent matters. The group has continued to incur legal costs in relation to the same matter during the year ended 30 September 2021.

Asset rationalisation and restructuring

During the year ended 31 July 2020 the group announced a group wide performance improvement program, relating to asset rationalisation and organisational restructuring. The group has continued to incur expenses in relation to this program during the year ended 30 September 2021.

Transactions related to South American business disposal - onerous contract provision reversal

During the year ended 31 July 2020 the group entered into a supply agreement contract as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the year ended 30 September 2021 market conditions in relation to the terms of the contract have improved. The group has assessed that the full provision will no longer be required and it has therefore been partially reversed. The contract is due to expire in March 2022.

6 Items of material income and expense (continued)

Material items are classified by function as follows:

2022 $000	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Transactions related to Russia and Ukraine	(16,278)	-	(13,176)	-	(29,454)
Debt refinancing costs	-	-	-	(25,772)	(25,772)
Transactions related to South American business disposal - onerous contract provision reversal	-	-	1,080	-	1,080
Total material items	(16,278)	-	(12,096)	(25,772)	(54,146)
Total material items included in operating profit	(16,278)	-	(12,096)	-	(28,374)

2021 $000	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Legal costs	-	-	(392)	-	(392)
Asset rationalisation and restructuring	-	-	(2,031)	-	(2,031)
Transactions related to South American business disposal - onerous contract provision reversal	-	-	6,300	-	6,300
Total material items	-	-	3,877	-	3,877
Total material items included in operating profit	-	-	3,877	-	3,877

Material items impacting cash flows are as follows:

2022	Underlying $000	Material items $000	Total group $000
Cash flows from operating activities			
Net operating cash flows	366,120	(6,551)	359,569
Cash flows from investing activities			
Net investing cash flows	(240,409)	-	(240,409)
Cash flows from financing activities			
Net investing cash flows	(245,378)	(18,988)	(264,366)
Net operating, investing and financing cash flows	(119,667)	(25,539)	(145,206)

2021	Underlying $000	Material items $000	Total group $000
Cash flows from operating activities			
Net operating cash flows	439,807	(15,616)	424,191
Cash flows from investing activities			
Net investing cash flows	(146,299)	-	(146,299)
Cash flows from financing activities			
Net investing cash flows	19,183	-	19,183
Net operating, investing and financing cash flows	312,691	(15,616)	297,075

7 Other income

	Consolidated 2022 $000	2021 $000
Rental income	48	42
Sundry income	9,003	8,979
Total other income	9,051	9,021

8 Other expenses

The following expenses were included in the period result:

Consolidated	Underlying $000	Material items $000	Total group $000
2022			
Depreciation and amortisation	210,090	3,590	213,680
Inventory write down	42,000	16,278	58,278
2021			
Depreciation and amortisation	208,007	0	208,007
Inventory write down	16,853	0	16,853

9 Personnel expenses

	Consolidated 2022 $000	2021 $000
Wages and salaries	312,104	290,615
Other associated personnel expenses	49,117	47,383
Contributions to defined contribution superannuation funds	12,217	12,184
Expense/(gain) related to defined benefit superannuation funds	2,110	1,782
Short-term employee benefits	6,582	7,824
Other long-term employee benefits	4,112	2,687
Restructuring	-	1,117
Personnel expenses	386,242	363,592

The restructuring expense relates to the group's asset rationalisation and organisational restructure program. These expenses are included in material items in note 6.

10 Finance income and expense

	Consolidated 2022 $000	2021 $000
Other financial income	2,381	1,616
Financial income	2,381	1,616
Interest expense - external	(43,474)	(49,537)
Interest expense - debt establishment transaction costs	(9,755)	(3,147)
Debt redemption costs	(18,988)	-
Lease liability - interest expense	(7,510)	(7,420)
Net foreign exchange gains/(losses)	(2,838)	(2,802)
Financial expenses	(82,565)	(62,906)
Net financing costs	(80,184)	(61,290)

11 Income tax expense

	Consolidated 2022 $000	Consolidated 2021 $000
Recognised in the income statement		
Current tax expense/(benefit)		
Current period	31,355	31,304
Tax free income and non-recognition of tax assets on material items	4,361	(1,892)
Changes in estimates related to prior years	2,434	5,656
Current tax expense/(benefit)	38,150	35,068
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences and tax losses	12,008	(1,233)
Effect of changes in tax rates	(105)	(50)
(Recognition)/non-recognition of tax assets on underlying and material items	(29,388)	(3,226)
Deferred tax expense/(benefit)	(17,485)	(4,509)
Total income tax expense/(benefit) in income statement	20,665	30,559

	Consolidated 2022 $000	Consolidated 2021 $000
Numerical reconciliation between tax expense and pre-tax net profit		
Profit/(Loss) before tax	128,103	95,687
Income tax using the Australian corporate tax rate of 30%	38,431	28,706
Increase/(decrease) in income tax expense due to:		
Non-deductible Amortisation/Depreciation	3,310	2,915
Non-deductible expenses	3,640	3,043
Other taxable income	1,612	1,511
Effect of changes in tax rates	(105)	(50)
(Recognition)/non-recognition of tax assets on underlying items	(9,269)	(3,226)
(Recognition)/non-recognition of tax losses on material items	(20,119)	-
Tax free income and non-recognition of tax assets on material items	4,361	(1,892)
Effect of tax rate in foreign jurisdictions	(2,217)	(4,969)
Tax exempt income		(170)
Tax incentives not recognised in the income statement	(1,413)	(965)
	18,231	24,903
Changes in estimates related to prior years	2,434	5,656
Income tax expense/(benefit)	20,665	30,559

	Consolidated 2022 $000	Consolidated 2021 $000
Income tax recognised directly in equity		
Nufarm step-up securities distribution	(2,489)	(2,836)
Income tax recognised directly in equity	(2,489)	(2,836)
Income tax recognised in other comprehensive income		
Relating to actuarial gains/(losses) on defined benefit plans	3,998	(2,706)
Relating to equity based compensation	(359)	(680)
Income tax recognised in other comprehensive income	3,639	(3,386)

12 Assets held for sale

During the period ended 31 July 2020 the group announced a group wide preformance improvement program, relating to asset rationalisation and organisational restructuring. As part of this program, the manufacturing operations of the Raymond Road site in Laverton Australia, forming part of the APAC segment, were closed. During the year ended 30 September 2022 the group has approved the sale of the Raymond Road site and has entered into a sales agreement with settlement expected to occur within the next 12 months. As such, the relevant land and buildings are deemed to be held for sale as at 30 September 2022.

	2022 $000
Land and buildings	3,438
Total assets held for sale	3,438

13 Business combinations and acquisition of non-controlling interests

Acquistions in 2022

On 9 September 2022, the group announced that it had entered into an agreement with GranBio Investimentos SA (GranBio) group, a leading Brazilian industrial biotechnology group, to acquire its energy cane business. The acquisition included energy cane production assets including germplasm, breeding materials and related processes, together with products in various stages of development and customer contracts. The acquisition included cash consideration of USD 23 million paid on the acquisition date, contingent consideration of USD 2 million payable upon satisfaction of certain conditions subsequent, and contingent consideration based upon agreed revenues earned until 30 June 2034.

The acquisition is highly complementary to the group's existing bioenergy platform within the Seed Technology segment. The business expects to extract revenue synergies from the acquisition via the existing bioenergy platform and established model enabling the Seed Technology segment to provide advanced feedstocks to a broader suite of energy forms.

In the period from 9 September 2022 to 30 September 2022, the acquisition did not contribute any additional revenues, whilst the contribution to operating profit was a loss of $0.134 million. Revenue and profit from the acquisition that would have been earned if the acquisition had occurred at the commencement of the financial year has not been provided on the basis that the calculation of that information is impracticable. This is because the business was fully integrated into the vendor's operations and separate comparable financial information relating to the acquired business as a stand-alone operation was not available.

	Preliminary acquisition fair value $000
Acquiree's net assets at acquisition date	
Intangible assets	39,250
Property, plant and equipment	1,255
Net identifiable assets and liabilities	40,505
Goodwill on acquisition	2,895
Cash consideration paid	33,965
Contingent consideration	9,435
Total consideration	43,400

Total goodwill of $2.895 million from the business combination is attributable mainly to the synergies expected to be achieved from integrating the respective businesses into the group's existing business.

Acquisition of non-controlling interest

There were no acquisition of non-controlling interest in the current or prior period.

14 Cash and cash equivalents

	Consolidated 2022 $000	2021 $000
Bank balances	578,159	710,021
Call deposits	7,543	14,194
	585,702	724,215
Bank overdraft	-	-
Total cash and cash equivalents	585,702	724,215

15 Trade and other receivables

	Consolidated 2022 $000	2021 $000
Current		
Trade receivables	477,464	710,201
Provision for impairment losses	(30,945)	(22,662)
	446,519	687,539
Prepayments	27,277	55,103
Derivative financial instruments	24,734	6,110
Other receivables	51,721	62,962
Current receivables	550,251	811,714
Non-current		
Other receivables	3,778	1,427
Non-current receivables	3,778	1,427
Total trade and other receivables	554,029	813,141

16 Inventories

	Consolidated 2022 $000	2021 $000
Raw materials	582,421	304,176
Work in progress	26,481	22,193
Finished goods	1,051,399	669,228
	1,660,301	995,597
Provision for obsolescence and valuation adjustments of inventories	(57,844)	(19,434)
Total inventories	1,602,457	976,163

17 Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the group of $19.251 million (2021: $22.709 million) represents the amount of income taxes recoverable in respect of the current and prior periods and that arose from the payment of tax in excess of the amounts due to the relevant tax authority. The current tax liability for the group of $10.773 million (2021: $4.433 million) represents the amount of income taxes payable in respect of current and prior financial periods.

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 $000	2021 $000	2022 $000	2021 $000	2022 $000	2021 $000
Consolidated						
Property, plant and equipment	10,750	11,984	(6,580)	(7,020)	4,170	4,964
Intangible assets	10,052	11,225	(101,061)	(94,319)	(91,009)	(83,094)
Employee benefits	19,282	23,332	-	-	19,282	23,332
Provisions	25,898	24,463	(20,466)	(20,037)	5,432	4,426
Other items	31,200	37,487	(27,485)	(22,678)	3,715	14,809
Tax value of losses carried forward	77,070	44,282	-	-	77,070	44,282
Tax assets/(liabilities)	174,252	152,773	(155,592)	(144,054)	18,660	8,719
Set off of tax	(9,451)	(10,161)	9,451	10,161	-	-
Net tax assets/(liabilities)	164,801	142,612	(146,141)	(133,893)	18,660	8,719

17 Tax assets and liabilities (continued)

Movement in temporary differences during the period

	Balance 2021 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Balance 2022 $000
Consolidated					
Property, plant and equipment	4,964	(968)	-	174	4,170
Intangible assets	(83,094)	(2,204)	-	(5,711)	(91,009)
Employee benefits	23,332	1,144	(3,998)	(1,196)	19,282
Provisions	4,426	917	-	89	5,432
Other items	14,809	(11,345)	359	(108)	3,715
Tax value of losses carried forward	44,282	29,941	-	2,847	77,070
	8,719	17,485	(3,639)	(3,905)	18,660

	Balance 2020 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Balance 2021 $000
Consolidated					
Property, plant and equipment	6,234	(1,225)	-	(45)	4,964
Intangible assets	(82,558)	(1,336)	-	800	(83,094)
Employee benefits	25,087	(4,929)	2,706	468	23,332
Provisions	(16)	4,554	-	(112)	4,426
Other items	6,361	7,495	680	273	14,809
Tax value of losses carried forward	44,727	(50)	-	(395)	44,282
	(165)	4,509	3,386	989	8,719

The carrying value of deferred tax assets relating to tax losses and tax credits is largely dependent on the generation of sufficient future taxable income. The carrying value of this asset will continue to be assessed at each reporting date.

Deferred tax assets and liabilities

Unrecognised deferred tax liability

At 30 September 2022, a deferred tax liability of $36.867 million (2021: $30.532 million) relating to investments in subsidiaries has not been recognised because the group controls the repatriation of retained earnings and it is satisfied that it will not be incurred in the foreseeable future. This amount represents the theoretical withholding tax payable if all overseas retained earnings were paid as dividends.

Unrecognised deferred tax assets

At 30 September 2022, there are unrecognised deferred tax assets in respect of tax losses and timing differences of $216.374 million (2021: $245.718 million).

18 Investments accounted for using the equity method

The group accounts for investments in associates and joint ventures using the equity method.

The group had the following individually immaterial associates and joint ventures during the period:

	Nature of relationship	Country	Balance date of associate	Ownership and voting interest 2022	2021
Seedtech Pty Ltd	Associate (1)	Australia	31 December	25.00%	25.00%
Leshan Nong Fu Trading Co., Ltd	Joint Venture (2)	China	31 December	35.00%	35.00%
Crop.zone GmbH	Associate (3)	Germany	31 December	14.77%	10.71%

	Carrying amount 2022 $000	2021 $000	Share of profit/(loss) 2022 $000	2021 $000
Seedtech Pty Ltd	808	663	144	115
Leshan Nong Fu Trading Co., Ltd	2,164	2,146	3	343
Crop.zone GmbH	3,490	941	(239)	(31)
	6,462	3,750	(92)	427

(1) Seedtech is a company that offers services to the seed industry such as cleaning, packaging, distribution and storage of seeds.
(2) Leshan Nong Fu Trading is a joint venture in which the group has joint control and a 35 percent ownership interest. The joint venture is focused on sales and marketing of formulated crop protection products in the Chinese domestic market. It is structured as a separate vehicle. In accordance with the agreement under which Leshan Nong Fu Trading was established, the investors in the joint venture have agreed to make capital contributions in proportion to their ownership interests to make up any losses up to a maximum amount of RMB 100 million ($21.645 million). This commitment has not been recognised in this consolidated financial report.
(3) Crop.zone is an Agtech start-up which provides electrophysical solutions to replace chemical herbicides in select market segments. During the period additional capital contributions were provided which raised the groups ownership interest to 14.77 per cent. The investment in Crop.zone is equity accounted as Nufarm has additional powers under its shareholders agreement such that it is able to exert significant influence over the operations of Crop.zone.

19 Other investments

	2022 $000	2021 $000
Non-current investments		
Other investments	54,850	4,267
Total non-current investments	54,850	4,267

In July 2022, the group increased its investment in Enko Chem, a crop protection innovation company specialising in the discovery and development of novel products for growers that meet demands of growers, consumers and regulators globally. The group intends to hold this investment for the long term for strategic purposes and has designated the investment at FVOCI.

20 Property, plant and equipment

	Consolidated			
	Land and buildings $000	Plant and machinery $000	Capital work in progress $000	Total $000
Cost				
Balance at 1 Oct 2021	334,422	728,144	47,064	1,109,630
Additions	18,439	17,712	64,248	100,399
Additions through business combinations	669	586	-	1,255
Disposals and write-offs	(6,662)	(22,215)	-	(28,877)
Transfer to assets held for sale	(8,648)	-	-	(8,648)
Other transfers	(305)	16,541	(16,236)	-
Foreign exchange adjustment	4,586	(8,767)	728	(3,453)
Balance at 30 September 2022	342,501	732,001	95,804	1,170,306
Accumulated depreciation and impairment losses				
Balance at 1 Oct 2021	(154,097)	(514,166)	-	(668,263)
Depreciation charge for the period	(20,330)	(40,799)	-	(61,129)
Disposals and write-offs	5,536	17,936	-	23,472
Transfer to assets held for sale	5,210	-	-	5,210
Other transfers	1,039	(1,039)	-	-
Foreign exchange adjustment	(1,778)	7,513	-	5,735
Balance at 30 September 2022	(164,420)	(530,555)	-	(694,975)
Net property, plant and equipment at 30 September 2022	178,081	201,446	95,804	475,331

	Consolidated			
	Land and buildings $000	Plant and machinery $000	Capital work in progress $000	Total $000
Cost				
Balance at 1 October 2020	327,192	685,747	42,989	1,055,928
Additions	15,372	31,063	25,603	72,038
Disposals and write-offs	(8,587)	(8,118)	-	(16,705)
Other transfers	2,186	19,939	(22,125)	-
Foreign exchange adjustment	(1,741)	(487)	597	(1,631)
Balance at 30 September 2021	334,422	728,144	47,064	1,109,630
Accumulated depreciation and impairment losses				
Balance at 1 October 2020	(138,371)	(480,872)	-	(619,243)
Depreciation charge for the period	(20,544)	(40,611)	-	(61,155)
Disposals and write-offs	4,066	6,159	-	10,225
Other transfers	(234)	234	-	-
Foreign exchange adjustment	986	924	-	1,910
Balance at 30 September 2021	(154,097)	(514,166)	-	(668,263)
Net property, plant and equipment at 30 September 2021	180,325	213,978	47,064	441,367

21 Intangible assets

	Consolidated				
	Goodwill $000	Intellectual Property $000	Computer software $000	Capitalised development costs $000	Total $000
Cost					
Balance at 1 October 2021	379,843	1,094,293	90,546	628,404	2,193,086
Additions	-	4,920	702	79,468	85,090
Additions through business combinations	2,895	39,250	-	-	42,145
Disposals and write-offs	-	(111)	-	(4,747)	(4,858)
Other transfers	-	(28,918)	196	28,722	-
Foreign exchange adjustment	(1,947)	(17,068)	(3,511)	(25,870)	(48,396)
Balance at 30 September 2022	380,791	1,092,366	87,933	705,977	2,267,067
Accumulated amortisation and impairment losses					
Balance at 1 October 2021	(172,470)	(475,920)	(49,790)	(251,075)	(949,255)
Amortisation charge for the period	-	(78,422)	(11,809)	(62,320)	(152,551)
Disposals and write-offs	-	29	-	552	581
Other transfers	-	526	-	(526)	-
Foreign exchange adjustment	7,394	4,658	1,591	13,292	26,935
Balance at 30 September 2022	(165,076)	(549,129)	(60,008)	(300,077)	(1,074,290)
Intangibles carrying amount at 30 September 2022	215,715	543,237	27,925	405,900	1,192,777

	Consolidated				
	Goodwill $000	Intellectual Property $000	Computer software $000	Capitalised development costs $000	Total $000
Cost					
Balance at 1 October 2020	382,481	1,124,954	88,525	544,563	2,140,523
Additions	-	15,453	2,680	75,545	93,678
Disposals and write-offs	-	(27,961)	(75)	(3,090)	(31,126)
Other transfers	-	(621)	135	486	-
Foreign exchange adjustment	(2,638)	(17,532)	(719)	10,900	(9,989)
Balance at 30 September 2021	379,843	1,094,293	90,546	628,404	2,193,086
Accumulated amortisation and impairment losses					
Balance at 1 October 2020	(173,536)	(420,244)	(37,362)	(203,032)	(834,174)
Amortisation charge for the period	(98)	(89,076)	(12,647)	(45,032)	(146,853)
Disposals and write-offs	-	27,841	95	2,827	30,763
Other transfers	-	(232)	773	(541)	-
Foreign exchange adjustment	1,164	5,791	(649)	(5,297)	1,009
Balance at 30 September 2021	(172,470)	(475,920)	(49,790)	(251,075)	(949,255)
Intangibles carrying amount at 30 September 2021	207,373	618,373	40,756	377,329	1,243,831

Cash-generating units containing goodwill

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" / "CGU").

The group has determined that operating unit by country or region (i.e. Europe) is the appropriate method for determining the cash-generating units (CGU) of the business. This level of CGU aligns with the cash flows of the business and the management structure of the group. The goodwill and intellectual property with an indefinite life are CGU specific, as the acquisitions generating goodwill and the product registrations that are the major indefinite life intangibles are country or region specific in nature. The exception to this is Seeds Technologies which is managed on a worldwide basis. There is no allocation of goodwill between CGUs.

At 30 September 2022, resulting from changes in the management structure and internal reporting of operating segments incorporated as part of previously implemented rationalisation and restructuring activities, the previously identified cash generating units for Australia and New Zealand (ANZ), and for the Asian operations, should be combined to form a single cash generating unit for the Asia Pacific region (APAC). The goodwill within the APAC CGU consists of previously recognised goodwill within Asia. There is no goodwill reallocated to the APAC CGU from other cash generating units.

The major CGUs and their intangible assets are as follows: North America $197 million (2021: $175 million), Seed Technologies $432 million (2021: $391 million), Europe $534 million (2021: $646 million) and APAC $30 million (2021: $31 million). The remaining balance of intangibles is spread across multiple CGUs, with no remaining individual CGU intangible balance being more than 5 percent of the total intangibles balance at balance date.

21 Intangible assets (continued)

Impairment testing for cash-generating units containing goodwill

For the impairment testing of these assets, the carrying amount of the asset is compared to its recoverable amount at a CGU level. The higher of the following two valuation methods are used by the group when assessing recoverable value.

Valuation method - Value in use

Value in use (VIU) is an estimate of the recoverable amount based on the present value of the future cash flows expected to be derived from a CGU. In assessing VIU, the estimated future cash flows are derived from the three year plan for each cash-generating unit with a growth factor applied to extrapolate a cash flow beyond year three. A perpetuity factor is then applied to the normalised cash flow beyond year five in order to include a terminal value in the VIU calculation. The terminal growth rate assumed for each CGU is generally a long term inflation estimate. The cash flow is then discounted to a present value using a discount rate which is the company's weighted average cost of capital, adjusted for country risk and asset-specific risk associated with each CGU.

Valuation assumptions

The valuation method, range of terminal growth rates and nominal post-tax discount rates applied for impairment testing purposes is as follows:

2022	Valuation method	Terminal growth rate	Discount rate	Total goodwill $000
North America CGU	VIU	1.9%	9.8%	58,586
Europe CGU	VIU	2.0%	10.4%	62,767
APAC CGU	VIU	2.5%	10.3%	15,265
Seed Technology CGU	VIU	2.6%	13.5%	79,096

2021	Valuation method	Terminal growth rate	Discount rate	Total goodwill $000
North America CGU	VIU	2.3%	8.4%	53,255
Europe CGU	VIU	1.9%	10.0%	67,117
ANZ CGU*	VIU	2.4%	9.6%	-
Seed Technology CGU	VIU	3.0%	13.1%	71,900

*As previously noted, the group moved from separate impairment testing for ANZ and Asian operations cash generating units, to a combined APAC cash generating unit at 30 September 2022. The comparative period illustrates the previous ANZ CGU disclosure. An impairment test has been performed at the ANZ CGU level prior to the consolidation of the APAC CGU with no further action undertaken.

The terminal growth rate assumed is generally a long term inflation estimate. The discount rate assumed is the group's weighted average cost of capital, adjusted for country risk and asset-specific risk. The margin and volume assumptions generally reflect past experience for existing and enhanced portfolio products, while new products utilise external sources of information reflecting current market pricing in expected end use markets.

The directors have determined that, given the excess of recoverable value over asset carrying value (headroom), there are no reasonably possible changes in assumptions which could occur to cause the carrying amount of the CGU's to exceed their recoverable amount.

22 Trade and other payables

	Consolidated 2022 $000	2021 $000
Current payables - unsecured		
Trade creditors and accruals - unsecured	1,147,451	835,136
Business combination - consideration payable	3,072	-
Derivative financial instruments	11,254	4,779
Cash advances from customers (contract liabilities)	128,235	93,531
Current payables	1,290,012	933,446
Non-current payables - unsecured		
Creditors, accruals and cash advances from customers (contract liabilities)	22,194	5,777
Business combination - consideration payable	6,633	-
Non-current payables	28,827	5,777

23 Interest-bearing loans and borrowings

	Consolidated 2022 $000	2021 $000
Current liabilities		
Bank loans - secured	239,526	227,872
Bank loans - unsecured	15,033	9,009
Deferred debt establishment costs	(3,964)	(2,444)
Lease liabilities	18,574	18,099
Loans and borrowings - current	269,169	252,536
Non-current liabilities		
Bank loans - unsecured	398	63
Senior unsecured notes	537,634	659,447
Deferred debt establishment costs	(8,371)	(5,292)
Lease liabilities	123,288	125,464
Other loans - unsecured	9,752	8,814
Loans and borrowings - non-current	662,701	788,496
Net cash and cash equivalents	(585,702)	(724,215)
Net debt	346,168	316,817

Financing facilities

Refer to the section entitled "Liquidity Risk" in note 29 for detail regarding the group's financing facilities.

	Accessible $000	Utilised $000
2022		
Bank loan facilities and senior unsecured notes	1,302,559	792,590
Other facilities	9,752	9,752
Total financing facilities	1,312,311	802,342
2021		
Bank loan facilities and senior unsecured notes	1,493,689	896,391
Other facilities	8,814	8,814
Total financing facilities	1,502,503	905,205

23 Interest-bearing loans and borrowings (continued)

Reconciliation of liabilities arising from financing activities

	Loans and borrowings - current $000	Loans and borrowings - non-current $000	Debt related derivatives (included in assets / liabilities) [1] $000	Total debt related financial instruments $000
Balance at 1 Oct 2021	252,536	788,496	387	1,041,419
Cash changes				
Proceeds from borrowings (net of costs)	449,177	52,561	(3,843)	497,895
Repayment of borrowings	(443,523)	(225,122)	-	(668,645)
Debt establishment transaction costs	(4,123)	(10,231)	-	(14,354)
Lease liability payments	(20,116)	-	-	(20,116)
Total cash flows	(18,585)	(182,792)	(3,843)	(205,220)
Non-cash changes				
Leases entered into during the period net of leases ceased	-	21,484	-	21,484
Foreign exchange movements	11,581	49,396	(3,800)	57,177
Transfer	20,666	(20,666)	-	-
Amortisation of debt establishment transaction costs	2,971	-	-	2,971
Accelerated amortisation of debt establishment transaction costs	-	6,783	-	6,783
Total non-cash changes	35,218	56,997	(3,800)	88,415
Balance at 30 September 2022	269,169	662,701	(7,256)	924,614

	Loans and borrowings - current $000	Loans and borrowings - non-current $000	Debt related derivatives (included in assets / liabilities) [1] $000	Total debt related financial instruments $000
Balance at 1 Oct 2020	234,313	795,808	336	1,030,457
Cash changes				
Proceeds from borrowings (net of costs)	347,230	87,800	32,458	467,488
Repayment of borrowings	(329,149)	(87,639)	-	(416,788)
Debt establishment transaction costs	(1,173)	(264)	-	(1,437)
Lease liability payments	(19,851)	-	-	(19,851)
Total cash flows	(2,943)	(103)	32,458	29,412
Non-cash changes				
Leases entered into during the period net of leases ceased	4,971	12,074	-	17,045
Foreign exchange movements	483	(6,718)	(32,407)	(38,642)
Transfer	12,565	(12,565)	-	-
Amortisation of debt establishment transaction costs	3,147	-	-	3,147
Total non-cash changes	21,166	(7,209)	(32,407)	(18,450)
Balance at 30 September 2021	252,536	788,496	387	1,041,419

(1) Total derivatives balance at 30 September 2022 is a net asset of $13.480 million (2021: $1.331 million net asset). The difference in carrying value to the table above relates to forward exchange contracts which are excluded from the balances above as they are not connected to the group's financing activities.

Financing arrangements
Without refinancing, expiry of available debt facilities (excluding lease liabilities)

	Consolidated 2022 $000	2021 $000
Period ending 30 September 2023 / 30 September 2022	764,527	414,179
Period ending 30 September 2024 / 30 September 2023	398	420,063
Period ending 30 September 2025 or later / 30 September 2024 or later	547,386	668,261

23 Interest-bearing loans and borrowings (continued)

	Consolidated 2022 %	2021 %
Average interest rates		
Nufarm step-up securities	4.86	4.00
Syndicated bank facility	n/a	n/a
Group securitisation program facility	3.31	1.32
Other bank loans	3.91	4.06
Lease liabilities	5.26	5.15
Senior unsecured notes	5.00	5.75

Average interest rates are calculated using the weighted average of the interest rates for the drawn balances under each facility as at 30 September 2022. The Syndicated bank facility was undrawn as at 30 September 2022 and 30 September 2021. Undrawn facility fees are paid on undrawn portions of the Syndicated bank facility, the Group securitisation program facility, and Other bank loans.

24 Employee benefits

	Consolidated 2022 $000	2021 $000
Current		
Liability for short-term employee benefits	16,162	16,234
Liability for current portion of other long-term employee benefits	14,433	3,000
Current employee benefits	30,595	19,234
Non-current		
Defined benefit fund obligations		
Present value of unfunded obligations	7,687	9,935
Present value of funded obligations	122,393	203,487
Fair value of fund assets - funded	(77,650)	(130,946)
Recognised liability for defined benefit fund obligations	52,430	82,476
Liability for non-current portion of other long-term employee benefits	8,851	16,522
Non-current employee benefits	61,281	98,998
Total employee benefits	91,876	118,232

During the period ended 30 September 2022 the group made contributions to defined benefit pension funds in the United Kingdom, France, Indonesia and Germany that provide defined benefit amounts for employees upon retirement.

24 Employee benefits (continued)

Changes in the present value of the defined benefit obligation are as follows:	Consolidated 2022 $000	2021 $000
Opening defined benefit obligation	213,422	212,821
Service cost	870	942
Interest cost	4,136	3,543
Actuarial losses/(gains)	(69,070)	(3,655)
Past service cost	-	-
Losses/(gains) on curtailment	-	-
Plan amendments	-	(810)
Contributions	-	-
Benefits paid	(6,222)	(6,119)
Exchange adjustment	(12,579)	6,700
Closing defined benefit obligation	130,557	213,422
Changes in the fair value of fund assets are as follows:		
Opening fair value of fund assets	130,946	115,517
Interest income	2,548	1,893
Actuarial gains/(losses) - return on plan assets excluding interest income	(49,795)	6,664
Surplus taken to retained earnings	-	-
Assets distributed on settlement	-	-
Contributions by employer	8,040	8,066
Distributions	(6,037)	(5,856)
Exchange adjustment	(7,922)	4,662
Closing fair value of fund assets	77,780	130,946

The actual return on plan assets is the sum of the expected return and the actuarial gain/(loss).

Expense/(gain) recognised in profit or loss	Consolidated 2022 $000	2021 $000
Current service costs	870	942
Interest on obligation	4,136	3,543
Interest income	(2,548)	(1,893)
Losses/(gains) on curtailment	-	-
Plan amendments	(348)	(810)
Past service cost/(gain)	-	-
Expense recognised in profit or loss	2,110	1,782
The expense is recognised in the following line items in the income statement:		
Cost of sales	1,011	1,006
Sales, marketing and distribution expenses	811	415
General and administrative expenses	251	274
Research and development expenses	37	87
Expense recognised in profit or loss	2,110	1,782

24 Employee benefits (continued)

	Consolidated 2022 $000	2021 $000
Actuarial gains/(losses) recognised in other comprehensive income (net of tax)		
Cumulative amount at period opening date	(72,739)	(84,772)
Recognised during the period	12,635	12,033
Cumulative amount at period closing date	(60,104)	(72,739)

The major categories of fund assets as a percentage of total fund assets are as follows:	Consolidated 2022 %	2021 %
Equities	77.0%	63.0%
Bonds	14.5%	16.0%
Property	1.3%	0.8%
Cash	6.7%	16.0%
Other	0.5%	4.2%
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate at period end	5.0%	1.6%
Future salary increases	2.9%	2.6%
Future pension increases	2.7%	2.1%

The group expects to pay $7.621 million in contributions to defined benefit plans during the year ending 30 September 2023 (2022: $8.872 million).

25 Share-based payments

Nufarm Executive Share Plan (2000)

The Nufarm Executive Share Plan (2000) offered shares to executives. In August 2011 the group decided to cease the use of this plan and no awards have been granted since this time. All awards have vested and converted into unrestricted shares as at 30 September 2022 and an independent trustee continues to hold the shares on behalf of participants. At 30 September 2022 there were 3 participants (2021: 3 participants) in the scheme and 3,034 shares (2021: 3,034) were allocated and held by the trustee on behalf of the participants. The cost of issuing the shares were expensed in the period of issue.

Nufarm Short Term Incentive Plan (STI)

The STI is available to key executives, senior managers and other managers globally. The first awards under the plan were issued in October 2012. The STI incorporates certain financial and non-financial measures relevant to an individual, including:

- a profit measure (typically underlying EBIT[a] or underlying EBITDA[a])
- a cash flow measure (typically average net working capital as a percentage of revenue)
- a return measure (typically return of funds employed, or return on assets)
- non-financial measures incorporating strategic and business improvement objectives

For the year ended 30 September 2021, a pre-determined percentage of the STI was paid in cash at the time of performance testing and the balance was deferred into rights to shares in the group for nil consideration. The number of rights to shares granted was based on the volume weighted average price (VWAP) of Nufarm Limited shares in the 5 days subsequent to the results announcement. For the year ended 30 September 2022, the STI plans will be fully cash settled.

Vesting will occur after a two year period.

(a) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT before depreciation, amortisation and material items.

25 Share-based payments (continued)

Nufarm Executive Long Term Incentive Plan (LTIP)
On 1 August 2011, the LTIP commenced and is available to key executives and certain selected senior managers. Awards are granted to individuals in the form of performance rights, which comprise rights to acquire ordinary shares in the group for nil consideration, subject to the achievement of global performance hurdles. Under the plan, individuals will receive an annual award of performance rights as soon as practical after the announcement of results in the preceding period. The performance and vesting period for the awards will be three years. For the year ended 30 September 2022, the group had two LTIP plans in place.

Awards vest in two equal tranches as follows:
- 50 per cent of the LTIP grant will vest subject to the achievement of a relative total shareholder return (TSR) performance hurdle measured against a selected comparator group of companies; and
- the remaining 50 per cent will vest subject to meeting an absolute return on funds employed (ROFE) target.

Executive Incentive Plan (EIP)
The Executive Incentive Plan (EIP) commenced in 2022 and replaces the STI and LTIP plans for key management personnel and certain selected senior managers. There are two components to the EIP plan, with a third of the value of the award being paid out in cash at the completion of the first year, whilst the remaining two thirds are deferred into performance rights in Nufarm ordinary shares for nil consideration. The performance and vesting period for the deferred performance rights vary between two, three and four years, and for key management personnel the vesting of the rights is conditional upon satisfaction of certain non-financial measures at the end of the vesting period (year four).

The value of the awards, calculated at the end of the initial performance year, incorporates certain financial and non-financial performance measures relevant to an individual, including:
- a profit measure (typically underlying EBIT[a] or underlying EBITDA[a])
- a cash flow measure (typically average net working capital as a percentage of revenue)
- a return measure (typically return of funds employed, or return on assets)
- non-financial measures incorporating strategic and business improvement objectives

As noted, two thirds of the value of the award is deferred into performance rights in Nufarm ordinary shares for nil consideration. The number of rights granted is based on the volume weighted average price of Nufarm Limited shares in the 5 days subsequent to the results announcement.

Nufarm Key Leadership Incentive Plan (KLIP)
On 1 August 2018, the KLIP commenced and is available to certain selected group employees. Awards are granted to individuals in the form of rights, which provide eligibility to the employees to acquire ordinary shares in the group for nil consideration, subject to the employees remaining employed within the group for a defined length of time under the respective plans. The rights generally will have a vesting period of two or four years. At 30 September 2022 there were 63 participants (30 September 2021: 46 participants) in the scheme and 1,025,500 rights (30 September 2021: 709,798) were allocated.

Global Share Plan (2001)
The Global Share Plan commenced in 2001 and was available to all permanent employees. The plan was suspended effective 31 December 2020. Previously, participants contributed a proportion of their salary to purchase shares. The group contributed an amount equal to 10% of the number of ordinary shares acquired with a participant's contribution in the form of additional ordinary shares. Amounts over 10% of the participant's salary could be contributed but were not able to be matched. For each year the shares are held, up to a maximum of five years, the group contributes a further 10% of the value of the shares acquired with the participant's contribution. An independent trustee holds the shares on behalf of the participants. At 30 September 2022 there were 343 participants (30 September 2021: 379 participants) in the scheme and 1,412,199 shares (30 September 2021: 1,558,899) were allocated and held by the trustee on behalf of the participants.

25 Share-based payments (continued)

Nushare Share Plan

The Nushare Share Plan commenced in 2022 and offers shares to all permanent employees who have not given, or been given, notice of termination. Over an initial six-month period, employees contribute a percentage or set-amount of after-tax salary each month, up to 10% of their annual salary, and an independent trustee acquires shares monthly at market value. At the end of the initial six-month period, for every three shares acquired through the plan, employees are granted one share right. The rights have a subsquent vesting period of 12 months, with conditions requiring employees to hold the acquired shares and continue employment with Nufarm over the subsequent 12 month period. Upon satisifaction of the conditions, the rights will automatically convert into unrestricted Nufarm ordinary shares. An independent trustee holds both the acquired shares and the rights on behalf of all employees. At 30 September 2022 there were 311 participants (30 September 2021: nil) in the scheme and 15,718 rights (30 September 2021: nil) were allocated and held by the trustee on behalf of the participants.

The power of appointment and removal of the trustees for the share purchase schemes is vested in the group.

	Consolidated 2022 $000	2021 $000
Employee expenses		
Total expense arising from share-based payment transactions	4,606	3,640

Measurement of fair values

The fair value of performance rights to be granted as awards under the EIP corresponds to pre-determined performance levels (i.e.: Minimum, Target or Maximum) at the beginning of the financial year in respect of the relevant financial and non-financial performance measures. Eligible employees will receive a variable number of rights 'to the value of' these pre-determined amounts. The number of rights is determined based on the value of the award to be deferred into performance rights, divided by the volume weighted average price (VWAP) for the five day period subsequent to the period end results announcement.

The fair value of performance rights granted through the LTIP, KLIP and STIP were measured as follows:

	Weighted average fair value at grant date	Share price at grant date	Grant date	Earliest vesting date	Expected life	Volatility	Risk free interest rate	Dividend yield
Nufarm LTIP performance rights								
2021 Plan - 3 year	$2.98	$3.87	1 Oct 2020	30 Sep 2023	3 years	32%	0.2%	1.7%
Nufarm KLIP performance rights								
2022 Plan - 4 year	$4.41	$4.72	1 Oct 2021	30 Sep 2025	4 years	n/a	n/a	1.7%
2021 Plan - 4 year	$3.60	$3.87	1 Oct 2020	30 Sep 2024	4 years	32%	0.3%	1.8%
2020 Plan - 4 year	$4.83	$5.03	1 Aug 2019	31 Jul 2023	4 years	30%	0.9%	1.0%

2022

Reconciliation of outstanding share awards	Outstanding at period opening date	Forfeited during the period	Exercised rights during the period	Expired during the period	Granted during the period	Outstanding at 30 September	Exercisable at 30 September
LTI	1,212,422	(269,101)	-	-	-	943,321	187,002
KLIP	709,798	(105,500)	(83,798)	-	505,000	1,025,500	-
STI	26,695	-	(26,695)	-	484,564	484,564	-

2021

Reconciliation of outstanding share awards	Outstanding at period opening date	Forfeited during the period	Exercised during the period	Expired during the period	Granted during the period	Outstanding at 30 September	Exercisable at 30 September
LTI	1,023,788	(594,563)	-	-	783,197	1,212,422	-
KLIP	599,429	(96,131)	(158,500)	-	365,000	709,798	-
STI	35,545	-	(35,545)	-	26,695	26,695	-

The performance rights outstanding at 30 September 2022 have a $nil exercise price (2021: $nil) and a weighted average contractual life of 3 years (2021: 3 years). All performance rights granted to date have a $nil exercise price.

26 Provisions

	Consolidated 2022 $000	2021 $000
Current		
Restructuring	6,878	12,686
Other	-	1,092
Current provisions	6,878	13,778

Movement in provisions	Restructuring $000	Consolidated Other provisions $000	Total $000
Balance at 1 October 2021	12,686	1,092	13,778
Provisions made during the period	511	-	511
Provisions reversed during the period	405	(1,092)	(687)
Provisions used during the period	(6,551)	-	(6,551)
Exchange adjustment	(173)	-	(173)
Balance at 30 September 2022	6,878	-	6,878

The provision for restructuring is mainly relating to the asset rationalisation and restructuring being undertaken by the group.

27 Capital and reserves

Share capital	Group Number of ordinary shares 2022	Number of ordinary shares 2021
Balance at 1 October	379,907,116	379,694,706
Issue of shares	261,629	212,410
Balance at 30 September	380,168,745	379,907,116

The group does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

During the period the following shares were issued:
- On 17 December 2021, 50,399 shares at $4.61 were issued under the Dividend Reinvestment Plan
- On 28 February 2022, 61,641 shares at $5.54 were issued under the Global Share Plan.
- On 30 June 2022, 39,096 shares at $5.24 were issued under the Dividend Reinvestment Plan
- On 1 August 2022, 110,493 shares at $5.09 were issued under employee incentive plans

Other securities
Nufarm step-up securities
On 24 November 2006 Nufarm Finance (NZ) Limited, a wholly owned subsidiary of Nufarm Limited, issued 2,510,000 hybrid securities at $100 each called Nufarm step-up securities (NSS), which are perpetual step up securities. The NSS are listed on the ASX under the code 'NFNG' and on the NZDX under the code 'NFFHA'.

Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The floating rate is the average mid-rate for bills with a term of six months plus a margin of 3.9% (2021: 3.9%).

Nufarm retains the right to redeem or exchange the NSS on future distribution dates.

Translation reserve
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different from the presentation currency of the reporting entity.

Capital profit reserve
This reserve is used to accumulate realised capital profits.

Other reserves
This reserve includes the following:
- accrued employee entitlements to share awards that have been charged to the income statement and have not yet been exercised.
- accumulative effective portion of changes in the fair value of financial instruments that have been designated as either cash flow hedges or net investment hedges.
- changes in the fair value of other investments that have been designated at FVOCI.

27 Capital and reserves (continued)

Dividends

	Cents per share	Consolidated Total amount $000	Payment date
Proposed and unrecognised at reporting date			
Final dividend (unfranked) [(a)]	6.0	22,810	9 Dec 2022
2022			
Paid interim dividend (unfranked)	4.0	15,199	17 Jun 2022
Paid final dividend (unfranked)	4.0	15,200	17 Dec 2021

2021
No dividends paid during the year ended 30 September 2021.

The company operates a Dividend Reinvestment Plan (DRP) under which eligible holders of ordinary shares are able to reinvest all or part of their dividend payments into additional fully paid Nufarm Limited shares.

Distributions

Nufarm step-up securities The following distributions were paid by Nufarm Finance (NZ) Ltd:	Distribution rate	Consolidated Total amount $000	Payment date
Proposed and unrecognised at reporting date			
Distribution	4.86%	6,055	17 Oct 2022
2022			
Distribution	3.97%	5,072	19 Apr 2022
Distribution	4.00%	5,029	15 Oct 2021
2021			
Distribution	4.01%	5.013	15 Apr 2021
Distribution	4.15%	5.216	15 Oct 2020

The distribution on the Nufarm step-up securities reported on the equity movement schedule has been reduced by the tax benefit on the gross distribution, giving an after-tax amount of $7.518 million (2021: $7.393m)

Franking credit balance The amount of franking credits available for the subsequent financial period are:	2022 $000	2021 $000
Franking account balance as at the end of the period at 30% (2021: 30%)	-	-
Franking credits that will arise from the payment of income tax payable as at the end of the period	-	-
Credit balance at 30 September	-	-

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the company as the head entity in the tax-consolidated group has also assumed the benefit of $nil (2021: $nil) franking credits.

(a) Estimated final dividend payable, subject to variations in the number of shares up to the record date.

28 Earnings per share

	Consolidated 2022 $000	Consolidated 2021 $000
Net profit/(loss) for the period	107,438	65,128
Net profit/(loss) attributable to equity holders of the group	107,438	65,128
Other securities distributions (net of tax)	(7,518)	(7,393)
Earnings/(loss) used in the calculations of basic and diluted earnings per share	99,920	57,735
Subtract/(add back) items of material income/(expense) (refer note 6)	(25,759)	4,070
Earnings/(loss) excluding items of material income/(expense) used in the calculation of earnings per share - excluding material items	125,679	53,665

For the purposes of determining basic and diluted earnings per share, the after-tax distributions on other securities are deducted from net profit.

	Number of shares 2022	Number of shares 2021
Weighted average number of ordinary shares used in calculation of basic earnings per share	379,799,885	379,757,921
Weighted average number of ordinary shares used in calculation of diluted earnings per share	382,640,901	382,323,691

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary shares since the reporting date and before the completion of this financial report.

Earnings per share	Cents per share 2022	Cents per share 2021
Basic earnings per share	26.3	15.2
Diluted earnings per share	26.1	15.1
Basic earnings per share - excluding material items	33.1	14.1
Diluted earnings per share - excluding material items	32.8	14.0

29 Financial risk management and financial instruments

The group has exposure to the following financial risks:
- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The board has responsibility to identify, assess, monitor and manage the material risks facing the group and to ensure that adequate identification, reporting and risk minimisation mechanisms are established and working effectively. To support and maintain this objective, the audit committee and the risk and compliance committee has established detailed policies on risk oversight and management by approving a global risk management charter that specifies the responsibilities of the global head of risk and compliance and the chief financial officer (which includes responsibility for the internal audit function). This charter also provides comprehensive global authority to conduct internal audits, risk reviews and system-based analyses of the internal controls in major business systems operating within all significant group entities worldwide.

The global head of risk and compliance and the chief financial officer report to the chair of the risk and compliance committee and the audit committee respectively. Written reports regarding risk and compliance activities and internal audit findings are provided at each meeting of the risk and compliance committee and audit committee respectively. In doing so, the global head of risk and compliance and the chief financial officer has direct and ongoing access to the chair and members of the risk and compliance committee and the audit committee respectively.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and other financial assets.

Exposure to credit risk

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers before the group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring further management approval.

The group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
Carrying amount	2022	2021
	$000	$000
Trade and other receivables	529,295	807,031
Cash and cash equivalent assets	585,702	724,215
Derivative contracts:		
Assets	24,734	6,110
	1,139,731	1,537,356

29 Financial risk management and financial instruments (continued)

Credit risk (continued)

The group's maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Consolidated	
Carrying amount	2022	2021
	$000	$000
Australia/New Zealand	164,340	123,606
Asia	61,627	162,249
Europe	191,810	261,662
North America	89,436	241,281
South America	22,080	18,233
Trade and other receivables	529,293	807,031

The group's top five customers account for $96.338 million of the trade receivables carrying amount at 30 September 2022 (2021: $272.224 million). These top five customers represent 21 per cent (2021: 38 per cent) of the total receivables.

Impairment losses
The ageing of the group's customer trade receivables at the reporting date was:

	Consolidated	
Receivables ageing	2022	2021
	$000	$000
Current	402,601	626,710
Past due - 0 to 90 days	46,982	52,914
Past due - 90 to 180 days	11,567	8,603
Past due - 180 to 360 days	2,806	6,202
Past due - more than one year	13,508	15,772
	477,464	710,201
Provision for expected credit losses	(30,945)	(22,662)
Trade receivables	446,519	687,539

Some receivables are secured by collateral from customers such as guarantees and charges on assets. In some countries credit insurance is undertaken to reduce credit risk. The past due receivables not impaired are considered recoverable.

In the crop protection industry, it is normal practice to vary the terms of sales depending on the climatic conditions experienced in each country.

The movement in the allowance for impairment in respect of trade receivables during the period was as follows.

	Consolidated	
	2022	2021
	$000	$000
Balance at 1 October	22,662	28,423
Provisions made / (reversed) during the period	18,194	7,093
Provisions used during the period	(8,903)	(12,447)
Exchange adjustment	(1,008)	(407)
Balance at 30 September	30,945	22,662

29 Financial risk management and financial instruments (continued)

Credit risk (continued)

Expected credit loss assessment for individual customers

The group uses an allowance matrix to measure the expected credit loss (ECL) of trade receivables from individual customers, which comprise of a large number of customers with small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately for exposures in different segments and countries.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Sales and operating profit are seasonal and are weighted towards the first half of the calendar year in Australia/New Zealand, North America and Europe, reflecting the planting and growing cycle in these regions while in Latin America the sales and operating profit is weighted towards the second half of the calendar year. This seasonal operating activity results in seasonal working capital requirements.

Principally, the group sources liquidity from cash generated from operations, and where required, external bank facilities. Working capital fluctuations due to seasonality of the business are supported by the short-term funding available from the group's trade receivables securitisation facility.

Debt facilities

As at 30 September 2022, the key group facilities include a group trade receivables securitisation facility with a maximum seasonal limit of $500 million (30 September 2021 $500 million), a US$350 million senior unsecured notes offering maturing in January 2030 (30 September 2021: US$475 million) and a senior secured bank facility (SFA) of $440 million (30 September 2021: $490 million)

The senior unsecured notes were refinanced during the year ended 30 September 2022, with the face value decreasing to US$350 million and are due in January 2030 (30 September 2021: April 2026) with a fixed coupon component of 5.0% (30 September 2021: 5.75%) and hereby referred to as the "2030 notes". The 2030 notes were issued under a dual tranche structure by Nufarm Australia Ltd (US$105 million) and Nufarm Americas Inc (US$245 million).

As at 30 September 2022, $440 million of the SFA expires on 28 April 2023 (30 September 2021: $20 million expires on 31 January 2022, $50 million expires on 30 June 2022 and $420 million expires on 31 October 2022). The SFA includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants. The facility was undrawn at 30 September 2022 (30 September 2021: undrawn).

29 Financial risk management and financial instruments (continued)

Liquidity risk (continued)

Debt facilities (continued)

On 23 August 2011, Nufarm executed a group trade receivables securitisation facility. The facility provides funding that aligns with the working capital cycle of the group. The facility limit varies on a monthly basis to reflect the cyclical nature of the trade receivables being used to secure funding under the program. The monthly facility limit is set at $500 million for three months of the financial year, $400 million for one month of the financial year, $350 million for four months of the financial year, $300 million for two months of the financial year and $250 million for two months of the financial year (30 September 2021: as per the disclosure above).

The majority of debt facilities that reside outside the notes, SFA and the group trade receivables securitisation facility are regional working capital facilities, primarily located in Europe, which at 30 September 2022 totalled $112.372 million (30 September 2021: $130.604 million).

At 30 September 2022, the group had access to debt of $1,303 million (30 September 2021: $1,494 million) under the notes, SFA, group trade receivables securitisation facility and with other lenders.

A parent guarantee is provided to support working capital facilities in Europe and the notes.

In November 2022 the group refinanced its trade receivables securitisation facility and syndicated bank facility. Further information is provided in note 38, subsequent events.

Trade finance

The liquidity of the group is influenced by the terms suppliers extend in respect of purchases of goods and services. The determination of terms provided by suppliers is influenced by a variety of factors including supplier’s liquidity. Suppliers may engage financial institutions to facilitate the receipt of payments for goods and services from the group, which are often referred to as supplier financing arrangements. The group is aware that trade payables of $367.639 million at 30 September 2022 (30 September 2021: $297.066 million) are to be settled via such arrangements in future periods. In the event suppliers or financial institutions cease such arrangements the liquidity of the group’s suppliers may be affected. If suppliers subsequently seek to reduce terms on group’s purchases of goods and services in the future, the group’s liquidity will be affected. Details of the group's trade and other payables are disclosed in note 20.

To support the liquidity of the group and reduce the credit risk relating to specific customers, trade receivables held by the group are sold to third parties. The sales (or factoring) of receivables to third parties is primarily done on a non-recourse basis, and the group incurs a financing expense at the time of the sale. The group derecognises trade receivables where the terms of the sale allows for derecognition. At 30 September 2022 the group did not have any derecognised trade receivables which were being held by third parties (30 September 2021: $18.426 million). For clarity, the group trade receivables securitisation facility, noted above, has terms which does not allow the group to derecognise these trade receivables.

29 Financial risk management and financial instruments (continued)

Liquidity risk (continued)

The following are the contractual maturities of the group's financial liabilities:

Consolidated	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-2 years $000	More than 2 years $000
			2022		
Non-derivative financial liabilities					
Trade and other payables	1,297,880	1,297,880	1,275,686	16,736	5,458
Bank loans - secured	239,526	247,088	247,088	-	-
Bank loans - unsecured	15,431	16,939	16,490	449	-
Senior unsecured notes	537,634	739,247	26,882	26,882	685,483
Other loans - unsecured	9,752	9,752	-	-	9,752
Lease liabilities - secured	141,862	288,246	24,004	20,463	243,779
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	11,254	733,317	733,317	-	-
Inflow	-	(721,141)	(721,141)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	-	841,870	841,870	-	-
Inflow	(24,734)	(870,076)	(870,076)	-	-
	2,228,605	2,583,122	1,574,120	64,530	944,472
			2021		
Non-derivative financial liabilities					
Trade and other payables	934,444	934,447	928,667	205	5,575
Bank loans - secured	227,872	230,847	230,847	-	-
Bank loans - unsecured	9,072	9,974	9,908	66	-
Senior unsecured notes	659,447	849,038	37,918	37,918	773,202
Other loans - unsecured	8,814	8,814	-	-	8,814
Lease liabilities - secured	143,563	307,084	18,087	21,387	267,610
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	4,779	791,695	791,695	-	-
Inflow	-	(783,901)	(783,901)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	-	889,173	889,173	-	-
Inflow	(6,110)	(899,110)	(899,110)	-	-
	1,981,881	2,338,061	1,223,284	59,576	1,055,201

29 Financial risk management and financial instruments (continued)

Liquidity risk (continued)

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the group. This provides an economic hedge and no derivatives are used to manage the exposure.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The group uses financial instruments to manage specifically identified foreign currency risks. This includes risks relating to the translation of earnings that are denominated in a currency other than the group reporting currency (Australian Dollars), and transactional foreign currency risks where receivables, payables and borrowings are denominated in a currency other than the functional currency of the individual group entity. The functional currency is determined via reference to the currency of the operating, investing and financing cashflows for each individual group entity. The currencies giving rise to the identified risks include the US Dollar, the Euro, the British Pound, the Australian Dollar, New Zealand Dollar, Polish Zloty, Ukrainian Hryvnia, Romanian Leu, Hungarian Forint, Mexican Peso, Turkish Lira, Russian Ruble and the Czech Koruna.

Financial instruments used by the group to manage currency risks include derivative instruments such as foreign exchange contracts, cross currency interest rate swaps and options, and non-derivative instruments such as foreign currency debt instruments. The group designates select financial instruments for hedge accounting where it is deemed appropriate to do so.

The group uses financial instruments to manage foreign currency translation risk arising from the group's net investments in foreign currency subsidiary entities. These financial instruments are designated as net investment hedges for hedge accounting purposes. No ineffectiveness was recognised from net investment hedges during the reporting periods.

For accounting purposes, the group has not designated any other derivative financial instruments in hedge relationships and all movements in fair value are recognised in profit or loss during the period. The net fair value of derivative financial instruments in the group, not designated as being in a hedge relationship, used as economic hedges of forecast transactions at 30 September 2022 was a $13.480 million asset (2021: $1.331 million asset) comprising assets of $24.734 million (2021: $6.110 million) and liabilities of $11.254 million (2021: $4.779 million).

Exposure to transactional currency risk

The group's exposure to major transactional foreign currency risks at balance date are as follows. The exposures are calculated based on locally reported net foreign currency exposures, and are presented net of open derivative financial instruments. The analysis is performed on the same basis as the previous financial period.

	Net financial assets/(liabilities) - by currency of denomination			
Consolidated	AUD	USD	EUR	GBP
2022	$000	$000	$000	$000
Functional currency of group operation				
Australian dollars	-	(4,554)	256	(608)
US dollars	(1)	-	(388)	-
Euro	1,445	3,478	-	1,727
British pound	(245)	(9,656)	(6,082)	-
	1,199	(10,732)	(6,214)	1,119

29 Financial risk management and financial instruments (continued)

Currency risk (continued)

	Net financial assets/(liabilities) - by currency of denomination			
Consolidated	AUD	USD	EUR	GBP
2021	$000	$000	$000	$000
Functional currency of group operation				
Australian dollars	-	6,495	2,680	5,556
US dollars	(236)	-	(6,177)	(13)
Euro	3,607	(5,404)	-	4,018
British pound	(245)	(359)	7,760	-
	3,126	732	4,263	9,561

Sensitivity analysis
Based on the aforementioned group's net financial assets/(liabilities) at 30 September 2022, a 1 percent strengthening or weakening of the following currencies at 30 September 2022 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes all other variables, including interest rates, remain constant. The analysis is performed on the same basis for 30 September 2021.

	Strengthening	**Weakening**	**Strengthening**	**Weakening**
	Profit or (loss) after tax 2022	Profit or (loss) after tax 2022	Profit or (loss) after tax 2021	Profit or (loss) after tax 2021
Currency movement	$000	$000	$000	$000
1% change in the Australian dollar exchange rate	42	(43)	(80)	81
1% change in the US dollar exchange rate	(72)	72	50	(50)
1% change in the Euro exchange rate	(90)	89	14	(14)
1% change in the GBP exchange rate	120	(119)	17	(17)

The group's financial asset and liability profile may not remain constant, and therefore these sensitivities should be used with care.

The following significant exchange rates applied during the period:

	Average rate		Reporting date	
	12 months to	12 months to	As at	As at
AUD	2022	2021	2022	2021
US Dollar	0.710	0.751	0.651	0.720
Euro	0.658	0.628	0.662	0.621
GBP	0.558	0.548	0.580	0.536

Interest rate risk
The group's exposure to the risk of changes in market interest rates primarily relates to the group's debt obligations that have floating interest rates. This risk is mitigated by maintaining a level of fixed and floating rate borrowings, as well as the ability to use derivative financial instruments when deemed appropriate to do so.

The majority of the group's debt is raised under central borrowing programs. The syndicated bank facility and the group trade receivables securitisation facility are considered floating rate facilities. The notes were refinanced in January 2022 through the issuance of US$350 million senior unsecured notes due in January 2030 with a fixed coupon component of 5.00%.

Interest rate risk on Nufarm step-up securities
The distribution rate is the average mid-rate for bank bills with a term of six months plus a margin of 3.90% (2021: 3.9%)

29 Financial risk management and financial instruments (continued)

Interest rate risk (continued)

Profile

At the reporting date the interest rate profile of the group's interest-bearing financial instruments were:

	Consolidated Carrying amount 2022 $000	2021 $000
Variable rate instruments		
Financial assets	7,543	14,194
Financial liabilities	(406,571)	(389,321)
	(399,028)	(375,127)
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(537,634)	(659,447)
	(537,634)	(659,447)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity is calculated on the debt at 30 September 2022. Due to the seasonality of the crop protection business, debt levels can vary during the period. The analysis is performed on the same basis for 30 September 2021.

	Profit or loss 100bp increase $000	100bp decrease $000
2022		
Variable rate instruments	(3,990)	3,990
Total sensitivity	(3,990)	3,990
2021		
Variable rate instruments	(3,751)	3,751
Total sensitivity	(3,751)	3,751

Fair values

All financial assets and financial liabilities, other than derivatives, are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortised cost, as indicated in the tables below. Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate to the fair values. In the case of the centrally managed fixed rate debt not swapped to floating rate totalling $537.634 million (2021: $659.447 million), the fair value at 30 September 2022 is $451.156 million (2021: $677.582 million).

29 Financial risk management and financial instruments (continued)

Fair values (continued)

Consolidated 2022	Note	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Financial assets / liabilities at FVOCI $000	Total $000
Cash and cash equivalents	14	-	-	585,702	-	585,702
Trade and other receivables excluding						-
derivatives	15	-	-	529,295	-	529,295
Other investments	19	-	-	-	54,445	54,445
Forward exchange contracts:						
Assets	15	24,734	-	-	-	24,734
Liabilities	22	(11,254)	-	-	-	(11,254)
Trade and other payables excluding						
derivatives	22	-	-	(1,297,880)	-	(1,297,880)
Secured bank loans	23	-	-	(239,526)	-	(239,526)
Unsecured bank loans	23	-	-	(15,431)	-	(15,431)
Senior unsecured notes	23	-	-	(537,634)	-	(537,634)
Other loans	23	-	-	(9,752)	-	(9,752)
Lease liabilities	23	-	-	(141,862)	-	(141,862)
		13,480	-	(1,127,088)	54,445	(1,059,163)

Consolidated 2021	Note	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Financial assets / liabilities at FVOCI $000	Total $000
Cash and cash equivalents	14	-	-	724,215	-	724,215
Trade and other receivables excluding						-
derivatives	15	-	-	807,031	-	807,031
Other investments	19	-	-	-	3,887	3,887
Forward exchange contracts:						
Assets	15	6,110	-	-	-	6,110
Liabilities	22	(4,779)	-	-	-	(4,779)
Trade and other payables excluding						
derivatives	22	-	-	(934,444)	-	(934,444)
Secured bank loans	23	-	-	(227,872)	-	(227,872)
Unsecured bank loans	23	-	-	(9,072)	-	(9,072)
Senior unsecured notes	23	-	-	(659,447)	-	(659,447)
Other loans	23	-	-	(8,814)	-	(8,814)
Lease liabilities	23	-	-	(143,563)	-	(143,563)
		1,331	-	(451,966)	3,887	(446,748)

29 Financial risk management and financial instruments (continued)

Fair values (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Based on quoted prices (unadjusted) in active markets for identical financial assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Based on inputs not observable in the market using appropriate valuation models, including discounted cash flow modelling and comparable company transactions .

		Consolidated		
2022	Level 1	Level 2	Level 3	Total
	$000	$000	$000	$000
Derivative financial assets[1]	-	24,734	-	24,734
Other investments[2]	-	-	54,445	54,445
	-	24,734	54,445	79,179
Derivative financial liabilities[1]	-	(11,254)	-	(11,254)
	-	(11,254)	-	(11,254)

		Consolidated		
2021	Level 1	Level 2	Level 3	Total
	$000	$000	$000	$000
Derivative financial assets[1]	-	6,110	-	6,110
Other investments[2]	-	-	3,887	3,887
	-	6,110	3,887	9,997
Derivative financial liabilities[1]	-	(4,779)	-	(4,779)
	-	(4,779)	-	(4,779)

There have been no transfers between levels in either the 12 months ended 30 September.

Valuation techniques used to derive fair values

(1) Derivative financial assets and liabilities include forward exchange contracts which are valued using market data including spot foreign exchange rates and forward rates at balance sheet date to determine fair value.

(2) Other investments include the groups strategic investments which primarily consist of unlisted private investments. The fair value of these investments are determined using valuation techniques such as discounted cashflow models, comparable company analysis and recent capital seeding rounds to determine fair value. The group has used a recent capital seeding round, from July 2022, to determine the fair value of its investment in Enko Chem.

Capital management

The board's capital management policy aims to maintain a robust and durable capital structure and provide clear guidelines for the application of cash flow generated from business operations. The policy includes a cascading approach to capital allocation decisions that is consistent with maintaining targeted credit metrics and a sound financial structure.

This cascading approach to capital allocation and the application of free cashflow encompasses both capital investment decisions and distributions paid to shareholders. While the board maintain discretion, it is intended that the group applies free cashflow from business operations in the following manner:

1. Application of free cashflow to investment growth projects and/or small bolt-on acquisitions where the projected returns satisfy internal underlying return on funds employed (ROFE) measures that exceed the group’s weighted average cost of capital.
2. Consideration of the payment of a dividend from part of free cashflow, subject to compliance with the core target leverage (statutory) range of 1.5x – 2.0x, under the adoption of a new dividend policy.
3. Consideration of any excess capital to be returned to shareholders in circumstances where the group is below its targeted leverage metrics and insufficient growth opportunities exist to utilize excess free cashflow. These capital return measures may include special dividends and share buy-backs.

29 Financial risk management and financial instruments (continued)

Capital management (continued)

The board believes ROFE is an appropriate performance condition as it ensures management is focused on the efficient use of capital and the measure remains effective regardless of the mix of equity and debt, which may change from time to time. ROFE objectives are set by the board at the beginning of each period. There is a target and a stretch hurdle. These numbers will based on the budget and growth strategy. The ROFE for the year ended 30 September 2022 was 9.5%. (2021: 5.9%)

30 Leases

Leases are generally entered to access the use of shorter term assets such as motor vehicles, mobile plant and office equipment. Rentals are fixed for the duration of these leases. There is a small number of leases for office properties. These rentals have regular reviews based on market rentals at the time of review.

The group also leases IT equipment which have short term contracts and / or are low value items. The group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Right-of-use assets

Right-of-use assets included in property, plant and equipment (see note 20) are as follows:

		Consolidated	
	Land and buildings $000	Plant and machinery $000	Total $000
Balance at 1 October 2021	85,549	21,081	106,630
Additions to right-of-use assets	16,242	7,331	23,573
Depreciation charge for the period	(14,521)	(7,294)	(21,815)
Disposals and write-offs	(238)	(2,129)	(2,367)
Foreign exchange adjustment	(246)	(841)	(1,087)
Balance at 30 September 2022	86,786	18,148	104,934

		Consolidated	
	Land and buildings $000	Plant and machinery $000	Total $000
Balance at 1 October 2020	90,893	19,784	110,677
Additions to right-of-use assets	10,933	8,393	19,326
Depreciation charge for the period	(15,211)	(6,965)	(22,176)
Disposals and write-offs	(800)	(466)	(1,266)
Foreign exchange adjustment	(266)	335	69
Balance at 30 September 2021	85,549	21,081	106,630

30 Leases (continued)

	Consolidated 2022 $000	2021 $000
Amounts recognised in profit/(loss)		
Depreciation on right of use assets	(21,815)	(22,176)
Lease liability interest expenses	(7,510)	(7,420)
Expenses relating to short-term leases	(197)	(67)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(8)	(7)
Amounts recognised in statement of cash flows		
Operating cashflows		
Lease liability interest payments	(7,510)	(7,420)
Short-term and low-value lease payments	(205)	(74)
Financing cashflows		
Lease liability principal payments	(20,116)	(19,851)

31 Capital commitments

The group had contractual obligations to purchase plant and equipment for $15.346 million at 30 September 2022 (2021: $12.747 million).

The group has agreed to make capital contributions in proportion to its interest in the Leshan Nong Fu Trading Co., Ltd joint venture to make up any losses if required, up to a maximum of RMB 35 million. The outstanding commitment is RMB 28 million ($6.060 million). For further information refer to Note 18.

32 Contingencies

Obligations may arise in the future due to currently unknown lawsuits and claims including those pertaining to product liability, safety and health, environmental and tax matters which may be instituted or asserted against the group. While the amounts claimed may be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that existed at balance date. Nonetheless, it is possible that results of the group's operations or liquidity in a particular period could be materially affected by such claims.

33 Group entities

Company	Notes	Place of incorporation	Percentage of shares held 2022	2021
Nufarm Limited - ultimate controlling entity				
Subsidiaries				
Access Genetics Pty Ltd	(a)	Australia	100	100
Agcare Biotech Pty Ltd	(a)	Australia	100	100
Agchem Receivables Corporation		USA	100	100
Agryl Holdings Limited	(a)	Australia	100	100
Agtrol International SE DE CV		Mexico	100	100
Ag-seed Research Pty Ltd	(a)	Australia	100	100
Ag-turf SA DE CV		Mexico	100	100
AH Marks Australia Pty Ltd	(a)	Australia	100	100
AH Marks Holdings Limited		United Kingdom	100	100
AH Marks Pensions Scottish Limited Partnership		United Kingdom	100	100
Artfern Pty Ltd	(a)	Australia	100	100
Atlantica Sementes SA		Brazil	100	100
Australis Services Pty Ltd	(a)	Australia	100	100
Bestbeech Pty Ltd	(a)	Australia	100	100
Chemicca Limited	(a)	Australia	100	100
CNG Holdings BV		Netherlands	100	100
COCRF Investor 177 LLC	(b)	USA	-	-
Crop Care Australasia Pty Ltd	(a)	Australia	100	100
Crop Care Holdings Limited		New Zealand	100	100
Croplands Equipment Limited		New Zealand	100	100
Croplands Equipment Pty Ltd	(a)	Australia	100	100
Danestoke Pty Ltd	(a)	Australia	100	100
Edgehill Investments Pty Ltd	(a)	Australia	100	100
Fchem (Aust) Limited	(a)	Australia	100	100
Fernz Canada Limited		Canada	100	100
First Classic Pty Ltd	(a)	Australia	100	100
Frost Technology Corporation		USA	100	100
Growell Limited		United Kingdom	100	100
Grupo Corporativo Nufarm SA		Guatemala	100	100
Le Moulin des Ecluses s.a		France	100	100
Lefroy Seeds Pty Ltd	(a)	Australia	100	100
Manaus Holdings Sdn Bhd		Malaysia	100	100
Marman (Nufarm) Inc		USA	100	100
Marman de Mexico Sociedad Anomima De Capital Variable		Mexico	100	100
Marman Holdings LLC		USA	100	100
Masmart Pty Ltd	(a)	Australia	100	100
Mastra Corporation Pty Ltd	(a)	Australia	100	100
Mastra Corporation Sdn Bhd		Malaysia	100	100
Mastra Corporation USA Pty Ltd	(a)	Australia	100	100
Mastra Holdings Sdn Bhd		Malaysia	100	100
Mastra Industries Sdn Bhd		Malaysia	100	100
Medisup Securities Limited	(a)	Australia	100	100
Munistrategies Sub-CDE 29, LLC	(b)	USA	-	-
NF Agriculture Inc		USA	100	100
Nufarm Africa SARLAU		Morocco	100	100
Nufarm Agriculture (Pty) Ltd		South Africa	100	100
Nufarm Agriculture Inc		Canada	100	100
Nufarm Agriculture Zimbabwe (Pvt) Ltd		Zimbabwe	100	100
Nufarm Americas Holding Company		USA	100	100

33 Group entities (continued)

Subsidiaries (continued)

	Notes	Place of incorporation	Percentage of shares held 2022	2021
Nufarm Americas Inc		USA	100	100
Nufarm Asia Sdn Bhd		Malaysia	100	100
Nufarm Australia Limited	(a)	Australia	100	100
Nufarm BV		Netherlands	100	100
Nufarm Canada Receivables Partnership		Canada	100	100
Nufarm Chemical (Shanghai) Co Ltd		China	100	100
Nufarm Crop Products UK Limited		United Kingdom	100	100
Nufarm Cropcare Private Limited	(c)	India	-	100
Nufarm Costa Rica Inc. SA		Costa Rica	100	100
Nufarm de Guatemala SA		Guatemala	100	100
Nufarm de Mexico Sa de CV		Mexico	100	100
Nufarm de Panama SA		Panama	100	100
Nufarm de Venezuela SA		Venezuela	100	100
Nufarm del Ecuador SA		Ecuador	100	100
Nufarm Deutschland GmbH		Germany	100	100
Nufarm do Brazil Ltda		Brazil	100	100
Nufarm Espana SA		Spain	100	100
Nufarm Europe GmbH		Germany	100	100
Nufarm Finance BV	(b)	Netherlands	-	-
Nufarm Finance Inc		USA	100	100
Nufarm Finance Pty Ltd		Australia	100	100
Nufarm Finance (NZ) Limited		New Zealand	100	100
Nufarm GmbH		Austria	100	100
Nufarm GmbH & Co KG		Austria	100	100
Nufarm Grupo Mexico S DE RL DE CV		Mexico	100	100
Nufarm Holdings (NZ) Limited		New Zealand	100	100
Nufarm Holdings BV		Netherlands	100	100
Nufarm Holdings s.a.s		France	100	100
Nufarm Hong Kong Investments Ltd		Hong Kong	100	100
Nufarm Hungaria Kft		Hungary	100	100
Nufarm Inc		USA	100	100
Nufarm Insurance Pte Ltd		Singapore	100	100
Nufarm Investments Cooperatie WA		Netherlands	100	100
Nufarm Investment Pty Ltd		Australia	100	100
Nufarm Italia srl		Italy	100	100
Nufarm KK		Japan	100	100
Nufarm Korea Ltd		Korea	100	100
Nufarm Labuan Pte Ltd		Malaysia	100	100
Nufarm Limited		United Kingdom	100	100
Nufarm Malaysia Sdn Bhd		Malaysia	100	100
Nufarm Materials Limited	(a)	Australia	100	100
Nufarm Middle East Operations		Egypt	100	100
Nufarm Nordics AB		Sweden	100	-
Nufarm NZ Limited		New Zealand	100	100
Nufarm Paraguay SA		Paraguay	100	100
Nufarm Pensions General Partner Ltd		United Kingdom	100	100
Nufarm Pensions Scottish Limited Partnership		United Kingdom	100	100
Nufarm Peru SAC		Peru	100	100
Nufarm Platte Pty Ltd	(a)	Australia	100	100
Nufarm Polska SP.Z O.O		Poland	100	100
Nufarm Portugal LDA		Portugal	100	100
Nufarm Romania SRL		Romania	100	100
Nufarm s.a.s		France	100	100
Nufarm Services (Singapore) Pte Ltd		Singapore	100	100

33 Group entities (continued)

Subsidiaries (continued)

Subsidiaries (continued)	Notes	Place of incorporation	Percentage of shares held 2022	2021
Nufarm Services Sdn Bhd		Malaysia	100	100
Nufarm Suisse Sarl		Switzerland	100	100
Nufarm Technologies (M) Sdn Bhd		Malaysia	100	100
Nufarm Technologies USA		New Zealand	100	100
Nufarm Technologies USA Pty Ltd	(a)	Australia	100	100
Nufarm Treasury Pty Ltd	(a)	Australia	100	100
Nufarm Turkey Import & Trade of Chemical Products LLP		Turkey	100	100
Nufarm UK Limited		United Kingdom	100	100
Nufarm Ukraine LLC		Ukraine	100	100
Nufarm Uruguay SA		Uruguay	100	100
Nufarm USA Inc		USA	100	100
Nugrain Pty Ltd	(a)	Australia	100	100
Nuseed Americas Inc		USA	100	100
Nuseed Canada Inc		Canada	100	100
Nuseed Europe Holding Company Ltd		United Kingdom	100	100
Nuseed Europe Ltd		United Kingdom	100	100
Nuseed Global Holdings Pty Ltd	(a)	Australia	100	100
Nuseed Global Innovation		United Kingdom	100	100
Nuseed Global Management USA Inc		USA	100	100
Nuseed Holding Company		USA	100	100
Nuseed International Holdings Pty Ltd	(a)	Australia	100	100
Nuseed Mexico SA De CV		Mexico	100	100
Nuseed Nutritional Australia Pty Ltd		Australia	100	100
Nuseed Nutritional US Inc		USA	100	100
Nuseed Omega Holdings Pty Ltd	(a)	Australia	100	100
Nuseed Pty Ltd	(a)	Australia	100	100
Nuseed Russia LLC		Russia	100	100
Nuseed SA		Argentina	100	100
Nuseed Serbia d.o.o.		Serbia	100	100
Nuseed South America Sementes Ltda		Brazil	100	100
Nuseed Ukraine LLC		Ukraine	100	100
Nuseed Uruguay SA		Uruguay	100	100
Nutrihealth Grain Pty Ltd	(a)	Australia	100	100
Nutrihealth Pty Ltd	(a)	Australia	100	100
Opti-Crop Systems Pty Ltd		Australia	75	75
Pharma Pacific Pty Ltd	(a)	Australia	100	100
PT Agrow		Indonesia	100	100
PT Crop Care		Indonesia	100	100
PT Nufamindo Agro Mukmur		Indonesia	100	100
PT Nufarm Indonesia		Indonesia	100	100
Richardson Seeds Ltd		USA	100	100
Selchem Pty Ltd	(a)	Australia	100	100
Societe Des Ecluses De la Garenne		France	100	100
3 Rivers Sub-CDE 5 LLC	(b)	USA	-	-

(a) These entities have entered into a deed of cross guarantee dated 21 June 2006, varied by an Assumption Deed dated 13 February 2013, 29 May 2013 and 26 July 2019 with Nufarm Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a class order issued by the Australian Securities and Investment Commission, these companies are relieved from the requirement to prepare financial statements.
(b) The group does not hold any ownership interests in these entities, however, based on the terms of agreement under which these entities were established, the group controls the operations of these entities.
(c) These entities ceased operations during the year ended 30 September 2022 resulting in liquidation of the entity or amalgamation with other group entities.

34 Company disclosures

	Company 2022 $000	Company 2021 $000
Result of the company		
Profit for the period	45,522	8,995
Other comprehensive income	(1,542)	1,217
Total comprehensive profit/(loss) for the period	43,980	10,212

	2022 $000	2021 $000
Financial position of the company at the period end		
Current assets	747,789	603,049
Total assets	2,175,225	2,109,791
Current liabilities	166,482	125,423
Total liabilities	176,404	129,970
Total equity of the company comprising of:		
Share capital	1,837,228	1,835,888
Reserves	47,790	45,257
Accumulated losses	(57,512)	(57,512)
Retained Earnings [a]	171,315	156,188
Total equity	1,998,821	1,979,821

(a) Retained earnings comprises the transfer of net profit for the period and are characterised as profits available for distribution as dividends in future periods. Dividends amounting to $30.396 million (2021: $nil) were distributed from the retained earnings during the year.

Company contingencies

The company is one of the guarantors of the senior secured bank facility (SFA) and would be obliged, along with the other guarantors, to make payment on the SFA in the unlikely event of a default by one of the borrowers. The company also provides guarantees to support several of the regional working capital facilities located in Europe, and the senior unsecured notes.

Company capital commitments for acquisition of property, plant and equipment

There are no capital commitments for the company at 30 September 2022 or 30 September 2021.

35 Deed of cross guarantee

Under ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the Australian wholly-owned subsidiaries referred to in note 33 are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and director's reports.

It is a condition of the class order that the company and each of the subsidiaries enter into a deed of cross guarantee. The company and all the Australian controlled entities have entered into a deed of cross guarantee dated 21 June 2006 which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company.

A consolidated income statement and consolidated balance sheet, comprising the company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, at 30 September 2022 follows.

35 Deed of cross guarantee (continued)

	Consolidated 2022 $000	2021 $000
Summarised income statement and retained profits		
Profit/(loss) before income tax expense	(9,800)	83,658
Income tax (expense)/benefit	18,580	6,660
Net profit/(loss) attributable to members of the closed group	8,780	90,318
Retained profits/(losses) at the beginning of the period	(94,555)	(184,873)
Dividends paid	(30,396)	-
Retained profits/(losses) at the end of the period	(116,171)	(94,555)

	2022 $000	2021 $000
Balance sheet		
Current assets		
Cash and cash equivalents	136,807	192,869
Trade and other receivables	1,027,461	1,266,190
Inventories	271,896	209,118
Current tax assets	12,346	12,361
Assets held for sale	3,438	-
Total current assets	1,451,948	1,680,538
Non-current assets		
Investments in equity accounted investees	2,972	2,809
Other investments	1,302,019	1,252,619
Deferred tax assets	85,721	64,236
Property, plant and equipment	114,092	106,904
Intangible assets	168,273	167,793
Total non-current assets	1,673,077	1,594,361
TOTAL ASSETS	3,125,025	3,274,899
Current liabilities		
Trade and other payables	1,020,710	925,980
Loans and borrowings	1,302	2,162
Employee benefits	22,533	11,199
Current tax payable	2,158	799
Provision	3,922	10,564
Total current liabilities	1,050,625	950,704
Non-current liabilities		
Loans and borrowings	173,349	372,492
Deferred tax liabilities	46,594	42,737
Employee benefits	2,443	12,184
Total non-current liabilities	222,386	427,413
TOTAL LIABILITIES	1,273,011	1,378,117
NET ASSETS	1,852,014	1,896,782
Equity		
Share capital	1,837,228	1,835,888
Other contributed equity	73,691	73,691
Reserves	57,266	81,758
Retained earnings	(116,171)	(94,555)
TOTAL EQUITY	1,852,014	1,896,782

36 Related parties

a) Transactions with related parties in the wholly-owned group

The group entered into the following transactions during the period with subsidiaries of the group:

- loans were advanced and repayments received on short term intercompany accounts; and
- management fees were received from several wholly-owned controlled entities.

These transactions were undertaken on commercial terms and conditions.

b) Transactions with associated parties

	Consolidated	
	2022	2021
Sumitomo Chemical Company Ltd:	$000	$000
Sale of goods and services	242,985	262,307
Purchase of goods and services	81,450	104,754

On the 23 May 2022, Sumitomo Chemical Company Ltd divested its shares in Nufarm Limited and ceased being a related party of the group. The above transactions are for the period of which they were defined as a related party, from the 1 October 2021 to the 22 May 2022. The prior period is for the year ended 30 September 2021.

The sale of goods and services above includes transactions disclosed within the non operating corporate segment (note 5) in accordance with a two year supply agreement that the group and Sumitomo Chemical Company Ltd agreed upon the sale of the group's South American business ("Supply Agreement"). Under the Supply Agreement, active ingredient manufactured by the group was transacted at an agreed market price. This resulted in the recognition of an onerous contract in April 2020 (note 6). The balance of the product supplied under the Supply Agreement was transacted at the cost incurred by the group.

	Consolidated	
	2022	2021
Crop.zone GMBH:	$000	$000
Lease payments	611	354
Interest expense	123	23
Sale of goods and services	40	-
Purchase of goods and services	1,620	259

	Consolidated	
	As at 30 Sep	
	2022	2021
Crop.zone GMBH:	$000	$000
Trade payable	74	63
Lease liability	792	1,726

In August 2021, Nufarm provided a bank guarantee to support crop.zone GmbH for a value of € 250,000. The guarantee is still in place as at 30 September 2022

These transactions were undertaken on commercial terms and conditions.

c) Key management personnel compensation

The key management personnel compensation included in personnel expenses (see note 9) are as follows:

	Consolidated	
	2022	2021
	$	$
Short term employee benefits	5,883,196	5,690,145
Post employment benefits	203,152	223,766
Equity compensation benefits	1,447,526	813,467
Termination benefits	-	213,492
Other long term benefits	61,217	(129,172)
	7,595,091	6,811,698

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the remuneration report section of the director's report.

d) Other key management personnel transactions with the company or its controlled entities

Apart from the details disclosed in this note, no director has entered into a material contract with the company or entities in the group since the end of the previous reporting period and there were no material contracts involving director's interest existing at the end of this period.

36 Related parties
d) Other key management personnel transactions with the company or its controlled entities (continued)

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

From time to time, key management personnel of the company or its controlled entities, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

e) Loans to key management personnel and their related parties

There were no loans to key management personnel at 30 September 2022 (2021: nil).

37 Auditors' remuneration

	Consolidated 2022 $	2021 $
Audit services		
KPMG Australia		
Audit and review of group financial report	885,087	852,332
Overseas KPMG firms		
Audit and review of group and local financial reports	2,698,206	2,597,914
	3,583,293	3,450,246
Other auditors		
Audit and review of local financial reports	472,557	237,524
Audit services remuneration	4,055,850	3,613,861
Other services		
KPMG Australia		
Other assurance services	361,508	-
Other advisory services	-	-
Overseas KPMG firms		
Other assurance services	91,861	-
Other advisory services	1,471	92,865
Other auditors		
Other assurance services	-	-
Other advisory services	67,097	21,877
Other services remuneration	521,937	114,742

38 Subsequent events

On 17 October 2022 a distribution was paid by Nufarm Finance (NZ) on the Nufarm step-up securities. The distribution was 4.86% resulting in a gross distribution of $6.055 million.

A final dividend of 6 cents per share, totalling $22.810 million, was declared on 16 November 2022 and will be paid on 9 December 2022 (2021: $15.196 million).

On 15 November 2022, it was announced that Nufarm has entered into a five year A$800 million revolving Asset Based Lending credit facility (the ABL Facility) secured against trade receivables and inventory located in Australia, the United States and Canada. A smaller A$150 million Liquidity Facility (the Liquidity Facility) with a two year term has also been established to sit alongside the ABL Facility to assist in the ongoing funding of Nufarm's working capital requirements. Concurrently, the existing syndicated bank facility (SFA) and group receivables securitisation facility were both terminated and any outstanding loans amounts repaid via proceeds obtained under the new facilities.

On the 10th November 2022, the group further increased its investment in Enko Chem via an additional investment of USD $5 million. The group intends to hold this investment for the long term for strategic purposes and has designated the investment at FVOCI.

Other than noted above, no matters or circumstances have arisen in the interval between 30 September 2022 and the date of this report that, in the opinion of the directors, have or may significantly affect the operations, results or state of affairs of the group in subsequent accounting periods.

Directors' declaration

1 In the opinion of the directors of Nufarm Limited (the company):

(a) the consolidated financial statements and notes are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the group's financial position as at 30 September 2022 and of its performance for the twelve months ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the company and the group entities identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the twelve months ended 30 September 2022.

4 The directors draw attention to note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 16th day of November 2022

JC Gillam
Director

GA Hunt
Director

Independent Auditor's Report

To the shareholders of Nufarm Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Nufarm Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 September 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated balance sheet as at 30 September 2022
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Recoverability of non-current assets, including property, plant and equipment and intangible assets
- Recoverability of deferred tax assets in relation to tax losses

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of non-current assets, including property, plant and equipment ($475.3m) and intangible assets ($1,192.8m)

Refer to the following notes to the financial report: Note 2(d)(ii) Basis of preparation – Use of estimates and judgments – impairment testing, Note 3(i)(ii) Significant accounting policies – Impairment – Non-financial assets, Note 20 Property, plant and equipment, and Note 21 Intangible assets.

The key audit matter	How the matter was addressed in our audit
Recoverability of non-current assets, including property, plant and equipment and intangible assets, is a key audit matter due to the following: • Inherent complexity in determination of the Group's cash generating units ("CGU's"), noting that the Group prepares a separate discounted cash flow model for each CGU. • The diverse nature of regional agricultural markets in which the Group operates, noting that each geographic and product market segment experiences the following factors which are subject to inherent uncertainty leading to a range of possible forecast outcomes: - fluctuating demand depending on economic and climatic conditions; - significant regulatory activity and oversight, which can lead to approval and cessation of new and existing products; and - technological advancements by the Group and competitors, which can lead to shifts in market demand for products. • Given the unique, non-homogenous, nature of these factors, specific auditor attention is applied to each element, increasing the overall audit effort in this area. We focus	Our procedures included: • Using our understanding of the nature of the Group's business, we analysed: - the internal reporting of the Group to assess how results are monitored and reported; and - the implications for CGU identification in accordance with accounting standards. • Considering the appropriateness of the value in use method applied by the Group to perform the annual impairment test against the requirements of the accounting standards. • Assessing the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • Testing the design and implementation of key controls over the cash flow models, including Board consideration and approval of key assumptions and business unit budgets which form the basis of the cash flow forecasts. • Assessing the Group's discounted cash flow models and key assumptions by: - comparing forecast cash flows to historical trends and performance, by CGU, to inform our evaluation of the forecasts incorporated into the models and company-specific risk premiums incorporated into the discount

on the authority and knowledge of the sources of judgements incorporated into the cash flow models, evidence of bias and consistency of application of judgements.The above factors increase the complexity in auditing both the assessed useful lives for individual intangible assets, and also the forward-looking assumptions contained in the Group's discounted cash flow models for each CGU. Additional key assumptions we focused on included growth rates during the forecast period, terminal value growth rates and discount rates. • These same conditions impact our audit effort associated with assessing the capitalised development costs intangible asset, in particular the recoverable amount of new products in development phases. Products in early stages of development, compared to those closer to product launch, are prone to a wider range of forecast outcomes and projections can contain highly judgemental assumptions. We focused on the authority and knowledge of the sources of judgements incorporated into the valuation, common market practices and consistency of judgements. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	rates; - comparing the relevant cash flow forecasts to the Board approved budgets and FY23-FY25 business plans, including the Group's consideration of the potential impacts of the Russia-Ukraine conflict on forecasts; - working with our valuation specialists, we independently developed a discount rate range and terminal growth rate for each CGU, using publicly available market data for comparable entities, adjusted for risk factors specific to the CGU and the industry it operates in. We compared the discount rates and terminal growth rates applied by the Group for each CGU to our acceptable ranges; and - using our industry knowledge, information published by regulatory and other bodies and information obtained through inquiries with the Group to challenge key assumptions. This included the forecast cash flows and growth assumptions in light of recent operating performance, the useful lives associated with specific intangible assets and the impact of technology, market and regulatory changes on those assumptions. We looked for evidence of sensitivity and bias within and across models, and consistency of application, investigating significant differences. • Evaluating the Group's sensitivity analysis in respect of the key assumptions in the models to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Working with our valuation specialists, we assessed the reasonableness of forecast cash flows by comparing implicit earnings and asset multiples from the models to corresponding multiples of comparable entities. • Assessing the related disclosures included in the financial report using our understanding of the matter obtained from our testing and against the requirements of accounting standards.

Recoverability of deferred tax assets in relation to tax losses ($77.1m)	
Refer to the following notes to the financial report: Note 2(d)(iii) Basis of preparation – Use of estimates and judgements – income tax, Note 3(p) Significant accounting policies – Income tax, Note 11 Income tax expense and Note 17 Tax assets and liabilities.	
The key audit matter	**How the matter was addressed in our audit**
Recoverability of deferred tax assets in relation to tax losses is a key audit matter due to the: • Complexity in auditing the forward-looking assumptions applied to the Group's tax loss utilisation models, especially given the multiple tax jurisdictions and their bespoke tax regimes. Further details on the significant forward-looking assumptions and implications for the audit are contained in the Key Audit Matter relating to the recoverability of non-current assets, including property, plant and equipment and intangible assets. Additional auditor attention is focused on the reconciliation of forecast cash flows to forecasts of taxable income for each tax jurisdiction. • Age of the tax losses, and the relevance of recent taxable profits to forecasts. • The large number of jurisdictions and our need to consider their varying and complex rules on tax loss utilisation. This necessitated involvement of our tax specialists to supplement our senior audit team members in relevant jurisdictions.	Our procedures included: • Testing design and implementation of key controls over the taxable income forecasts underpinning the tax loss utilisation models, including Board consideration and approval of key assumptions and business unit budgets which form the basis of these forecasts. • Comparing the key assumptions and business unit budgets for consistency with those tested by us, as set out in the Key Audit Matter relating to the recoverability of non-current assets, including property plant and equipment and intangible assets, and also comparing the reconciliation of these budgets to taxable income concepts. • Assessing the Group's tax loss utilisation models and key assumptions, by significant jurisdiction, by: - comparing taxable income to historical trends and performance to inform our evaluation of the current taxable profit forecasts; - evaluating the key assumptions in the Group's forecast tax loss utilisation models, including the identification of areas of estimation uncertainty to focus further procedures; - understanding the timing of future taxable income and considering the consistency of the timeframes of expected recovery to our knowledge of the business and its plans; and - involving our tax specialists and teams from relevant jurisdictions to assess the tax loss utilisation expiry dates and annual utilisation allowances for consistency with local practice, regulatory parameters and legislation.

Other Information

Other Information is financial and non-financial information in Nufarm Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Operating and Financial Review, the Corporate Governance Statement and the Directors' Report. The Financial Year 2022 Overview, Chairman's Message, Managing Director's Message, Environmental, Social and Governance, information on the Board of Directors and Key Management Personnel, and the Shareholder and Statutory Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Nufarm Limited for the year ended 30 September 2022 complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in the Directors' report for the year ended 30 September 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Chris Sargent

Partner

Melbourne

16 November 2022