Appendix 4E

Orica Limited

ABN 24 004 145 868

Preliminary Final Report

Results for announcement to the market for the year ended 30 September 2022

Previous Corresponding Period: Year ended 30 September 2021

Consolidated:		**Change $m**			**$m**
Consolidated revenue from operations	**up**	1,645.3	29.0%	to	7,327.5
Profit after tax attributable to shareholders	**up**	233.9	>100%	to	60.1
Net profit for the year attributable to shareholders before individually significant items	**up**	108.6	52.1%	to	317.0
From continuing operations:					
Revenue from continuing operations	**up**	1,888.5	36.3%	to	7,096.4
Proft after tax from continuing operations attributable to shareholders	**up**	334.1	>100%	to	145.5
Net profit for the year from continuing operations attributable to shareholders before individually material items	**up**	116.1	60.3%	to	308.7

Distributions

Dividends	**Amount per security (cents)**	**Franked amount per security at 30% tax**
Current Period		
Final Dividend - Ordinary	22.0	0.0
Interim Dividend - Ordinary	13.0	0.0
Previous Corresponding Period		
Final Dividend - Ordinary	16.5	0.0
Interim Dividend - Ordinary	7.5	0.0

Record date for determining entitlements to the dividend:

21 November 2022 and payable 22 December 2022

Financial Statements

Please refer to pages 24 to 79 of this report wherein the following are provided:

- Income statement and statement of comprehensive income for the year ended 30 September 2022;
- Balance sheet as at 30 September 2022;
- Consolidated statement of changes in equity for the year ended 30 September 2022;
- Consolidated statement of cash flows for the year ended 30 September 2022; and
- Notes to the consolidated financial statements, including:
  - Note 4 Contributed Equity and Reserves
  - Note 13 Equity accounted investees and joint operations
  - Note 15 Businesses disposed and discontinued operations

Net tangible assets

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	561.6 cents	382.4 cents

Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan (DRP) continues to be available to eligible shareholders. For the final dividend, shares will be allocated based on the arithmetic average of the daily volume weighted average market price of all shares sold through a normal trade on the ASX for a period of 7 trading days from 24 November to 2 December inclusive. The last date for receipt of election notices for participation in the final dividend under the DRP is Tuesday 22 November 2022. Shares issued and/or purchased on market pursuant to the DRP will rank equal to all other ordinary shares. No discount applies to the DRP.

Results Commentary

Orica recorded a statutory Net Profit after Tax (NPAT) (attributable to shareholders of Orica Limited) of $60 million, compared to a Net Loss after Tax (NLAT) of $174 million in in the previous corresponding period. This statutory NPAT was driven by improved underlying performance, offset by significant items relating to our decision to exit from our Russia operations, non-core asset sales and impairments.

Audit

The above information is based on the financial report contained within the FY2022 Annual Report which has been audited and contains an independent auditor's report.

This report should be read in conjunction with the Orica Limited Directors' Report incorporating the Operating and Financial Review and the FY2022 Annual Report.

Further Information

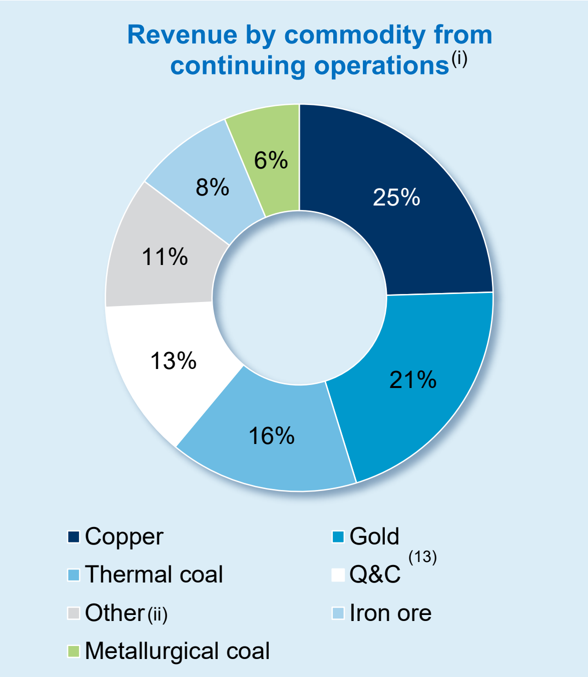
Additional Appendix 4E disclosure requirements can be found in the notes to the year-end financial report.

GROUP RESULTS

Year ended 30 September	2022 A$M	2021 A$M	Change %
Sales revenue from continuing operations	7,096.4	5,207.9	*36%*
EBITDA from continuing operations(12)	949.6	762.7	*25%*
EBIT from continuing operations	**563.8**	**404.6**	***39%***
EBIT from Minova (discontinued operations)	14.7	22.0	*(33%)*
Total EBIT(2)	**578.5**	**426.6**	***36%***
Net interest expense	(100.3)	(105.6)	*(5%)*
Tax expense before individually significant items	(154.0)	(102.7)	*50%*
Non-controlling interests before individually significant items	(7.2)	(9.9)	
NPAT before individually significant items(11)	**317.0**	**208.4**	***52%***
Individually significant items after tax attributable to Orica Shareholders	(256.9)	(382.2)	
NPAT after individually significant items (statutory)	**60.1**	**(173.8)**	

Note: numbers in this report are subject to rounding and stated in Australian dollars unless otherwise noted

Group commodity exposure



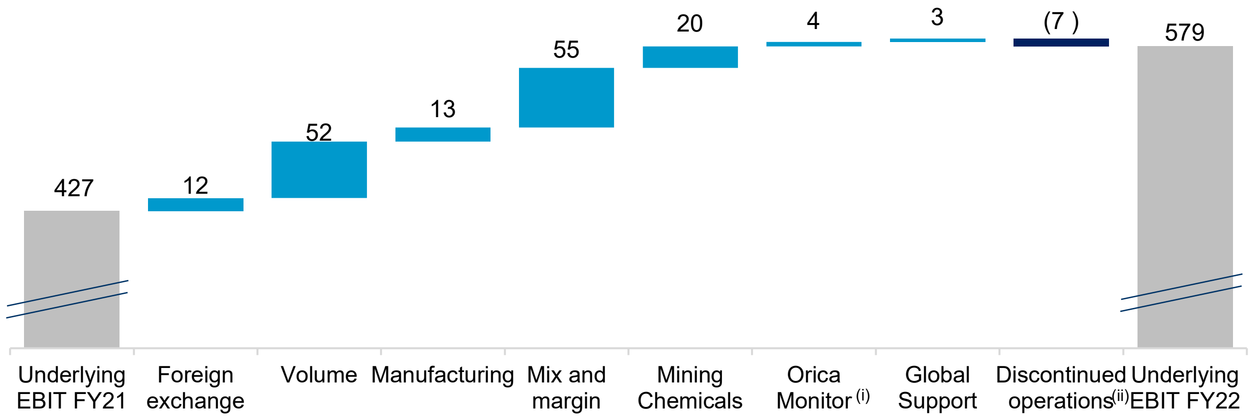
(i) Excludes Minova; previously included in the "Other" category
(ii) Includes Orica Monitor

Commodity prices remained elevated through the year, driving increased demand for Orica products and services in most markets.

Copper became the highest commodity exposure for Orica during the year, driven by strong recovery in customer demand, particularly in Latin America. Q&C revenue grew in each region, however at a slower pace than other commodities.

Demand for thermal coal increased in the United States and Indonesia driven by strong commodity prices being fuelled by high energy costs globally.

FY2021 to FY2022 EBIT (A$M)



(i) Nitro Consult AB sold in February 2022
(ii) Change in underlying EBIT contribution from discontinued operations

Financial performance

The improved full year result reflects solid volume growth, increased utilisation of manufacturing plants, improved commercial discipline in both customer and supply contracts and increased customer preference for premium products.

Foreign exchange

In 2022 the US dollar strengthened against the Australian dollar resulting in a favourable impact to EBIT on translation of foreign denominated earnings.

Volume

Total ammonium nitrate (AN) volumes increased 4 per cent on the prior corresponding period (pcp) from increased mining activity driven by strong commodity prices, and Orica's ability to provide security of supply to customers in a tight supply market.

Electronic blasting systems (EBS) volumes were up 10 per cent on the pcp as mining activity increased and customers shifted away from conventional detonators. EBS accounted for 38 per cent of the volume uplift contribution in EBIT.

Manufacturing

Manufacturing performance improved as a result of increased volumes at the large continuous plants in Australia and Indonesia, partially offset by higher costs for alternate sourcing of AN during the Carseland plant turnarounds in North America.

The pcp result included costs incurred from an incident at the La Portada manufacturing plant in Latin America which have not been repeated in the 2022 financial year.

Mix and margin

Margin growth was led by commercial discipline and emphasis on quality of earnings across the regions.

Rise and fall mechanisms worked effectively to pass through volatile ammonia and gas prices.

Product mix improved as customers adopted more technology and shifted to premium products as strong commodity prices increased focus on productivity gains.

Mining Chemicals

Cyanide volumes were 10 per cent up on the pcp from new business and higher demand from existing customers in Australia and Asia. Higher utilisation of the cyanide plant also led to lower conversion cost.

Orica Monitor

Strengthened radar sales and growth in recurring contracts, coupled with improved pricing led to growth in EBIT contribution from Monitor.

The pcp result included full year earnings for Nitro Consult AB which was sold in February 2022.

Discontinued operations

The Minova business sale completed in the first half of 2022, resulting in only five months of earnings contribution versus a full 12 months in the pcp.

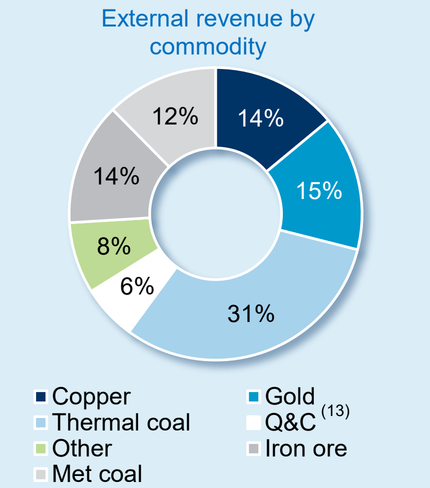
Business Summary

A summary of the performance of the segments for the 2022 and 2021 years is presented below:

Year ended 30 September A$M	2022			2021		
	External sales revenue	EBITDA (12)	EBIT (2)	External sales revenue	EBITDA (12)	EBIT (2)
Australia Pacific & Asia (APA)	2,723.6	550.6	366.6	2,105.9	453.9	279.7
North America	1,570.9	191.3	132.4	1,229.6	168.9	107.9
Latin America	1,656.5	99.5	53.2	956.5	73.3	28.9
Europe, Middle East & Africa (EMEA)	1,027.0	76.7	45.5	801.4	56.1	25.0
Orica Monitor	118.4	48.5	34.6	114.5	43.6	30.7
Global Support	-	(17.0)	(68.5)	-	(33.1)	(67.6)
Continuing Operations	**7,096.4**	**949.6**	**563.8**	**5,207.9**	**762.7**	**404.6**
Minova (Discontinued Operations)	231.1	14.7	14.7	474.3	33.7	22.0
Total	**7,327.5**	**964.3**	**578.5**	**5,682.2**	**796.4**	**426.6**

Australia Pacific & Asia

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	2,723.6	2,105.9	*29%*
EBITDA[12] (A$M)	550.6	453.9	*21%*
EBIT[2] (A$M)	366.6	279.7	*31%*
Total AN & Emulsion Volumes ('000 tonnes)	1,767	1,745	*1%*



Market conditions

Elevated commodity prices and strong mining activity, drove high demand for ammonium nitrate (AN), electronic blasting systems (EBS), cyanide and blasting services. This increased demand, coupled with commercial discipline enabled contract improvements. Market conditions are also increasing customers interest in productivity gains from technology.

Across the region there was growth in the metals sector, primarily driven by increased activity in gold and copper markets in Australia and copper in Indonesia. Demand in the thermal coal sector in Indonesia and south-east Asia increased, however, has reduced in Australia due to wet weather on the east coast and lower domestic consumption.

Tight global supply of ammonia has led to a significant increase in AN prices and cost inflation continued to rise sharply.

Covid absenteeism and labour shortages continue to impact mining activity and supply chains.

Segment performance

The 31 per cent increase in EBIT on the pcp was largely driven by contract improvements, increased AN, EBS and cyanide volumes, a shift to premium products, and improved fixed cost recovery from higher utilisation of manufacturing plants.

Sustainable growth has been achieved through commercial discipline on new and renewed contracts including improved rise and fall terms, investments in the resilience and flexibility of plants and supply chains, and security of supply provided to customers.

The region saw strong revenue growth across all commodities and products. While wet weather conditions in Eastern Australia constrained AN volume growth, it led to a shift towards more premium products.

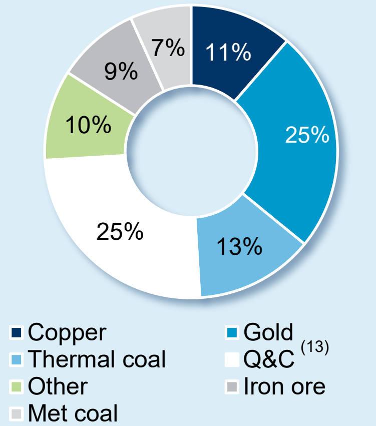
Record production was achieved at Yarwun and Bontang continuous plants. The Yarwun turnaround was completed in November 2021 and the Kooragang Island turnaround for installation of tertiary abatement technology commenced in September 2022.

A new sparge site was commissioned in Malaysia, enabling the sale of safer cyanide across our Asian markets.

North America

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	1,570.9	1,229.6	*28%*
EBITDA[12] (A$M)	191.3	168.9	*13%*
EBIT[2] (A$M)	132.4	107.9	*23%*
Total AN & Emulsion Volumes ('000 tonnes)	1,106	1,013	*9%*

External revenue by commodity



Market conditions

Operating conditions in North America were strong across the region during the year.

Mining activity improved due to high commodity prices, with labour shortages in a high inflationary environment being the major constraint.

High domestic energy prices in the United States led to increased demand for thermal coal.

Quarry and construction activity in the United States and in Canada, remained flat year on year, project growth is being constrained by labour shortages and inflation. Gold and copper mining activity across the region increased, driving higher demand for Orica products and services.

All commodity sectors were impacted by global supply chain challenges including increased freight costs and some raw material and product shortages. Industrial action in Mexico towards the end of the last quarter further tightened supply in the region.

Segment performance

The 23 per cent EBIT increase on the pcp was largely driven by new contract wins in Canada, higher services contribution, improved contract terms negotiated and favourable foreign exchange.

Revenue from all commodities and product types increased due to higher demand and increased customer activity, which coupled with commercial discipline, enabled contract improvements.

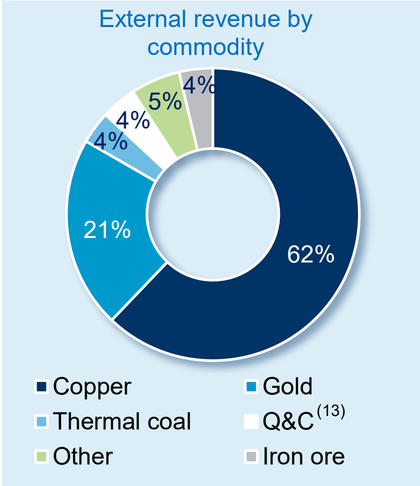
Discrete network optimisation, supply chain initiatives and pass-through mechanisms were effective in reducing the impacts of supply chain challenges from raw material shortages, inflationary pressure and increased gas and freight costs.

Major planned maintenance turnarounds were completed at the Carseland AN manufacturing plant. Tertiary catalyst abatement technology installed is performing above expectations.

The US dollar appreciated against the Australian dollar, resulting in a favourable impact to EBIT on translation of foreign denominated earnings.

Latin America

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	1,656.5	956.5	*73%*
EBITDA[12] (A$M)	99.5	73.3	*36%*
EBIT[2] (A$M)	53.2	28.9	*84%*
Total AN & Emulsion Volumes ('000 tonnes)	973	929	*5%*



Market conditions

Mining activity in the region was stable on balance compared to the pcp.

Increases in ammonia prices and sea freight costs along with general cost inflation continued to drive higher costs. Improved commercial discipline and changes to rise and fall clauses were implemented.

Security of supply for customers was paramount as AN trade flows into Latin America from Russia were constrained due to the Russia-Ukraine conflict. Alternative AN sourcing options were used to continue servicing customers.

Segment performance

The significant increase in EBIT on the pcp was largely driven by commercial discipline on both customer and supply contracts, improved product mix and technology penetration.

Demand for premium products and electronic blasting systems increased on the pcp. Technology adoption in the region is growing at pace with Orica leading the mining digital transformation in Latin America.

Supply initiatives including negotiating improved supplier terms, and changes to shipment loadings and movements also contributed to the region's improved performance.

AN previously supplied from Russia was largely replaced with product from alternative sources, albeit at higher costs and shorter payment terms.

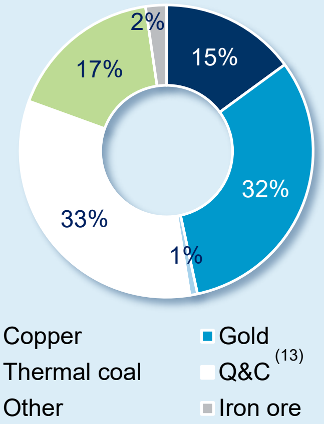
Rise and fall pass through mechanisms have been shortened and are working effectively to fully pass through higher costs. Terms in many customer contracts were updated to include clauses for the pass through of freight costs.

Global manufacturing optimisation plans, including the rationalisation of initiating systems manufacturing, are on track in the region. Exsa is performing above the business case.

Europe, Middle East & Africa

Year ended 30 September	2022	2021	Change
External sales revenue (A$M)	1,027.0	801.4	*28%*
EBITDA(12) (A$M)	76.7	56.1	*37%*
EBIT(2) (A$M)	45.5	25.0	*82%*
Total AN & Emulsion Volumes ('000 tonnes)	415	406	*2%*

External revenue by commodity



Market conditions

European gas prices increased significantly during the year, leading to the closure of several ammonia plants in the region and driving a tightening of supply.

The Russia-Ukraine conflict has created further uncertainty around activity in Russia and the surrounding region with significant disruption to ammonia, ammonium nitrate (AN) and energy trade flows.

Following the sanctions placed on Russia, Orica completed the exit of its operating business in Russia in September 2022 and related assets have been fully impaired.

Copper activity in Africa remained strong. The economic outlook in Europe has deteriorated since the first half, resulting in lower than expected quarry and construction activity in the Nordics and Western Europe.

Segment performance

The significant increase in EBIT on the pcp was driven by positive product mix benefits in Initiating Systems, contractual improvements and contribution from new growth projects in Africa and the Emirates.

Initiating System volumes grew with a favourable mix shift towards electronic blasting systems for new projects in the Nordics and Africa. AN volumes remained stable with the pcp.

Supply to the region was secured from alternative sources following the initial quotas put in place by the Russian authorities effective December 2021.

Rise and fall mechanisms were effective in passing through elevated sourcing and logistics costs to customers.

Revenue from gold and copper customers increased as Orica's exposure to Africa grows.

Orica Monitor

Year ended 30 September	2022 A$M	2021 A$M	Change
External sales revenue	118.4	114.5	*3%*
EBITDA(12)	48.5	43.6	*11%*
EBIT(2)	34.6	30.7	*13%*

The growth in the Orica Monitor result was driven by growth in radar sales and recurring service plans and commercial discipline. Growth was suppressed by the loss of contribution from Nitro Consult AB which was sold in the first half, and the cessation of sales to Russia. Shipping delays and increased freight costs were mitigated by effective supply chain improvements in place from the second half.

Synergies are being achieved by leveraging the wider Group's existing customers. In addition, there was strong growth in contracts for care plans and geotechnical remote monitoring support services, particularly in Brazil where we opened a new regional geotechnical support services office.

Demand for radars is expected to grow, driven by sustainability objectives of customers globally. A second assembly line is underway in North America to double production capacity, reduce landed cost and improve speed to global markets.

Growth is also expected from the broadening and integration of Orica Monitor's sensors and software suite with Orica Digital Solutions end-to-end digital workflows.

Global Support

Year ended 30 September	2022 A$M	2021 A$M	Change
EBIT(2)	(68.5)	(67.6)	*(1%)*

Global Support costs were in line with the pcp.

Net interest expense

Net interest expense of $100 million was $5 million lower than the pcp primarily as a result of an increase in the discount rate applied to remeasure long-term provisions as at 30 September 2022. Net interest expense excluding the impact of the unwind of discount on provisions and lease interest was $103 million, $5 million higher than the pcp, primarily as a result of higher interest rates on interest bearing liabilities.

Year ended 30 September	2022 A$M	2021 A$M	Variance A$M
Net interest expense excluding unwinding of discount on provisions and lease interest	(102.9)	(98.0)	(4.9)
Unwinding of discount on provisions	14.4	4.7	9.7
Lease interest	(11.8)	(12.3)	0.5
Net interest	**(100.3)**	**(105.6)**	**5.3**

Tax expense

The effective tax rate before individually significant items of 32.2% was in line with pcp.

Group Cash Flow

Year ended 30 September	2022 A$M	2021 A$M	Variance A$M
Net operating cash flows	362.3	618.9	(256.6)
Net investing cash flows	(229.2)	(195.9)	(33.3)
Net operating and investing cash flows	**133.1**	**423.0**	**(289.9)**
Dividends – Orica Limited	(90.6)	(72.4)	(18.2)
Dividends – non-controlling interest shareholders	(7.0)	(7.2)	0.2
Adjusted net cash flows	**35.5**	**343.4**	**(307.9)**
Movement in borrowings and other net financing cash flows[14]	613.1	(669.0)	1,282.1
Net cash inflow / (outflow)[15]	**648.6**	**(325.6)**	**974.2**

Net operating cash flows

Whilst earnings were higher in FY2022, net cash generated from operating activities was lower compared to the pcp due to an increase in trade working capital (TWC). This is predominantly due to the business decision to maintain higher levels of inventory in order to ensure security of supply, as well as higher input prices, both impacted by the Russia-Ukraine conflict.

Net investing cash flows

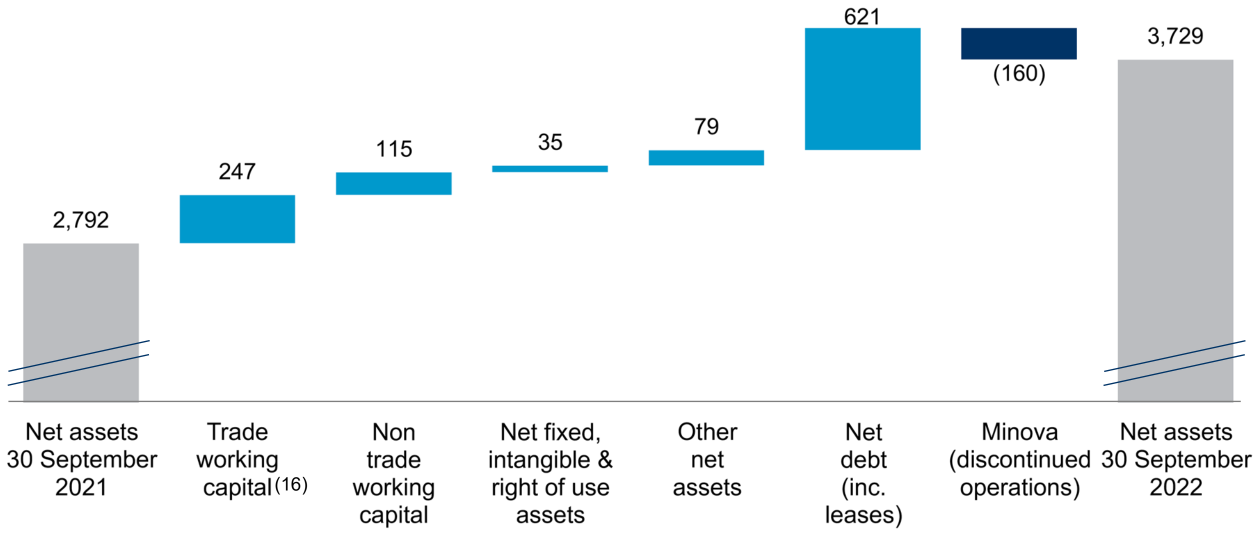
Net investing cashflows were higher than the pcp, reflecting increased investment in growth projects, further spend on sustainability-related projects, and lower proceeds from sales of non-core assets.

Net financing cash flows

Cash generated from financing activities in the current year includes net proceeds of $682 million from the successful completion of the equity raise. The prior year included the US Private Placement (USPP) bond redemption which was repaid in October 2020.

Group Balance Sheet

Movement in net assets (A$M)



Trade working capital **[16]** was $247 million higher than the pcp. Trade debtors increased by $225 million driven by higher sales revenue, partially offset by improved collections. Inventory increased by $237 million predominantly due to the decision to increase inventory holdings in order to ensure security of supply, as well as rising input prices, both impacted by the Russia-Ukraine conflict. Trade creditors increased by $215 million driven by increased purchasing activity associated with higher sales volume as well as higher input costs.

Non trade working capital ***[17]*** net liability was lower by $115 million due to a reduction in the defined benefits provisions by $126 million as a result of an increase in discount rates and the sale of Nitro Consult AB; and a reduction of $77 million in environmental and decommissioning provisions due to payments from provisions and an increase in discount rates. Other payables increased by $120 million due to an increase in employee provisions and the RIG Technologies acquisition deferred earn-out consideration. The increase in other receivables is due to the remaining receivable from the sale of Minova.

Net fixed, intangible & right of use assets increased by $35 million against the pcp. Additions of $418 million and foreign exchange translation of $155 million was largely offset by depreciation and amortisation expense of $386 million, impairment expense of $100 million, disposals of $31 million and a net decrease in capitalised provisions of $21 million.

Other net assets *increased* by $79 million from the pcp, driven by increases in the carrying value of investments in associates and an increase in the revaluation of financial instruments with the weakening of the Australian Dollar, partially offset by an increase in current and deferred tax liabilities.

Net debt (incl. leases) liability was $621 million lower than the pcp due to the net cash flow generated from operating and investing activities across the year, and funding from the equity raise undertaken during the year. The $258 million upfront payment for the acquisition of Axis Mining Technology was made on 3 October 2022.

Minova (discontinued operations) net assets decreased by $160 million upon disposal of the business.

Debt Management and Liquidity

As at 30 September	2022	2021	Variance
Net debt – continuing operations[6] (A$M)	(912.2)	(1,521.4)	609.2
Net debt – held-for-sale[6] (A$M)	-	42.4	(42.4)
Lease liabilities – continuing operations (A$M)	(239.5)	(250.8)	11.3
Lease liabilities – held-for-sale (A$M)	-	(9.6)	9.6
Net debt including lease liabilities – continuing operations (A$M)	(1,151.7)	(1,772.2)	620.5
Net debt including lease liabilities – held-for-sale (A$M)	-	32.8	(32.8)
Gearing % - excluding Lease liabilities [7] (%)	19.7%	34.6%	(14.9 pts)

Interest bearing liabilities of $2,168 million comprise $2,161 million of US Private Placement bonds and $7 million of committed and other bank facilities. The average tenor of drawn debt is 4.3 years (September 2021: 5.4 years).

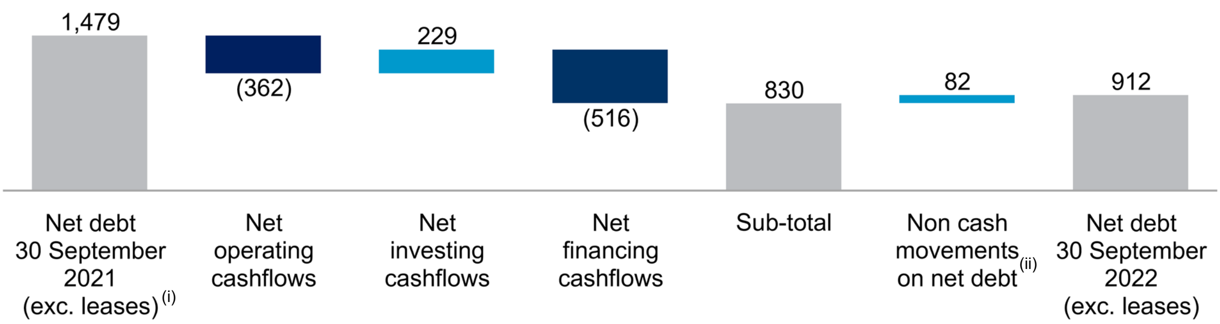
Cash increased by $662 million to $1,255 million[i] from $594 million in the pcp primarily as a result of the equity raise completed in August that generated $691 million in gross proceeds. Use of the proceeds will be applied to fund the acquisition of Axis, incremental trade working capital requirements, and to provide balance sheet capacity. The cash balance provides for a strong liquidity position, complemented by undrawn committed bank facilities of $1,423 million.

Gearing excluding lease liabilities at 19.7 per cent is below the Group's target range of 30 to 40 per cent and is below the 57.5 per cent covenant default measure. The interest cover ratio at 6.5x is above the minimum 2.0x requirement.

The chart below illustrates the movement in net debt from 30 September 2021.

(i)Includes $258 million up-front consideration paid on 3 October 2022 for the Axis acquisition.

Movement in net debt (A$M)



(i) The net debt balance at 30 September 2021 includes Minova cash of $42 million
(ii) Impact of foreign exchange translation

Individually significant items

Year ended 30 September 2022	Gross A$M	Tax A$M	Net A$M
Impairment expense	(167.9)	(1.8)	(169.7)
Gain on sale of Nitro Consult AB before FCTR release	18.5	-	18.5
FCTR release on sale of Nitro Consult and Russia	(39.6)	9.3	(30.3)
Individually significant items from continuing operations	**(189.0)**	**7.5**	**(181.5)**
Non-controlling interests in individually significant items	18.3	-	18.3
Individually significant items attributable to shareholders of Orica from continuing operations	**(170.7)**	**7.5**	**(163.2)**
Gain on sale of Minova before FCTR release	10.7	(2.1)	8.6
FCTR release on sale of Minova	(95.7)	(6.6)	(102.3)
Individually significant items from discontinued operations	**(85.0)**	**(8.7)**	**(93.7)**
Individually significant items attributable to shareholders of Orica	**(255.7)**	**(1.2)**	**(256.9)**

Impairment expense

Russia

The escalation of the Russia-Ukraine conflict, and imposed sanctions and export restrictions, led to our decision to exit the Russian operations.

On 9 September 2022, the Group executed a contract to sell JSC “Orica CIS” Joint-Stock Company for cash consideration of $13 million. Orica has risk adjusted the proceeds given the trade sanctions imposed on Russia.

The Group has recognised a gross expense of $131 million consisting of an impairment charge of $90m reducing the value of the Russian business to nil and $41 million relating to the release of foreign currency translation reserve as required by Australian Accounting Standards on the sale of this business. $8 million was booked as a credit to tax expense.

Turkey

The significant decline in the local economy and the devaluation of the Lira has resulted in the impairment of Orica’s investment in Turkey during the year. The total impairment charge is $33 million after tax, of which $18 million is attributable to non-controlling interest.

At 30 September 2022 there was a foreign currency translation reserve balance of $92 million debit (of which $46 million is attributable to non-controlling interests) which would be released on sale, liquidation, repayment of share capital or abandonment of the entity.

EMEA Goodwill

Following the impairments for Russia and Turkey the future cash flows for EMEA were reviewed, resulting in the remaining $45 million of goodwill being impaired.

Sale of Nitro Consult AB

On 7 March 2022 Orica completed the sale of Nitro Consult AB, recording a net profit after tax of $20 million including $1 million gain on release of non-cash foreign currency translation reserve.

Sale of Minova

On 28 February 2022 Orica completed the sale of the Minova business to Aurelius Group. Cash of $149 million was received at completion. A further $28 million for debt and working capital true ups is expected to be received in FY23. Orica recorded a cash net profit on sale of $11 million, offset by the release of $96 million of non-cash foreign currency translation reserve and tax of $9 million, resulting in a net statutory loss after tax of $94 million.

Dividend

The Board has declared an unfranked final ordinary dividend of 22.0 cents per share, representing a payout ratio of 53 per cent. This brings the full year dividend to 35.0 cents per share and full year payout ratio of 48 per cent.

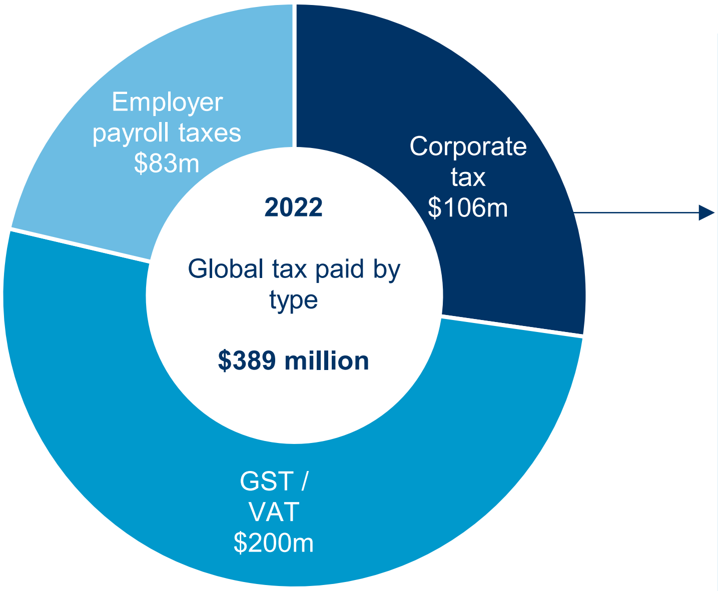
The dividend is payable to shareholders on 22 December 2022 and shareholders registered as at the close of business on 21 November 2022 will be eligible for the final dividend.

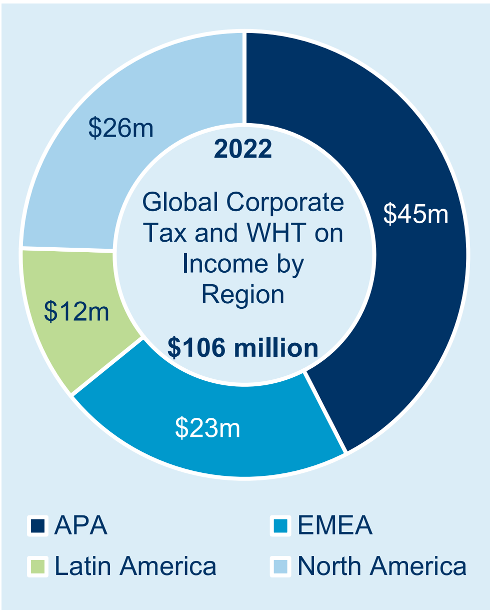
It is anticipated that dividends in the near future will be unfranked.

Tax contribution summary

In the 2022 financial year, Orica paid $106 million (2021 $148 million) globally in corporate income taxes (including withholding tax) and $83 million (2021 $79 million) globally in payroll taxes. Orica collected and remitted $200 million (2021 $127 million) globally in GST / VAT.

The charts below show 2021 corporate income tax paid in each region (including withholding tax), and an analysis of total tax paid by type.





In Australia, Orica paid corporate income tax of $6 million (2021 $20 million). Orica also paid $25 million (2021 $21 million) in payroll tax and $1 million (2021 $1 million) in fringe benefits tax. Orica collected and remitted $59 million (2021 $39 million) in GST and $110 million (2021 $114 million) in 'pay as you go' withholding taxes.

Footnotes

The following footnotes apply to this results announcement:

1. Equivalent to net profit/(loss) for the year attributable to shareholders of Orica limited, as disclosed in the Income Statement within the Appendix 4E – Preliminary Final Report
2. Equivalent to profit/(loss) before financing costs and income tax as disclosed in Note 1(b) within the Appendix 4E – Preliminary Final Report, before individually significant items
3. Basic earnings per share before individually significant items as disclosed in in Note 2 within the Appendix 4E – Preliminary Final Report
4. Return on net operating assets = 12 month EBIT / Rolling 12 month Average Operating Net Assets where Operating Net Assets = Property, Plant & Equipment, Intangibles, Equity Accounted Investees and working capital excluding environmental provisions, excluding Minova
5. Equivalent to net cash flows from financing activities (as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report) excluding proceeds and repayment of borrowings.
6. Interest-bearing liabilities – excluding lease liabilities less cash and cash equivalents, as disclosed in Note 3 within Appendix 4E – Preliminary Final Report
7. Net debt / (net debt + total equity), where net debt excludes lease liabilities
8. Significant items as disclosed in Note 1(e) within the Appendix 4E – Preliminary Final Report
9. Achieving this ambition will require effective government policy frameworks, supportive regulation and financial incentives, and access to new low-carbon technologies operating at commercial scale. Material means the scope 1 and scope 2 greenhouse gas (GHG) emissions embodied in purchased ammonia and ammonium nitrate included in Orica's scope 3 reporting category of purchased goods and services. These comprise around two-thirds of Orica's scope 3 emissions footprint
10. On 12 December 2015, parties to the United Nations Framework Convention on Climate Change (UNFCCC) reached a landmark agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low carbon future. This is known as the Paris Agreement
11. Equivalent to profit after income tax expense before individually significant items attributable to shareholders of Orica Limited, as disclosed in Note 1 (b) within Appendix 4E – Preliminary Final Report
12. EBIT before individually significant items and depreciation and amortisation expense
13. Quarry, construction and tunnelling
14. Equivalent to net cash flows from financing activities (as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report) excluding dividends paid to Orica ordinary shareholders and non-controlling interests
15. Equivalent to net increase/(decrease) in cash held, as disclosed in the Statement of Cash Flows within Appendix 4E – Preliminary Final Report
16. Comprises inventories, trade receivables and trade payables, as disclosed in the Balance Sheet within Appendix 4E – Preliminary Final Report
17. Comprises other receivables, other payables, and provisions, as disclosed in the Balance Sheet within Appendix 4E – Preliminary Final Report
18. Dividend amount / NPAT before individually significant items
19. Includes $258 million equity placement cash proceeds, subsequently paid to complete the Axis acquisition on 3 October 2022

Forward-looking statements

This announcement has been prepared by Orica Limited. The information contained is for informational purposes only.

This report contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. Orica cautions against reliance on any forward-looking statements, particularly in light of the volatile and uncertain geopolitical and economic landscape.

Orica has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. Orica will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes and reserves the right to change its projections from time to time. Orica undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, subject to disclosure obligations under the applicable law and ASX listing rules.

Non-International Financial Reporting Standards (Non-IFRS) information

This report makes reference to certain non-IFRS financial information. This information is used by management to measure the operating performance of the business and has been presented as this may be useful for investors. This information has not been reviewed by the Group's auditor. The 2022 Full Year Results presentation includes non-IFRS reconciliations. Forecast information has been estimated on the same measurement basis as actual results on the same measurement basis as actual results.

Directors' Report

The Directors of Orica Limited ('the Company' or 'Orica') present the Annual Report of the Company and its controlled entities (collectively 'the Group') for the year ended 30 September 2022 and the Auditor's Report thereon.

Directors

The Directors of the Company during the financial year and up to the date of this report are:

M W Broomhead, Chairman

S Gandhi, Managing Director and Chief Executive Officer ('CEO')

M N Brenner

Boon S F

D W Gibson

K A Moses

G T Tilbrook

J R Beevers

G Naylor (appointed on 1st April 2022)

E O'Connor and K Anderson Llewellyn are each Company Secretary of Orica Limited.

Particulars of Directors' and Company Secretary qualifications, experience and special responsibilities are detailed in the Annual Report.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the directors of the Company during the financial year are listed below:

Director	Scheduled Board Meetings [1]		Ad-hoc Board Meetings [1][2]		Audit and Risk Committee [1]		Human Resources & Compensation Committee [1]		Nominations Committee [1]		Safety & Sustainability Committee [1]		Innovation & Technology Committee [1]	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
M W Broomhead[3]	9	9	2	2	-	-	-	-	4	4	-	-	-	-
J R Beevers	9	9	2	2	-	-	-	-	4	4	5	5	4	4
M N Brenner	9	8	2	2	5	5	6	6	4	4	-	-	-	-
S Gandhi[4]	9	9	2	2	-	-	-	-	-	-	-	-	-	-
D W Gibson	9	9	2	2	-	-	6	6	4	4	-	-	4	4
K A Moses	9	9	2	2	-	-	6	6	4	4	5	5	-	-
G Naylor[5]	4	4	2	2	1	1	-	-	2	2	-	-	-	-
Boon SF	9	9	2	2	5	5	-	-	4	4	-	-	4	4
G T Tilbrook	9	9	2	2	5	5	-	-	4	4	5	5	-	-

[1] Shows the number of meetings held and attended by each Director during the period the Director was a member of the Board or Committee.
[2] Ad-hoc board meetings were held on 13 July 2022 and 1 August 2022.
[3] The Chairman of the Orica Board attends all Board Committee meetings as an 'ex officio' member of that Committee.
[4] The Managing Director and CEO attends Committee meetings on an 'as needs' basis.
[5] Gordon Naylor was officially appointed to the Orica board on 1 April 2022 and became a member of the Audit & Risk Committee on 1 September 2022.

Directors' interests in share capital

The relevant interest of each Director in the share capital of the Company is disclosed in the Remuneration Report.

Principal activities

The principal activities of the Group in the course of the financial year were the manufacture and distribution of commercial blasting systems including technical services and solutions, mining and tunnelling support systems to the mining and infrastructure markets, and various chemical products and services.

Likely developments

Likely developments in the operations of the Group and the expected results of those operations are covered generally in the review of operations and financial performance of the Group in the Annual Report.

Review and results of operations

A review of the operations of the Group during the financial year and of the results of those operations is contained in the Annual Report.

Changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year ended 30 September 2022.

Dividends

Dividends paid or declared since the end of the previous financial year were:	$m
Final dividend declared at the rate of 16.5 cents per share on ordinary shares, unfranked, paid 22 December 2021	67.2
Interim dividend declared at the rate of 13.0 cents per share on ordinary shares, unfranked, paid 8 July 2022	53.1
Total dividends paid	120.3

Since the end of the financial year, the Directors have declared a final dividend to be paid at the rate of 22.0 cents per share on ordinary shares. This dividend will be unfranked.

Events subsequent to balance date

Acquisition of business

On 3 October 2022, the Group acquired 100% of the shares of Axis Mining Technology Pty Ltd and DV8 Technology Ltd, who design, develop and manufacture specialised geospatial tools and instruments for the mining industry. The purchase price comprises $258 million paid on completion and potential earn out payments of up to $90 million based on the achievement of cumulative EBITDA generated from 1 October 2022 to 31 December 2024, and contingent on certain key management remaining employed by Orica during the earn-out period. Goodwill of $177 million will be recognised on this transaction.

Dividends

On 8 November 2022, the Directors declared a final dividend of 22.0 cents per ordinary share payable on 22 December 2022. The financial effect of this dividend is not included in the Annual Report for the year ended 30 September 2022 and will be recognised in the FY2023 Annual Report.

The Directors have not become aware of any other significant matter or circumstance that has arisen since 30 September 2022, that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Environmental regulations

Orica seeks to be compliant with applicable environmental laws and regulatory permissions relevant to its operations. Where instances of non-compliance occur, Orica's procedures require that relevant governmental authorities are notified in accordance with statutory requirements and internal investigations are conducted to determine the cause of the non-compliance to ensure the risk of recurrence is minimised.

The Company has committed major investments, both in terms of capital and resources, to improve its environmental performance at key sites in addition to its general maintenance program. The Company is working closely and co-operatively with regulators and government agencies in relation to these initiatives, as well as enhancing community engagement and consultation.

More specific details about Orica's sustainability initiatives and performance, including safety, health and environment, can be found on the Orica website – www.orica.com/sustainability.

Indemnification of officers

The Company's Constitution requires the Company to indemnify any person who is, or has been, an officer of the Company, including the Directors, the Secretaries and other Executive officers, against liabilities incurred whilst acting in good faith as such officers to the extent permitted by law.

In accordance with the Company's Constitution, the Company has entered into a Deed of Access, Indemnity and Insurance with each of the Company's Directors and, in certain instances, specific indemnities have been provided. No Director or officer of the Company has received benefits under an indemnity from the Company during or since the end of the year.

The Company has paid a premium in respect of a contract insuring officers of the Company and of its controlled entities, against a liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions. The insurance contract prohibits disclosure of the nature of the liability insured against and the amount of the premium paid.

Non-audit services

During the year, KPMG, the Company's auditor, performed certain other services in addition to its audit responsibilities.

The Board is satisfied that the provision of non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor's independence as set out in *APES 110 Code of Ethics for Professional Accountants (Including Independence Standards)*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the lead auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is contained on page 23 and forms part of this Directors' Report.

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are disclosed in note 21 to the Annual Report.

Cover Letter (unaudited) to the Remuneration Report

Dear Shareholders,

On behalf of the Board, I am pleased to present Orica's FY2022 Remuneration Report, for which we seek your support at our Annual General Meeting.

A strong performance by Orica and its people

Orica and its people have performed well in a year which was mired in global uncertainty, extensive supply chain disruption and high inflation that is expected to continue into FY2023.

This environment impacted us at many levels. The dislocation of AN supply due to the Russia-Ukraine conflict required a decisive change, leading to a significant ramp up in production and expansion in our inventory levels to ensure we could maintain security of supply at all times for our customers.

It also led to the structured exit by Orica in mid-September 2022 of our operations in Russia with a sale of the business to local management. Our focus during this transition was on the wellbeing of our employees, engaging regulators to ensure compliance with sanctions, managing supply interruptions and ensuring the safe and secure supply of our products across our global network.

Against this backdrop, management and our people delivered financial outcomes that well exceeded set targets. At the same time, we also strengthened our key customer relationships by ensuring continuity of product supply, and increasing our production and inventory levels, within a disrupted market. These achievements were enabled by the strength and resilience of our global manufacturing footprint and supply network, together with the efforts of our Executives and all employees who adapted as needed and worked collectively across regions and functions to deliver strong performance outcomes for the Group.

Significant strides were also made in the execution of our refreshed corporate strategy which was designed and rolled-out at the start of FY2022 to ensure a long-term sustainable future for the business. Key milestones included the introduction of new products and services as part of the continued evolution of our industry leading suite of blasting technology and solutions; increasing our exposure to future-facing commodities and emerging growth areas; and the successful operation of emissions abatement technology at Carseland as just one of many positive steps taken during FY2022 to meet our sustainability commitments (refer to the Annual Report for further detail).

Tragically, we are reporting two fatalities this year, one relating to an incident at a customer site in remote far east Russia that occurred during the transition of the Russian business and an event in 2021 at a site in Kazakhstan. Our focus has been on ensuring that we learn from these events and make improvements where we can to ensure our people return home safely. It is also important to us that all Executives are accountable for safety, so the Board, supported by management, agreed there should be a downward adjustment to all Executives' FY2022 STI outcomes.

FY2022 Short-Term Incentive

Last year, the Board exercised its discretion to zero out STI payments to the CEO and all other Executives (despite a positive scorecard outcome for some metrics) to align with the shareholder experience. Given the strength of our performance this year, it is pleasing to report that the outcomes in relation to our two key financial metrics, EBIT and RONA, were well above set targets. To drive those outcomes, management, with the support of the Board, made two key decisions. First, to rapidly increase production at our Yarwun and Bontang manufacturing sites and second, to significantly increase our levels of inventory. These two decisions enabled us to offset the supply impact of restrictions on the sale of Russian AN and ensure security of supply to our customers. Without the need to hold significantly higher AN inventory from December 2021 onwards, our Cash Generation Efficiency (CGE) outcome would have been well ahead of target. Similarly, without increasing production, we would have exceeded our Scope 1 & 2 emissions reduction target.

As our CGE metric outcome changed as a direct result of the Board endorsed inventory decision, the Board has exercised its discretion to calculate CGE after removing the impact of higher AN inventory volumes that were held as a result of the disruption in Russian AN supply from December 2021. While our Scope 1 & 2 emissions reduction metric outcome was impacted by the same exogenous factors and Board endorsed decision to increase production, the Board, with the support of management, chose not to adjust this outcome as we wanted to demonstrate our strong commitment to our sustainability objectives so early on in our journey.

As safety is core to who we are and what we do, there will be a downward adjustment of 10% of total STI for all Executives in acknowledgment of the two fatalities. This will result in the CEO's final STI being 124.4% of his target opportunity (82.9% of maximum). Outcomes for other Executives were mixed, reflecting individual performance throughout the year. STI scorecard outcomes and commentary are provided in Section 3.2 of this report.

FY2019-21 Long-Term Incentive

The FY2019-21 LTI award (with a performance period from 1 October 2018 to 30 September 2021) did not vest following testing in November 2021, with average RONA performance under the required threshold due to a COVID-impacted FY2020 and FY2021 EBIT that was well below our expectations. Vesting outcomes under the FY2020-22 LTI award will be determined following the release of FY2022 full-year results; however, with a three-year average RONA target from 1 October 2019 to 30 September 2022, no vesting is anticipated.

Executive KMP changes during FY2022

Following a strategic review of Orica's operating model, a decision was made to regionalise the business units from 1 October 2021, with stronger accountability for regional P&L ownership, customers and continuous manufacturing, where applicable. At the same time, strategy development and resource allocation were centralised to improve the efficiency and consistency of operations across the regions. As part of this change, there was a centralisation of decision-making authority such that significant Group-wide commercial decisions are now made primarily by the CEO alongside the relevant functional Group Executive. Effective 1 July 2022, Leah Barlow also took on full accountability for Group Safety, Health Environment and Security (SHES), and as a result was promoted to President SHES, Discrete Manufacturing & Supply. The outcome of these operational and role movements is a change in our key management personnel (KMP) for FY2022 to include the CEO, Chief Financial Officer, Chief Technology Officer and from her promotion, the President – SHES, Discrete Manufacturing & Supply.

Looking ahead to FY2023

As noted in the FY2021 Remuneration Report, several changes were made to the Executive STI and LTI plan designs for FY2022 including a reduction in both the STI maximum opportunity and LTI grant for the CEO, the introduction of a Scope 1 and 2 emissions reduction metric in the FY2022 STI and relative Total Shareholder Return (rTSR) as a second metric within the LTI. Following the Board's annual review of executive incentives, a decision was made to focus on embedding the operational and remuneration changes made in FY2022. The existing executive remuneration structure will therefore be retained for FY2023.

We are however, in the midst of an extremely challenging global talent market, with skills shortages across the globe. With over 12,000 employees in over 45 countries, including Executives based in each of our key regions, Orica is not immune to this challenge. Alongside empowering our people and providing them with opportunities to fulfill their potential and shape Orica's future, we therefore need to ensure our remuneration arrangements continue to attract, retain and motivate the talent we need. During FY2023, the Board intends to commence a full review of the Executive remuneration framework to test whether it remains appropriate in supporting our long-term objectives under the refreshed strategy and delivers outcomes aligned with shareholder returns, whilst also ensuring we are rewarding people competitively. As in prior years, we welcome feedback from our shareholders as we undertake this review.

Maxine Brenner
Chairman, Human Resources and Compensation Committee

Remuneration Report (audited)

Executive summary

FY2022 Remuneration Strategy and outcomes linked to business priorities and performance

At Orica, remuneration is linked to the drivers of our business strategy, helping to create long-term success for shareholders. The at-risk components of remuneration are tied to measures that reflect operating and capital efficiencies in both the short and long-term. Strategic drivers are reflected in STI and LTI performance measures ensuring Executive incentives are linked to actual performance.

OBJECTIVE: COMPETITIVE REMUNERATION THAT ALIGNS EXECUTIVES WITH THE LONG-TERM SUCCESS OF ORICA AND ITS SHAREHOLDERS				
BOARD PRIORITIES	**Strong alignment** with shareholder returns	**Fit for purpose**, aligned to business strategy and driving desired business behaviours	**Simple and transparent**	**Globally competitive**, enabling Orica to attract and retain the best talent

Component	Fixed Annual Remuneration (FAR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose and link to strategy	**Provide competitive base pay in a challenging talent market that will attract and retain the skills needed to manage a complex global business.** We target remuneration at the median of an ASX listed comparator group comprising companies of similar size, operations and global business complexity. The CEO receives a portion of FAR in equity to ensure immediate and ongoing alignment with our shareholders.	**Drive performance aligned to near term strategy and underpinning long-term value creation.** Scorecard metrics support a focus on: • reducing serious injuries • minimising the impact of our operations on the environment • driving sustainable productivity improvement and efficient capital allocation across the Group and equally within each Region • key strategic priorities including operating efficiency, innovation and technology, and adjacency growth. Deferred equity component provides long-term shareholder alignment over an additional three-year time horizon post-vesting.	**Drive long-term value creation for shareholders by encouraging an owner's mindset and decision-making that supports sustainable performance.** The LTI design: • reinforces a focus on sustainable productivity improvement and efficient capital allocation during the three-year vesting period • provides long-term shareholder alignment over a five-year time horizon.
Policy Mix (at target): Cash | Equity	CEO: 20.6% | 4.4% Other Executives: 35.7%	CEO: 12.5% | 12.5% Other Executives: 14.3% | 7.1%	CEO: 50.0% Other Executives: 42.9%
Delivery	Base salary, superannuation (or pension equivalent) and allowances (per local market practice). For the CEO, 17.6% of FAR is delivered in fixed equity that vests monthly, but is subject to a trading restriction until the CEO's minimum shareholding guideline is met.	Portion as cash payment (50% for CEO; 66.7% for other Executives). Portion deferred into shares for one year with a further three-year holding lock (50% for CEO; 33.3% for other Executives).	Performance rights (vesting after three years subject to performance hurdles) with a further two-year holding lock. The LTI is granted at face value, based on the volume weighted average price (VWAP) of Orica shares during the five trading days following the full year results announcement.
Key changes during FY2022	Orica's benchmarking comparator group was again reviewed against the existing principles with changes made to reflect changes in company size and corporate restructures prior to Executive benchmarking being undertaken in FY2022. Refer section 3.1 for FY2022 primary comparator group constituents.	FY2022 scorecard changes: • Introduction of a Scope 1 & 2 emissions reduction metric within the Safety and Sustainability component of the STI • Re-weighting of Safety, Environmental and Financial metrics to ensure sufficient focus on each (refer section 3.2 for weightings within the CEO's STI scorecard)	FY2022-24 LTI grant included two separate, equally weighted performance metrics: relative total shareholder return (rTSR) measured against constituents of the ASX 100 index, and RONA.
FY2022 remuneration outcomes	The CFO received a base salary increase effective 1 April 2022. This was the first increase since January 2020 and recognised the additional accountabilities taken on following departure of the former CEO.	STI outcomes were generally above target in FY2022, primarily driven by improved financial performance, with these metrics all assessed above stretch. Executives also made significant progress against our sustainability and key strategic objectives setting a foundation for future growth. Deferred shares allocated under the FY2018, FY2019 and FY2020 plans remain in a holding lock and have therefore seen fluctuations in value aligned with our share price. The FY2018 award will be released from restriction in December 2022. No deferred shares were allocated in FY2022 as no STI payments were made in FY2021.	The FY2019 LTI (tested in November 2021) did not vest with three-year average RONA below the required threshold.

Remuneration Report (audited)

Contents

Remuneration Report (audited)

Section 1. Key Management Personnel

1.1 Executive Key Management Personnel

The table below lists the Executives of the Company who, together with the Non-Executive Directors, were defined as Key Management Personnel (KMP) under Australian Accounting Standards for FY2022. For the purpose of this Remuneration Report, references to Executives are to the Executive KMP and other Executive Committee members with the same remuneration arrangements as the Executive KMP.

With reference to Orica's recent organisational structure and operational changes to improve the efficiency and consistency of our operations across all regions, the Board and management reviewed all Executive Committee roles to consider which have "authority and responsibility for planning, directly and controlling the activities" of the Group. Given centralisation of strategy development, resource allocation and global decision-making authority, the view is that this now sits with Orica's most senior functional executives, with the Regional Presidents focused on the execution of Group strategy within their local markets.

Effective from 1 October 2021, Orica's Executive KMP therefore includes the Managing Director and Chief Executive Officer (CEO), Chief Financial Officer, Chief Technology Officer and following her promotion and increased role scope effective from 1 July 2022, the President – Safety, Health, Environment and Security (SHES), Discrete Manufacturing & Supply.

Name	Role in FY2022	Commencement date in role	Country of residence
Executive Director			
Sanjeev Gandhi	Managing Director and CEO	1 April 2021	Australia
Executive KMP			
Christopher Davis[(1)]	Chief Financial Officer	1 October 2018	Australia
Angus Melbourne	Chief Technology Officer	1 April 2021	Australia
Leah Barlow[(2)]	President – SHES, Discrete Manufacturing & Supply	1 July 2022	Australia
Former Executive KMP[(3)]			
James Bonnor	President – Europe, Middle East and Africa	1 July 2021	United Kingdom
Brian Gillespie	President – Latin America	3 May 2021	Chile
Germán Morales	President – Australia Pacific	1 April 2021	Australia

(1) As announced at the start of FY2023, Christopher Davis ceased as Chief Financial Officer and Kim Kerr, former Vice President Group Finance was appointed to the role effective 11 October 2022. To support an orderly transition, Mr Davis will remain with the business until the end of December 2022. In addition to his statutory entitlements to accrued annual and long service leave at the separation date, he will receive a severance payment equivalent to the balance of his notice period. Mr Davis remained entitled to receive an FY2022 STI and will retain his vested FY2020 and FY2019 STI deferred shares subject to the original disposal restrictions, however, the Board determined that all unvested LTI awards would lapse on cessation of employment.

(2) Promoted to President – SHES, Discrete Manufacturing & Supply role and became KMP effective 1 July 2022.

(3) Ceased to be KMP effective 1 October 2021 following operational and role accountability changes.

Executive Committee member qualifications, experience and responsibilities are detailed within the Annual Report.

1.2 Non-Executive Directors Key Management Personnel

The Non-Executive Directors who held office during FY2022 are set out below. This includes Gordon Naylor, who commenced as a Non-Executive Director with Orica effective 1 April 2022 and will stand for election at the 2022 Annual General Meeting. These directors have oversight of the strategic direction of the Company but have no direct involvement in the day-to-day management of our business.

Name	Role in FY2022	Commencement date in role	Country of residence
Current Directors			
Malcolm Broomhead	Non-Executive Director, Chairman	1 December 2015	Australia
John Beevers	Non-Executive Director	1 February 2020	Australia
Maxine Brenner	Non-Executive Director	8 April 2013	Australia
Boon Swan Foo	Non-Executive Director	6 May 2019	Singapore
Denise Gibson	Non-Executive Director	1 January 2018	United States
Karen Moses	Non-Executive Director	1 July 2016	Australia
Gordon Naylor	Non-Executive Director	1 April 2022	Australia
Gene Tilbrook	Non-Executive Director	14 August 2013	Australia

Remuneration Report (audited)

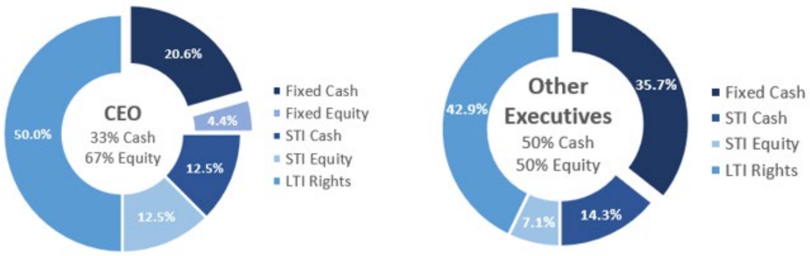
Section 2: Key stakeholder questions

2.1 How is Executive remuneration structured?

Our Executive Remuneration Framework is weighted towards variable (at-risk) remuneration to align with the interests of our shareholders and drive performance against short-term and long-term business objectives.

Assuming target STI and the face value of LTI granted to Executives, the current policy remuneration mix is:

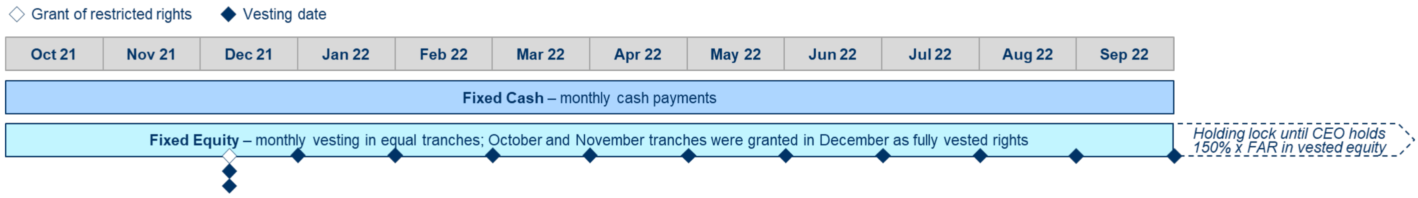
- CEO: 75.0% variable based on performance, 62.5% of which is delivered as deferred shares or performance rights.
- Other Executives: 64.3% variable based on performance, 50.0% of which is delivered as deferred shares or performance rights.



2.2 How does the CEO's fixed equity component operate?

On Sanjeev Gandhi's appointment to the CEO role in FY2021, the Board determined it appropriate for a substantial portion of his FAR to be delivered in the form of Orica equity to ensure immediate and ongoing alignment with shareholders. At the same time, the CEO's minimum shareholding requirement was also increased from 100% to 150% of FAR and the time period allowed to reach this holding reduced from six to five years from appointment.

The fixed equity component of Mr Gandhi's FY2022 FAR was again equal to 17.6% of his total FAR, granted in the form of restricted rights which vest monthly in alignment with the payment of fixed cash. The allocation value for the FY2022 Fixed Equity grant made in December 2021 was based on the five-day VWAP following FY2021 full-year financial results, consistent with the FY2022-24 LTI plan.



Vested Rights are exercisable for a five-year period from grant, with the underlying shares subject to a holding lock until the CEO exceeds his minimum shareholding requirement, except where the sale of shares is required to meet tax obligations.

Further information on the CEO's fixed equity is detailed in Section 3.1.

2.3 When is remuneration earned and received?

Remuneration is structured to reward Executives progressively across different timeframes with an emphasis on alignment with shareholders through extended holding locks and a five-year effective holding period. The diagram below illustrates the period over which FY2022 remuneration is earned and delivered, and when holding locks are lifted.

2.4 How much were Executive KMP paid in FY2022?

The table below presents the remuneration paid to, or vested for, Executive KMP in FY2022.

Executive KMP	Fixed pay[(1)] $000	STI to be paid in cash[(2)] $000	Total cash payment $000	Equity awards vested during year[(3)] $000	Other[(4)] $000	Total remuneration received $000
Sanjeev Gandhi[(1)]	1,400.0	1,057.4	2,457.4	532.9	52.7	3,043.0
Christopher Davis	912.5	273.8	1,186.3	98.3	1.8	1,286.4
Angus Melbourne	919.8	603.4	1,523.2	86.2	1.6	1,611.0
Leah Barlow	187.5	121.1	308.6	-	5.0	313.6
Total	**3,419.8**	**2,055.7**	**5,475.5**	**717.4**	**61.0**	**6,254.0**

(1) Fixed Pay includes actual base pay received in cash and superannuation (or equivalent pension) contributions for each individual's applicable KMP period. For Sanjeev Gandhi, it therefore does not include the equity component of his fixed annual remuneration (i.e., the FY2022 fixed equity) which is captured under the 'Equity awards vested during the year' column.
(2) Refers to FY2022 Executive STI plan cash payments that will be received by Executives in December 2022 (in accordance with the STI plan rules, associated deferred shares will also be granted in December 2022 to all Executives aside from Christopher Davis who will receive the STI in cash as he will cease to be employed with Orica at the end of 2022). For Leah Barlow, the STI amount shown relates only to her KMP period (from 1 July 2022).
(3) Refers to the face value of equity awards (using the share price at the vesting date) that vested during FY2022, including deferred shares from FY2020 that vested in December 2021, but remain subject to holding locks until December 2024. No shares were acquired under the LTI as the FY2019 LTI did not vest. For Sanjeev Gandhi, the amount also includes FY2022 fixed equity which is part of his FAR, and the second and final tranche of a sign-on award that was granted on commencement of employment in FY2020 and vested on 31 December 2021.
(4) Refers to other benefits and allowances provided (where applicable) including trailing tax obligations associated with international assignments and/or permanent relocation to Australia. Movements in annual leave and long-service leave balances have not been shown.

For information on the determination of FY2022 STI outcomes, refer to section 3.2 – Short-term incentive outcomes. Refer to section 6.1 – FY2022 Executive KMP remuneration table prepared in accordance with the accounting standards.

2.5 Will there be any changes to the FY2023 Executive incentives?

Following several changes to Executive incentives for FY2022, the Board has determined to retain a consistent approach for FY2023, allowing the recent operational and incentive plan changes to be embedded within the business.

The CEO's FY2023 STI scorecard is set out below. Targets will be retrospectively disclosed in the FY2023 Remuneration Report.

FY2023 CEO Scorecard

Measure	Metric	Weighting (at target)
Safety and Sustainability	Serious Injury Case Rate	10%
	Loss of Containment	5%
	Global Scope 1 and 2 GHG emissions reduction	10%
Financial	EBIT	30%
	RONA	30%
	Cash Generation Efficiency	15%

Executive FY2023 STI scorecards will continue to have a Strategic component that includes a sustainability-related metric relevant to their role, and for the Chief Technology Officer and Regional Presidents metrics linked to the commercialisation of new technology.

Looking forward, following changes to Orica's organisational structure and Executive team over the past 18 months and with the refreshed strategy in place, the Board intends to undertake a formal review of the Executive Remuneration Framework during FY2023. The focus of this review will be to ensure the appropriateness of the framework in supporting our strategic objectives, delivering outcomes aligned with long-term shareholder returns, and supporting with the motivation and retention of our critical talent. A consultation process will occur with shareholders as we progress with the review.

Remuneration Report (audited)

Section 3. Executive remuneration

3.1 Executive Remuneration Framework

The following table outlines the FY2022 Executive Remuneration Framework.

REMUNERATION POSITIONING	
Market position	Median for FAR and between Median and 75th percentile for total remuneration where outstanding performance is delivered.
Comparators	**Primary comparator group** – 15 ASX listed companies similar in size, operations and complexity to Orica, with reference to market capitalisation, revenue, industry and the extent of international operations. The primary comparator group was last reviewed as at 30 June 2022 and comprised the following companies: Amcor Plc, Ansell Limited, BlueScope Steel Limited, Brambles Limited, Cochlear Limited, Incitec Pivot Limited, James Hardie Industries Plc, Newcrest Mining Limited, Nufarm Limited, Orora Limited, Sims Limited, Santos Limited, South 32 Limited, Woodside Petroleum Limited and Worley Limited. **Secondary comparator group (reference)** – ASX listed companies with market capitalisation between 50% and 200% of Orica's 12-month average market capitalisation, as at 30 June of the relevant financial year. Where appropriate, particularly for roles located outside of Australia, additional sector or local industry specific data is taken into consideration in benchmarking Executive remuneration.
FAR (Cash)	
Payment vehicle	Cash salary, superannuation (or pension equivalent) and allowances (per local market practice).
FAR (Equity)	
Payment vehicle	Restricted rights (each vested right providing a 1:1 entitlement to Orica shares).
Opportunity (face value)	CEO: 17.6% of Total FAR, equivalent to $300,000 per annum for FY2022. The actual number of restricted rights issued was determined by dividing FAR (Equity) opportunity by the five-day VWAP immediately after the announcement of our FY2021 annual results ($15.13).
Vesting period	1 October 2021 to 30 September 2022.
Vesting schedule	Vests in equal monthly tranches subject to continued employment until the end of the relevant month. Due to timing of the grant, the first two tranches were granted as fully vested rights.
Exercise period	Between vesting and five-years from grant.
Holding locks	Shares allocated following exercise of vested rights will be subject to a holding lock until the CEO's minimum shareholding requirement (150% x FAR) has been met.
Cessation of employment	Unvested rights lapse on cessation, subject to Board discretion to determine otherwise. Vested rights are retained with no holding locks attached to the underlying shares.
Change of control	Board discretion to determine an appropriate treatment.
Access to dividends	Entitlement to dividend equivalent payments in relation to vested rights.
STI	
Changes in FY2022	Changes to FY2022 STI metrics: High Potential Incident Injury Ratio removed and Scope 1 & 2 emissions reduction added to the new 'Safety and Sustainability' component of the STI. Weighting on Serious Injury Case Rate (SICR) increased to ensure a 10% Safety scorecard weighting; re-weighting of EBIT, RONA and Cash Generation Efficiency (CGE) recognising the importance of improving earnings performance in FY2022. No deferred shares were granted during FY2022 as the Board exercised its discretion to zero out all FY2021 Executive STI payments. However, the deferred STI framework is still outlined below for reference.
Payment vehicle	Cash and deferred shares.
Opportunity	CEO: 0 to 150% of FAR; 100% at target. Other Executives: 0 to 120% of FAR; 60% at target. For Executives based outside of Australia, opportunities are referenced to base salary only.
Performance Measures	CEO: Safety, Health & Environment (25%); Financials (75%) comprising EBIT, RONA and CGE(1). Other Executives: Safety, Health & Environment (25%); Financials (50%); Strategic priorities (25%). For each measure, levels for threshold, target and maximum are set. Below threshold, no incentive is paid. Above threshold, straight-line vesting applies between threshold and target, and between target and maximum. While not specifically included as an STI metric for the CEO, the Board continues to measure progress against Orica's corporate plan, organisational health baselines, key people metrics and in strengthening business conduct and compliance frameworks. The determination of final performance outcomes for all Executives includes input from Board Committee Chairs and senior functional leaders (e.g., covering finance, legal, risk, safety, sustainability and people).

(1) For STI purposes, EBIT is defined as earnings from Continuing Operations before interest, tax and individually significant items; RONA is defined as EBIT/Net operating assets. Net operating assets is defined as rolling 12-month average assets including net property, plant and equipment; intangibles at NBV; current and non-current investments in associates at current carrying value; trade working capital; non-trade working capital excluding environmental provisions; CGE is defined as Net cash from operating activities (incorporating movement in 12-month average trade working capital) excluding cash outlays related to growth capital or other investments, non-trade working capital, and payments to and from shareholders and debt, but including sustaining capital/Earnings Before Interest, Taxes, Depreciation and Amortisation.

Deferred STI

CEO: 50% of STI delivered in deferred shares which vest after one-year and are subject to risk of forfeiture.
Other Executives: one-third of STI delivered in deferred shares which vest after one-year and are subject to risk of forfeiture.

The number of deferred shares granted is calculated using the five-day VWAP immediately after the announcement of our annual results.

Holding lock

Following the one-year vesting period, vested deferred shares are subject to a further three-year holding lock during which time Executives are restricted from trading in shares. Disposal restrictions may be lifted only where an Executive is required to fund personal tax obligations arising on vesting rights (applicable for certain non-Australian based Executives) or cessation.

Cessation of employment

Unvested deferred shares lapse on resignation or termination for cause. In other circumstances, being good leaver events, unvested shares may be retained subject to the original vesting period and holding lock.

Vested deferred shares: retained on cessation, subject to the original holding lock.

The Board retains discretion to determine a different treatment on cessation if considered appropriate in the circumstances.

Change of control

Board discretion to determine an appropriate treatment.

Access to dividends

During both the deferral and holding lock periods, Executives are entitled to accumulate dividends.

LTI

Changes in FY2022

Relative Total Shareholder Return introduced as a second equally weighted metric alongside RONA.

Payment vehicle

Performance rights (each vested right providing a 1:1 entitlement to Orica shares).

Opportunity (face value)

CEO: 200% of FAR grant at face value.

Other Executives: 120% of FAR grant at face value.

For Executives based outside of Australia, opportunities are referenced to base salary only.

The actual number of performance rights issued to each Executive was determined by dividing their respective grant values by the five-day VWAP of Orica shares following the announcement of our FY2021 annual results ($15.13).

Performance period

Performance is measured over three financial years (FY2022, FY2023 and FY2024).

Performance measure

50% of Rights are subject to RONA[(1)] – calculated as annual EBIT / rolling 12-month Net Operating Assets (calculated on an average basis over three financial years).
50% of Rights are subject to Relative Total Shareholder Return (rTSR) performance

Targets and vesting schedule

RONA Component (50%)

The FY2022 vesting schedule for the RONA performance measure is as follows:

Average RONA over 3 years	% of Rights vesting
Below 10.2%	No vesting
At 10.2%	30% of rights vest
Between 10.2% and 11.0%	Straight line vesting between 30% and 60%
At 11.0%	60% of rights vest
Between 11.0% and 11.8%	Straight line vesting between 60% and 100%
At or above 11.8%	100% of rights vest

The FY2022 LTI RONA targets reflected the Board's expectations in late 2021 for returns through the current industry / market cycle, our corporate plan and transformation program, and long-term growth expectations. As with prior LTI grants, to achieve target or above-target vesting, EBIT growth must be significantly above the Board's view of underlying explosives market growth.

Relative TSR Component (50%)

Orica's TSR performance over the performance period will be measured against the performance of constituents within the ASX 100 index, defined as at the start of the performance period (1 October 2021).

Orica TSR percentile ranking (against constituents of ASX 100)	% of Rights vesting
Below 50th	0%
50th (Target Performance)	50% of rights vest
Between 50th and 75th percentile	Straight line vesting between 50% and 100%
75th or above (Stretch performance)	100% of rights vest

Holding locks

Following the three-year performance period, vested performance rights are converted into shares and are subject to a further two-year holding lock during which time Executives are restricted from dealing in those shares. The holding lock is designed to support an owner's mindset and provide alignment with shareholders. Disposal restrictions may be lifted where an Executive is required to fund personal tax obligations arising from the vesting of performance share rights (applicable for certain non-Australian based Executives).

Cessation of employment

Unvested rights lapse on resignation or termination for cause. In other circumstances, being good leaver events, a pro-rata portion of rights (based on service period) is retained subject to the original vesting period and holding lock.

Vested rights are retained on cessation, subject to the original holding lock.

	The Board retains discretion to determine a different treatment on cessation if considered appropriate in the circumstances.
Change of control	Board discretion to determine an appropriate treatment.
Access to dividends	Executives are not entitled to receive dividends on unvested performance rights during the three-year performance period. Once vested, Executives are entitled to receive dividends during the two-year holding lock.

(1) For LTI purposes, RONA is defined as EBIT/Net operating assets. Net operating assets is defined as rolling 12-month average assets including net property, plant and equipment; intangibles at NBV; current and non-current investments in associates at current carrying value; trade working capital; non-trade working capital excluding environmental provisions; EBIT is defined as earnings from Continuing Operations before interest, tax and individually significant items.

The Board has an overriding discretion to adjust final outcomes under the terms of both the STI and LTI plans to ensure executive reward outcomes are reflective of our overall performance and aligned to shareholder expectations.

3.2 Short-term incentive outcomes – link to performance

(a) Summary of FY2022 STI performance conditions and performance level achieved

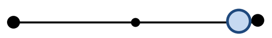
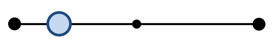
Consistent with the prior year, performance is measured against a suite of Safety, Sustainability, Financial and Strategic metrics as part of each Executive's performance review. Key drivers of performance within each STI scorecard component are outlined below.

Safety continues to be our most important priority and we saw an improvement in Group and Regional SICR throughout the year. Tragically in FY2022, we are reporting two fatalities, one relating to an incident at a customer site in far-east Russia and the other, an event in 2021 at a site in Kazakhstan. Detailed investigations into both incidents have been conducted with learnings implemented across the business including reinforcement of the critical safety measures in place to keep our people, customers and communities safe. In determining overall STI outcomes, the Board considered the impact of these fatalities, and with the support of management has exercised its discretion to reduce the STI outcomes for all Executives by 10%. This adjustment reflects Orica's long-held view that all Executives have a responsibility to ensure our people return home safety.

In relation to Loss of Containment, we are pleased that both the number and time to resolve spills have improved, with the majority of events attracting a Severity 0 classification (the lowest severity rating). Strong progress has also been made towards our stated greenhouse gas emissions target of at least a 40% reduction in net Scope 1 & 2 operational emissions by 2030, with tertiary abatement technology successfully operating at Carseland and installation of this technology expected to begin at Kooragang Island early into FY2023. However, during FY2022, the Board endorsed decision to rapidly increase production at our Yarwun and Bontang manufacturing sites to offset the impact of restrictions on the sale of Russian AN resulted in a below target Scope 1 & 2 emissions reduction metric outcome. Despite this outcome being the result of external factors and the Board endorsed production decision, no adjustment has been made by the Board, reinforcing our strong commitment to our sustainability targets so early in our journey.

Against a backdrop of global uncertainty, extensive supply chain disruption and high inflation, the business delivered improved financial results across all regions, with Group EBIT and RONA well above stretch targets set by the Board. Our financial performance reflects solid volume growth, a greater demand for premium products across the regions and improved commercial discipline in both customer and supply contracts. In response to changing external conditions and in accordance with a Board endorsed decision to maintain higher levels of inventory from December 2021 to ensure security of supply to our customers, trade working capital was higher than originally planned. Given this, the Board considered it appropriate to exercise its discretion to calculate CGE after removing the impact of higher AN inventory volumes that were held as a result of the disruption in Russian AN supply from December 2021.

The CEO's FY2022 STI outcome was 82.9% of his maximum STI opportunity. Outcomes against each STI scorecard metric are summarised below.

Measure	Target	Weighting (at target)	2022 performance Threshold 50%	 Target 100%	 Max 150%	Weighted Outcome (%)	Performance commentary
Safety and Sustainability	*Rewards a continuous focus on ensuring safe and reliable operations, and reducing the impact of our business on the environment*						
SICR[(1)]	0.143	10%				8.1%	While SICR outcomes significantly improved from FY2021, we were still disappointed with our overall safety performance in FY2022. Improving Group SICR will be a major focus along with other key controls over the coming year.
Loss of Containment[(2)]	29	5%				7.1%	We again saw a strong focus on minimising the impact of LOC events, leading to a reduction in total events compared to FY2021.
Global Scope 1 & 2 GHG Emissions Reduction[(3)]	14.7%	10%				6.7%	Net emissions reduced slightly from the prior year (FY2021: 1,898; FY2022: 1,883) despite the unexpected material production uplift due to the Russia-Ukraine conflict; however, with ambitious targets set for FY2022 the outcome fell short of target.

Financials	*Rewards improvements to earnings, enhanced returns from invested capital, developing enabling technology and adjacency growth, optimising capital allocation and reallocation*			
EBIT[4]	$501.4	30%	45.0%	EBIT was above stretch, underpinned by improved commercial discipline and solid volume growth.
RONA[4]	10.1%	30%	45.0%	RONA was above stretch, predominantly due to higher EBIT, noting that net assets were adjusted in the final calculations to remove any benefit to management from one-off significant items such as FY2022 impairments.
CGE[4]	49.0%	15%	22.5%	Discretion was exercised by the Board to assess CGE after adjusting for the impact of higher AN inventory volumes to ensure security of supply following the disruption in Russian supply.
Board discretion	*In acknowledgement of the two fatalities that occurred in our Russia and Kazakhstan businesses, a downward adjustment of 10% has been applied to the final outcome. The CEO and management team are committed to ensuring we learn from these tragic events and reinforce critical safety measures in place to keep our people, customers and communities safe.*			
Overall STI outcome		**% of Target**	**124.4%**	
		% of Maximum	**82.9%**	

(1) SICR measures the total number of Severity 3 and Severity 4 injuries and illnesses per 200,000 hours worked by an employee/contractor. Excludes non-work-related injury/illness and occupational disease or illness that are attributable to chronic exposure to harmful agents over an extended period.

(2) LOC measures the total number of uncontrolled releases of material from a primary containment that results in a Severity 1 or greater environmental impact on water or soil. From FY2022, the targets exclude events occurring in transit, the focus being on events that are with Orica's direct operational control.

(3) Scope 1 and 2 refers to emissions under Orica's operational control, measured in accordance with the GHG Protocol and National Greenhouse and Energy Reporting (NGER) Measurement Determination.

(4) Refer section 3.1 for the definitions of EBIT, RONA and CGE for FY2022 STI purposes.

Strategic objectives relevant to each Executives' accountabilities were determined and approved by the Board at the start of the financial year with clear alignment to Orica's refreshed corporate strategy. As applicable, FY2022 Executive STI scorecards included metrics relating to the commercialisation of new technologies, growth within key focus areas, business efficiencies, operating model improvements and sustainability. Achievement against these objectives was generally assessed as being between target and stretch. Overall outcomes for Executive KMP (other than the CEO) ranged from 25.0% to 82.0% of their maximum opportunity.

(b) Short-term incentive outcome – FY2022

Details of the FY2022 outcomes for eligible Executive KMP are set out in the table below:

For the year ended 30 September 2022	Maximum STI opportunity $000	Actual STI paid in cash $000	Actual STI paid in deferred equity[1] $000	Actual STI payment as % of maximum	% of maximum STI forfeited
Current Executive KMP					
Sanjeev Gandhi	2,550.0	1,057.4	1,057.4	82.9%	17.1%
Christopher Davis[2]	1,095.0	273.8	-	25.0%	75.0%
Angus Melbourne	1,103.8	603.4	301.7	82.0%	18.0%
Leah Barlow[3]	225.0	121.1	60.5	80.7%	19.3%

(1) Under AASB 2 *Share-based Payments*, STI paid to Executives as deferred shares is accounted for as a share-based payment and expensed over two years. Accordingly, 50% of the value of deferred equity is included in each Executive KMP's share based payments expense in the relevant performance year with the remainder included in the subsequent year. No deferred equity was awarded in respect of FY2021 performance.

(2) In accordance with the terms of the STI plan, as Christopher Davis will cease to be employed with Orica at the end of December 2022, the FY2022 STI will be paid in cash, with no deferred shares to be granted.

(3) Refers only to Leah Barlow's KMP period (from 1 July 2022).

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3.3 Long-term incentive outcome

The table below summarises the LTI Plan awards tested in the current financial year together with awards that remain unvested. The current face value (and the estimate of the maximum possible total value) of LTI Plan awards granted during FY2022 that are yet to vest, can be determined by multiplying the number of awards shown in Section 6.2 by the current share price of the Company. The minimum possible total value of the awards is nil. The actual value that may ultimately be received by Executives cannot be determined as it is dependent on and therefore fluctuates with movements in the Company's share price.

Plan	Grant	Performance period	Performance measures applicable to award	Outcome
LTIP	FY2019	FY2019 – FY2021	RONA (100%)	No vesting
LTIP	FY2020	FY2020 – FY2022	RONA (100%)	Not yet tested
LTIP	FY2021	FY2021 – FY2023	RONA (100%)	Not yet tested
LTIP	FY2022	FY2022 – FY2024	RONA (50%), rTSR (50%)	Not yet tested

The FY2019 grant was tested in November 2021 but did not vest as the three-year average RONA was below the required threshold. In determining the average RONA outcome, the Board applied discretion to adjust EBIT and Net Operating Assets (being the inputs used to calculate RONA) to remove the acquisition year impact of the Exsa (FY2020) transaction, and the impact of the IRFS-16 leasing standards and recent SaaS accounting changes. Net Operating Assets was also adjusted to ensure management were not advantaged from impairments to IT and other assets, the write down of defective assets at Burrup and other business impairments that occurred during FY2021. Overall, management were neither advantaged nor disadvantaged by the adjustments made and they did not change the vesting outcome.

	Final outcome	Vesting position	% Rights vesting
RONA (3-year average)	10.7%	Below threshold of 13.7%	0%

3.4 Equity granted in FY2022

The table below presents the equity granted at face value to Executive KMP during FY2022.

Executives (KMP)	FY2022 LTI(1) $000	FY2021 Deferred shares(2) $000	Other(3) $000	Total $000
Sanjeev Gandhi	3,400.0	-	300.0	3,700.0
Christopher Davis	1,050.0	-	-	1,050.0
Angus Melbourne	1,103.8	-	-	1,103.8
Total	**5,553.8**	**-**	**300.0**	**5,853.8**

(1) Due to vest in November 2024 subject to satisfaction of performance conditions and then subject to a two-year holding lock.

(2) No FY2021 Executive STI payments were made and therefore no FY2021 deferred shares were granted.

(3) Relates to Sanjeev Gandhi's FY2022 fixed equity grant which as part of his FAR vests in equal monthly tranches (refer Section 3.1 for details).

3.5 Overview of business performance – five-year comparison

The table below summarises key indicators of the performance of the Company, relevant shareholder returns over the past five financial years, and average Executive KMP STI vesting outcomes.

Financial year ended 30 September	2018	2019	2020	2021	2022
Profit/(loss) from the consolidated group operations ($m)	242.8	468.8	320.6	(27.3)	**304.5**
Individually significant items ($m)(1)	375.3	195.9	293.1	453.9	**274.0**
EBIT ($m)(2)	618.1	664.7	613.7	426.6	**578.5**
Dividends per ordinary share (cents)	51.5	55.0	33.0	24.0	**35.0**
Closing share price ($ as at 30 September)	17.03	22.54	15.43	13.79	**13.22**
Three-month average share price (1 July to 30 September) each year	17.31	21.36	17.05	12.83	**15.41**
EPS growth (%)(2)	(16.6)	14.2	(22.8)	(32.3)	**49.2**
NPAT ($m)(2)	324.2	371.9	299.1	208.4	**317.0**
External Sales ($m)	5,373.8	5,878.0	5,611.3	5,682.2	**7,327.5**
Cumulative TSR (%)(3)	(11.66)	11.56	(8.91)	(30.35)	**(14.94)**
Average STI received as % of maximum opportunity for Executives(4)	23.0	53.3	29.2	0.0	**67.7%**

(1) This figure is before interest, tax and non-controlling interest.

(2) Before individually significant items.

(3) Cumulative TSR has been calculated using the same start date for each period measured (1 October 2017). In calculating the cumulative TSR, three-month average share prices (1 July to 30 September for each year) have been used.

(4) Refers to awards received by Executive KMP under the Executive STI plan.

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3.6 Service agreements

Remuneration and other terms of employment for Executives are formalised in service agreements. The terms and conditions of employment of each Executive reflect market conditions at the time of their contract negotiation on appointment or subsequently. The material terms of the employment contracts for the current Executive KMP are summarised in the table below and subject to applicable law.

Contractual Term	Application	Conditions
Duration of contract	All Executive KMP	Permanent full-time employment contract until notice given by either party.
Notice period to be provided by Executive	All Executive KMP	Six months.
Notice period to be provided by Orica	MD & CEO	Six months. Orica may elect to make payment in lieu of notice. In the event of Orica terminating the service agreement, the MD & CEO will be entitled to receive a termination payment of six months' salary (less any payment in lieu of notice). Should the MD & CEO's service agreement be terminated by mutual agreement, six months' salary is payable (in which case no notice is required to be given).
	Other Executive KMP	Executives have either a 13 week or 26 week notice period. Executives are entitled to be paid an amount equivalent to up to 26 weeks' FAR on termination.
Post-employment restraints	All Executive KMP	Each Executive has also agreed to restraints and non-solicitation undertakings as part of their service agreements, which will apply upon cessation of their employment to protect the legitimate business interests of Orica.

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Section 4. Non-Executive Director arrangements

4.1 Overview

Fees for Non-Executive Directors (Directors) are set by reference to:

- the individual's responsibilities and time commitment attached to the role of Director and Committee membership;
- the Company's existing remuneration policies and survey data sourced from external specialists; and
- fees paid by comparable companies and the level of remuneration required to attract and retain Directors of the appropriate calibre.

To preserve their independence, Directors do not receive any form of performance-based pay.

The current aggregate fee pool for Directors of $2,750,000 was approved by shareholders at our 2019 Annual General Meeting. The Company pays both superannuation and Committee fees to the Directors from this pool. Committee fees are not paid to the Chairman of the Board.

4.2 Fees and other benefits

The table below sets out the elements of Directors' fees and other benefits applicable for the full FY2022.

Fees/benefits	Description	2022 $	Included in shareholder approved cap
Board fees	**Main Board**		
	Chairman – Malcolm Broomhead	510,000	Yes
	Members – all Non-Executive Directors	177,000	
Committee fees	**Board Audit and Risk Committee**		Yes
	Chairman – Gene Tilbrook	45,000	
	Members – Maxine Brenner, Boon Swan Foo, Gordon Naylor (from 1 September 2022)	22,500	
	Human Resources and Compensation Committee		
	Chairman – Maxine Brenner	45,000	
	Members – Denise Gibson, Karen Moses	22,500	
	Innovation and Technology Committee		
	Chairman – Denise Gibson	45,000	
	Members – John Beevers, Boon Swan Foo	22,500	
	Safety and Sustainability Committee		
	Chairman – Karen Moses	45,000	
	Members – John Beevers, Gene Tilbrook	22,500	
Superannuation	Superannuation contributions are made on behalf of the Directors at a rate of 10.5% from 1 July 2022 (10.0% prior to 1 July 2022) being the current superannuation guarantee contribution rate subject to a cap at the Maximum Contributions Base.		Yes
Other fees/benefits	Directors receive a travel allowance based on the hours travelled to a Board meeting. The allowance paid is $3,000 per meeting for travel between three and 10 hours, or $6,000 if travel time exceeds 10 hours. Directors are also entitled to be paid additional fees for extra services or special exertions.		No

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Section 5. Remuneration governance

5.1 Responsibility for setting remuneration

The HR&CC (the Committee) is delegated responsibility by the Board for reviewing and making recommendations on our remuneration policies, including policies governing the remuneration of Executives.

Activities of the Committee are governed by its Terms of Reference, which is available on our website at www.orica.com. Among other responsibilities, the Committee assists the Board in its oversight of:

- remuneration policy for Executives
- level and structure of remuneration for Senior Executives, including STI and LTI plans
- the Company's compliance with applicable legal and regulatory requirements in respect of remuneration matters; and
- approval of the allocation of shares and awards under Orica's equity programs.

5.2 Use of remuneration advisors during the year

No remuneration recommendations were received from remuneration advisors as defined under the *Corporations Act 2001*.

5.3 Securities dealing policy and Malus

Securities dealing

All Executives are required to comply with our Securities' Dealing Policy at all times and in respect of all Orica shares held, including any defined employee share plans. Trading is subject to pre-clearance and is not permitted during designated blackout periods unless there are exceptional circumstances. Executives are prohibited from using any Orica shares as collateral in any margin loan or derivative arrangement.

Malus

Orica's Malus Standard allows the Board to require any Executive to forfeit in full or in part, any unvested LTIP or deferred STI award as a result of:

- a material misstatement in financial results
- behaviour that brings Orica into disrepute or has the potential to do so
- serious misconduct
- any other circumstance, which the Board has determined in good faith.

In considering whether any adjustment is necessary in respect of any or all participants, the Board may take into account the individual's level of responsibility, accountability or influence over the action or inaction, the quantum of the actual loss or damage, any impact on our financial soundness or reputational standing, the extent to which any internal policies, external regulations and/or risk management requirements were breached, and any other relevant matters.

5.4 Executive and Director share ownership

The Board considers that an important foundation of our Executive Remuneration Framework is that each Executive and Director accumulate and hold a significant number of Orica shares to align their interests as long-term investors.

Executives

The Executive Minimum Shareholding Guideline requires each Executive to accumulate a minimum vested equity holding in Orica over a fixed time period from their appointment. The requirement is 150% of FAR over five years from appointment for the CEO and 50% of FAR over six years from appointment (by 31 December 2022 for individuals in their Executive role prior to introduction of the guideline) for other Executives.

Non-Executive Directors

To create alignment between Directors and shareholders, Directors are required to hold (or have a benefit in) shares in the Company equivalent in value to at least one year's base fees. Such holdings must be acquired over a reasonable time using personal funds.

Remuneration Report (audited)

The table below sets out the number of shares held directly and indirectly by Directors and Executive KMP employed as at 30 September 2022:

	Balance at 1 October 2021	Acquired[1]	Disposed	Balance at 30 September 2022	Minimum Shareholding Required[2]	Date Minimum Shareholding Required to be met[3]
Executive KMP						
Sanjeev Gandhi[4]	40,735	36,836	-	77,571	192,890	31 March 2026
Christopher Davis	44,506	11,695	-	56,201	35,930	30 September 2024
Angus Melbourne	55,896	6,395	-	62,291	34,788	31 December 2022
Leah Barlow[5]	3,810	-	-	3,810	28,366	31 March 2027
Directors						
Malcolm Broomhead	37,984	1,963	-	39,847	38,578	
John Beevers	14,800	-	-	14,800	13,389	
Maxine Brenner	9,539	-	-	9,539	13,389	
Boon Swan Foo	-	16,000	-	16,000	13,389	
Denise Gibson	13,000	-	-	13,000	13,389	
Karen Moses	11,000	3,348	-	14,348	13,389	
Gordon Naylor[5]	-	11,500	-	11,500	13,389	
Gene Tilbrook	14,070	1,963	-	16,033	13,389	

(1) Shares acquired include FY2020 STI deferred shares that have vested but remain subject to holding locks and shares acquired through the Dividend Reinvestment Plan (DRP).

(2) Calculated using base fees or FAR and the Orica closing share price as at 30 September 2022.

(3) Directors are required to acquire a shareholding of at least one year's base fees over a reasonable time.

(4) Includes 30,428 vested rights granted under the CEO's fixed equity arrangement (relating to his FY2021 and FY2022 awards) as these are no longer subject to forfeiture and can be converted into ordinary shares with nil consideration.

(5) Opening balance shown refers to their balance on commencement as KMP.

Section 6. KMP statutory disclosures

6.1 Executive KMP remuneration

Details of the nature and amount of each element of remuneration for the Executive KMP are set out in the table below. Remuneration outcomes presented in these tables are calculated with reference to the *Corporations Act 2001* and relevant Australian Accounting Standards for FY2022 rather than the basis of take-home pay.

	Short-term employee benefits				Post-employment benefits				
	Base (Fixed) Pay $000	Cash STI Payment[1] $000	Other Benefits[2] $000	Other Long-Term Benefits[3] $000	Super-annuation Benefits $000	Termi-nation Benefits $000	Total excluding SBP* Expense $000	SBP Expense [4][5] $000	Total $000
Current Executive KMP									
Sanjeev Gandhi									
2022	**1,400.0**	**1,057.4**	**133.3**	**0.0**	**0.0**	**0.0**	**2,590.7**	**959.7**	**3,550.4**
2021	1,200.0	-	96.6	-	-	-	1,296.6	701.5	1,998.1
Christopher Davis									
2022	**888.5**	**273.8**	**4.6**	**25.0**	**24.0**	**0.0**	**1,215.9**	**200.8**	**1,416.7**
2021	852.8	-	48.2	14.0	22.2	-	937.2	58.4	995.6
Angus Melbourne									
2022	**895.8**	**603.4**	**15.3**	**0.0**	**24.0**	**0.0**	**1,538.5**	**200.9**	**1,739.4**
2021	897.6	-	46.2	-	22.2	-	966.0	51.2	1,017.2
Leah Barlow[6]									
2022	**181.2**	**121.1**	**11.0**	**0.0**	**6.3**	**0.0**	**319.6**	**-**	**319.6**
2021	-	-	-	-	-	-	-	-	-
Total Current Executive KMP									
2022	**3,365.5**	**2,055.7**	**164.2**	**25.0**	**54.3**	**0.0**	**5,664.7**	**1,361.4**	**7,026.1**
2021	2,950.4	0.0	191.1	14.0	44.4	0.0	3,199.8	811.1	4,010.9
Former Executive KMP									
James Bonnor[6]									
2022	-	-	-	-	-	-	-	-	-
2021	849.6	-	636.6	11.3	22.2	-	1,519.7	50.2	1,569.9
Brian Gillespie[6]									
2022	-	-	-	-	-	-	-	-	-
2021	232.2	-	26.3	-	9.5	-	268.0	-	268.0
Germán Morales[6]									
2022	-	-	-	-	-	-	-	-	-
2021	756.8	-	435.1	-	27.2	-	1,219.1	44.8	1,263.9
Total									
2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2021	1,838.6	0.0	1,098.0	11.3	58.9	0.0	3,006.8	95.0	3,101.8

* Share-based payment (SBP).

(1) Cash STI Payment includes payments relating to FY2022 performance accrued but not paid until FY2023.

(2) These benefits include car parking, medical and insurance costs, relocation or assignment related expenses including reimbursement of accommodation, health insurance and taxation services, and movements in annual leave accrual (inclusive of any applicable fringe benefits tax). A negative balance may appear where the leave accrual has decreased from the prior year.

(3) This benefit includes the movement in long service leave accrual.

(4) This includes the value calculated under AASB 2 *Share-based Payment* to Executives which vests over three years. Value only accrues to the Executive when performance conditions have been met. The share-based payment expense represents the amount required under Accounting Standards to be expensed during the year in respect of current and past long-term incentive allocations to Executives. These amounts are therefore not amounts received by Executives during the year nor may they be payable to the Executive at any other time if performance hurdles are not met. The mechanism which determines whether long-term incentives vest in the future is described in Section 3.1. Where a negative SBP Expense is shown, this represents a write-back of a previous share-based payment accrual based on a revised estimate of performance conditions being met.

(5) Under AASB 2 *Share-based Payment*, STI paid to Executives as deferred equity is accounted for as a share-based payment and expensed over two years. Accordingly, 50% of the value of deferred equity is included in the Executives share-based payment expense in the relevant performance year with the remainder included in the subsequent year. No deferred equity was awarded in respect of FY2021 performance.

(6) Remuneration for 2022 relates to the Executive KMP period only. Remuneration relating to former Executive KMP in 2021 is included for comparative purposes.

6.2 Summary of awards held under Orica's Executive equity arrangements

Details of LTIP performance rights, CEO restricted rights, sign-on rights and deferred shares awarded under the STI plan are set out in the table below.

For the year ended 30 September 2022	Grant date	Granted during FY2022	Vested	Lapsed	Balance at year end	Fair value of instruments at grant date $	Value of equity instruments included in compensation for the year $
Current Executive KMP							
Sanjeev Gandhi							
FY2022 Fixed Equity Rights[1]	3 Dec 21	19,828	19,828	-	-	300,000	300,000
FY2022 LTIP Performance rights	17 Jan 22	224,719	-	-	224,719	1,902,244	461,150
FY2021 LTIP Performance rights	3 Feb 21	-	-	-	70,629	949,960	-
Sign-on rights[2]	20 July 20	-	15,045	-	-	749,988	198,515
Christopher Davis							
FY2022 LTIP Performance rights	17 Jan 22	69,398	-	-	69,398	587,454	142,413
FY2021 LTIP Performance rights	3 Feb 21	-	-	-	61,801	831,223	-
FY2020 LTIP Performance rights	10 Jan 20	-	-	-	44,112	851,803	-
FY2019 LTIP Performance rights	11 Jan 19	-	-	52,892	-	778,041	-
FY2020 STI Deferred shares[3]	8 Dec 20	-	6,874	-	-	116,796	58,398
Angus Melbourne							
FY2022 LTIP Performance rights	17 Jan 22	72,951	-	-	72,951	617,528	149,704
FY2021 LTIP Performance rights	3 Feb 21	-	-	-	64,965	873,779	-
FY2020 LTIP Performance rights	10 Jan 20	-	-	-	46,370	895,405	-
FY2019 LTIP Performance rights	11 Jan 19	-	-	59,237	-	871,376	-
FY2020 STI Deferred shares[3]	8 Dec 20	-	6,029	-	-	102,435	51,218

(1) A grant of restricted rights was made to Sanjeev Gandhi in relation to his FY2022 fixed equity component of remuneration. 11 of the 12 tranches vested during FY2022 (in relation to service from 1 October to 31 August 2022) with the remaining tranche vesting on 1 October 2022 (in relation to service from 1 September to 30 September 2022).

(2) A grant of sign-on rights was made to Sanjeev Gandhi following commencement of employment with Orica in FY2021. Tranche 2 (33.33% of the rights) vested on 31 December 2021.

(3) The FY2020 deferred shares vested on 7 December 2021. Per the terms and conditions of grant, the vested shares remain subject to disposal restrictions via a holding lock for a further three years following vesting which prevents Executives from selling the vested shares during this period. In certain situations where a tax charge to participants arose at vesting, Executives were permitted to sell sufficient shares to cover the tax liability with the remaining shares.

Remuneration Report (audited)

The total number of rights and the fair value of rights issued under the LTI are:

Grant date	Vesting date	Number of rights issued	Number of rights held at 30 September 2022	Number of rights held at 30 September 2021	Number of participants at 30 September 2022	Number of participants at 30 September 2021	Fair value of rights at grant date $
29 Jul 22[1]	30 Nov 24	23,378	23,378	-	2	-	392,283
17 Jan 22	30 Nov 24	1,061,048	1,008,986	-	244	-	14,196,822
17 Jan 22[2]	30 Nov 24	733,498	733,498	-	9	-	9,814,203
30 Jul 21[1]	30 Nov 23	36,834	36,834	36,834	3	4	535,566
3 Feb 21	30 Nov 23	1,226,741	1,065,573	1,065,573	286	306	17,836,814
3 Feb 21[2]	30 Nov 23	776,085	440,815	440,815	9	9	10,438,343
10 Jan 20	30 Nov 22	939,811	754,443	886,806	281	292	19,623,254
10 Jan 20[2]	30 Nov 22	507,595	267,429	474,827	7	7	9,801,689
08 Aug 19[1]	30 Nov 21	71,078	-	54,830	-	15	1,256,097
11 Jan 19	30 Nov 21	1,139,030	-	1,001,594	-	278	18,110,577
11 Jan 19[2]	30 Nov 21	782,122	-	681,806	-	10	11,440,237

The assumptions underlying the rights valuations are:

Grant date	Price of Orica Shares at grant date $	Expected volatility in share price %	Dividends expected on shares %	Risk free interest rate %	Fair value per right RONA $	Fair value per right RTSR $
29 Jul 22[1]	16.78	30.0	2.96	1.26	12.31	6.50
17 Jan 22	13.38	30.0	2.96	1.26	12.31	6.50
17 Jan 22[2]	13.38	30.0	2.96	1.26	11.08	5.85
30 Jul 21[1]	12.39	22.5	3.00	0.11	14.54	-
3 Feb 21	15.79	22.5	3.00	0.11	14.54	-
3 Feb 21[2]	15.79	22.5	3.00	0.11	13.45	-
10 Jan 20	22.71	20.0	3.00	0.79	20.88	-
10 Jan 20[2]	22.71	20.0	3.00	0.79	19.31	-
08 Aug 19[1]	22.51	25.0	3.00	1.81	15.90	-
11 Jan 19	17.30	25.0	3.00	1.81	15.90	-
11 Jan 19[2]	17.30	25.0	3.00	1.81	14.71	-

(1) A supplementary LTI offer was made in August 2019, July 2021 and July 2022 to selected senior management who joined Orica after the grant date of the main offer in January 2019, February 2021 and January 2022. No supplementary offer was made in 2020. The terms and conditions of the supplementary offer are the same as the main offer.

(2) Under the Executive LTI plan, performance rights granted are subject to a single performance condition, RONA with a two-year holding lock applying to shares acquired following vesting. A discount to the fair value has been made to reflect lack of marketability during this period.

Remuneration Report (audited)

6.3 Non-Executive Director remuneration

Details of Non-Executive Directors' remuneration are set out in the following table:

	Short-term employee benefits			Post-employment benefits	
	Directors fees $000	Committee fees $000	Other benefits[1] $000	Superannuation $000	Total $000
Current Directors					
Malcolm Broomhead, Chairman[2]					
2022	**510.0**	**0.0**	**0.6**	**24.0**	**534.6**
2021	340.0	0.0	0.6	16.3	356.9
John Beevers					
2022	**177.0**	**45.0**	**0.0**	**22.5**	**244.5**
2021	177.0	45.0	-	21.8	243.8
Maxine Brenner					
2022	**177.0**	**67.5**	**0.0**	**24.0**	**268.5**
2021	177.0	67.5	-	22.2	266.7
Boon Swan Foo					
2022	**177.0**	**45.0**	**9.0**	**22.5**	**253.5**
2021	177.0	45.0	-	21.8	243.8
Denise Gibson					
2022	**177.0**	**67.5**	**12.0**	**24.0**	**280.5**
2021	177.0	67.5	-	22.2	266.7
Karen Moses[3]					
2022	**191.2**	**67.5**	**0.0**	**9.8**	**268.5**
2021	193.3	67.5	-	5.9	266.7
Gordon Naylor[4]					
2022	**88.5**	**1.9**	**12.0**	**9.3**	**111.7**
2021	-	-	-	-	-
Gene Tilbrook					
2022	**177.0**	**67.5**	**12.0**	**24.0**	**280.5**
2021	177.0	67.5	-	22.2	266.7
Total Directors					
2022	**1,674.7**	**361.9**	**45.6**	**160.1**	**2,242.3**
2021	1,418.3	360.0	0.6	132.4	1,911.3

(1) These benefits include travel allowances and car parking benefits.
(2) Malcolm Broomhead forfeited his FY2021 Board Chairman fees from 1 June 2021 to 30 September 2021.
(3) Karen Moses elected not to receive superannuation contributions from Orica from 1 March 2022 to 30 September 2022. Superannuation contributions were received in accordance with statutory requirements from 1 October 2021 to 28 February 2022.
(4) Gordon Naylor was appointed as a Non-Executive Director on 1 April 2022.

Rounding

The amounts shown in this report and in the financial statements have been rounded off, except where otherwise stated, to the nearest tenth of a million dollars, the Company being in a class specified in the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016.

The Directors' Report is signed on behalf of the Board in accordance with a resolution of the Directors of Orica Limited.

M W Broomhead
Chairman
Dated at Melbourne 8 November 2022

S Gandhi
Managing Director and Chief Executive Officer

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

To the Directors of Orica Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Orica 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

KPMG

Penny Stragalinos

Partner

Melbourne

8 November 2022

Income Statement

For the year ended 30 September

	Notes	Consolidated 2022 $m	2021 $m
Continuing operations			
Sales revenue	(1b)	**7,096.4**	5,207.9
Other income	(1d)	**31.8**	45.7
Raw materials and inventories		**(3,909.5)**	(2,449.8)
Employee benefits expense		**(1,223.7)**	(1,111.2)
Depreciation and amortisation expense	(1b)	**(385.8)**	(358.1)
Purchased services and other expenses		**(622.0)**	(510.3)
Outgoing freight		**(307.1)**	(304.6)
Repairs and maintenance		**(156.1)**	(149.4)
Impairment expense	(1e)	**(167.9)**	(480.0)
Loss on sale of JSC "Orica CIS"	(1e)	**(40.6)**	-
Gain on sale of Nitro Consult AB	(1e)	**19.5**	-
Operating model restructuring	(1e)	**-**	(45.6)
Significant environmental provision expense	(1e)	**-**	(39.3)
Gain on sale of Botany site	(1e)	**-**	71.6
Gain on sale of Villawood site	(1e)	**-**	40.8
Share of net profit of equity accounted investees	(13)	**39.8**	34.4
Total		**(6,753.4)**	(5,301.5)
Profit/(loss) from operations		**374.8**	(47.9)
Net financing costs			
Financial income	(3b)	**2.1**	1.0
Financial expenses	(3b)	**(102.4)**	(106.3)
Net financing costs	(3b)	**(100.3)**	(105.3)
Profit/(loss) before income tax expense from continuing operations		**274.5**	(153.2)
Income tax expense	(11)	**(140.9)**	(25.3)
Profit/(loss) after tax from continuing operations		**133.6**	(178.5)
Discontinued operations			
Net loss on sale of Minova after tax	(1e)	**(93.7)**	-
Profit after tax from Minova	(15)	**9.1**	14.6
(Loss)/profit after tax from discontinued operations		**(84.6)**	14.6
Net profit/(loss) for the year		**49.0**	(163.9)
Net profit/(loss) for the year attributable to:			
Shareholders of Orica Limited		**60.1**	(173.8)
Non-controlling interests		**(11.1)**	9.9
Net profit/(loss) for the year		**49.0**	(163.9)
		cents	cents
Earnings per share attributable to ordinary shareholders of Orica Limited:			
From continuing operations:			
Basic earnings per share	(2)	**35.1**	(46.3)
Diluted earnings per share	(2)	**35.0**	(46.3)
Total attributable to ordinary shareholders of Orica Limited			
Basic earnings per share	(2)	**14.5**	(42.7)
Diluted earnings per share	(2)	**14.4**	(42.7)

The Income Statement is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Comprehensive Income

For the year ended 30 September

	Notes	Consolidated 2022 $m	2021 $m
Net profit/(loss) for the year		**49.0**	(163.9)
Other comprehensive income			
Items that may be reclassified subsequently to income statement:			
Exchange differences on translation of foreign operations			
Exchange gain on translation of foreign operations, net of tax	(11c)	**164.2**	3.7
Net (loss)/gain on hedge of net investments in foreign subsidiaries, net of tax	(11c)	**(64.5)**	2.5
Currency translation on companies disposed of, transferred to the income statement		**135.3**	-
Net exchange differences on translation of foreign operations		**235.0**	6.2
Sundry items:			
Net gain on cash flow hedges, net of tax	(11c)	**12.1**	5.4
Items that will not be reclassified subsequently to income statement:			
Net actuarial gain on defined benefit obligations, net of tax	(11c)	**65.9**	54.9
Other comprehensive income for the year		**313.0**	66.5
Total comprehensive income/(loss) for the year		**362.0**	(97.4)
Attributable to:			
Shareholders of Orica Limited		**372.2**	(105.1)
Non-controlling interests		**(10.2)**	7.7
Total comprehensive income/(loss) for the year		**362.0**	(97.4)

The Statement of Comprehensive Income is to be read in conjunction with the accompanying notes to the financial statements.

Balance Sheet

As at 30 September

	Notes	Consolidated 2022 $m	2021 $m
Current assets			
Cash and cash equivalents		**1,255.3**	551.0
Trade receivables	(5)	**903.1**	678.2
Other receivables		**126.8**	112.1
Inventories	(5)	**872.6**	635.8
Assets held for sale	(15)	**-**	298.2
Other assets		**151.7**	116.3
Total current assets		**3,309.5**	2,391.6
Non-current assets			
Other receivables		**56.6**	33.8
Equity accounted investees	(13)	**323.8**	290.4
Property, plant and equipment	(7)	**3,082.3**	3,040.2
Intangible assets	(8)	**1,142.9**	1,150.4
Deferred tax assets	(11d)	**395.6**	400.2
Other assets		**57.1**	59.1
Total non-current assets		**5,058.3**	4,974.1
Total assets		**8,367.8**	7,365.7
Current liabilities			
Trade payables	(5)	**1,091.7**	876.5
Other payables		**385.6**	287.5
Interest bearing liabilities	(3a)	**713.3**	61.4
Provisions	(6)	**229.1**	223.1
Liabilities held for sale	(15)	**-**	137.8
Other liabilities		**60.5**	82.5
Total current liabilities		**2,480.2**	1,668.8
Non-current liabilities			
Other payables		**31.2**	8.8
Interest bearing liabilities	(3a)	**1,693.7**	2,261.8
Provisions	(6)	**329.8**	533.7
Deferred tax liabilities	(11d)	**47.2**	39.6
Other liabilities		**56.5**	60.6
Total non-current liabilities		**2,158.4**	2,904.5
Total liabilities		**4,638.6**	4,573.3
Net assets		**3,729.2**	2,792.4
Equity			
Ordinary shares	(4a)	**3,389.7**	2,686.1
Reserves		**(397.0)**	(647.2)
Retained earnings		**693.1**	687.4
Total equity attributable to ordinary shareholders of Orica Limited		**3,685.8**	2,726.3
Non-controlling interests		**43.4**	66.1
Total equity		**3,729.2**	2,792.4

The Balance Sheet is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 September

	Ordinary shares $m	Retained earnings $m	Foreign currency translation reserve $m	Cash flow hedge reserve $m	Other reserves $m	Total $m	Non-controlling interests $m	Total equity $m
2021								
Balance at 1 October 2020	2,659.1	903.8	(527.7)	(22.0)	(120.6)	2,892.6	47.8	2,940.4
Net (loss)/profit for the year	-	(173.8)	-	-	-	(173.8)	9.9	(163.9)
Other comprehensive income/(loss)	-	54.9	8.4	5.4	-	68.7	(2.2)	66.5
Total comprehensive (loss)/income for the year	-	(118.9)	8.4	5.4	-	(105.1)	7.7	(97.4)
Transactions with owners, recorded directly in equity								
Total changes in contributed equity (note 4a)	27.0	-	-	-	-	27.0	20.6	47.6
Share-based payments expense, net of costs	-	-	-	-	9.9	9.9	-	9.9
Share-based payments settlement	-	-	-	-	(0.6)	(0.6)	-	(0.6)
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	(2.8)	(2.8)
Dividends/distributions (note 4c)	-	(97.5)	-	-	-	(97.5)	-	(97.5)
Dividends declared /paid to non-controlling interests	-	-	-	-	-	-	(7.2)	(7.2)
Balance at the end of the year	2,686.1	687.4	(519.3)	(16.6)	(111.3)	2,726.3	66.1	2,792.4
2022								
Balance at 1 October 2021	**2,686.1**	**687.4**	**(519.3)**	**(16.6)**	**(111.3)**	**2,726.3**	**66.1**	**2,792.4**
Net profit/(loss) for the year	**-**	**60.1**	**-**	**-**	**-**	**60.1**	**(11.1)**	**49.0**
Other comprehensive income	**-**	**65.9**	**234.1**	**12.1**	**-**	**312.1**	**0.9**	**313.0**
Total comprehensive income/(loss) for the year	**-**	**126.0**	**234.1**	**12.1**	**-**	**372.2**	**(10.2)**	**362.0**
Transactions with owners, recorded directly in equity								
Total changes in contributed equity (note 4a)	**703.6**	**-**	**-**	**-**	**(3.3)**	**700.3**	**(5.5)**	**694.8**
Share-based payments expense, net of costs	**-**	**-**	**-**	**-**	**8.0**	**8.0**	**-**	**8.0**
Share-based payments settlement	**-**	**-**	**-**	**-**	**(0.7)**	**(0.7)**	**-**	**(0.7)**
Dividends/distributions (note 4c)	**-**	**(120.3)**	**-**	**-**	**-**	**(120.3)**	**-**	**(120.3)**
Dividends declared /paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(7.0)**	**(7.0)**
Balance at the end of the year	**3,389.7**	**693.1**	**(285.2)**	**(4.5)**	**(107.3)**	**3,685.8**	**43.4**	**3,729.2**

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Cash Flows

For the year ended 30 September

	Notes	Consolidated 2022 $m Inflows/ (Outflows)	2021 $m Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**8,087.5**	6,427.0
Payments to suppliers and employees		**(7,565.8)**	(5,596.2)
Interest received		**2.2**	1.1
Interest paid		**(113.0)**	(114.2)
Dividends received		**23.2**	17.5
Other operating income received		**34.4**	32.2
Net income taxes paid		**(106.2)**	(148.5)
Net cash flows from operating activities	(3c)	**362.3**	618.9
Cash flows from investing activities			
Payments for property, plant and equipment		**(319.1)**	(305.4)
Payments for intangibles		**(30.2)**	(17.8)
Proceeds from sale of property, plant and equipment		**10.4**	152.4
Payments for purchase of businesses/controlled entities	(14)	**(14.4)**	(25.1)
Proceeds from sale of businesses, net of cash disposed and disposal costs	(15)	**123.6**	-
Proceeds from sale of business to non-controlling interests		**0.5**	-
Net cash flows used in investing activities		**(229.2)**	(195.9)
Cash flows from financing activities			
Proceeds from borrowings		**1,706.1**	2,330.8
Repayment of borrowings		**(1,706.3)**	(2,939.7)
Dividends paid - Orica ordinary shares	(4c)	**(90.6)**	(72.4)
Dividends paid - non-controlling interests		**(7.0)**	(7.2)
Principal portion of lease payments		**(60.6)**	(60.8)
Proceeds from issue of ordinary shares, net of costs		**673.9**	0.7
Net cash flows from/(used in) financing activities		**515.5**	(748.6)
Net increase/(decrease) in cash held		**648.6**	(325.6)
Cash at the beginning of the period		**593.7**	920.5
Effects of exchange rate changes on cash		**13.0**	(1.2)
Cash at the end of the period		**1,255.3**	593.7

The Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements. The statement above includes discontinued operations, refer to note 15 for further details.

Notes to the Financial Statements – About this report

For the year ended 30 September

Notes to the Financial Statements – About this report

For the year ended 30 September

Basis of preparation

This is a general purpose Financial Report which has been prepared by a for-profit entity in accordance with the requirements of applicable Australian Accounting Standards and the *Corporations Act 2001* and complies with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

It has been prepared on a historical cost basis, except for derivative financial instruments, superannuation commitments and investments in financial assets which have been measured at fair value.

The financial statements are presented in Australian dollars with all amounts rounded off, except where otherwise stated, to the nearest tenth of a million dollars, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016.

Orica's Directors have included information in this report that they deem to be material and relevant to the understanding of the consolidated financial statements. Where appropriate, comparative information has been reclassified to conform to changes in presentation and to enhance comparability.

Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the:

- Group's current year results;
- impact of significant changes in Orica's business; or
- aspects of the Group's operations that are important to future performance.

Except as described in note 24, the financial statements have been prepared using consistent accounting policies in line with those of the previous financial year and corresponding interim reporting period.

Significant accounting policies that apply to the overall financial statements

Foreign currencies

Functional and Presentation Currency
The Company's functional and presentation currency is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and Balances
Transactions in currencies other than the functional currency of the Company or entity concerned are recorded using the exchange rate on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies at the balance date are retranslated at closing exchange rates. Non-monetary assets are not retranslated unless they are carried at fair value. Gains and losses arising on the retranslation of monetary assets and liabilities are included in the income statement, except where the application of hedge accounting requires inclusion in other comprehensive income (refer to note 10).

Consolidation of Group Entities
On consolidation, assets and liabilities of foreign operations are translated into Australian dollars at the closing rate at balance date. The results of foreign operations are translated into Australian dollars at average exchange rates for the period where these do not materially differ from rates applicable on the date of the transaction. Foreign exchange differences arising on the retranslation of foreign operations are recognised directly in a separate component of equity.

Critical accounting judgements and estimates

Application of the Group accounting policies requires management to make judgements, and to apply estimates and assumptions to future events. The areas involving a higher degree of judgement or complexity, and which are material to the report, are highlighted in the following notes:

Note 3 Net debt and net financing costs

Note 5 Working capital

Note 6 Provisions

Note 7 Property, plant and equipment

Note 8 Intangible assets

Note 9 Impairment testing of assets

Note 11 Taxation

Note 19 Defined benefit obligations

Note 20 Contingent liabilities

Section A. Financial performance

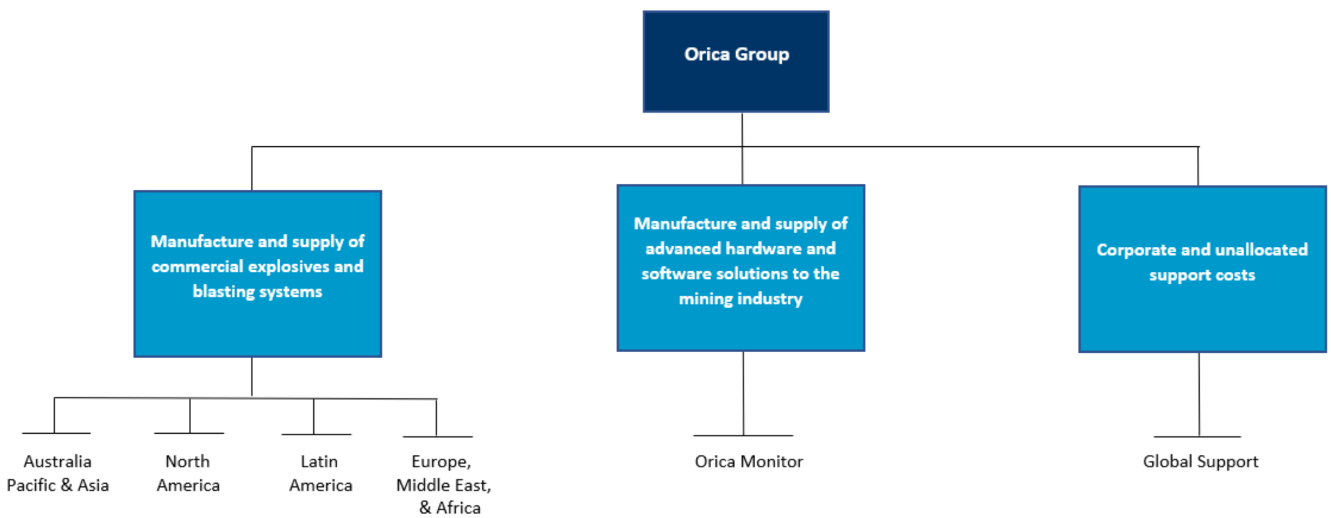
A key element of the Group's strategy is to create sustainable shareholder value. This section highlights the results and performance of the Group for the year ended 30 September 2022.

1. Segment report

(a) Identification and description of segments

Orica's reportable segments are based on the internal management structure as reported to the Group's Chief Operating Decision Maker (the Group's Managing Director and Chief Executive Officer).

The Minova business was sold on 28 February 2022 and is presented as a discontinued operation. Refer to note 15 for further details.



1. Segment report (continued)

(b) Reportable segments 2022 $m	Australia Pacific & Asia	North America	Latin America	Europe, Middle East & Africa	Orica Monitor	Global Support	Eliminations	Total Continung Operations	Discontinued Operations	Eliminations	Consolidated
Revenue											
External sales	**2,723.6**	**1,570.9**	**1,656.5**	**1,027.0**	**118.4**	**-**	**-**	**7,096.4**	**231.1**	**-**	**7,327.5**
Inter-segment sales	**153.4**	**103.1**	**34.9**	**25.9**	**0.7**	**-**	**(318.0)**	**-**	**-**	**-**	**-**
Total sales revenue	**2,877.0**	**1,674.0**	**1,691.4**	**1,052.9**	**119.1**	**-**	**(318.0)**	**7,096.4**	**231.1**	**-**	**7,327.5**
Other income (refer to note 1d)[1]	**17.6**	**8.3**	**1.2**	**(6.9)**	**0.2**	**11.4**	**-**	**31.8**	**(0.8)**	**-**	**31.0**
Total revenue and other income	**2,894.6**	**1,682.3**	**1,692.6**	**1,046.0**	**119.3**	**11.4**	**(318.0)**	**7,128.2**	**230.3**	**-**	**7,358.5**
Results before individually significant items											
Profit/(loss) before financing costs and income tax	**366.6**	**132.4**	**53.2**	**45.5**	**34.6**	**(68.5)**	**-**	**563.8**	**14.7**	**-**	**578.5**
Financial income											**2.2**
Financial expenses											**(102.5)**
Profit before income tax expense											**478.2**
Income tax expense											**(154.0)**
Profit after income tax expense											**324.2**
Less: Profit attributable to non-controlling interests											**(7.2)**
Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited											**317.0**
Individually significant items (refer to note 1e)											
Gross individually significant items	**-**	**-**	**-**	**(208.5)**	**19.5**	**-**	**-**	**(189.0)**	**(85.0)**	**-**	**(274.0)**
Tax on individually significant items	**-**	**-**	**-**	**7.5**	**-**	**-**	**-**	**7.5**	**(8.7)**	**-**	**(1.2)**
Net individually significant items attributable to non-controlling interests	**-**	**-**	**-**	**18.3**	**-**	**-**	**-**	**18.3**	**-**	**-**	**18.3**
Individually significant items attributable to shareholders of Orica Limited	**-**	**-**	**-**	**(182.7)**	**19.5**	**-**	**-**	**(163.2)**	**(93.7)**	**-**	**(256.9)**
Profit for the year attributable to shareholders of Orica Limited											**60.1**
Segment assets	**3,641.7**	**1,468.1**	**1,323.6**	**730.8**	**274.3**	**929.3**	**-**	**8,367.8**	**-**	**-**	**8,367.8**
Segment liabilities	**1,076.6**	**322.0**	**519.5**	**221.9**	**34.3**	**2,464.3**	**-**	**4,638.6**	**-**	**-**	**4,638.6**
Equity accounted investees	**90.0**	**231.9**	**-**	**0.5**	**-**	**1.4**	**-**	**323.8**	**-**	**-**	**323.8**
Acquisitions of PPE and intangibles (excluding right of use assets)	**160.4**	**72.5**	**32.0**	**27.2**	**5.0**	**44.0**	**-**	**341.1**	**8.2**	**-**	**349.3**
Depreciation and amortisation	**184.0**	**58.9**	**46.3**	**31.2**	**13.9**	**51.5**	**-**	**385.8**	**-**	**-**	**385.8**
Share of net profit of equity accounted investees	**6.0**	**32.0**	**-**	**1.8**	**-**	**-**	**-**	**39.8**	**-**	**-**	**39.8**

[1] Includes foreign currency gains/(losses) in various reportable segments.

1. Segment report (continued)

(b) Reportable segments 2021 $m	Australia Pacific & Asia	North America	Latin America	Europe, Middle East & Africa	Orica Monitor	Global Support	Eliminations	Total Continung Operations	Discontinued Operations	Eliminations	Consolidated
Revenue											
External sales	2,105.9	1,229.6	956.5	801.4	114.5	-	-	5,207.9	474.3	-	5,682.2
Inter-segment sales	131.5	104.0	31.8	25.8	1.8	-	(294.9)	-	0.1	(0.1)	-
Total sales revenue	2,237.4	1,333.6	988.3	827.2	116.3	-	(294.9)	5,207.9	474.4	(0.1)	5,682.2
Other income (refer to note 1d)[(1)]	21.6	8.9	13.3	3.8	1.0	(2.9)	-	45.7	0.7	-	46.4
Total revenue and other income	2,259.0	1,342.5	1,001.6	831.0	117.3	(2.9)	(294.9)	5,253.6	475.1	(0.1)	5,728.6
Results before individually significant items											
Profit/(loss) before financing costs and income tax	279.7	107.9	28.9	25.0	30.7	(67.6)	-	404.6	22.0	-	426.6
Financial income											1.1
Financial expenses											(106.7)
Profit before income tax expense											321.0
Income tax expense											(102.7)
Profit after income tax expense											218.3
Less: Profit attributable to non-controlling interests											(9.9)
Profit after income tax expense before individually significant items attributable to shareholders of Orica Limited											208.4
Individually significant items (refer to note 1e)											
Gross individually significant items	(330.9)	(9.4)	(4.3)	(165.6)	-	57.7	-	(452.5)	(1.4)	-	(453.9)
Tax on individually significant items	44.8	2.6	1.2	0.7	-	22.0	-	71.3	0.4	-	71.7
Net individually significant items attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Individually significant items attributable to shareholders of Orica Limited	(286.1)	(6.8)	(3.1)	(164.9)	-	79.7	-	(381.2)	(1.0)	-	(382.2)
Profit for the year attributable to shareholders of Orica Limited											(173.8)
Segment assets	3,291.8	1,216.4	1,015.8	786.2	277.5	479.8	-	7,067.5	298.2	-	7,365.7
Segment liabilities	1,000.7	318.1	362.5	231.9	60.4	2,461.9	-	4,435.5	137.8	-	4,573.3
Equity accounted investees	83.9	202.4	-	2.7	-	1.4	-	290.4	-	-	290.4
Acquisitions of PPE and intangibles	130.8	70.9	32.5	31.9	8.4	36.3	-	310.8	12.5	-	323.3
Depreciation and amortisation	174.2	61.0	44.4	31.1	12.9	34.5	-	358.1	11.7	-	369.8
Share of net profit of equity accounted investees	6.4	24.6	2.2	1.2	-	-	-	34.4	-	-	34.4

[(1)] Includes foreign currency gains/(losses) in various reportable segments.

1. Segment report (continued)

	Consolidated 2022 $m	Consolidated 2021 $m
(c) Disaggregation of revenue (by commodity/industry)		
Gold	**1,468.4**	1,107.0
Copper	**1,741.5**	991.3
Thermal Coal	**1,121.9**	864.0
Quarry and Construction	**934.6**	816.5
Iron Ore	**598.9**	433.2
Coking Coal	**446.1**	352.0
Orica Monitor	**118.4**	114.5
Other	**666.6**	529.4
Minova (Discontinued operations)	**231.1**	474.3
Total disaggregated revenue	**7,327.5**	5,682.2

	Consolidated					
	2022			2021		
	Continuing $m	**Dis-continued $m**	**Con-solidated $m**	Continuing $m	Dis-continued $m	Con-solidated $m
(d) Other income						
Other income	**39.3**	**0.2**	**39.5**	34.0	0.1	34.1
Net foreign currency (losses)/gains	**(15.2)**	**(1.1)**	**(16.3)**	2.4	(0.8)	1.6
Net gain on sale of property, plant and equipment	**7.7**	**0.1**	**7.8**	9.3	1.4	10.7
Total other income	**31.8**	**(0.8)**	**31.0**	45.7	0.7	46.4

Recognition and measurement

Significant items are those gains or losses where their nature and or impact is considered material to the Financial Statements.

	Consolidated					
	2022			2021		
	Gross $m	**Tax $m**	**Net $m**	Gross $m	Tax $m	Net $m
(e) Individually significant items						
Profit after income tax includes the following individually significant items of expense:						
Significant items from continuing operations						
Impairment expense[(1)]	**(167.9)**	**(1.8)**	**(169.7)**	(480.0)	41.0	(439.0)
Loss on sale of JSC "Orica CIS"[(2)]	**(40.6)**	**9.3**	**(31.3)**	-	-	-
Gain on sale of Nitro Consult AB[(2)]	**19.5**	**-**	**19.5**	-	-	-
Operating model restructuring expense	**-**	**-**	**-**	(45.6)	12.8	(32.8)
Significant enviromental provision expense	**-**	**-**	**-**	(39.3)	11.8	(27.5)
Gain on sale of Botany site	**-**	**-**	**-**	71.6	-	71.6
Gain on sale of Villawood site	**-**	**-**	**-**	40.8	5.7	46.5
Individually significant items from continuing operations	**(189.0)**	**7.5**	**(181.5)**	(452.5)	71.3	(381.2)
Non-controlling interests in individually significant items	**18.3**	**-**	**18.3**	-	-	-
Individually significant items attributable to shareholders of Orica from continuing operations	**(170.7)**	**7.5**	**(163.2)**	(452.5)	71.3	(381.2)
Loss on sale of Minova	**(85.0)**	**(8.7)**	**(93.7)**	-	-	-
Operating model restructuring expense	**-**	**-**	**-**	(1.4)	0.4	(1.0)
Individually significant items from discontinued operations	**(85.0)**	**(8.7)**	**(93.7)**	(1.4)	0.4	(1.0)
Individually significant items attributable to shareholders of Orica	**(255.7)**	**(1.2)**	**(256.9)**	(453.9)	71.7	(382.2)

(1) The Group has recognised an impairment charge against the assets of the Turkey and Russia operations, as well as goodwill in the EMEA segment. Refer to note 9.
(2) Refer to note 15.

1. Segment report (continued)

(f) Geographical segments

The presentation of geographical revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Consolidated		Consolidated	
	Revenue		Non-current assets[1]	
	2022	2021	**2022**	2021
	$m	$m	**$m**	$m
Australia	**1,969.2**	1,656.6	**2,586.9**	2,604.1
Peru	**950.8**	546.5	**310.0**	285.1
United States of America	**705.2**	695.3	**419.6**	377.6
Other[2]	**3,702.3**	2,783.9	**1,304.0**	1,342.6
Consolidated	**7,327.5**	5,682.2	**4,620.5**	4,609.4

(1) Excluding: financial derivatives (included within other assets) and deferred tax assets.
(2) Other than Australia, Peru and the United States of America, sales to other countries are individually less than 10% of the Group's total revenues.

Recognition and measurement

Revenue is recognised when, or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration includes a variable amount (net of trade discounts and volume rebates), the Group estimates the amount of consideration to which it will be entitled. The majority of the Group's operations are conducted under Master Service Agreements which require customers to place orders for goods or services on a periodic basis. The performance obligations are identified at the point that the customer places the order.

Supply of products and provision of services

Revenue is derived from contractual agreements for either:

- the supply of products; or
- the supply of products and the provision of services.

Contracts for the supply of products are one performance obligation; and contracts for the supply of products and services include one or two separate performance obligations depending on whether the customer can benefit from the products independently of the services.

Product revenue is recognised when the goods are delivered to the contracted point of delivery as this is the point at which the customer gains control of the product and the performance obligation is satisfied by the Group.

Service revenue is recognised over time as the customer simultaneously receives and consumes the benefits of the Group's performance. Where products and services are combined into one single performance obligation, revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

Contracts to provide a designated output

The provision of goods and services in contracts that provide a designated quantity of output results in the identification of a single performance obligation to deliver an integrated service to the customer. Revenue from this performance obligation is recognised over time as the customer simultaneously receives and consumes the benefits of the Group's performance.

2. Earnings per share (EPS)

	Consolidated 2022 $m	Consolidated 2021 $m
(i) As reported in the income statement		
Earnings used in the calculation of basic EPS attributable to ordinary shareholders of Orica Limited		
Profit/(loss) after tax from continuing operations	**133.6**	(178.5)
(Loss)/profit after tax for from discontinued operations	**(84.6)**	14.6
Less: Net (loss)/profit for the year attributable to non-controlling interests	**(11.1)**	9.9
Total	**60.1**	(173.8)

	Number of shares 2022	Number of shares 2021
Weighted average number of shares used in the calculation:		
Number for basic earnings per share	**414,802,433**	406,755,512
Effect of dilutive share options and rights	**2,569,554**	-
Number for diluted earnings per share	**417,371,987**	406,755,512
The weighted average number of options and rights that have not been included in the calculation of diluted earnings per share	**1,511,936**	4,199,023

	Cents per share 2022	Cents per share 2021
From continuing operations attributable to ordinary shareholders of Orica Limited		
Basic earnings per share	**35.1**	(46.3)
Diluted earnings per share	**35.0**	(46.3)
Total attributable to ordinary shareholders of Orica Limited		
Basic earnings per share	**14.5**	(42.7)
Diluted earnings per share	**14.4**	(42.7)

	Consolidated 2022 $m	Consolidated 2021 $m
(ii) Adjusted for individually significant items		
Earnings used in the calculation of basic EPS adjusted for individually significant items attributable to ordinary shareholders of Orica Limited		
Profit/(loss) after tax from continuing operations	**133.6**	(178.5)
(Loss)/profit after tax for from discontinued operations	**(84.6)**	14.6
Less: Net (loss)/profit for the year attributable to non-controlling interests	**(11.1)**	9.9
Adjusted for individually significant items from continuing operations (refer to note 1e)	**163.2**	381.2
Adjusted for individually significant items from discontinued operations (refer to note 1e)	**93.7**	1.0
Total adjusted	**317.0**	208.4

	Cents per share 2022	Cents per share 2021
From continuing operations before individually significant items attributable to ordinary shareholders of Orica Limited		
Basic earnings per share	**74.4**	47.4
Diluted earnings per share	**74.0**	47.3
Total attributable to ordinary shareholders of Orica Limited before individually significant items attributable to ordinary shareholders of Orica Limited		
Basic earnings per share(1)	**76.4**	51.2
Diluted earnings per share(1)	**76.0**	51.1

(1) Earnings per share before individually significant items is a non-IFRS measure. Management excludes individually significant items from the calculation in order to enhance the comparability from year-to-year and provide investors with further clarity in order to assess the underlying performance of operations.

Section B. Capital management

Orica's objectives when managing capital (net debt and total equity) are to safeguard the Group's ability to continue as a going concern and to ensure that the capital structure enhances, protects and balances financial flexibility against minimising the cost of capital. This section outlines the principal capital management initiatives that have been undertaken, current year drivers of the Group's cash flows, as well as the key operating assets used and liabilities incurred to support financial performance.

3. Net debt and net financing costs

In order to maintain an appropriate capital structure, the Group may adjust the amount of dividends paid to shareholders, utilise a dividend reinvestment plan, return capital to shareholders such as a share buy-back or issue new equity, in addition to incurring an appropriate level of borrowings. Currently, Orica maintains a dividend payout ratio policy and expects the total payout ratio to be in the range of 40%-70% of underlying earnings. It is also expected that the total dividend paid each year will be weighted towards the final dividend.

Orica monitors debt capacity against a number of key credit metrics aligned to debt covenants, principally the gearing ratio (net debt excluding lease liabilities divided by net debt excluding lease liabilities plus equity) and the interest cover ratio (EBIT excluding individually significant items, divided by net financing costs excluding lease interest). These ratios, together with performance measure criteria determined by Standard & Poor's, are targeted in support of the maintenance of an investment grade credit rating, which enables access to borrowings from a range of sources. Standard & Poor's key measures include Funds from Operations (FFO)/Debt and Debt/EBITDA. Of note, Standard & Poor's rating methodology adjusts Orica's net debt to incorporate post-retirement benefit obligations, asset retirement obligations (i.e. environmental and decommissioning provisions) and leases. Orica's debt covenants are exclusive of these items.

The Group's current target for gearing is 30%-40% and interest cover is 5 times or greater. Ratios may move outside of these target ranges for relatively short periods of time after major acquisitions or other significant transactions.

In addition, the gearing and interest cover ratios are monitored to ensure an adequate buffer against covenant levels applicable to the various financing facilities.

	Consolidated	
	2022	2021
The gearing ratio is calculated as follows:	$m	$m
Interest bearing liabilities excluding lease liabilities - continuing operations (refer to note 3a)	**2,167.5**	2,072.4
Interest bearing liabilities excluding lease liabilities - held-for-sale	**-**	0.3
less cash and cash equivalents - continuing operations	**(1,255.3)**	(551.0)
less cash and cash equivalents - held-for-sale	**-**	(42.7)
Total net debt	**912.2**	1,479.0
Total equity	**3,729.2**	2,792.4
Total net debt and equity	**4,641.4**	4,271.4
Gearing ratio (%)	**19.7%**	34.6%
The interest ratio is calculated as follows:		
EBIT (excluding individually significant items - refer to note 1b)	**578.5**	426.6
Net financing costs excluding lease interest (note 3b)	**88.5**	93.3
Interest cover ratio (times)	**6.5**	4.6

3. Net debt and net financing costs (continued)

(a) Interest bearing liabilities

Current	Opening Balance $m	Non-cash movements $m	Net cash movements $m	Closing Balance $m
Unsecured				
Private Placement debt[1]	-	655.8	-	655.8
Bank loans[1]	0.3	1.4	(1.7)	-
Bank overdraft	2.1	-	(2.1)	-
Other loans	1.0	-	(1.0)	-
Lease liabilities	58.0	72.8	(73.3)	57.5
Total	**61.4**	**730.0**	**(78.1)**	**713.3**
Non-current				
Unsecured				
Private Placement debt[1]	2,068.8	(563.9)	-	1,504.9
Bank loans[1]	-	1.7	(1.7)	-
CEFC[1]	-	-	6.4	6.4
Other loans	0.2	-	0.2	0.4
Lease liabilities	192.8	(10.8)	-	182.0
Total	**2,261.8**	**(573.0)**	**4.9**	**1,693.7**
Total	**2,323.2**	**157.0**	**(73.2)**	**2,407.0**

[1] Orica Limited provides guarantees on certain facilities, refer to note 16 for further details.

During the current and prior year, there were no defaults or breaches of covenants on any loans.

	Consolidated 2022 $m	2021 $m
(b) Net financing costs		
Finance income		
Interest income	2.2	1.1
Total finance income (note 15)	**2.2**	1.1
Finance costs		
Interest expense	105.1	99.1
Lease interest expense from continuing operations	11.6	12.0
Lease interest expense from discontinued operations	0.2	0.3
Gain on discounting of provisions[1]	(14.4)	(4.7)
Total finance costs (note 15)	**102.5**	106.7
Net financing costs	**(100.3)**	(105.6)
Net financing costs excluding lease interest	**(88.5)**	(93.3)

[1] Primarily due to the change in the discount rate applied to measure the Botany groundwater provision.

3. Net debt and net financing costs (continued)

	Notes	Consolidated 2022 $m	2021 $m
(c) Notes to the statement of cash flows			
Reconciliation of profit/(loss) after income tax to net cash flows from operating activities			
Profit/(loss) after income tax expense		**49.0**	(163.9)
Adjusted for the following items:			
Depreciation and amortisation	(1b)	**385.8**	369.8
Net gain on sale of property, plant and equipment	(1d)(1e)	**(7.8)**	(123.1)
Impairment expense		**169.7**	480.0
Net loss on disposal of controlled entites		**105.5**	-
Share based payments expense		**8.0**	9.9
Share of equity accounted investees net profit after adding back dividends received		**(16.6)**	(16.9)
Unwinding of discount on provisions		**(14.4)**	(4.7)
Other		**3.9**	(4.1)
Changes in working capital and provisions excluding the effects of acquisitions and disposals of businesses/controlled entities			
(increase)/decrease in trade and other receivables		**(297.2)**	112.5
increase in inventories		**(290.3)**	(83.1)
increase in net deferred taxes		**(13.8)**	(18.0)
increase in payables and provisions		**239.1**	126.9
increase/(decrease) in income taxes payable		**41.4**	(66.4)
Net cash flows from operating activities		**362.3**	618.9

Recognition and Measurement

Cash and cash equivalents

Cash includes cash at bank, cash on hand and deposits at call.

Interest bearing liabilities, excluding lease liabilities

Interest bearing liabilities are initially recognised net of transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the liabilities on an effective interest basis, unless they are liabilities designated in a fair value relationship in which case they continue to be measured at fair value (refer to note 10).

Financing costs

Borrowing costs are expensed as incurred unless they relate to qualifying assets where interest on funds are capitalised. Interest income and interest expense relating to interest rate swaps and cross currency interest rate swaps are presented on a net basis.

Lease liabilities

The Group recognises all lease liabilities and corresponding right of use assets, with the exception of short-term (12 months or less) and low-value leases, on the balance sheet. Lease liabilities are recorded at the present value of fixed payments, variable lease payments that depend on an index or rate, amounts payable under residual value guarantees and extension options expected to be exercised. Where a lease contains an extension option which the Group can exercise without negotiation, lease payments for the extension period are included in the liability if the Group is reasonably certain that it will exercise the option. Variable lease payments not dependent on an index or rate are excluded from the liability. Lease payments are discounted at the incremental borrowing rate of the lessee unless the rate implicit in the lease can be readily determined.

Lease liabilities are remeasured when there is a change in future lease payments resulting from a change in an index or rate, or a change in the assessed lease term. A corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount has been reduced to zero.

The Group applied judgement to determine the incremental borrowing rates as well as the lease term for some lease contracts that include extension or termination options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group recognises depreciation of the right of use assets and interest on the lease liabilities in the income statement over the lease term. Repayments of lease liabilities are separated into a principal portion (presented within financing activities) and interest portion (presented within operating activities) in the cash flow statement.

Expenses relating to short-term and low-value leases of $53.8 million (2021 $38.2 million) and variable lease payments not included in lease liabilities of $132.2 million (2021 $98.8 million) have been recognised in the income statement. Total cash outflow for leases was $259.3 million (2021 $210.1 million).

3. Net debt and net financing costs (continued)

Critical accounting judgements and estimates

- Determination of the discount rate to use
- Determination of whether it is reasonably certain that an extension or termination option will be exercised

4. Contributed equity and reserves

(a) Contributed equity

Movements in issued and fully paid shares of Orica since 1 October 2020 were as follows:

Details	Date	Number of shares	Issue price $	$m
Ordinary shares				
Opening balance of shares issued	1-Oct-20	405,878,815		2,659.1
Shares issued under the Orica dividend reinvestment plan	15-Jan-21	1,044,084	15.99	16.7
Shares issued under the Orica dividend reinvestment plan	9-Jul-21	590,200	14.19	8.4
Deferred shares issued to settle Short-Term Incentive				1.2
Shares issued under the Orica GEESP[1]				0.7
Balance at the end of the year	**30-Sep-21**	**407,513,099**		**2,686.1**
On market share repurchase	**31-Oct-21**			**(8.4)**
Shares issued under the Orica dividend reinvestment plan	**22-Dec-21**	**1,317,955**	**14.40**	**18.9**
Shares issued under the Orica dividend reinvestment plan	**8-Jul-22**	**666,029**	**16.19**	**10.8**
Shares issued under the Institutional Share Placement, net of costs	**9-Aug-22**	**40,625,000**	**16.00**	**640.6**
Shares issued under Share Purchase Plan	**2-Sep-22**	**2,685,802**	**15.29**	**41.1**
Shares issued under the Orica GEESP [1]				**0.6**
Balance at the end of the year	**30-Sep-22**	**452,807,885**		**3,389.7**

[1] General Employee Exempt Share Plan (GEESP)

(b) Reserves

Recognition and Measurement

Foreign currency translation reserve

Records the foreign currency differences arising from the translation of foreign operations. The relevant portion of the reserve is recognised in the income statement when the foreign operation is disposed of.

Cash flow hedge reserve

Represents the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Other reserves

Other reserves represents share based payments reserves and equity reserves arising from the purchase of non-controlling interests.

4. Contributed equity and reserves (continued)

(c) Dividends

	Consolidated 2022 $m	2021 $m
Dividends paid or declared in respect of the year ended 30 September were:		
Ordinary shares		
interim dividend of 7.5 cents per share, unfranked, paid 9 July 2021		30.6
interim dividend of 13.0 cents per share, unfranked, paid 8 July 2022	**53.1**	
final dividend of 16.5 cents per share, unfranked, paid 15 January 2021		66.9
final dividend of 16.5 cents per share, unfranked, paid 22 December 2021	**67.2**	
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan (DRP) during the year were as follows:		
paid in cash	**90.6**	72.4
DRP - satisfied by issue of shares	**29.7**	25.1

Since the end of the financial year, the Directors declared the following dividend:

Final dividend on ordinary shares of 22.0 cents per share, unfranked, payable 22 December 2022.
The financial effect of the final dividend on ordinary shares has not been brought to account in the financial statements for the year ended 30 September 2022 - however will be recognised in the 2023 financial statements.

Franking credits

Franking credits available at the 30% corporate tax rate after allowing for tax payable in respect of the current year's profit or loss and the payment of the final dividend for 2022 are nil (2021 nil).

Section C. Operating assets and liabilities

This section highlights current year drivers of the Group's operating and investing cash flows, as well as the key operating assets used and liabilities incurred to support delivering financial performance.

5. Working capital

(a) Trade working capital

Trade working capital includes inventories, receivables and payables that arise from normal trading conditions. The Group continuously looks to improve working capital efficiency in order to maximise operating cash flow.

	Consolidated	
	2022 $m	2021 $m
Inventories (i)	872.6	635.8
Trade receivables (ii)	903.1	678.2
Trade payables (iii)	(1,091.7)	(876.5)
Trade working capital	684.0	437.5

(i) Inventories
The classification of inventories is detailed below :

	Consolidated	
	2022 $m	2021 $m
Raw materials	337.0	223.2
Work in progress	0.7	0.1
Finished goods	534.9	412.5
	872.6	635.8

Recognition and Measurement

Inventories are measured at the lower of cost and net realisable value. Cost is based on a first-in first-out or weighted average basis. For manufactured goods, cost includes direct material and fixed overheads based on normal operating capacity. Inventories have been shown net of provision for impairment of $51.1 million (2021 $38.3 million).

(ii) Trade receivables
The ageing of trade receivables and allowance for impairment is detailed below:

	Consolidated		Consolidated	
	2022 Gross $m	2022 Allowance $m	2021 Gross $m	2021 Allowance $m
Not past due	851.8	-	611.9	-
Past due 0 - 30 days	52.0	(0.7)	65.6	-
Past due 31 - 120 days	20.4	(20.4)	20.6	(19.9)
Past 120 days	43.1	(43.1)	48.7	(48.7)
	967.3	(64.2)	746.8	(68.6)

Recognition and Measurement

The collectability of trade and other receivables is assessed continuously, specific allowances are made for any doubtful trade and other receivables based on a review of all outstanding amounts at year end. The expected impairment loss calculation for trade receivables considers both quantitative information from historic credit losses as well as qualitative information on different customer/debtor profiles and segments. The net carrying amount of trade and other receivables approximates their fair values. A risk assessment process is used for all accounts, with a stop credit process in place for most long overdue accounts.

(iii) Trade payables

Recognition and Measurement

Trade and other payables are recognised when the Group is required to make future payments as a result of the purchase of goods or as services provided prior to the end of the reporting period. The carrying amount of trade payables approximates their fair values due to their short-term nature.

5. Working capital (continued)

(b) Non-trade working capital

Non-trade working capital includes all other receivables and payables not related to the purchase of goods and is recognised net of provisions for impairment of $18.5 million (2021 $28.0 million).

Critical accounting judgements and estimates

In the course of normal trading activities, management uses its judgement in establishing the carrying value of various elements of working capital – principally inventory and accounts receivable. Provisions are established for obsolete or slow moving inventories. Actual expenses in future periods may be different from the provisions established and any such differences would impact future earnings of the Group.

6. Provisions

	Consolidated	
	2022 $m	2021 $m
Current		
Employee entitlements	**108.4**	105.6
Environmental and decommissioning [(1)(2)]	**85.0**	84.3
Restructuring	**4.1**	13.7
Other	**31.6**	19.5
	229.1	223.1
Non-current		
Employee entitlements	**16.1**	16.5
Retirement benefit obligations (see note 19b)	**83.3**	209.1
Environmental and decommissioning [(1)(2)]	**221.6**	299.3
Restructuring	**0.3**	0.3
Other	**8.5**	8.5
	329.8	533.7

[(1)] Payments of $52.4 million (2021: $43.4 million) were made during the year in relation to environmental and decommissioning provisions.
[(2)] Net provision decreases of $5.9 million (2021: increases of $42.8 million) have been recognised in the income statement during the year. Net provision decreases of $21.2 million (2021: increases of $8.5 million) have been capitalised as a part of the carrying value of Property, Plant & Equipment.

The total environmental and decommissioning provision comprises:

	Consolidated	
	2022 $m	2021 $m
Botany Groundwater remediation	**182.8**	211.9
Botany (HCB) waste	**24.0**	29.4
Burrup decommissioning	**14.9**	44.2
Initiating systems network optimisation	**23.3**	27.0
Deer Park remediation	**13.7**	12.2
Yarraville remediation	**11.6**	15.7
Other provisions	**36.3**	43.2
Total	**306.6**	383.6

Recognition and Measurement

Employee Entitlements

A liability for employee entitlements is recognised for the amount expected to be paid where the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and that obligation can be reliably measured.

Decommissioning

In certain circumstances, the Group has an obligation to dismantle and remove an asset and to restore the site on which it is located. The present value of the estimated costs of dismantling and removing the asset and restoring the site on which it is located are recognised as a depreciable asset with a corresponding provision being raised where a legal or constructive obligation exists.

At each reporting date, the liability is remeasured in line with changes in discount rates, timing and estimated cash flows. Any changes in the liability are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as a finance cost.

6. Provisions (continued)

Environmental

As a result of historical and current operations, certain sites owned or used by the Group will require future remediation activities to address environmental contamination. Estimated costs for the remediation of soil, groundwater and untreated waste are recognised as a provision when:

- There is a present legal or constructive obligation to remediate;
- A probable outflow of economic resources will occur to undertake the remediation; and
- The associated costs can be reliably estimated.

Where future expenditure is expected to meet the recognition and measurement criteria of an asset (as described in Note 7), a provision is recognised only to the extent of the performance of the obligation (i.e. when costs are incurred by the Group).

Where the cost relates to the enhancement of land which is expected to be sold (e.g. where the Group no longer has ongoing operations), then the costs are assessed for recognition as an asset taking into consideration the nature and extent of the activities and also the expected sales proceeds compared to the sum of the current book value of the land and the estimated total costs. Any costs which result in the total carrying value exceeding the expected proceeds on sale are expensed.

The amount of each provision reflects the best estimate of the expenditure required to settle each respective obligation having regard to a range of potential scenarios, input from subject matter experts on appropriate remediation techniques and relevant technological advances.

Critical accounting judgements and estimates

Environmental provisions for other sites

Judgement is required in determining whether a constructive obligation to remediate environmental contamination exists. The Group considers that a constructive obligation exists where there is a current risk to human health or the environment arising from environmental contamination; or where an expectation has been established with a third party (including regulators, employees, neighbours or other stakeholders) that remediation activities will be undertaken.

Where an obligation (legal or constructive) exists, further judgement is necessary to determine the future expenditure required to settle the obligation. This is due to uncertainties in assumptions regarding the nature or extent of the contamination, the nature of the remedial solution deployed and its effectiveness, the application of relevant laws or regulations and the information available at certain locations where Orica no longer controls the site. Changes in these assumptions may impact future reported provisions. Subject to those factors and taking into consideration experience gained to date regarding environmental matters of a similar nature, Orica considers that the provision balances are appropriate based on currently available information. Changes in the assumptions noted above may result in costs incurred in future periods being greater than or less than amounts provided.

Environmental provisions are reviewed bi-annually taking into account any material changes to facts or circumstances which would be expected to impact the valuation of the provision.

Botany groundwater remediation

Orica's historical operations at the Botany Industrial Park resulted in contamination of the soil and groundwater. Due to the complex nature of the chemicals involved and its distribution e.g. Dense Non-Aqueous Phase Liquid (DNAPL), the lack of known practical remediation approaches and the unknown scale of the contamination, a practical solution to completely remediate the contamination has not been found. Orica continues to work in close cooperation with the New South Wales (NSW) Environmental Protection Authority (EPA) to address the contamination.

Orica has a current obligation to contain and mitigate the effects of the contamination on the groundwater at the site. Orica and the NSW EPA entered into a Voluntary Management Proposal to contain groundwater contamination while an effective remediation approach to the DNAPL source contamination is identified (refer to contingent environmental liabilities section below).

The findings from the 2018 review of costs and operational duration of the Groundwater Treatment Plant (GTP) indicated that the cessation of groundwater extraction using the GTP is possible within an 18-year timeframe. After this period, Orica anticipates that the contamination levels will be materially below current levels and will be able to be managed through natural attenuation or less intensive technologies.

Contingent environmental liabilities

In addition to the obligations for which an environmental provision have been recognised, certain sites may require future remediation activities to address environmental contamination.

Where the criteria for recognition of a provision are not met, a contingent liability may exist in the following circumstances:

- Sites where known contamination exists but does not pose a current threat to human health or the environment and there is no current legal or regulatory requirement to remediate. Orica has a possible obligation for remediation which may be confirmed by future events and the likelihood of a future outflow of resources is not remote; or
- Sites where contamination is known or likely to exist and it is probable that a future outflow of resources will occur, however the impact cannot be reliably measured due to uncertainties related to the extent of Orica's remediation obligations or the remediation techniques that may be utilised.

Any costs associated with these matters are expensed as incurred. Information regarding each class of contingent liability is set out below.

Botany – remediation of source contamination

Specifically related to the remediation of DNAPL source contamination a reliable estimate of the costs to complete remediation is not possible given the lack of proven remediation techniques that can be effectively deployed at the site and uncertainty of the scale of the DNAPL contamination.

Other sites

Contingent liabilities exist with respect to a number of other sites owned or used by Orica where future remediation may be required and possible obligations exist. Orica's obligations with respect to these sites will be confirmed by future events and are subject to the following uncertainties regarding the amount and timing of future outflows:

- Orica's future decisions regarding the use of the site including the timing of any changes to the current use;
- The requirements of laws and regulations at an unknown future point in time and the outcome of discussions with regulators at that time;
- The nature and extent of environmental remediation required at a future point in time; and
- The availability and determination of solutions to address identified environmental issues and the cost and duration of the method selected.

Depending on the outcome of these factors, Orica may be required to incur expenditure to prevent or remediate environmental contamination. Due to the uncertainties described above, it is not practicable to estimate the financial effect of the possible future outflows.

7. Property, plant and equipment

Consolidated	Owned assets: Land, buildings and improvements $m	Owned assets: Machinery, plant and equipment $m	Leased assets: Land, buildings and improvements $m	Leased assets: Machinery, plant and equipment $m	Total $m
2021					
Cost	962.4	5,083.9	208.8	174.3	6,429.4
Accumulated impairment losses	(57.7)	(296.7)	-	-	(354.4)
Accumulated depreciation	(386.7)	(2,498.7)	(77.2)	(72.2)	(3,034.8)
Total carrying value	**518.0**	**2,288.5**	**131.6**	**102.1**	**3,040.2**
Movement					
Carrying amount at the beginning of the year	427.4	2,548.9	167.9	122.8	3,267.0
Additions	33.0	292.5	4.0	30.8	360.3
Additions through acquisitions of entities (see note 14)	-	2.0	-	-	2.0
Disposals	(7.3)	(13.6)	(6.8)	(0.2)	(27.9)
Transfers between property, plant & equipment assets	169.1	(169.1)	-	-	-
Depreciation expense	(29.1)	(231.9)	(29.2)	(42.3)	(332.5)
Impairment expense (see note 9)	(57.7)	(101.9)	-	-	(159.6)
Transfer to assets held for sale	(16.4)	(39.6)	(4.0)	(6.9)	(66.9)
Foreign currency exchange differences	(1.0)	1.2	(0.3)	(2.1)	(2.2)
Carrying amount at the end of the year	**518.0**	**2,288.5**	**131.6**	**102.1**	**3,040.2**
2022					
Cost	**983.8**	**5,299.2**	**231.8**	**201.7**	**6,716.5**
Accumulated impairment losses	**(71.3)**	**(336.7)**	**(0.6)**	**(0.3)**	**(408.9)**
Accumulated depreciation	**(397.4)**	**(2,609.7)**	**(102.4)**	**(115.8)**	**(3,225.3)**
Total carrying value	**515.1**	**2,352.8**	**128.8**	**85.6**	**3,082.3**
Movement					
Carrying amount at the beginning of the year	**518.0**	**2,288.5**	**131.6**	**102.1**	**3,040.2**
Additions	**0.6**	**310.3**	**19.0**	**23.9**	**353.8**
Additions through acquisitions of entities (see note 14)	**-**	**1.0**	**0.4**	**-**	**1.4**
Disposals	**(4.1)**	**(20.5)**	**(2.3)**	**(0.3)**	**(27.2)**
Disposals through disposals of entities (see note 15)	**-**	**(2.5)**	**(0.6)**	**-**	**(3.1)**
Transfers between property, plant & equipment and intangible assets	**14.9**	**(22.7)**	**-**	**-**	**(7.8)**
Depreciation expense	**(27.8)**	**(240.9)**	**(23.6)**	**(40.2)**	**(332.5)**
Impairment expense	**(13.6)**	**(40.0)**	**(0.6)**	**(0.3)**	**(54.5)**
Revaluation of capitalised provisions	**-**	**(21.2)**	**-**	**-**	**(21.2)**
Foreign currency exchange differences	**27.1**	**100.8**	**4.9**	**0.4**	**133.2**
Carrying amount at the end of the year	**515.1**	**2,352.8**	**128.8**	**85.6**	**3,082.3**

Capital expenditure commitments

Capital expenditure on property, plant and equipment and business acquisitions contracted for but not provided for and payable no later than one year was $105.1 million (2021 $60.9 million) and later than one but less than five years was $13.0 million (2021 $14.6 million).

Recognition and Measurement

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item and includes capitalised interest. Subsequent costs are capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The right of use asset at initial recognition reflects the lease liability adjusted for any lease payments made before the commencement date plus any make good obligations and initial direct costs incurred (refer to note 3). The leases recognised by the Group under AASB 16 predominantly relate to property leases including offices and storage as well as plant & equipment leases including vehicles and rail cars.

7. Property, plant and equipment (continued)

Critical accounting judgements and estimates

Management reviews the appropriateness of useful lives of assets at least annually, any changes to useful lives may affect prospective depreciation rates and asset carrying values. Depreciation is recorded on a straight line basis using the following useful lives:

	Owned assets	Right of use assets - leased
Land	Indefinite	1 to 70 years
Buildings and improvements	25 to 40 years	1 to 20 years
Machinery, plant and equipment	3 to 40 years	1 to 15 years

8. Intangible assets

Consolidated	Goodwill $m	Patents, trademarks and rights $m	Software $m	Other $m	Total $m
2021					
Cost	1,230.6	158.7	278.6	157.3	1,825.2
Accumulated impairment losses	(333.9)	-	(114.4)	-	(448.3)
Accumulated amortisation	-	(94.4)	(64.9)	(67.2)	(226.5)
Net carrying amount	**896.7**	**64.3**	**99.3**	**90.1**	**1,150.4**
Movement					
Carrying amount at the beginning of the year	1,186.5	83.3	93.6	76.9	1,440.3
Additions	-	11.4	18.3	0.9	30.6
Additions through acquisitions of entities (see note 14)	-	20.3	-	-	20.3
Amortisation expense	-	(16.6)	(19.8)	(0.9)	(37.3)
Impairment expense	(320.4)	-	-	-	(320.4)
Transfer to assets held for sale	-	(17.0)	(0.6)	-	(17.6)
Foreign currency exchange differences	30.6	(17.1)	7.8	13.2	34.5
Carrying amount at the end of the year	**896.7**	**64.3**	**99.3**	**90.1**	**1,150.4**
2022					
Cost	**1,258.7**	**216.7**	**314.7**	**131.7**	**1,921.8**
Accumulated impairment losses	**(381.7)**	**-**	**(114.5)**	**-**	**(496.2)**
Accumulated amortisation	**-**	**(109.7)**	**(106.1)**	**(66.9)**	**(282.7)**
Net carrying amount	**877.0**	**107.0**	**94.1**	**64.8**	**1,142.9**
Movement					
Carrying amount at the beginning of the year	**896.7**	**64.3**	**99.3**	**90.1**	**1,150.4**
Additions	**-**	**-**	**30.1**	**0.1**	**30.2**
Additions through acquisitions of entities (see note 14)	**25.5**	**6.7**	**-**	**-**	**32.2**
Disposals	**-**	**(0.1)**	**(0.5)**	**-**	**(0.6)**
Disposals through disposal of entities (see note 15)	**-**	**-**	**(0.1)**	**(0.4)**	**(0.5)**
Transfers between property, plant & equipment and intangible assets	**(6.8)**	**41.1**	**(0.9)**	**(25.6)**	**7.8**
Amortisation expense	**-**	**(11.5)**	**(40.2)**	**(1.6)**	**(53.3)**
Impairment expense	**(45.3)**	**-**	**(0.1)**	**-**	**(45.4)**
Foreign currency exchange differences	**6.9**	**6.5**	**6.5**	**2.2**	**22.1**
Carrying amount at the end of the year	**877.0**	**107.0**	**94.1**	**64.8**	**1,142.9**

Individually significant items

Impairment of goodwill relating relating to the EMEA segment of $45.3 million.

Recognition and Measurement

Unidentifiable intangibles - Goodwill

Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is treated as goodwill. Goodwill is not amortised but the recoverable amount is tested for impairment at least annually.

8. Intangible assets (continued)

Identifiable intangibles

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Identifiable intangible assets with a finite life are amortised on a straight line basis over their expected useful life to the Group, being up to thirty years. Expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits of the specific asset to which it relates and which the Group controls (therefore excluding Software as a Service). All other expenditure is expensed as incurred.

Critical accounting judgements and estimates

Management reviews the appropriateness of useful lives of assets at least annually, any changes to useful lives may affect prospective amortisation rates and asset carry values.

9. Impairment testing of assets

Recognition and Measurement

Methodology

Formal impairment tests are carried out annually for goodwill. In addition, formal impairment tests for all assets are performed when there is an indication of impairment. The Group conducts an internal review of asset values at each reporting period, which is used as a source of information to assess for any indications of impairment. External factors, such as changes in expected future prices, costs and other market factors, are also monitored to assess for indications of impairment. If any such indication exists, an estimate of the asset's recoverable amount is calculated.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to the income statement to reduce the carrying amount in the balance sheet to its recoverable amount. The recoverable amount is determined using the higher of value in use or fair value less costs to dispose. Value in use is 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. Value in use is determined by applying assumptions specific to the Group's continued use and does not consider future development. The value in use calculations use cash flow projections which do not exceed 5 years based on actual operating results and the operating budgets approved by the Board of Directors. Fair value less costs to dispose is the value that would be received in exchange for an asset in an orderly transaction.

The discount rates applied to the post-tax cash flows are derived using the weighted average cost of capital methodology. Adjustments to the rates are made for any risks that are not reflected in the underlying cash flows, including country risk. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBIT growth rate.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups and referred to as cash-generating units (CGU). Cash-generating units are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets with each CGU being no larger than a segment. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The test of goodwill and its impairment is undertaken at the segment level, except for the Pilbara CGU which contains the joint operation with Yara International ASA Group.

As part of the Group's ongoing integration of climate risk considerations into financial analysis and forward planning, we again incorporated the allocated capital to our decarbonisation activities into asset impairment testing, as forecasted capital expenditure and costs. These are the capital outflows required to meet the Group's commitment to reduce scope 1 and 2 emissions by at least 40% by 2030. Testing was performed and was informed by our strategic scenario analysis process but did not identify the requirement for adjustments to future cash flows at this time. As the Group continues to strengthen the integration of climate risk considerations into financial analysis and forward planning, financial implications stemming from climate change will continue to be considered and built into future cash flow assumptions.

Key assumptions

	Post-tax discount rates 2022 %	Weighted average post-tax discount rates 2022 %	Terminal growth rates 2022 %	Weighted average terminal growth rate 2022 %	Goodwill 2022 $m
Australia Pacific & Asia	**8.8-15.5**	**9.8**	**2.3-6.5**	**3.2**	**429.7**
Pilbara	**8.8**	**8.8**	**2.6**	**2.6**	**-**
North America	**8.3**	**8.3**	**1.7**	**1.7**	**168.5**
Latin America	**8.3-12.7**	**9.9**	**1.5-5.0**	**3.0**	**163.7**
Europe, Middle East & Africa	**7.5-22.5**	**12.3**	**0.7-13.1**	**4.2**	**-**
Orica Monitor	**8.8**	**8.8**	**2.6**	**2.6**	**115.1**
Total					**877.0**

9. Impairment testing of assets (continued)

	Post-tax discount rates 2021 %	Weighted average post-tax discount rates 2021 %	Terminal growth rates 2021 %	Weighted average terminal growth rate 2021 %	Goodwill 2021 $m
Australia Pacific & Asia	8.4-11.8	9.2	2.3-6.5	3.0	408.6
Pilbara	8.1	8.1	1.2	1.2	-
North America	7.8	7.8	1.6	1.6	162.9
Latin America	7.8-13.3	8.9	1.4-5.0	3.1	161.5
Europe, Middle East & Africa	8.3-21.5	14.1	1.1-6.5	3.8	48.6
Orica Monitor	8.4	8.4	2.5	2.5	115.1
Total					896.7

Critical accounting judgements and estimates

2022

Turkey

The significant decline in the local economy and the devaluation of the Lira has resulted in the impairment of our investments in Orica Nitro Patlayici Maddeler Sanayi ve Ticaret Anonim Sirketi and GeoNitro Limited. The total impairment charge is $32.7 million of which $18.3 million is attributable to non-controlling interests.

As at 30 September 2022, there was a foreign currency translation reserve balance of $92.4 million debit (of which $45.5 million is attributable to non-controlling interests) which would be released on sale, liquidation, repayment of share capital or abandonment of the entity.

Russia

The escalation of the Russia-Ukraine conflict, and imposed sanctions and export restrictions, led to our decision to exit the Russian operations.

On 9 September 2022, the Group executed a contract to sell JSC “Orica CIS” Joint-Stock Company for cash consideration of $13.1 million. Orica has risk adjusted the proceeds given the trade sanctions imposed on Russia.

The Group has recognised a gross impairment expense of $89.9 million ($1.8 million was booked as a debit to tax expense), reducing the value of the Russian business to nil. In addition, there was a loss on disposal of $40.6 million ($9.3 million was booked as a credit to tax expense), relating to the release of foreign currency translation reserve as required by Australian Accounting Standards.

EMEA

Due to the issues outlined above impairment testing was performed on the EMEA region. The key assumptions underlying the value in use calculations are as follows:

- No future cashflows for the Turkey or Russian businesses.
- Growth in post-tax cashflows for the region of $17.5 million between FY23 and FY27.
- A weighted average terminal growth rate in line with local country economic forecasts of 4.2%.
- A weighted average post-tax discount rate of 12.3%.

The present value of cashflows in EMEA no longer support the carrying value of goodwill. Therefore, the remaining balance of $45.3 million has been impaired.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors require a further impairment of other assets.

LATAM

Based on the latest projected cash flows of the Group, the carrying value of the Latin America segment is approximately equal to its value in use. The value in use calculations are sensitive to earnings forecasts, changes in discount rates and terminal growth rates.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors require an impairment of assets. The key assumptions underlying the value in use calculations are as follows:

- Growth in post-tax cashflows for the region of $33.4 million between FY23 and FY27. This is reliant on achieving future growth in earnings primarily due to securing new or expanded contracts and delivery of value-added services.
- A weighted average terminal growth rate in line with local country economic forecasts of 3.0%.
- A weighted average post-tax rate of 9.9%.

9. Impairment testing of assets (continued)

Pilbara

Based on the latest projected cash flows of the Group, the carrying value Pilbara is approximately equal to its value in use. The value in use calculations are sensitive to earnings forecasts, changes in discount rates and terminal growth rates.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors, require a further impairment to property, plant & equipment. The key assumptions underlying the value in use calculations are as follows:

- Growth in post-tax cashflows for the region of $16 million between FY23 and FY27.
- A weighted average terminal growth rate in line with local country economic forecasts of 2.6%.
- A weighted average post-tax rate of 8.8%.

2021

Pilbara

The Group owns a 50% interest of Yara Pilbara Nitrates Pty Ltd (YPN), with the remaining shares being held by subsidiaries in the Yara International ASA group. YPN owns and operates a 330,000 tonnes per annum industrial grade technical ammonium nitrate plant on the Burrup Peninsula (Western Australia). For accounting purposes YPN is a joint operation and Orica recognises its share of any jointly held or incurred assets, liabilities, revenues, and expenses in the consolidated financial statements along with goodwill related to the establishment of the joint operation and capitalised interest.

The Group's asset base in the Pilbara consists of the TAN plant, the equity accounted investee Orica Mining Services Pilbara Pty Ltd and the Pippingarra emulsion plant. Following a review of product movement and cashflows post the commissioning of the TAN plant on 1 October 2020, management have concluded that the Pilbara is a separate CGU. The recoverable amount for the plant and other assets in the region is below their carrying value and therefore an impairment has been recognised against goodwill of $158.0 million and property, plant and equipment of $159.6 million.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors, require a further impairment to property, plant & equipment. The key assumptions underlying the value in use calculations are as follows:

- EBIT growth of $24 million within five years primarily due to volume and price growth.
- A terminal growth rate of 1.2%.
- A post-tax discount rate of 8.1%.

EMEA

EMEA has been severely impacted by COVID-19, with numerous sites suspending operations and customer project delays in the Nordics and Middle East. The latest forecasts project that recovery in the region will be slower than previously anticipated, particularly in Europe. As a result, the goodwill in the segment has been impaired by $162.4 million.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors require a further impairment to goodwill. The key assumptions underlying the value in use calculations are as follows:

- Growth in EBIT to $79 million within five years primarily due to easing of COVID-19 impacts, new technology and growth in Africa and the CIS.
- A weighted average terminal growth rate in line with local country economic forecasts of 3.8%.
- A weighted average post-tax discount rate of 14.1%.

LATAM

Based on the latest projected cash flows of the Group, the carrying value of the Latin America segment is approximately equal to its value in use. The value in use calculations are sensitive to earnings forecasts, changes in discount rates and terminal growth rates.

Any variation in the key assumptions of the cash flows would result in a change in the assessed value in use. If the impact of the change had a negative impact, it could, in the absence of other factors require an impairment to goodwill. The key assumptions underlying the value in use calculations are as follows:

- Growth in EBIT to $87 million within five years. This is reliant on achieving future growth in earnings primarily due to easing of COVID-19 impacts, securing new or expanded contracts and delivery of value added services.
- A weighted average terminal growth rate in line with local country economic forecasts of 3.1%.
- A weighted average post-tax discount rate of 8.9%.

Section D. Managing Financial Risks

Orica's Review of Operations and Financial Performance highlights funding and other treasury matters as material business risks that could adversely affect the achievement of future business performance.

This section discusses the principal market and other financial risks that the Group is exposed to and the risk management program, which seeks to mitigate these risks and reduce the volatility of Orica's financial performance.

10. Financial risk management

Financial risk factors

Financial risk management is carried out centrally by the Group's treasury function under policies approved by the Board.

The Group's principal financial risks are associated with:

- interest rate risk (note 10a);
- foreign exchange risk (note 10b);
- commodity price risk (note 10c);
- credit risk (note 10d); and
- liquidity risk (note 10e).

(a) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group is primarily exposed to interest rate risk on outstanding interest bearing liabilities. Non-derivative interest bearing assets are predominantly short-term liquid assets. Interest bearing liabilities issued at fixed rates expose the Group to a fair value interest rate risk while borrowings issued at a variable rate give rise to a cash flow interest rate risk.

Interest rate risk on long-term interest bearing liabilities is managed by adjusting the ratio of fixed interest debt to variable interest debt. This is managed within policies determined by the Board via the use of interest rate swaps and cross currency interest rate swaps. As at September 2022, fixed rate borrowings after the impact of interest rate swaps and cross currency swaps were $1,413.9 million (2021 $1,268.5 million), representing a fixed/floating split of 65% and 35% respectively (2021 61% and 39%).

Interest rate sensitivity

A 10% movement in interest rates without management intervention would have a $4.6 million (2021 $4.1 million) impact on profit before tax and a $3.2 million (2021 $2.9 million) impact on shareholders' equity.

(b) Foreign exchange risk

i) Foreign exchange risk - transactional

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset, liability or cash flow will fluctuate due to changes in foreign currency rates.

The Group is exposed to foreign exchange risk due to foreign currency borrowings and sales and/or purchases denominated, either directly or indirectly, in currencies other than the functional currencies of the Group's subsidiaries.

Foreign exchange risk on foreign currency borrowings is managed using cross currency swaps and forward foreign exchange contracts. As at September 2022, the notional balance of derivative contracts hedging foreign currency debt was $1,106.8 million (2021 $1,003.4 million).

In regard to foreign currency risk relating to sales and purchases, the Group may hedge up to 100% of committed exposures utilising a declining percentage over time methodology. Only exposures that can be forecast to a high probability are hedged. Transactions can be hedged for up to five years. The derivative instruments used for hedging purchase and sale exposures are bought vanilla option contracts and forward exchange contracts. Forward exchange contracts may be used only under Board policy for committed exposures and anticipated exposures expected to occur within 12 months. Bought vanilla option contracts may be used for all exposures. These contracts are designated as cash flow hedges and are recognised at their fair value. At reporting date, Orica held foreign exchange contracts with a fair value gain of $8.3 million (2021 fair value gain of $4.9 million).

10. Financial risk management (continued)

Foreign exchange sensitivity

The table below shows the Group's main exposure to foreign currency transactional risk (Australian dollar equivalent) and the effect on profit or loss and equity had exchange rates been 10% higher or lower than the year end rate with all other variables held constant.

The analysis takes into account all underlying exposures and related hedges but not the impact of any management actions that might take place if these events occurred.

	2022 USD $m	2022 IDR $m	2022 CAD $m	2022 EUR $m
Cash and cash equivalents	261.9	77.4	18.7	20.6
Trade and other receivables	289.4	54.6	-	5.6
Trade and other payables	(396.8)	(29.3)	(3.6)	(14.1)
Interest bearing liabilities	(1,346.7)	(19.1)	-	(16.0)
Net derivatives	1,299.9	-	(37.8)	12.8
Net exposure	**107.7**	**83.6**	**(22.7)**	**8.9**
Effect on profit/(loss) before tax				
If exchange rates were 10% lower	7.8	9.3	(2.5)	0.2
If exchange rates were 10% higher	(6.4)	(7.6)	2.1	(0.2)
Increase/(decrease) in equity				
If exchange rates were 10% lower	8.4	6.5	(1.8)	0.7
If exchange rates were 10% higher	(6.9)	(5.3)	1.4	(0.6)

	2021 USD $m	2021 IDR $m	2021 CAD $m	2021 EUR $m
Cash and cash equivalents	182.4	33.7	1.4	13.4
Trade and other receivables	232.0	17.9	0.1	17.7
Trade and other payables	(302.1)	(25.3)	(2.1)	(16.5)
Interest bearing liabilities	(1,342.1)	(19.3)	(30.6)	(61.5)
Net derivatives	1,390.6	-	29.7	66.8
Net exposure	**160.8**	**7.0**	**(1.5)**	**19.9**
Effect on profit/(loss) before tax				
If exchange rates were 10% lower	5.5	0.8	-	1.0
If exchange rates were 10% higher	(4.5)	(0.6)	-	(0.8)
Increase/(decrease) in equity				
If exchange rates were 10% lower	12.5	0.6	(0.1)	1.5
If exchange rates were 10% higher	(10.2)	(0.5)	0.1	(1.3)

ii) Foreign currency risk - translational

Foreign currency earnings translation risk arises primarily as a result of earnings generated by foreign operations with functional currencies of CAD, USD, PEN, MXN, and BRL being translated into AUD. Derivative contracts to hedge earnings exposures do not qualify for hedge accounting under Australian Accounting Standards. Board approved policy allows hedging of this exposure in order to reduce the volatility of full year earnings resulting from changes in exchange rates. At reporting date, Orica held no derivative contracts to hedge earnings exposures (2021 nil).

Net investment in foreign operations

Hedging of foreign investment exposures is undertaken primarily through originating debt in the functional currency of the foreign operation, or by raising debt in a different currency and swapping the debt to the currency of the foreign operation using derivative financial instruments. The remaining translation exposure is managed, where considered appropriate, using forward foreign exchange contracts, or cross currency interest rate swaps. As at reporting date, 28.9% of the Group’s net investment in foreign operations was hedged (2021 37.0%).

10. Financial risk management (continued)

(c) Commodity price risk

Commodity price risk refers to the risk that Orica's profit or loss or equity will fluctuate due to changes in commodity prices.

Natural gas or ammonia are the primary feedstocks in Orica's production process. Orica manages its contract portfolio so that on a mass balance basis it seeks to maintain a low risk position across the contract cycle such that material input cost variations are passed through to customers in price variations through rise and fall adjustments contained in all significant contracts.

The Group may enter into derivative contracts to hedge commodity price risk that is not eliminated via contractual or other commercial arrangements. At reporting date, the fair value of commodity derivative contracts was nil (2021 nil).

(d) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under a contract or arrangement. The Group is exposed to credit risk from trade and other receivables and financial instrument contracts.

The creditworthiness of customers is reviewed prior to granting credit, using trade references and credit reference agencies. Credit limits are established and monitored for each customer, and these limits represent the highest level of exposure that a customer can reach. Trade credit insurance is purchased when required.

The Group manages bank counterparty risk by ensuring that actual and potential exposure is monitored daily against counterparty credit limits, which have been assigned based on counterparty credit ratings. The Group does not hold any credit derivatives to offset its credit exposures.

Orica's maximum exposure to credit risk as at 30 September is the carrying amount, net of impairment, of the financial assets as detailed in the table below:

Financial assets	2022 $m	2021 $m
Cash and cash equivalents	**1,255.3**	593.7
Derivative assets	**74.7**	56.9
Trade and other receivables	**1,086.5**	894.1
Total	**2,416.5**	**1,544.7**

(e) Liquidity risk

Liquidity risk arises from the possibility that there will be insufficient funds available to make payment as and when required.

The Group manages this risk via:

- maintaining an adequate level of undrawn committed facilities in various currencies that can be drawn upon at short notice;
- using instruments that are readily tradeable in the financial markets;
- monitoring duration of long-term debt;
- spreading, to the extent practicable, the maturity dates of long-term debt facilities; and
- comprehensively analysing all forecast inflows and outflows that relate to financial assets and liabilities.

Facilities available and the amounts drawn and undrawn are as follows:

	2022 $m	2021 $m
Unsecured bank overdraft facilities		
Unsecured bank overdraft facilities available	**57.1**	58.4
Amount of facilities undrawn	**57.1**	56.3
Committed standby and loan facilities		
Committed standby and loan facilities available	**3,596.6**	3,561.1
Amount of facilities unused	**1,422.8**	1,486.3

The bank overdrafts are payable on demand and are subject to an annual review. The repayment dates of the committed standby and loan facilities range from 25 October 2022[1] to 25 October 2030 (2021 25 October 2022 to 25 October 2030).

(1) $123 million US Private Placement bond maturity was repaid on 25 October 2022. The redemption was financed via committed bank debt facilities.

10. Financial risk management (continued)

The contractual maturity of the Group's financial liabilities including estimated interest payments as at 30 September are shown in the table below. The amounts shown represent the future undiscounted principal and interest cash flows and therefore differ from the carrying amount on the balance sheet:

2022	1 year or less $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	Contractual cash flows $m	Carrying amount $m
Non derivative financial liabilities						
Interest bearing liabilities, excluding lease liabilities	754.9	69.7	871.4	1,013.6	2,709.6	2,167.5
Lease liabilities	69.1	54.2	79.5	120.2	323.0	239.5
Trade and other payables	1,477.3	31.2	-	-	1,508.5	1,508.5
Derivative financial liabilities						
Inflows	(543.4)	(12.7)	(38.0)	(416.3)	(1,010.4)	-
Outflows	562.4	27.2	78.7	427.0	1,095.3	64.3
Total	**2,320.3**	**169.6**	**991.6**	**1,144.5**	**4,626.0**	**3,979.8**

2021	1 year or less $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	Contractual cash flows $m	Carrying amount $m
Non derivative financial liabilities						
Interest bearing liabilities, excluding lease liabilities	90.3	692.8	383.9	1,396.5	2,563.5	2,072.7
Lease liabilities	67.6	56.3	87.4	120.4	331.7	260.4
Trade and other payables	1,254.2	8.8	-	-	1,263.0	1,263.0
Derivative financial liabilities						
Inflows	(157.6)	(18.6)	(55.1)	(622.3)	(853.6)	-
Outflows	162.7	21.4	75.4	676.0	935.5	65.7
Total	**1,417.2**	**760.7**	**491.6**	**1,570.6**	**4,240.1**	**3,661.8**

Fair value measurement

The balance sheet includes financial assets and financial liabilities that are measured at fair value. These fair values are categorised into hierarchy levels that are representative of the inputs used in measuring the fair value.

Valuation method	Level 1 - uses quoted prices for identical instruments in active markets.
	Level 2 - uses inputs for the asset or liability other than quoted prices that are observable either directly or indirectly.
	Level 3 - uses valuation techniques where one or more significant inputs are based on unobservable market data.

At reporting date, other assets and other liabilities on the balance sheet included derivatives carried at fair value are categorised as Level 2 as the inputs are observable. There has been no movement between levels since prior year.

Valuation techniques include, where applicable, reference to prices quoted in active markets, discounted cash flow analysis, fair value of recent arm's length transactions involving the same instruments or other instruments that are substantially the same, and option pricing models. Changes in default probabilities are included in the valuation of derivatives using credit and debit valuation adjustments.

The fair values of forward exchange contracts are calculated by reference to forward exchange market rates for contracts with similar maturity profiles at the time of valuation.

The fair values of cross currency interest rate swaps and interest rate swaps and other financial liabilities measured at fair value are determined using valuation techniques which utilise data from observable markets. Assumptions are based on market conditions existing

10. Financial risk management (continued)

at each balance date. The fair value is calculated as the present value of the estimated future cash flows using an appropriate market-based yield curve, which is independently derived and representative of Orica's cost of borrowings.

Derivative financial instruments	2022 Current $m	2022 Non-Current $m	2021 Current $m	2021 Non-Current $m
Derivative assets				
Designated as a hedge of interest bearing liabilities	16.3	46.0	-	48.9
Other	12.4	-	8.0	-
Total	**28.7**	**46.0**	**8.0**	**48.9**
Derivative liabilities				
Designated as a hedge of interest bearing liabilities	(3.6)	(56.5)	-	(60.6)
Other	(4.2)	-	(5.1)	-
Total	**(7.8)**	**(56.5)**	**(5.1)**	**(60.6)**

Financial assets and liabilities carried at amortised cost

The fair value of cash and cash equivalents, trade and other receivables (note 5), and trade and other payables (note 5) approximates their carrying amount due to their short maturity.

Interest bearing liabilities excluding lease liabilities have a carrying amount of $2,167.5 million (2021 $2,072.7 million including discontinued operations). The carrying amount of bank and other loans which are primarily short-term in nature approximates fair value. Private Placement debt which is primarily long-term in nature has a carrying amount of $2,160.7 million (2021 $2,068.8 million) and a fair value of $2,068.0 million (2021 $2,122.2 million). Fair value of Private Placement debt is determined as the present value of future contracted cash flows discounted using standard valuation techniques at applicable market yields having regard to timing of cash flows.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet where Orica currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No financial assets or liabilities are currently held under netting arrangements.

Orica has entered into derivative transactions under International Swaps and Derivatives Association ('ISDA') master agreements that do not meet the criteria for offsetting but allow for the related amounts to be set-off in certain circumstances, such as the event of default. As Orica does not presently have a legally enforceable right of set-off, derivatives are presented on a gross basis on the balance sheet.

Derivatives and hedge accounting

The Group uses derivatives and other financial instruments to hedge its exposure to currency, interest rate and commodity price risk exposures arising from operational, financing and investing activities. Where applicable, these instruments are formally designated in hedge relationships as defined by AASB 9. To qualify for hedge accounting the Group formally designates and documents details of the hedge, risk management objective and strategy for entering into the arrangement and methodology used for measuring effectiveness.

Hedge accounting relationships are categorised according to the nature of the risks being hedged:

Hedge type	Description
Fair value hedge	Hedges the change in fair value of recognised assets and liabilities.
Cash flow hedge	Hedges the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or highly probable forecast transaction.
Net investment hedge	Hedges the foreign currency translation exposure of the net assets of foreign operations.

10. Financial risk management (continued)

Critical terms of hedging instruments and hedged items are transacted to match on a 1:1 ratio by notional values. Matching critical terms enables economic offset thereafter to be determined qualitatively.

Hedge ineffectiveness arises primarily from the counterparties' and the Group's own credit risk which is included in the fair value of the derivative hedge instrument but not the hedge item. During the current and prior financial years, there was no material impact on profit or loss resulting from hedge ineffectiveness.

AASB 9 also allows certain costs of hedging to be deferred in equity. Gains or losses associated with 'currency basis' cost of hedging are deferred in the cash flow hedge reserve as they are not material for separate disclosure. The amounts are systematically released to the income statement to align with the hedged exposure.

The London Interbank Offered Rate (LIBOR) is expected to be replaced by alternative risk-free rates (ARR) as part of inter-bank offer rate (IBOR) reform. IBOR reform impacts Orica's interest rate swaps, which reference 3-month US LIBOR. At 30 September 2022, the notional value of hedging instruments that reference 3-month US LIBOR is US$150m and Orica has not transitioned any of its existing interest rate swaps to ARR's. Orica's interest rate swaps will only transition to ARR once US LIBOR publication ceases, which is anticipated to occur on 30 June 2023.

Effects of hedge accounting on financial position and performance

Fair value and cash flow hedges

The table below shows the carrying amounts of the Group's Private Placement debt and the derivatives which are designated in fair value and/or cash flow hedge relationships to hedge them:

- The carrying amount of the Private Placement debt includes foreign exchange remeasurements to year end rates and fair value adjustments when included in a fair value hedge
- The breakdown of the hedging derivatives includes remeasurement of foreign currency notional values at year end rates, fair value movements due to interest rate risk, foreign currency cash flows designated into cash flow hedges, costs of hedging recognised in other comprehensive income and ineffectiveness recognised in the income statement; and
- Hedged value represents the carrying amount of the Private Placement debt adjusted for the carrying amount of the designated derivatives.

		Fair value of derivatives [1]					
2022	**Carrying amount $m**	**Foreign exchange notional @ spot $m**	**Fair value interest rate risk $m**	**Balance in cash flow hedge reserve – gross of tax [3] $m**	**Recognised in income statement [2] $m**	**Total carrying amount (asset)/liability $m**	**Hedged value $m**
Private Placement debt	**2,160.7**	**(105.6)**	**97.1**	**6.5**	**(1.0)**	**(3.0)**	**2,157.7**
2021							
Private Placement debt	2,068.8	(2.3)	(9.1)	23.4	(0.3)	11.7	2,080.5

(1) Individual derivative transactions may be included in more than one hedge type designation.
(2) Amounts recognised in the income statement are presented within financing costs.
(3) Includes cost of hedging as defined by AASB 9 of $1.2 million (2021 $5.8 million).

Net investment hedges

As at 30 September, hedging instruments designated in a net investment hedge consisted primarily of foreign currency debt and had a carrying amount of $1,000.9 million (2021 $909.7 million). During the period movements in the hedging instruments of $92.1 million loss (2021 $3.5 million loss) were recognised in the foreign currency translation reserve, with no ineffectiveness (2021 nil) recognised in the income statement.

10. Financial risk management (continued)

Derivatives and hedge accounting – significant accounting policies

Valuation: Derivatives are measured at fair value at inception, and subsequently remeasured to fair value at each reporting date.

	Fair value hedges	Cash flow hedges	Net investment hedges
Gains or losses on fair value movements of the financial instrument	Recognised in the income statement, together with gains or losses in relation to the hedged item attributable to the risk being hedged.	The effective portion is recognised in other comprehensive income. The ineffective portion is recognised immediately in the income statement.	The effective portion is recognised in the foreign currency translation reserve in equity. The ineffective portion is recognised immediately in the income statement.
Discontinuation of hedge accounting	The cumulative gain or loss that has been recorded to the carrying amount of the hedged item is amortised to the income statement using the effective interest method.	When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity. If the forecast transaction is no longer forecast to occur, the cumulative gain or loss is transferred immediately to the income statement.	Amounts remain deferred in the foreign currency translation reserve and are subsequently recognised in the income statement in the event of disposal of the foreign operation.

Derivatives not in a designated hedge arrangement

Financial instruments that do not qualify for hedge accounting but remain economically effective, are accounted for as trading instruments. These instruments are classified as current and are stated at fair value, with any resultant gain or loss recognised in the income statement. The Group policy is to not hold or issue financial instruments for speculative purposes.

Section E. Taxation

This section outlines the taxes paid by Orica and the impact tax has on the financial statements.

Orica has operations in more than 45 countries, with customers in more than 100 countries. In 2022, Orica paid $188.7 million (2021 $227.2 million) globally in corporate taxes and payroll taxes. Orica collected and remitted $200.1 million (2021 $127.1 million) globally in GST/VAT.

As Orica operates in a number of countries around the world, it is subject to local tax rules in each of those countries. Orica's tax rate is sensitive to the geographic mix of profits earned in different countries with different tax rates, as tax will be due in the country where the profits are earned. Many of the jurisdictions Orica has operations in have headline tax rates lower than 30%.

11. Taxation

(a) Income tax expense recognised in the income statement

	Consolidated					
	2022			2021		
	Continuing $m	Dis-continued $m	Con-solidated $m	Continuing $m	Dis-continued $m	Con-solidated $m
Current tax expense						
Current year	**141.3**	**7.4**	**148.7**	68.9	5.5	74.4
Deferred tax	**(2.2)**	**6.9**	**4.7**	(46.5)	-	(46.5)
Under provided in prior years	**1.8**	**-**	**1.8**	2.9	0.2	3.1
Total income tax expense in income statement	**140.9**	**14.3**	**155.2**	25.3	5.7	31.0

(b) Reconciliation of income tax expense to prima facie tax payable

	Continuing $m (2022)	Dis-continued $m (2022)	Con-solidated $m (2022)	Continuing $m (2021)	Dis-continued $m (2021)	Con-solidated $m (2021)
Income tax expense attributable to profit before individually significant items						
Profit from operations before individually significant items	**463.5**	**14.7**	**478.2**	299.3	21.7	321.0
Prima facie income tax expense calculated at 30% on profit	**139.1**	**4.4**	**143.5**	89.8	6.5	96.3
Tax effect of items which (decrease)/increase tax expense:						
variations in tax rates of foreign controlled entities	**7.7**	**-**	**7.7**	(2.0)	(1.4)	(3.4)
tax under provided in prior years	**1.8**	**-**	**1.8**	2.9	0.2	3.1
non-allowable interest deductions	**3.4**	**-**	**3.4**	13.2	2.1	15.3
non-creditable withholding taxes	**5.7**	**-**	**5.7**	7.1	-	7.1
recognition of previously unbooked temporary differences	**(4.2)**	**-**	**(4.2)**	(19.4)	-	(19.4)
(recognition)/utilisation of unbooked prior year tax losses	**(14.2)**	**-**	**(14.2)**	(2.0)	0.1	(1.9)
other	**9.1**	**1.2**	**10.3**	7.0	(1.4)	5.6
Income tax expense attributable to profit before individually significant items	**148.4**	**5.6**	**154.0**	96.6	6.1	102.7
Income tax (benefit)/expense attributable to individually significant items						
Loss from individually significant items	**(189.0)**	**(85.0)**	**(274.0)**	(452.5)	(1.4)	(453.9)
Prima facie income tax expense calculated at 30% on individually significant items	**(56.7)**	**(25.5)**	**(82.2)**	(135.8)	(0.4)	(136.2)
Tax effect of items which (decrease)/increase tax expense:						
impairment expense	**55.1**	**-**	**55.1**	103.0	-	103.0
non-taxable gain on sale of Nitro Consult AB	**(5.9)**	**-**	**(5.9)**	-	-	-
non-deductible loss on sale of Minova	**-**	**34.2**	**34.2**	-	-	-
utilisation of capital losses for gain on sale of land	**-**	**-**	**-**	(39.5)	-	(39.5)
non-allowable operating model restructuring expense	**-**	**-**	**-**	1.0	-	1.0
Income tax benefit attributable to loss on individually significant items	**(7.5)**	**8.7**	**1.2**	(71.3)	(0.4)	(71.7)
Income tax expense reported in the income statement	**140.9**	**14.3**	**155.2**	25.3	5.7	31.0

11. Taxation (continued)

(c) Income tax recognised in Equity

	Consolidated					
	2022			2021		
	$m	$m	$m	$m	$m	$m
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Net gain/(loss) on hedge of net investments in foreign subsidiaries	**(92.1)**	**27.6**	**(64.5)**	3.6	(1.1)	2.5
Cash flow hedges						
- Effective portion of changes in fair value	**17.3**	**(5.2)**	**12.1**	6.6	(2.0)	4.6
- Transferred to income statement	**-**	**-**	**-**	1.1	(0.3)	0.8
Exchange gain/(loss) on translation of foreign operations	**213.8**	**(49.6)**	**164.2**	9.3	(5.6)	3.7
Net actuarial gain/(loss) on defined benefit obligations	**91.7**	**(25.8)**	**65.9**	75.4	(20.5)	54.9
Recognised in comprehensive income	**230.7**	**(53.0)**	**177.7**	96.0	(29.5)	66.5
Deductible share issue costs	**(11.2)**	**1.8**	**(9.4)**	-	-	-
Total recognised in equity	**219.5**	**(51.2)**	**168.3**	96.0	(29.5)	66.5

(d) Recognised deferred tax assets and liabilities

	Consolidated			
	Balance Sheet		Income Statement	
	2022	2021	2022	2021
	$m	$m	$m	$m
Deferred tax assets				
Trade and other receivables	**15.8**	28.1	**12.3**	(12.5)
Inventories	**38.1**	19.5	**(19.2)**	(6.1)
Property plant and equipment	**50.7**	17.2	**(33.6)**	(14.6)
Intangible assets	**67.8**	64.4	**3.8**	29.8
Trade and other payables	**50.7**	41.0	**(9.2)**	8.8
Interest bearing liabilities	**-**	11.3	**28.9**	22.6
Provision for employee entitlements	**31.5**	28.1	**(3.8)**	1.7
Provision for retirement benefit obligations	**17.0**	40.3	**(3.1)**	0.4
Provision for environmental and decommissioning	**83.8**	98.5	**14.8**	(11.1)
Provision for other	**6.9**	3.3	**(3.6)**	15.7
Tax losses	**133.2**	134.9	**0.2**	(17.5)
Other items	**4.4**	5.3	**(2.5)**	0.7
Deferred tax assets	**499.9**	491.9		
Less set-off against deferred tax liabilities	**(104.3)**	(91.7)		
Net deferred tax assets	**395.6**	400.2		
Deferred tax liabilities				
Property plant and equipment	**105.7**	99.0	**7.1**	(57.1)
Intangible assets	**25.8**	24.5	**1.1**	2.0
Interest bearing liabilities	**11.4**	-	**10.7**	-
Other items	**8.6**	7.8	**0.8**	(9.3)
Deferred tax liabilities	**151.5**	131.3		
Less set-off against deferred tax assets	**(104.3)**	(91.7)		
Net deferred tax liabilities	**47.2**	39.6		
Deferred tax expense			**4.7**	(46.5)

	Consolidated	
	2022	2021
	$m	$m
Tax losses not booked	**118.7**	74.5
Capital losses not booked	**83.2**	44.3
Temporary differences not booked	**83.6**	97.8

Tax losses not booked expire between 2023 and 2038.

11. Taxation (continued)

Recognition and Measurement

Income tax on the profit or loss for the year comprises current and deferred tax and is recognised in the income statement.

Current tax is the expected tax payable on the taxable income for the year using tax rates applicable at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax balances are determined by calculating temporary differences based on the carrying amounts of assets and liabilities for financial reporting purposes and their amounts for taxation purposes. Where amounts are recognised directly in equity the corresponding tax impact is also recognised directly in equity.

The amount of deferred tax provided will be based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset will be recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent it is no longer probable that the related tax benefit will be realised.

Tax consolidation

Orica Limited is the parent entity in the tax consolidated group comprising all wholly-owned Australian entities.

Due to the existence of a tax sharing agreement between the entities in the tax consolidated group, the parent entity recognises the tax effects of its own transactions and the current tax liabilities and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the subsidiary entities.

Critical accounting judgements and estimates

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business. These include transfer pricing, indirect taxes and transaction-related issues. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

The Group recognises liabilities for tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provision in the period in which such determination is made.

In addition, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment.

Assumptions are also made about the application of income tax legislation. These assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances or differences in opinions will alter outcomes which may impact the amount of deferred tax assets and deferred tax liabilities recorded on the balance sheet and the amount of tax losses and timing differences not yet recognised. In these circumstances, the carrying amount of deferred tax assets and liabilities may change, resulting in an impact on the earnings of the Group.

Contingent tax liabilities

In the normal course of business, contingent liabilities may arise from tax investigations or legal proceedings. Where management are of the view that potential liabilities have a low probability of crystallising or it is not possible to quantify them reliably, they are not provided for and are disclosed as contingent liabilities.

Consistent with other companies of the size and diversity of Orica, the Group is the subject of ongoing information requests, investigations and audit activities by tax and regulatory authorities in jurisdictions in which Orica operates. Orica co-operates fully with the tax and regulatory authorities. It is possible that Orica may incur fines and/or other penalties as a consequence of these investigations and audits.

(i) Brazilian Tax Action

The Brazilian Taxation Authority (BTA) is claiming unpaid taxes, interest and penalties of approximately $29 million for the 1997 financial year relating to an alleged understatement of income based on an audit of production records. Orica believes BTA has misinterpreted those production records and recently received a favourable decision from the Brazilian Civil Court in relation to an excise dispute based on the same factual matter. This decision should support the income tax dispute.

ICI plc, the vendor of the business to Orica, has been notified to preserve Orica's rights under the tax indemnity obtained upon acquisition of the business which provides indemnity for amounts exceeding certain limits. The BTA has been granted a bank guarantee of up to approximately $28 million.

Section F. Group structure

Orica has a diverse spread of global operations, which includes controlled entities incorporated in over 45 countries, as well as entering strategic partnering arrangements with certain third parties. This section highlights the Group structure including Orica's controlled entities, as well as those where Orica holds less than 100% interest.

12. Investments in controlled entities

Recognition and Measurement

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in AASB 10 *Consolidated Financial Statements.*

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

When the Group relinquishes control over a subsidiary, it derecognises its share of net assets. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances, transactions and unrealised profits arising within the Group are eliminated in full.

Refer to note 23 for the list of investments in controlled entities.

13. Equity accounted investees and joint operations

(a) Investments accounted for using the equity method

The table below shows material investments (based on carrying values). All other investments are included in "Individually immaterial".

			Ownership		Profit/(loss) for the year		Consolidated Carrying value	
		Balance	**2022**	2021	**2022**	2021	**2022**	2021
Name	Principal activity	date	**%**	%	**$m**	$m	**$m**	$m
Nelson Brothers, LLC[1]	Manufacture and sale of explosives	30-Sep	**50.0**	50.0	**9.0**	8.3	**43.2**	40.7
Nelson Brothers Mining Services LLC[1]	Sale of explosives	30-Sep	**50.0**	50.0	**8.9**	7.0	**37.2**	34.3
Poly Orica Management Co., Ltd[2]	Manufacture and sale of explosives	31-Dec	**49.0**	49.0	**3.8**	4.2	**78.3**	74.5
Southwest Energy LLC[1]	Sale of explosives	30-Sep	**50.0**	50.0	**14.1**	9.3	**151.0**	126.8
Individually immaterial	Various				**4.0**	5.6	**14.1**	14.1
					39.8	34.4	**323.8**	290.4

(1) Entities are incorporated in USA.
(2) Entity is incorporated in China.

All equity accounted investees disclosed in the table above are classified as joint ventures.

13. Equity accounted investees and joint operations (continued)

The following table summarises the financial information of significant equity accounted investees as included in their own financial statements.

Equity Accounted Investees

2022 **Name**	**Nelson Brothers, LLC** **$m**	**Nelson Brothers Mining Services LLC** **$m**	**Poly Orica Management Co., Ltd** **$m**	**Southwest Energy LLC** **$m**
Balance Sheet				
Current assets	**90.2**	**34.3**	**107.8**	**92.2**
Non-current assets	**89.7**	**16.7**	**85.0**	**126.2**
Current liabilities	**(85.8)**	**(27.1)**	**(24.9)**	**(37.6)**
Non-current liabilities	**(32.7)**	**(10.4)**	**(2.2)**	**(7.1)**
Net assets (100%)	**61.4**	**13.5**	**165.7**	**173.7**
Group's share of net assets	**30.7**	**6.8**	**81.2**	**86.9**
Income Statement				
Revenue	**354.5**	**190.5**	**113.8**	**299.0**
Net profit	**17.9**	**17.4**	**11.8**	**28.9**
Total profit and comprehensive income (100%)	**17.9**	**17.4**	**11.8**	**28.9**
Group's share of total comprehensive income	**9.0**	**8.7**	**5.8**	**14.5**
Translation and other adjustments	**-**	**0.2**	**(2.0)**	**(0.4)**
Included in the Group's income statement	**9.0**	**8.9**	**3.8**	**14.1**
Dividends received by the Group	**9.8**	**9.5**	**-**	**3.9**

2021 Name	Nelson Brothers, LLC $m	Nelson Brothers Mining Services LLC $m	Poly Orica Management Co., Ltd $m	Southwest Energy LLC $m
Balance Sheet				
Current assets	69.4	24.8	96.3	77.6
Non-current assets	70.7	14.7	81.9	99.0
Current liabilities	(64.1)	(25.8)	(18.4)	(26.9)
Non-current liabilities	(19.7)	(1.2)	(3.1)	(10.9)
Net assets (100%)	56.3	12.5	156.7	138.8
Group's share of net assets	28.2	6.3	76.8	69.4
Income Statement				
Revenue	273.3	139.3	101.7	275.4
Net profit	16.5	14.3	9.8	18.9
Total profit and comprehensive income (100%)	16.5	14.3	9.8	18.9
Group's share of total comprehensive income	8.3	7.2	4.8	9.5
Translation and other adjustments	-	(0.2)	(0.6)	(0.2)
Included in the Group's income statement	8.3	7.0	4.2	9.3
Dividends received by the Group	7.8	5.9	-	2.4

(b) Joint operations

The Group owns 50% interest of Yara Pilbara Nitrates Pty Ltd, with the remaining shares held by subsidiaries in the Yara International ASA Group.

13. Equity accounted investees and joint operations (continued)

(c) Transactions with equity accounted investees

Transactions during the year with equity accounted investees were:

	2022 $m	2021 $m
Sales of goods to equity accounted investees	**397.2**	316.3
Purchase of goods from equity accounted investees	**118.1**	107.2
Dividend income received from equity accounted investees	**23.2**	17.5

(d) Transactions with related parties

All transactions with other related parties are made on normal commercial terms and conditions and in the ordinary course of business.

Recognition and Measurement

Investments accounted for using the equity method

The Group's interests in investments accounted for using the equity method comprise interests in associates and joint ventures.

An associate exists where Orica holds an interest in the equity of an entity, generally of between 20% and 50%, and is able to significantly influence the decisions of the entity. A joint venture is an arrangement in which the Group has joint control.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Orica recognises its share of any jointly held or incurred assets, liabilities, revenue and expenses in the consolidated financial statements under applicable headings.

14. Businesses and non-controlling interests acquired

Business combinations are accounted for under the acquisition method when control is transferred to the Group, in accordance with AASB 3 *Business Combinations*. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. The transaction costs are expensed in the income statement.

Consolidated – 2022

Acquisitions of business and controlled entities

On 29 October 2021, the Group entered a contract to acquire 100% of the shares of RIG Technologies International Pty Ltd and Resources Innovation Group Pty Ltd, based in Western Australia, who design and build downhole measurement technology. The purchase price comprises $12.5 million paid on completion and potential earn out payments based on the achievement of revenue targets over the next five years.

	RIG Technology $m
Consideration	
cash paid	**12.5**
deferred settlement	**21.5**
Total consideration	**34.0**
Fair value of net assets of businesses acquired	
property, plant and equipment	**1.4**
intangibles	**6.7**
other	**0.4**
Total fair value of net assets of businesses/controlled entities acquired	**8.5**
Goodwill on acquisition	**25.5**

Goodwill on the purchase is attributable mainly to the skills and technical talent of the acquired business' work forces and the synergies expected to be achieved from integrating this business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Since 1 October 2021, the Group has acquired an additional 1.2% of Exsa, for the consideration of $1.9 million. The ownership at 30 September 2022 is 99.9%.

Consolidated – 2021

As part of Orica's technology development strategy, the Group acquired the shares of Hopper Industrial Group and assets from OreControl Blasting Consultants LLC and OrePro Holdings LLC for total consideration of $22.3 million. No Goodwill was recognised on these transactions.

Since 1 October 2020, the Group has acquired an additional 1.9% of Exsa, for the consideration of $2.8 million. The ownership at 30 September 2021 is 98.7%.

15. Businesses disposed and discontinued operations

Businesses disposed – 2022

The Group disposed of the Minova business on 28 February 2022 and Nitro Consult AB on 7 March 2022.

	Minova 2022 $m	Nitro Consult AB 2022 $m
Summary		
Cash received	149.4	25.6
Cash disposed	(26.6)	(11.1)
Net cash received	**122.8**	**14.5**
Deferred cash consideration	28.2	-
Less disposal costs	(12.0)	(1.7)
Net consideration	**139.0**	**12.8**
Carrying value of net assets of businesses disposed		
Trade and other receivables	76.7	2.4
Inventories	68.7	1.6
Other assets	5.3	7.6
Property, plant and equipment	68.2	2.5
Right of use assets	-	0.6
Intangibles	16.1	0.5
Deferred tax asset	23.3	1.6
Trade and other payables	(76.9)	(1.2)
Interest-bearing liabilities	(10.4)	(0.7)
Provisions	(34.9)	(20.6)
	136.1	**(5.7)**
Less: Non-controlling interests at date of disposal	(7.8)	-
Profit on sale of businesses before release of foreign currency translation reserve (FCTR)	**10.7**	**18.5**
Release of FCTR	(95.7)	1.0
(Loss)/profit on sale of businesses before tax	**(85.0)**	**19.5**
Income tax expense	(8.7)	-
Net (loss)/profit on sale of businesses	**(93.7)**	**19.5**

As outlined in note 9, Orica disposed of JSC “Orica CIS” on 9 September 2022. The entity was fully impaired and the proceeds have been risk adjusted given the trade sanctions imposed on Russia. As required by Australian Accounting Standards, the foreign currency translation reserve was released to the profit and loss statement on disposal. This resulted in a gross loss of $40.6 million ($31.3 million loss after tax).

Businesses disposed - 2021

In September 2021 the Group disposed of Arboleda S.A. and its investment in the equity accounted investee Ulaex S.A.

	Arboleda S.A. $m
Consideration	**18.1**
Disposal costs	**(0.5)**
Net consideration	**17.6**
Carrying value of net assets of businesses/controlled entities disposed	
Equity accounted investee	**15.9**
Trade and other receivables	**1.7**
	17.6
Profit on sale of business/controlled entities	**-**

15. Businesses disposed and discontinued operations (continued)

Discontinued operations

The Minova business was considered a discontinued operation on 30 September 2021. The results of the business up until completion date of the sale are presented below.

	Minova 2021 $m
Assets held for sale	
Property, plant and equipment	**66.9**
Intangibles	**17.6**
Cash and cash equivalents	**42.7**
Inventories	**58.6**
Trade receivables	**67.2**
Other receivables	**2.8**
Deferred tax asset	**30.2**
Other assets	**12.2**
Assets held for sale	**298.2**
Liabilities held for sale	
Trade payables	**70.2**
Other payables	**20.0**
Interest-bearing liabilities	**9.9**
Provisions	**32.2**
Other liabilties	**-**
Deferred tax liability	**5.5**
Liabilities held for sale	**137.8**

15. Businesses disposed and discontinued operations (continued)

	Continuing 2022 $m	Dis-continued 2022 $m	Consol-idated 2022 $m	Continuing 2021 $m	Dis-continued 2021 $m	Consol-idated 2021 $m
Sales revenue	**7,096.4**	**231.1**	**7,327.5**	5,207.9	474.3	5,682.2
Other income[(1)]	**31.8**	**(0.8)**	**31.0**	45.7	0.7	46.4
Raw materials and inventories	**(3,909.5)**	**(150.4)**	**(4,059.9)**	(2,449.8)	(294.0)	(2,743.8)
Employee benefits expense	**(1,223.7)**	**(41.3)**	**(1,265.0)**	(1,111.2)	(95.7)	(1,206.9)
Depreciation and amortisation expense	**(385.8)**	**-**	**(385.8)**	(358.1)	(11.7)	(369.8)
Purchased services and other expenses	**(622.0)**	**(14.9)**	**(636.9)**	(510.3)	(31.4)	(541.7)
Outgoing freight	**(307.1)**	**(5.6)**	**(312.7)**	(304.6)	(12.9)	(317.5)
Repairs and maintenance	**(156.1)**	**(3.4)**	**(159.5)**	(149.4)	(7.3)	(156.7)
Impairment expense	**(167.9)**	**-**	**(167.9)**	(480.0)	-	(480.0)
Loss on sale of JSC "Orica CIS"	**(40.6)**	**-**	**(40.6)**	-	-	-
Gain on sale of Nitro Consult AB	**19.5**	**-**	**19.5**	-	-	-
Loss on sale of Minova	**-**	**(85.0)**	**(85.0)**	-	-	-
Operating model restructuring	**-**	**-**	**-**	(45.6)	(1.4)	(47.0)
Significant environmental provision expense	**-**	**-**	**-**	(39.3)	-	(39.3)
Gain on sale of Botony site	**-**	**-**	**-**	71.6	-	71.6
Gain on sale of Villawood site	**-**	**-**	**-**	40.8	-	40.8
Share of net profit of equity accounted investees	**39.8**	**-**	**39.8**	34.4	-	34.4
Total	**(6,753.4)**	**(300.6)**	**(7,054.0)**	(5,301.5)	(454.4)	(5,755.9)
Profit/(loss) from operations	**374.8**	**(70.3)**	**304.5**	(47.9)	20.6	(27.3)
Net financing costs						
Financial income	**2.1**	**0.1**	**2.2**	1.0	0.1	1.1
Financial expenses	**(102.4)**	**(0.1)**	**(102.5)**	(106.3)	(0.4)	(106.7)
Net financing costs	**(100.3)**	**-**	**(100.3)**	(105.3)	(0.3)	(105.6)
Profit/(loss) before income tax expense	**274.5**	**(70.3)**	**204.2**	(153.2)	20.3	(132.9)
Income tax expense	**(140.9)**	**(14.3)**	**(155.2)**	(25.3)	(5.7)	(31.0)
Profit/(loss) after tax	**133.6**	**(84.6)**	**49.0**	(178.5)	14.6	(163.9)
Net profit/(loss) for the year attributable to:						
Shareholders of Orica Limited	**145.5**	**(85.4)**	**60.1**	(188.6)	14.8	(173.8)
Non-controlling interests	**(11.9)**	**0.8**	**(11.1)**	10.1	(0.2)	9.9
Net profit/(loss) for the year	**133.6**	**(84.6)**	**49.0**	(178.5)	14.6	(163.9)

(1) Discontinued operations other income includes foreign exchange loss of $1.1 million (2021 $0.8 million loss).

	Continuing 2022 cents	Dis-continued 2022 cents	Consol-idated 2022 cents	Continuing 2021 cents	Dis-continued 2021 cents	Consol-idated 2021 cents
Earnings per share attributable to ordinary shareholders of Orica Limited:						
Basic earnings per share	**35.1**	**(20.6)**	**14.5**	(46.3)	3.6	(42.7)
Diluted earnings per share	**35.0**	**(20.6)**	**14.4**	(46.3)	3.6	(42.7)

15. Businesses disposed and discontinued operations (continued)

Reconciliation of net profit for the year	Continuing 2022 $m	Dis-continued 2022 $m	Consol-idated 2022 $m	Continuing 2021 $m	Dis-continued 2021 $m	Consol-idated 2021 $m
Before individually significant items						
Profit from operations	**563.8**	**14.7**	**578.5**	404.6	22.0	426.6
Net financing costs	**(100.3)**	**-**	**(100.3)**	(105.3)	(0.3)	(105.6)
Profit before income tax expense	**463.5**	**14.7**	**478.2**	299.3	21.7	321.0
Income tax expense	**(148.4)**	**(5.6)**	**(154.0)**	(96.6)	(6.1)	(102.7)
Profit after tax before non-controlling interests	**315.1**	**9.1**	**324.2**	202.7	15.6	218.3
Non-controlling interests	**(6.4)**	**(0.8)**	**(7.2)**	(10.1)	0.2	(9.9)
Profit after tax before individually significant items	**308.7**	**8.3**	**317.0**	192.6	15.8	208.4
Individually significant items						
Loss before income tax expense	**(189.0)**	**(85.0)**	**(274.0)**	(452.5)	(1.4)	(453.9)
Income tax benefit/(expense)	**7.5**	**(8.7)**	**(1.2)**	71.3	0.4	71.7
Loss after tax before non-controlling interests	**(181.5)**	**(93.7)**	**(275.2)**	(381.2)	(1.0)	(382.2)
Non-controlling interests	**18.3**	**-**	**18.3**	-	-	-
Loss after tax from individually significant items	**(163.2)**	**(93.7)**	**(256.9)**	(381.2)	(1.0)	(382.2)
Net profit/(loss) after tax						
Net profit/(loss) before income tax expense	**274.5**	**(70.3)**	**204.2**	(153.2)	20.3	(132.9)
Income tax expense	**(140.9)**	**(14.3)**	**(155.2)**	(25.3)	(5.7)	(31.0)
Profit/(loss) after tax before non-controlling interests	**133.6**	**(84.6)**	**49.0**	(178.5)	14.6	(163.9)
Non-controlling interests	**11.9**	**(0.8)**	**11.1**	(10.1)	0.2	(9.9)
Net profit/(loss) after tax	**145.5**	**(85.4)**	**60.1**	(188.6)	14.8	(173.8)
Net profit/(loss) for the year attributable to:						
Shareholders of Orica Limited	**145.5**	**(85.4)**	**60.1**	(188.6)	14.8	(173.8)
Non-controlling interests	**(11.9)**	**0.8**	**(11.1)**	10.1	(0.2)	9.9
Net profit/(loss) for the year	**133.6**	**(84.6)**	**49.0**	(178.5)	14.6	(163.9)

	Minova 2022 $m	Minova 2021 $m
Cash flows from/(used in) discontinued operations		
Net cash (used in)/from operating activities	**(4.7)**	16.9
Net cash used in investing activities	**(8.2)**	(9.6)
Net cash used in financing activities	**(3.2)**	(2.7)
Net cash flows for the year	**(16.1)**	4.6

Recognition and Measurement

A discontinued operation is a component of the Group where the operations and cash flows can be clearly distinguished from the rest of the Group. It represents a separate major line of operations and is part of a single co-ordinated plan to dispose of a separate major line of operation or business.

Classification as a discontinued operation occurs at the earlier of disposal date or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative income statement and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

16. Parent Company disclosure – Orica Limited

	Company	
	2022	2021
	$m	$m
Total current assets	**2,384.0**	1,805.6
Total assets	**3,946.2**	3,367.8
Total current liabilities	**159.0**	174.7
Total liabilities	**168.8**	176.1
Equity		
Ordinary shares	**3,389.7**	2,686.1
Retained earnings	**387.7**	505.6
Total equity attributable to ordinary shareholders of Orica Limited	**3,777.4**	3,191.7
Net profit and total comprehensive income for the year	**2.6**	387.9

The Company did not have any contractual commitments for the acquisition of property, plant or equipment in the current or previous years.

Contingent liabilities and contingent assets

Under the terms of a Deed of Cross Guarantee entered into under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785,* each wholly owned subsidiary which is a party to the Deed has covenanted with the Trustee of the Deed to guarantee the payment of any debts of the other companies which are party to the Deed which might arise on the winding up of those companies. A consolidated balance sheet and income statement for this closed group is shown in note 17.

Orica Limited guaranteed senior notes issued in the US Private Placement market in 2010, 2013, 2017 and 2020. The notes have maturities between calendar years 2022 and 2030 (2021: 2022 and 2030). Orica Limited has also provided guarantees for committed bank facilities.

17. Deed of Cross Guarantee

The parent entity, Orica Limited, and certain subsidiaries are subject to a Deed of Cross Guarantee (Deed) under which each company guarantees the debts of the others.

The parties to the Deed are:
• Initiating Explosives Systems Pty Ltd
• Orica Australia Pty Ltd
• Orica Investments Pty Ltd
• Orica Explosives Holdings Pty Ltd
• Orica Explosives Holdings No 2 Pty Ltd
• Orica Explosives Technology Pty Ltd
• Orica IC Assets Pty Ltd

By entering into the Deed, the wholly owned subsidiaries have been relieved from the requirement to prepare a financial report and Directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

17. Deed of Cross Guarantee (continued)

A consolidated income statement and consolidated balance sheet are shown below:

Summarised Balance Sheet	2022 $m	2021 $m
Current assets		
Cash and cash equivalents	**9.6**	9.9
Trade and other receivables	**342.7**	298.3
Inventories	**199.4**	151.8
Other assets[1]	**19.7**	17.4
Total current assets	**571.4**	477.4
Non-current assets		
Trade and other receivables	**2.5**	2.0
Equity accounted investees	**13.3**	11.1
Other financial assets	**7,357.8**	7,015.6
Property, plant and equipment	**1,265.8**	1,272.7
Intangible assets	**174.1**	168.5
Deferred tax assets	**185.5**	188.9
Total non-current assets	**8,999.0**	8,658.8
Total assets	**9,570.4**	9,136.2
Current liabilities		
Trade and other payables	**404.9**	280.0
Interest bearing liabilities	**20.8**	16.6
Current tax liabilities	**137.8**	28.9
Provisions	**41.0**	128.4
Total current liabilities	**604.5**	453.9
Non-current liabilities		
Trade and other payables	**21.9**	1.8
Interest bearing liabilities	**4,659.0**	4,540.9
Provisions	**207.9**	322.4
Total non-current liabilities	**4,888.8**	4,865.1
Total liabilities	**5,493.3**	5,319.0
Net assets	**4,077.1**	3,817.2
Equity		
Ordinary shares	**3,398.1**	2,686.1
Reserves	**827.0**	681.6
Retained earnings	**(148.0)**	449.5
Total equity	**4,077.1**	3,817.2

Summarised Income Statement and retained profit	2022 $m	2021 $m
Loss before income tax expense[2]	**(541.8)**	(156.8)
Income tax benefit	**19.5**	12.4
Loss from operations	**(522.3)**	(144.4)
Retained profit at the beginning of the year	**449.5**	672.3
Actuarial gains recognised directly in equity	**45.1**	19.1
Ordinary dividends - interim	**(53.1)**	(30.6)
Ordinary dividends - final	**(67.2)**	(66.9)
Retained (loss)/profit at the end of the year	**(148.0)**	449.5

[1] Other assets include net tax receivables with Group entities outside the Deed of Cross Guarantee.
[2] Loss before income tax primarily due to the impairment of the investment associated with Russia, Turkey and Minova.

Section G. Reward and recognition

Orica operates in more than 45 countries and has more than 12,000 employees. This section provides insights into the reward and recognition of employees, in addition to the employee benefits expense and employee provisions disclosed in the income statement and note 6 respectively.

This section should be read in conjunction with the Remuneration Report, contained within the Directors' Report, which provides specific details on the setting of remuneration for Key Management Personnel.

18. Employee share plans and remuneration

The following plans have options or rights ("instruments") over Orica shares outstanding at 30 September 2021 and 30 September 2022:

The Long-Term Incentive Plan (LTIP)
Refer to Remuneration Report.

Sign-on Rights
For a select group of senior managers who join Orica post allocation of an LTIP grant (and who generally have forgone at-risk remuneration from their previous employer) rights may be allocated at the discretion of the Orica Board.

Recognition and Measurement
The issued instruments are measured at fair value based on valuations prepared by PwC. The fair value is recognised in the income statement over the period that employees become entitled to the instruments.

Key Management Personnel compensation summary
As deemed under AASB 124 *Related Parties Disclosures*, Key Management Personnel (KMP) include each of the Directors, both Executive and Non-Executive, and those members of the Executive Committee who have authority and responsibility for planning, directing and controlling the activities of Orica.

A summary of the KMP compensation is set out in the following table:

	Consolidated	
	2022	2021
	$000	$000
Short-term employee benefits	**7,667.6**	10,085.5
Other long-term benefits	**25.0**	40.1
Post employment benefits	**214.4**	281.3
Share based payments	**1,361.4**	1,019.7
Termination benefits	**-**	437.5
	9,268.4	11,864.1

Information regarding individual Directors and Executives compensation and some equity instrument disclosures as permitted by *Corporation Regulations 2M.3.03* are provided in the Remuneration Report.

19. Defined benefit obligations

Recognition and Measurement

Contributions to defined contribution superannuation funds are recognised in the income statement in the year in which the expense is incurred.

For each defined benefit scheme, the cost of providing retirement benefits is expensed in the income statement so as to recognise current and past service costs, interest cost on net liabilities, and the effect of any curtailments or settlements. Actuarial gains and losses are recognised in other comprehensive income. The Group's net liabilities in respect of defined benefit pension plans is the present value of the future benefit employees have earned, less the fair value of any plan assets.

(a) Defined benefit pension plans

The Group participates in several Australian and overseas defined benefit post-employment plans that provide benefits to employees upon retirement. Plan funding is carried out in accordance with the requirements of trust deeds and the advice of actuaries. Information within these financial statements has been prepared by the local plan external actuaries. Orica were assisted by Willis Towers Watson to consolidate those results globally. During the year, the Group made employer contributions of $27.0 million (2021 $30.7 million) to defined benefit plans. The Group's external actuaries have forecast total employer contributions and benefit payments to defined benefit plans of $25.4 million for 2023.

(b) (i) Balance Sheet amounts

The amounts recognised in the balance sheet are determined as follows:

	2022 $m	2021 $m
Present value of the funded defined benefit obligations	**527.6**	735.4
Present value of unfunded defined benefit obligations	**65.4**	128.1
Fair value of defined benefit plan assets	**(512.8)**	(631.4)
Deficit	**80.2**	232.1
Restrictions on assets recognised	**3.1**	1.9
Net liability in the balance sheet	**83.3**	234.0
Amounts in the balance sheet:		
Liabilities	**91.0**	238.0
Assets	**(7.7)**	(4.0)
Net liability recognised in balance sheet at end of the year	**83.3**	234.0
Comprised of:		
Net liabilities of continuing operations	**83.3**	209.1
Net liabilities held for sale	**-**	24.9
Net liability recognised in balance sheet at end of the year	**83.3**	234.0

(b) (ii) Amounts recognised in the Income Statement

The amounts recognised in the income statement are as follows:

	2022 $m	2021 $m
Current service cost	**14.1**	16.5
Interest cost on net defined benefit liabilities	**4.5**	6.3
Losses from immediate recognition	**(0.4)**	(0.5)
Past service cost	**0.8**	1.0
Total included in employee benefits expense	**19.0**	23.3
Comprised of:		
Continuing operations	**19.0**	22.6
Discontinued operations	**-**	0.7
Total included in employee benefits expense	**19.0**	23.3

19. Defined benefit obligations (continued)

(b) (iii) Amounts included in the Statement of Other Comprehensive Income

	2022 $m	2021 $m
Actuarial gain on defined benefit obligations:		
Due to changes in demographic assumptions	**(6.3)**	(10.6)
Due to changes in financial assumptions	**186.1**	45.8
Due to experience adjustments	**(4.3)**	(7.8)
Total	**175.5**	27.4
Return on plan assets (lesser than)/greater than discount rate	**(82.7)**	49.8
Change in irrecoverable surplus other than interest	**(1.1)**	(1.8)
Total gain recognised via the Statement of Other Comprehensive Income	**91.7**	75.4
Tax expense on total gain recognised via the Statement of Other Comprehensive Income	**(25.8)**	(20.5)
Total gain after tax recognised via the Statement of Other Comprehensive Income	**65.9**	54.9
Comprised of:		
Continuing operations	**65.9**	53.0
Discontinued operations	**-**	1.9
Total gain after tax recognised via the Statement of Other Comprehensive Income	**65.9**	54.9

(b) (iv) Reconciliations

	2022 $m	2021 $m
Reconciliation of present value of the defined benefit obligations:		
Balance at the beginning of the year	**810.6**	882.7
Current service cost	**14.1**	16.5
Interest cost	**21.6**	20.3
Actuarial gains	**(175.9)**	(27.9)
Contributions by plan participants	**0.8**	0.9
Benefits paid	**(55.2)**	(43.5)
Settlements/curtailments	**0.8**	1.0
Business disposal	**(20.1)**	-
Exchange differences on foreign funds	**(3.7)**	13.5
Balance at the end of the year	**593.0**	863.5
Comprised of:		
Continuing operations	**593.0**	810.6
Held for sale	**-**	52.9
Balance at the end of the year	**593.0**	863.5

	2022 $m	2021 $m
Reconciliation of the fair value of the plan assets:		
Balance at the beginning of the year	**603.4**	569.2
Interest income on plan asset	**17.1**	14.0
Return on plan assets greater than discount rate	**(82.7)**	49.8
Contributions by plan participants	**0.8**	0.9
Contributions by employer	**27.0**	30.7
Benefits paid	**(55.2)**	(43.5)
Exchange differences on foreign funds	**2.4**	10.3
Balance at the end of the year	**512.8**	631.4
Comprised of:		
Continuing operations	**512.8**	603.4
Held for sale	**-**	28.0
Balance at the end of the year	**512.8**	631.4

19. Defined benefit obligations (continued)

The fair value of plan assets does not include any amounts relating to the Group's own financial instruments, property occupied by, or other assets used by, the Group.

	2022 $m	2021 $m
Comprising:		
Quoted in active markets:		
Equities	**172.4**	227.5
Debt securities	**204.4**	242.2
Property	**3.2**	9.4
Other quoted securities	**69.4**	92.3
Other:		
Property	**34.2**	30.1
Insurance contracts	**4.4**	4.9
Cash and cash equivalents	**24.8**	25.0
	512.8	631.4

The principal assumptions applied in determining the present value of defined benefit obligations and their bases were as follows:

- Rates of increase in pensionable remuneration, pensions in payment and healthcare costs: historical experience and management's long-term future expectations;
- Discount rates: prevailing long-term high quality bond yields, chosen to match the currency and duration of the relevant obligation; and
- Mortality rates: the local actuaries' designated mortality rates for the individual plans concerned.

The weighted averages for those assumptions and related sensitivity information are presented below. Sensitivity information indicates by how much the defined benefit obligations would increase or decrease if a given assumption were to increase or decrease with no change in other assumptions.

	Weighted average of assumptions used p.a.		Change in assumptions	
			+1% p.a.	-1% p.a.
	2022	2021	$m	$m
Rate of increase in pensionable remuneration	**3.32%**	2.99%	**11.9**	**(10.5)**
Rate of increase in pension payments	**2.80%**	2.36%	**11.7**	**(10.6)**
Discount rate for pension plans	**5.07%**	2.74%	**(60.9)**	**72.8**

The expected age at death for persons aged 65 is 87.8 years for men and 90.2 years for women at 30 September 2022. A change of one year in the expected age of death would result in an $12.3 million movement in the defined benefit obligation at 30 September 2022.

Critical accounting judgements and estimates

The defined benefit obligation costs are assessed in accordance with the advice of independent qualified actuaries but require the exercise of judgement in relation to assumptions for future salary and superannuation increases, long-term price inflation and bond rates. While management believes the assumptions used are appropriate, a change in the assumptions used may impact the earnings and equity of the Group.

Section H. Other

This section includes additional financial information that is required by Australian Accounting Standards and which management considers to be relevant information for shareholders.

20. Contingent liabilities

Contingent liabilities relating to environmental uncertainties are disclosed in note 6 and those relating to taxation in note 11. All others are disclosed below.

(a) Guarantees, indemnities and warranties

- The Group has entered into various long-term supply contracts. For some contracts, minimum charges are payable regardless of the level of operations, but the levels of operations are expected to remain above those that would trigger minimum payments.
- There are guarantees relating to certain leases of property, plant and equipment and other agreements arising in the ordinary course of business.
- Contracts of sale covering companies and assets which were divested during the current and prior years include commercial warranties and indemnities to the purchasers.

(b) Legal, claims and other

There are a number of legal claims and exposures which arise from the ordinary course of business. There is significant uncertainty as to whether a future liability will arise in respect of these items. Management have concluded that any potential liabilities over and above those already provided for in the financial statements would not have a material effect on the Group’s financial performance.

Critical accounting judgements and estimates

Where management are of the view that potential liabilities that arise in the normal course of business have a low probability of crystallising or it is not possible to quantify them reliably, they are not provided for and are disclosed as contingent liabilities.

Legal proceedings

The outcome of currently pending and future legal, judicial, regulatory, administrative and other proceedings of a litigious nature ("Proceedings") cannot be predicted with certainty. Proceedings can raise complex legal issues and are subject to many uncertainties including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each Proceeding is brought and differences in applicable law. Thus, an adverse decision in Proceedings could result in additional costs that are not covered, either wholly or partially, under insurance policies and that could significantly impact the business and results of operations of the Group. Therefore, it is possible that the financial position, results of operations or cash flows of the Group could be materially affected by an unfavourable outcome of those Proceedings. Proceedings are evaluated on a case-by-case basis considering the available information, including that from legal counsel, to assess potential outcomes.

Warranties and Indemnities

In the course of acquisitions and disposals of businesses and assets, Orica routinely negotiates warranties and indemnities across a range of commercial issues and risks, including environmental risks associated with real property. Management uses the information available and exercises judgement in the overall context of these transactions, in determining the scope and extent of these warranties and indemnities. In assessing Orica's financial position, management relies on warranties and indemnities received, and considers potential exposures on warranties and indemnities provided. It is possible that the financial position, results of operations and cash flows of the Group could be materially affected if circumstances arise where warranties and indemnities received are not honoured, or for those provided, circumstances change adversely.

21. Auditor's remuneration

	Consolidated 2022 $000	2021 $000
Total remuneration received, or due and receivable, by the auditors for:		
Audit services		
Auditor of the Company – KPMG Australia		
– Audit and review of financial reports	**4,220**	3,967
Auditor of the Company – overseas KPMG firms		
– Audit and review of financial reports [1]	**1,776**	1,915
	5,996	5,882
Other services		
Auditor of the Company – KPMG Australia		
– advisory services in relation to integrated reporting and sustainability	**28**	351
– advisory services in relation to compliance reporting	**29**	306
– other services	**87**	118
	144	775
	6,140	6,657

[1] Fees paid or payable for overseas subsidiaries' local statutory requirements.

From time to time, KPMG, the auditor of Orica, provides other services to the Group, which are subject to strict corporate governance procedures adopted by the Company which encompass the selection of service providers and the setting of their remuneration.

22. Events subsequent to balance date

Acquisition of business

On 3 October 2022, the Group acquired 100% of the shares of Axis Mining Technology Pty Ltd and DV8 Technology Ltd, who design, develop and manufacture specialised geospatial tools and instruments for the mining industry. The purchase price comprises $258 million paid on completion and potential earn out payments of up to $90 million based on the achievement of cumulative EBITDA generated from 1 October 2022 to 31 December 2024, and contingent on certain key management remaining employed by Orica during the earn-out period. Any amounts relating to the earn out will be recognised in the profit and loss as a Significant Item.

Based on the initial completion statement, Goodwill of $177 million will be recognised on this transaction. Accounting standards permit a measurement period of up to one year to finalise acquisition accounting.

	AXIS Group $m
Consideration	
Cash paid	258.0
Total consideration	**258.0**
Fair value of net assets of businesses acquired	
Intangibles	100.0
Property, plant and equipment	2.4
Deferred tax liability	(30.0)
Others	8.6
Total fair value of net assets of businesses/controlled entities acquired	**81.0**
Goodwill on acquisition	**177.0**

Goodwill on the purchase is attributable mainly to the skills and technical talent of the acquired business' work forces and the synergies expected to be achieved from integrating this business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs of $6.5 million that were not directly attributable to the issue of shares are included in the statement of profit or loss and in operating cash flows in the statement of cash flows.

The financial effect of this transaction is not included in the financial statements for the year ended 30 September 2022 and will be recognised in the 2023 financial statements.

Dividends

On 8 November 2022, the Directors declared a final dividend of 22.0 cents per ordinary share payable on 22 December 2022. The financial effect of this dividend is not included in the financial statements for the year ended 30 September 2022 and will be recognised in the FY2023 financial statements.

The Directors have not become aware of any other significant matter or circumstance that has arisen since 30 September 2022, that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in these financial statements.

23. List of controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities held during 2021 and 2022 (non-controlling interests shareholding disclosed if not 100% owned):

Name of Entity	Place of incorporation if other than Australia
Company	
Orica Limited	
Controlled Entities	
Alaska Pacific Powder Company [a]	USA
Altona Properties Pty Ltd [b] - 37.4%	
Aminova International Limited	Hong Kong
Ammonium Nitrate Development and Production Limited - 9.3%	Thailand
Anbao Insurance Pte Ltd	Singapore
Arboleda S.A[c]	Panama
ASA Organizacion Industrial S.A. de C.V.	Mexico
Barbara Limited [g]	UK
Beijing Ruichy Minova Synthetic Material Company Limited	China
BST Manufacturing, Inc.	USA
CJSC (ZAO) Carbo-Zakk [g] - 6.25%	Russia
Controladora DNS de RL de CV	Mexico
Dansel Business Corporation	Panama
Dyno Nobel VH Company LLC - 49%	USA
Emirates Explosives LLC - 35%	United Arab Emirates
Explosivos de Mexico S.A. de C.V.	Mexico
Explosivos Mexicanos S.A. de C.V.	Mexico
Exsa Chile SpA - 0.1%	Chile
Exsa Colombia S.A.S. - 0.1%	Colombia
Exsa S.A. - 0.1%	Peru
Fortune Properties (Alrode) (Pty) Limited [g]	South Africa
GeoNitro Limited - 69.4%	Georgia
GP FinCo Pty Limited [b]	
GP HoldCo Pty Limited	
GroundProbe Australasia Pty Ltd [b]	
GroundProbe Colombia S.A.S.	Colombia
GroundProbe do Brasil	Brazil
GroundProbe International Pty Ltd [b]	
GroundProbe North America LLC	USA
GroundProbe Peru S.A.C.	Peru
GroundProbe Pty Ltd [b]	
GroundProbe South Africa (Proprietary) Ltd	South Africa
GroundProbe South America SA	Chile
GroundProbe Technologies Pty Ltd [b]	
GroundProbe (Nanjing) Mining Technology Co. Ltd	China
Hallowell Manufacturing LLC [h]	USA
Holding EXSA S.A.C. - 0.1%	Peru
Hopper Industrial Group Pty Ltd [b]	
Indian Explosives Private Limited	India
Initiating Explosives Systems Pty Ltd	
International Blasting Services Inc - 0.1%	Panama
JSC "Orica CIS" [g]	Russia
Minova Africa (Pty) Ltd [g] - 26%	South Africa
Minova Africa Holdings (Pty) Limited [g]	South Africa
Minova Arnall Sp. z o.o. [g]	Poland
Minova Australia Pty Ltd [b] [g]	
Minova Bohemia s.r.o. [g]	Czech Republic
Minova CarboTech GmbH [g]	Germany
Minova Codiv S.L. [g]	Spain
Minova Ekochem S.A. [g]	Poland
Minova Holding GmbH [g]	Germany
Minova Holding Inc [g]	USA
Minova International Limited [g]	UK
Minova Kazakhstan Limited Liability Partnership [g]	Kazakhstan
Minova Ksante Sp. z o.o. [g]	Poland
Minova MAI GmbH	Austria
Minova Mexico S.A. de C.V.	Mexico
Minova MineTek Private Limited [g]	India
Minova Mining Services SA [g]	Chile
Minova Nordic AB [g]	Sweden
Minova Runaya Private Limited [g] - 49%	India
Minova USA Inc [g]	USA
Minova Weldgrip Limited	UK
Mintun 1 Limited	UK
Mintun 2 Limited	UK
Mintun 3 Limited	UK
Mintun 4 Limited	UK
Nitro Asia Company Inc. - 41.6%	Philippines
Nitro Consult AB [g]	Sweden
Nitro Consult AS	Norway
Nitroamonia de Mexico S.A de C.V.	Mexico
NMR Services Australia Pty Ltd [b] [f]	
Nobel Industrier AS	Norway
Nutnim 1 Limited	UK
Nutnim 2 Limited	UK
OOO Minova [g]	Russia
Orica-CCM Energy Systems Sdn Bhd - 45%	Malaysia
Orica-GM Holdings Limited - 49%	UK
Orica Africa Holdings Limited	UK
Orica Africa (Proprietary) Ltd	South Africa
Orica Argentina S.A.I.C.	Argentina
Orica Australia Pty Ltd	
Orica Belgium S.A.	Belgium
Orica Blast & Quarry Surveys Limited - 25%	UK
Orica Bolivia S.A. [i]	Bolivia
Orica Brasil Ltda	Brazil
Orica Burkina Faso SARL	Burkina Faso
Orica Caledonie SAS [i]	New Caledonia
Orica Canada Inc	Canada
Orica Canada Investments ULC [d]	Canada
Orica Caribe, S.A.	Panama
Orica Centroamerica S.A.	Costa Rica
Orica Chile Distribution S.A.	Chile
Orica Chile S.A.	Chile
Orica Colombia S.A.S.	Colombia
Orica Cote D'Ivoire	Ivory Coast
Orica Denmark A/S	Denmark
Orica Dominicana S.A.	Dominican Republic
Orica DRC SARL	Democratic Republic of Congo
Orica Eesti OU - 35%	Estonia
Orica Europe FT Pty Ltd [b]	

23. List of controlled entities (continued)

Name of Entity	Place of incorporation if other than Australia
Orica Europe GmbH & Co KG	Germany
Orica Europe Verwaltungs GmbH	Germany
Orica Explosives Holdings Pty Ltd	
Orica Explosives Holdings No 2 Pty Ltd	
Orica Explosives Holdings No 3 Pty Ltd [b]	
Orica Explosives Research Pty Ltd [b]	
Orica Explosives Technology Pty Ltd	
Orica Explosivos Industriales, S.A.	Spain
Orica Finance Limited	
Orica Finance Trust [b]	
Orica Finland OY	Finland
Orica Ghana Limited	Ghana
Orica Grace US Holdings Inc. [h]	USA
Orica Holdings Pty Ltd [b]	
Orica Ibéria, S.A.	Portugal
Orica IC Assets Holdings Limited Partnership [b]	
Orica IC Assets Pty Ltd	
Orica International IP Holdings Inc. [h]	USA
Orica International Pte Ltd	Singapore
Orica Investments (Indonesia) Pty Limited [b]	
Orica Investments (NZ) Limited	NZ
Orica Investments (Thailand) Pty Limited [b]	
Orica Investments Pty Ltd	
Orica Japan Co. Ltd [e]	Japan
Orica Kazakhstan Joint Stock Company	Kazakhstan
Orica Logistics Canada Inc. [d]	Canada
Orica Logistics LLC	Russia
Orica Long Term Equity Incentive Plan Trust [b]	
Orica Malaysia Sdn Bhd	Malaysia
Orica Mali SARL	Republic of Mali
Orica Mauritania SARL	Mauritania
Orica Med Bulgaria AD - 40%	Bulgaria
Orica Mining Services (Namibia) (Proprietary) Limited	Namibia
Orica Mining Services (Hong Kong) Ltd	Hong Kong
Orica Mining Services DRC SASU	Democratic Republic of Congo
Orica Mining Services Peru S.A.	Peru
Orica Mining Services Portugal S.A.	Portugal
Orica Mining Services (Thailand) Limited	Thailand
Orica Mongolia LLC - 51%	Mongolia
Orica Mountain West Inc.	USA
Orica Mozambique Limitada	Mozambique
Orica New Zealand Limited	NZ
Orica New Zealand Superfunds Securities Limited	NZ
Orica Nitrates Philippines Inc - 4%	Philippines
Orica Nitro Patlayici Maddeler Sanayi ve Ticaret Anonim Sirketi - 49%	Turkey
Orica Nitrogen LLC [h]	USA
Orica Nominees Pty Ltd [b]	

Name of Entity	Place of incorporation if other than Australia
Orica Norway AS	Norway
Orica Panama S.A.	Panama
Orica Philippines Inc - 5.5%	Philippines
Orica Portugal, S.G.P.S., S.A.	Portugal
Orica Securities (UK) Limited	UK
Orica Senegal SARL	Senegal
Orica Share Plan Pty Limited [b]	
Orica Singapore Pte Ltd	Singapore
Orica Soluciones de Voladuras S.A.C.	Peru
Orica South Africa (Pty) Ltd - 26.5%	South Africa
Orica St. Petersburg LLC	Russia
Orica Sweden AB	Sweden
Orica Sweden Holdings AB	Sweden
Orica Tanzania Limited	Tanzania
Orica UK Limited	UK
Orica US Finance LLC [i]	USA
Orica US Holdings General Partnership	USA
Orica USA Inc.	USA
Orica U.S. Services Inc.	USA
Orica Venezuela C.A. - 49%	Venezuela
Orica Zambia Limited	Zambia
OriCare Canada Inc.	Canada
Oricorp Comercial S.A. de C.V.	Mexico
Oricorp Mexico S.A. de C.V.	Mexico
Penlon Proprietary Limited [b]	
Project Grace	UK
Project Grace Holdings	UK
Project Grace Incorporated [h]	USA
Promec International Pty Ltd [b] [f]	
PT GroundProbe Indonesia	Indonesia
PT Kalimantan Mining Services	Indonesia
PT Kaltim Nitrate Indonesia - 10%	Indonesia
PT Orica Mining Services	Indonesia
Resource Innovation Group Pty Ltd [b] [j]	
RIG Technologies International Pty Ltd [b] [j]	
Rui Jade International Limited	Hong Kong
Surtech Systems Pty Ltd [b] [f]	
White Lightning Holdings, Inc	Philippines

[a] Merged in 2021.
[b] No separate statutory accounts are required to be prepared in Australia.
[c] Divested in 2021.
[d] Amalgamated in 2021.
[e] Liquidated in 2021.
[f] Acquired in 2021 as part of the Hopper Industrial Group acquisition; refer to Note 14.
[g] Divested in 2022
[h] Merged in 2022
[i] Liquidated in 2022
[j] Acquired in 2022

24. New accounting policies and accounting standards

Except as described below, the accounting policies applied by the Group in its financial statements are the same as those applied by the Group in its consolidated financial report for the year ended 30 September 2021.

(i) New and amended accounting standards and interpretations adopted

AASB 2020-8 *Amendments – Interest Rate Benchmark Reform (Phase 2)*

AASB 2020-8 became effective for the Group from 1 October 2021. The standard provides relief from potential effects on the valuation of financial instruments and hedge accounting requirements caused when an existing interest rate benchmark is replaced with an alternative benchmark rate (the reform).

The adoption of this standard did not have a material impact on the Group. All relevant bank facility agreements will transition to alternative reference rates prior to the cessation of LIBOR. A portion of Orica's issued USD fixed rate debt is hedged using USD fixed to USD LIBOR interest rate swaps. None of these swaps reference US LIBOR post the cessation date of June 2023.

(ii) New and amended accounting standards and interpretations issued but not yet effective

There are no new standards or interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Directors' Declaration

We, Malcolm William Broomhead and Sanjeev Gandhi, being Directors of Orica Limited, do hereby state in accordance with a resolution of the Directors that in the opinion of the Directors,

(a) the consolidated financial statements and notes, set out on pages 24 to 79, and the Remuneration Report in the Directors' Report, set out on pages 3 to 22, are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position of the Group as at 30 September 2022 and of its performance for the financial year ended on that date; and

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

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

There are reasonable grounds to believe that the Company and the controlled entities identified in note 17 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 controlled entities pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 September 2022.

The Directors draw attention to "About this report" on page 30 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

M W Broomhead
Chairman

S Gandhi
Managing Director and Chief Executive Officer

Dated at Melbourne 8 November 2022

KPMG

Independent Auditor's Report

To the shareholders of Orica Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Orica 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:

- Balance Sheet as at 30 September 2022
- Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of Orica Limited (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 these requirements.

Key Audit Matters

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

- Recoverable amount of property, plant and equipment and intangible assets
- Environmental and decommissioning provisions and contingent liability disclosures

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.

Recoverable amount of property, plant and equipment ($3,082.3 million) and intangible assets ($1,142.9 million)

Refer to Notes 7, 8 and 9 of the Financial Report

The key audit matter	How the matter was addressed in our audit
A key audit matter was the Group's testing of property, plant and equipment and intangible assets for impairment given the size of the balances (being 50% of total assets), continued global supply chain disruptions and uncertainty around inflation expectations and forecast commodity prices. Certain conditions impacting the Group, particularly with respect to the EMEA Cash Generating Unit (CGU), increased the judgement applied by us when evaluating the evidence available. We focused on the significant forward-looking assumptions the Group applied in the value in use model, including: • *Forecast operating cash flows:* the ongoing economic uncertainty caused by geopolitical issues, most notably the Russia-Ukraine conflict, continued global supply chain disruptions and uncertainty around inflation expectations and forecast commodity prices increases the possibility of property, plant and equipment and intangible assets being impaired and the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider. We focused on both the forecast growth for the Group and the impact of the Group's future business plans when assessing the feasibility of the Group's forecast cashflows. • *Terminal growth rates:* in addition to the uncertainties described above, the Group's model is highly sensitive to changes in	Our procedures included: • We considered the appropriateness of the value in use method applied by the Group to perform the impairment test against the requirements of the accounting standards. • We assessed key controls in the Group's impairment process, such as Board approval of budgets and review and approval of the impairment assessment, including cash flow forecasts, by examining the review and approval of information by the Board. • We assessed the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • We compared the forecast cash flows contained in the value in use model to the future business plans approved by the Board. We checked the Group's forecast cash flows for the EMEA CGU for consistency with our understanding of the Group's decision to exit the Russian business. • We compared the Group's cumulative value in use to the Group's market capitalisation to inform our evaluation of the current forecasts incorporated in the model. • We assessed the accuracy of previous Group cash flow forecasts for the respective CGUs to inform our evaluation of current forecasts incorporated in the model. • We assessed the scope, competence and objectivity of the Group's external expert engaged to assist with the determination of

terminal growth rates. This drives additional audit effort specific to their feasibility and consistency of application having regard to the Group's strategy. • *Discount rates:* these are complicated in nature and vary according to the conditions and environment the specific CGUs are subject to from time to time, and the approach to incorporating risks into the cash flows or discount rates. Orica engaged an external expert to assist with the determination of the discount rate for the respective CGUs. *EMEA CGU* In addition to the above, as set out in Note 9, the Group recorded impairment charges in relation to its Russian and Turkey businesses and the goodwill in the EMEA region. This was as a result of the impact of the Russia-Ukraine conflict and the decision to exit the Russian business, and the financial performance of the Turkish business**.** This further increased our audit effort in this key audit area. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	the discount rate for the respective CGUs. • Working with our valuation specialists, we independently developed a discount rate range for the key countries in each CGU, using publicly available market data for comparable entities, adjusted for risk factors specific to the Group and the industry it operates in. We compared the discount rates applied by the Group to our developed range. • Working with our valuation specialists, we assessed the forecast cash flows by comparing the implicit earnings and asset multiples from the model to corresponding multiples of comparable entities. • We considered the sensitivity of the model by varying key assumptions such as forecast operating cash flows, terminal growth rates and discount rates, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Using our knowledge of the Group's operations, their past performance and our industry experience, we challenged the Group's forecast cash flows, terminal growth rate assumptions and the feasibility of future plans. We also compared forecast growth rates to authoritative published studies, including those related to impact of global supply chain disruptions, inflation expectations and forecast commodity prices and considered differences specific to the Group's operations. • We recalculated the impairment charge relating to the Russian and Turkish businesses and also the EMEA CGU against the recorded amounts disclosed. • We assessed the disclosures in the Financial Report using our understanding of the matter obtained from our testing and against the requirements of the accounting standards.

Environmental and decommissioning provisions ($306.6 million) and contingent liability disclosures	
Refer to Note 6 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The estimation of environmental remediation and decommissioning provisions and contingent liability disclosures is considered a key audit matter due to the: • Inherent complexity associated with the Group's estimation of remediation costs, particularly for potential contamination of ground beneath established structures and long term legacy matters impacting the Group, and in gathering persuasive audit evidence thereon. • Internal restructuring activities undertaken by the Group, including the scheduled closure of certain manufacturing sites which give rise to heightened audit focus on the nature, timing and amount of decommissioning costs expected to be incurred by the Group. The complexity in estimating the Group's environmental remediation and decommissioning provisions and reporting of contingent liability disclosures is influenced by: • The inherent challenges experienced by the Group in precisely determining the size and location of potential contamination beneath established structures and associated costs to be included in the provisions and/or reporting of a contingent liability in accordance with accounting standard requirements. • Current and probable environmental and regulatory requirements and the impact on completeness of remediation activities within the provision estimate, including the activities which will be acceptable to regulators. • The expected environmental remediation strategy of the Group and availability of any known techniques to remediate source contamination, in particular for treatment of Dense Non-Aqueous Phase Liquid source areas at Botany, New South Wales. • Historical experience, and its use as a	Our procedures included: • We assessed key controls relating to the completeness, size and location of the Group's identification of areas which contain contamination and the related recognition and measurement of provisions, including the Group's review and authorisation of cost estimates. • We read regulatory requirements and correspondence with regulatory authorities to understand their views about acceptable remediation techniques and compared this with the assumptions made in the Group's provision. • We assessed the scope, competence and objectivity of the Group's internal and external experts engaged to assist in the determination of strategies to remediate contamination and the costing of remediation activities. • We tested the accuracy of historical remediation provisions by comparing to actual expenditure. We used this knowledge to challenge the Group's current cost estimates and to inform our further procedures. • We obtained a sample of the Group's quotations for remediation activities, as well as other internal and external underlying documentation for the Group's determination of required future activities, their timing and associated cost estimates. We compared them to the nature, timing and quantum of cost contained in the provision balance. We compared the basis for recognition of the provision with the criteria in the accounting standards. • We made enquiries of various personnel regarding the Group's strategy for remediating certain source contamination and compared these for consistency with our understanding of their strategy and its impact to the provision. • We challenged the Group where provisions were unable to be made for source contamination, in particular for treatment of Dense Non-Aqueous Phase Liquid source areas at Botany, New South Wales, in relation to the existence of information

reasonable predictor when evaluating forecast costs. • The expected timing of the expenditure given the long term nature of these exposures to the Group. The Group uses third party and internal experts to assist in the determination of strategies to remediate contamination and the costing of remediation activities.	which would enable a reliable estimate of the provision to be made. We compared this to our understanding of the matter and the criteria in the accounting standards for recording a provision or contingent liability. • We tested the mathematical accuracy of the Group's provision models. • We assessed the Group's disclosures using our knowledge of the business and the requirements of the accounting standards. In particular, we focused on the disclosure of uncertainties associated with the provision or exposure.

Other Information

Other Information is financial and non-financial information in Orica 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.

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

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
- 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 Orica 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

KPMG

Penny Stragalinos

Partner

Melbourne

8 November 2022

Chris Sargent

Partner

Melbourne

8 November 2022

Five Year Financial Statistics

For the year ended 30 September

Orica consolidated ($m)[1]	2022	2021	2020[2]	2019[2]	2018
Profit & Loss					
Sales	**7,327.5**	5,682.2	5,611.3	5,878.0	5,373.8
Earnings before depreciation, amortisation, net borrowing costs and tax	**964.3**	796.4	945.8	941.1	885.0
Depreciation and amortisation (excluding goodwill)	**(385.8)**	(369.8)	(332.1)	(276.4)	(266.9)
Earnings before net borrowing costs and tax (EBIT) before individually significant items	**578.5**	426.6	613.7	664.7	618.1
Net borrowing costs	**(100.3)**	(105.6)	(159.0)	(109.7)	(121.3)
Individually significant items before tax	**(274.0)**	(453.9)	(293.1)	(195.9)	(375.3)
Taxation expense	**(155.2)**	(31.0)	(70.1)	(108.6)	(156.0)
Non-controlling interests	**11.1**	(9.9)	(9.2)	(5.4)	(13.6)
Profit/(loss) after tax and individually significant items	**60.1**	(173.8)	82.3	245.1	(48.1)
Individually significant items after tax attributable to members of Orica Limited	**(256.9)**	(382.2)	(216.8)	(126.8)	(372.3)
Profit after tax before individually significant items net of tax	**317.0**	208.4	299.1	371.9	324.2
Dividends/distributions	**120.3**	97.5	192.6	203.0	181.2
Financial Position					
Current assets	**3,309.5**	2,391.6	2,664.0	1,835.8	1,960.3
Property, plant and equipment	**3,082.3**	3,040.2	3,267.0	2,885.2	2,866.2
Equity accounted investees	**323.8**	290.4	301.6	301.3	213.3
Intangibles	**1,142.9**	1,150.4	1,440.3	1,483.0	1,697.9
Other non-current assets	**509.3**	493.1	530.6	635.1	426.7
Total assets	**8,367.8**	7,365.7	8,203.5	7,140.4	7,164.4
Current borrowings and payables	**2,190.6**	1,225.4	1,848.4	1,336.7	1,357.2
Current provisions and other liabilities	**289.6**	443.4	321.0	297.9	254.2
Non-current borrowings and payables	**1,724.9**	2,270.6	2,368.9	1,979.4	2,010.7
Non-current provisions and other liabilities	**433.5**	633.9	724.8	659.6	574.3
Total liabilities	**4,638.6**	4,573.3	5,263.1	4,273.6	4,196.4
Net assets	**3,729.2**	2,792.4	2,940.4	2,866.8	2,968.0
Equity attributable to ordinary shareholders of Orica Limited	**3,685.8**	2,726.3	2,892.6	2,809.6	2,903.2
Equity attributable to non-controlling interests	**43.4**	66.1	47.8	57.2	64.8
Total shareholders' equity	**3,729.2**	2,792.4	2,940.4	2,866.8	2,968.0

(1) Results include continuing and discontinued operations for the consolidated Group.

(2) The results for 2020 and the closing balance sheet for 2019 have been restated in 2021 Annual Report for the impact of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement. Earlier periods have not been restated.

Five Year Financial Statistics

For the year ended 30 September

Orica consolidated[1]		2022	2021	2020[2]	2019[2]	2018
Number of ordinary shares on issue at year end (millions)		**452.8**	407.5	405.9	380.6	379.2
Weighted average number of ordinary shares on issue (millions)		**414.8**	406.8	395.6	380.0	378.2
Basic earnings per ordinary share						
- before individually significant items (cents)		**76.4**	51.2	75.6	97.9	85.7
- including individually significant items (cents)		**14.5**	(42.7)	20.8	64.5	(12.7)
Dividends per ordinary share (cents)		**35.0**	24.0	33.0	55.0	51.5
Dividend franking (percent)		**-**	-	-	9.1	-
Dividend yield - based on year end share price (percent)		**2.6**	1.7	2.1	2.4	3.0
Closing share price range –	High	**$17.22**	$17.61	$24.27	$22.97	$21.37
	Low	**$13.08**	$11.17	$13.25	$16.31	$16.34
	Year end	**$13.22**	$13.79	$15.43	$22.54	$17.03
Stockmarket capitalisation at year end ($m)		**5,986.1**	5,619.6	6,262.7	8,578.2	6,548.0
Net tangible assets per share ($)		**5.62**	3.82	3.58	3.49	3.18
Ratios						
Profit margin - earnings before net borrowing costs and tax/sales (percent)		**7.9**	7.5	10.9	11.3	11.5
Net debt (excluding lease liabilities) (millions)		**912.2**	1,479.0	1,820.5	1,620.6	1,648.3
Gearing (net debt/net debt plus equity excluding lease liabilities) (percent)		**19.7**	34.6	38.2	36.1	35.7
Interest cover (EBIT/net borrowing costs excluding lease interest) (times)		**6.5**	4.6	4.2	6.1	5.1
Net capital expenditure on plant and equipment (Cash Flow) ($m)		**(308.7)**	(153.0)	(302.9)	(226.0)	(153.0)
Net cash flow from sale of businesses/controlled/(acquisition) entities ($m)		**109.7**	(25.1)	(153.9)	(14.0)	(252.8)
Return on average shareholders' funds						
- before individually significant items (percent)		**9.9**	7.4	10.5	13.0	11.1
- including individually significant items (percent)		**1.9**	(6.2)	2.9	8.6	(1.6)

[1] Results include continuing and discontinued operations for the consolidated Group.

[2] The results for 2020 and the closing balance sheet for 2019 have been restated in 2021 Annual Report for the impact of IFRIC Interpretation Configuration or Customisation Costs in a Cloud Computing Arrangement. Earlier periods have not been restated.