



2023 Annual Report



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About this report

This annual report is a summary of the operations, activities and performance of Nufarm Limited (ABN 37 091 323 312) and its controlled entities for the year ended 30 September 2023 and its financial position as at 30 September 2023.

In this report, unless otherwise stated, references to 'Nufarm', 'the Nufarm Group', 'the group', 'we', 'us' and 'our' and similar expressions refer collectively to Nufarm Limited and its controlled entities. Unless otherwise stated, financial information in this report is presented on the basis as described in the Notes to the Financial Statements basis of preparation on page 86. Nufarm Limited shares trade on the ASX under the listing code of NUF.

All financial data is presented in Australian dollars unless otherwise stated.

Forward looking statements and scenario analysis

This report contains forward-looking statements, including our expected business strategies, business performance and market conditions including with respect to climate change and other environmental and energy transition scenarios. While these forward looking statements reflect Nufarm's current knowledge, expectations and assumptions at the date of this report, they are not guarantees or predications of future performance or statements of fact and Nufarm does not give any assurance that the assumptions will prove to be correct. They involve known and unknown risks and uncertainties, which may cause actual outcomes and developments to differ materially from those expressed in the statements contained in this annual report. Relevant factors may include (without limitation) changes in product demand, the timing and success of new product launches, decisions by regulatory authorities regarding approval and ongoing registration of Nufarm products, operational changes, difficulties or delays in manufacturing, third party supply interruptions, weather volatility, cyberattack/unauthorised access, the loss of key personnel,

safety incidents, environmental damage, product contamination and quality, compliance breaches, litigation or government investigations, global economic and geo-political uncertainty and conflict, energy security and inflation including increases in costs of goods, and the effect of economic conditions generally. Further information about Nufarm's risks are set out on pages 25 to 31 of this annual report.

This report also contains scenario analysis related to potential climate impacts. Scenario analysis has inherent limitations, including its reliance on assumptions that may or may not prove to be correct or eventuate, and may be impacted by factors apart from the assumptions disclosed. It is difficult to predict which (if any) of the scenarios might eventuate.

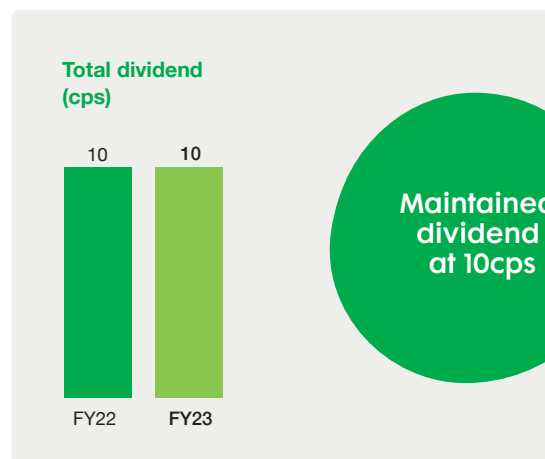
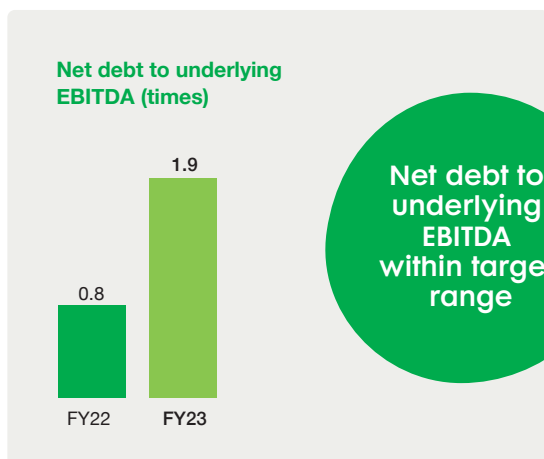
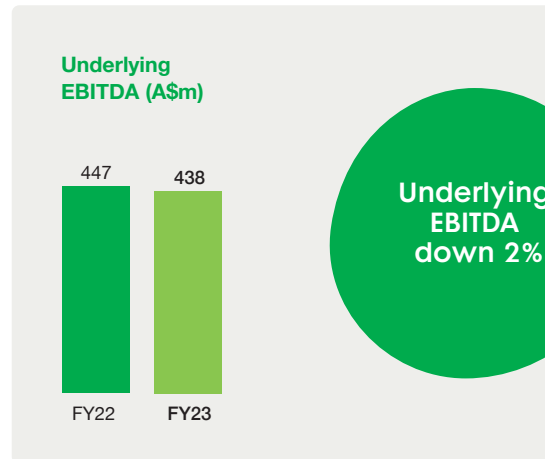
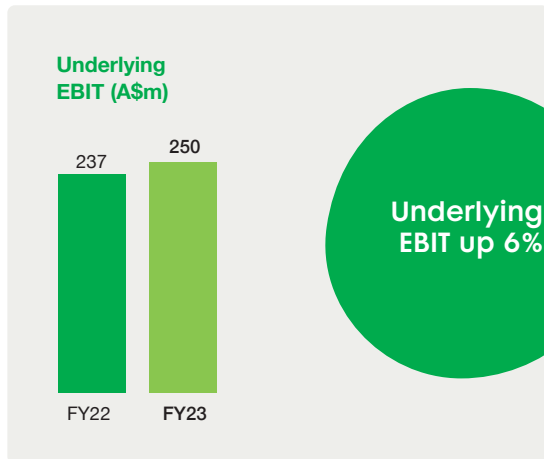
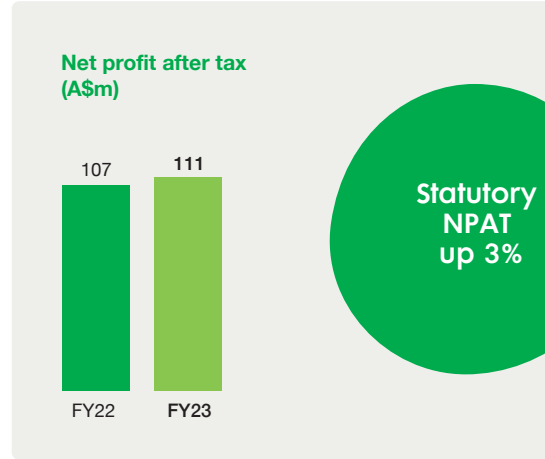
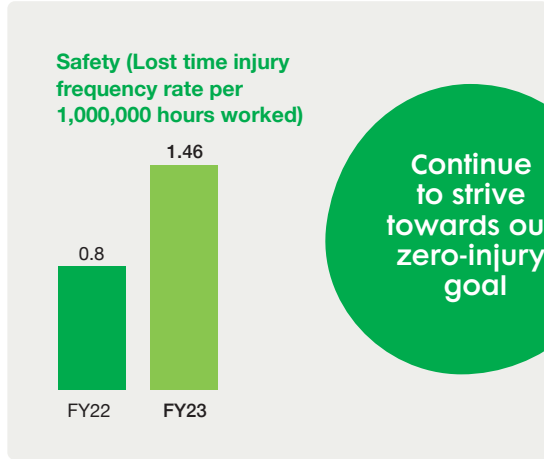
Nufarm cautions readers against undue reliance on any forward-looking statements or guidance, particularly in light of the current economic climate with the significant volatility, uncertainty and disruption caused by global events such as geopolitical tensions and the inherent uncertainty in possible policy, market and technological developments in the future. Except as required by applicable laws or regulations, Nufarm does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.

IFRS and Non-IFRS financial information

Nufarm results are reported under International Financial Reporting Standards (IFRS) including underlying EBIT and underlying EBITDA which are used to measure segment performance. This release also includes certain non-IFRS measures including underlying net profit after tax and gross profit margin. These measures are used internally by management to assess the performance of Nufarm's business, make decisions on the allocation of its resources and assess operational management. Non-IFRS measures have not been subject to audit or review. Notes explaining underlying EBIT and underlying EBITDA can be found on page 23 of this annual report.

Financial year 2023 overview

Our diverse portfolio and geographic footprint provide earnings stability and resilience.



Financial year 2023 overview

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Chair's message

“Over the past year, Nufarm has taken strong strides in establishing itself as a global agricultural innovator with exciting technologies and a promising growth pipeline.”



Strong earnings result and acceleration of our growth strategy

Nufarm performed strongly in 2023, reporting a statutory net profit after tax three percent above the prior year and achieving a number of important milestones as we advanced our growth strategy.

Whilst the external environment was more challenging than the prior year, the result is an outcome of a disciplined focus on growth and performance. Diversity across geographies and core crops helped our crop protection business. Our seed technology business continues to increase its revenue and profit contribution to the group and its expansion into new, sustainable technologies is providing a platform for accelerated growth.

The board declared an unfranked final dividend of 5 cents per share, taking the total dividend for the year to 10 cents per share, in line with the prior year.

Our balance sheet has been further strengthened with major refinancing activities completed. Nufarm has a flexible and durable capital structure that supports growth and provides greater financial resilience across operating cycles.

Strategic focus on innovation and technology

Agriculture faces major global forces that present significant opportunities for Nufarm. The world needs to feed a growing global population that is nearing 10 billion people, and that must be done in more sustainable ways. At the same time, plant-based solutions that aim to meet clean energy and other environmental needs are arising.

Nufarm is positioning itself at the centre of these changes where the opportunities are significant. We are an agricultural innovator, where technology and innovation are central to the future of our business.

Our activities in this area all progressed strongly during the year, including expansions of our biopesticides, omega-3 and bioenergy platforms. Unique synergies from our combined crop protection and seeds market presence will enhance and help accelerate these growth initiatives.

Thanks to our people

The safety of our people is a core priority for the board and management. A number of global events mean that we continue to face higher than usual volatility in our businesses. The Nufarm team has very diligently and safely managed these challenges, ensuring we meet customers' ongoing needs and deliver on our promises.

On behalf of the board, I would like to sincerely thank all our people, led by Greg and his executive team, for their terrific dedication and commitment to Nufarm.

Our commitment to sustainability

At Nufarm we define "agricultural sustainability" as the ability of the agricultural value chain to reliably and securely produce affordable food, feed and fuel in ways that regenerate the environment, meeting the ongoing needs of future generations.

Through the development and delivery of new solutions we have chosen to focus on four of the United Nations Sustainable Development Goals (UN SDGs), which set the global sustainability ambition for 2030. Those are Zero Hunger, Life Below Water, Climate Action and Life on the Land. We are proud of the impact our solutions can have on these four challenges and believe that our agricultural portfolio, our aquaculture and nutritional portfolio of Omega-3 Canola and our bioenergy portfolio of Carinata and Energy Cane will help the world evolve to its ambition of making substantial progress in these areas.

Within our operations we focus on three UN SDGs Climate Action, Responsible Production and Consumption and Gender Diversity. We continue to progress in these areas by actively working towards our first-step targets set around emissions, waste, volatile compounds and environmental management at our manufacturing sites. We have seen measurable progress in our gender diversity metrics in the last year and continue to pursue an agenda that encourages greater inclusion and diversity recognising the critical link between diversity of ideas and our ability to meet our ambition of agricultural innovation. We have invested this year in new sustainability skills and talent and are planning to review our overall sustainability strategy and targets in FY24.

I encourage you to read our sustainability report which has also been released today with our annual report.



Board renewal

Our board renewal program to ensure a diverse mix of skills, experience and tenure that is aligned with the future of our business completed its final phase in 2023. In order to draw from experience in all our operating geographies, we now have independent non-executive directors with deep career expertise in Europe, North America and South America.

In November 2023, longstanding non-executive directors Gordon Davis and Peter Margin retired from the board.

Gordon joined the board in May 2011. During his 12 year tenure at Nufarm, Gordon served on numerous board committees, including chairing the risk and compliance committee.

Peter Margin joined the board in October 2011. Peter also served on numerous committees during his tenure, most notably chairing the human resources committee.

We thank Gordon and Peter for their longstanding valuable contributions and commitment to Nufarm.

Earlier in the year we were pleased to welcome to the board Federico Tripodi and Adrian Percy as independent non-executive directors.

Federico has close to three-decades of involvement in the global agri-food sector with his experience spanning general management, research and development, corporate strategy and the commercialization of novel plant biotechnologies targeted for consumers and farmers.

Adrian is currently the inaugural Executive Director of the NC Plant Sciences Initiative at North Carolina State University and brings more than 30 years of global experience to Nufarm in the areas of research and development and commercialisation of crop protection chemistry and biologicals, seeds and traits.

Nufarm is strongly positioned to perform well through a focused growth strategy matched with disciplined operational performance and capital management.

The future is positive

Substantial progress has been made in FY23 advancing Nufarm's long-term growth agenda. As such, we look to FY24 and beyond with confidence.

Nufarm is strongly positioned to perform well through a focused growth strategy matched with disciplined operational performance and capital management.

On behalf of the board, I would again like to thank all our people for their unwavering dedication and commitment. We recognise the challenges they face and their efforts in ensuring we meet our customers' needs are greatly appreciated.

And to all of our shareholders, thank you for your ongoing support of Nufarm.

John Gillam
Chair

8 December 2023

CEO's message

“2023 was an excellent year for Nufarm. We delivered a strong result during a challenging year and made substantial progress on our growth initiatives.”



Record results

In FY23, Nufarm generated statutory net profit after tax of \$111 million, an increase of 3 per cent on the prior comparative period (pcp).

Whilst external conditions were more challenging than the prior year, our focused strategy and execution combined with the efforts of our people delivered a strong result.

The results validate our transformation program, our strategy to focus on core crops and key geographies, and our ongoing investment in the development of our seed technologies platforms.

We continue to execute on our strategic plan. Our balance sheet is strong and supports implementation of our growth agenda.

Our operating segments performed strongly during the year

The global market for crop protection products was challenging in FY23. There was widespread channel destocking resulting from higher interest rates and expectations of falling active ingredients prices. These impacts were most pronounced in foundational products and led to reduced sales for Nufarm across all regions. Strong outcomes from new product introductions helped mitigate these impacts.

Despite these challenges Nufarm recorded a solid crop protection result. Total crop protection sales revenue fell 6% and underlying EBITDA fell 9%. During the period we continued to invest in our new product pipeline as well as manufacturing and supply chain efficiency with significant investment into Wyke and Chicago Heights.

Seed technologies delivered an excellent result. Revenue of \$393 million increased 33%. Increased revenue from seed sales reflected stronger demand for hybrid canola varieties in Australia, South America and Canada; sorghum in Brazil, USA and other international markets; and sunflower in key global markets. Underlying EBITDA of \$98 million was up 67%, reflecting strong growth in our base seeds business as well as the recognition of license revenues in our seed technologies portfolio.

Progressing our long-term growth agenda

We continued to progress on our long-term growth agenda, introducing innovative new crop protection products and expanding our Omega-3 Canola and bioenergy platforms.

Our approach is to remain agile and nimble. Our strategy of collaborating with third party research companies, institutions and universities provides access to new technologies without having to invest significant capital in early-stage research and discovery. Examples include our partnerships with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) which led to the development of Nuseed Omega-3 Canola, the Universities of Liverpool and Adelaide, and U.S. based novel products discovery company, Enko.

During the year our Omega-3 Canola platform reached another important milestone, with Norway approving the use of Aquaterra® in fish feed. We made progress in our bionenergy platform, and delivered the first shipment of Carinata under our strategic 10-year offtake agreement with bp. During the year we also completed the integration of Energy Cane which we acquired in the prior year from GranBio, a leading Brazilian industrial biotechnology group.

These developments reflect a new direction for Nufarm. We have repositioned the company and now direct ourselves increasingly towards agricultural innovation, believing novel technology will play a greater role in driving the future growth of our business.



Macro trends support our revenue aspirations

The crop protection market is expected to continue to grow and our product development pipeline, with more than 200 projects, will enable us to take an increasing share of this growing market. Our Omega-3 Canola meets the growing need for sustainable solutions for fish feed in commercial aquaculture as well as providing an alternative to conventional fish oil in human nutritionals. In our bioenergy portfolio, Carinata meets a growing need for the production of sustainable aviation fuel which is being driven by policy to reduce carbon emissions from aviation.

We remain on track to meet our annual revenue aspirations of \$4.6 billion by 2026, including \$600–\$700 million of revenue at 20-25% EBITDA margin from seed technologies.¹

We remain on track to meet our annual revenue aspirations of \$4.6 billion by 2026, including \$600–\$700 million of revenue at 20-25% EBITDA margin from seed technologies.¹

Recognising our stakeholders

Our key stakeholders deserve recognition in what has been another year of challenges as well as opportunities.

Our customers sit at the core of our operations. In FY23 we have been grateful for their ongoing support and loyalty. They recognise Nufarm for its range of products, competitive pricing, efficient supply, and after sales support; in return we stand by them as we meet their needs and help them GROW A BETTER TOMORROW®.

We are extremely grateful for the dedication shown by our people in delivering outstanding outcomes for our customers. Their continuing determination and flexibility in a challenging global environment are truly inspiring and reflect our Nufarm brand and our customer promise.

On behalf of the management team, I would also like to thank the board for their ongoing support and guidance.

And finally, to our shareholders, thank you for your support and shared belief in the future of Nufarm.



Greg Hunt
Chief Executive Officer

8 December 2023

¹ For details of our FY26 revenue aspirations refer to our Investor Presentation on 3 Feb 2022, as updated in Nov 2022 and affirmed in May 2023 and in this report. All statements in relation to future revenue aspirations are based on management estimates & reflect management's internal goals & should not be taken as forecasts or guidance.

About us

Our business

The agricultural industry and Nufarm are evolving to meet global sustainability challenges.

Nufarm is a global company based in Australia. For more than 100 years, we have been helping farmers, locally and globally, meet changing nutrition and energy needs. We are focused on crop protection and seed technology solutions to help our customers meet new global challenges through innovation and technology.

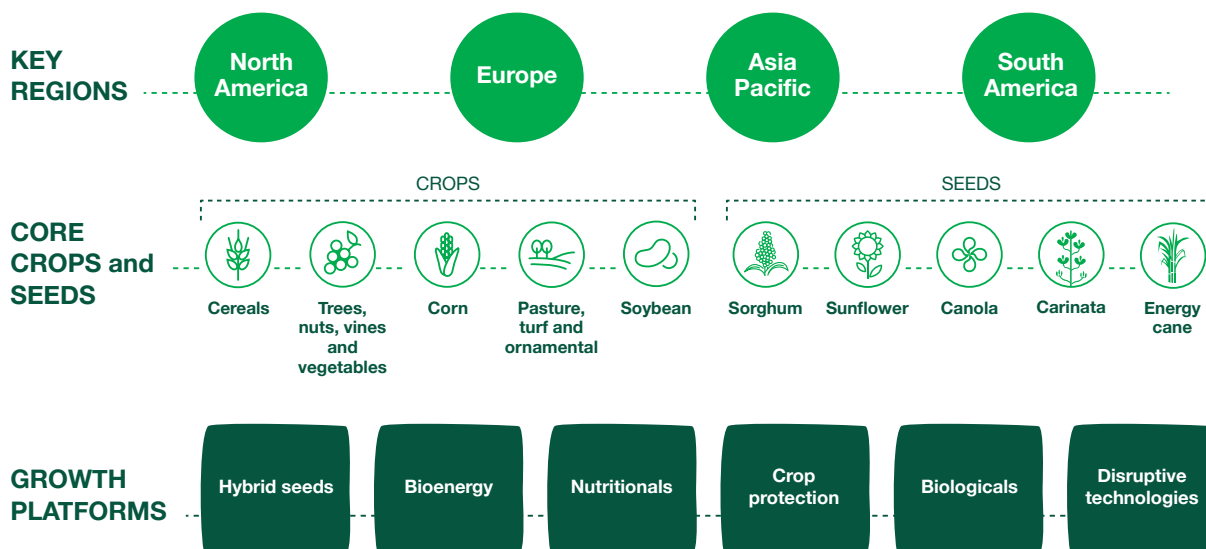
Today, Nufarm takes an integrated approach to crop science innovation. We leverage our unique capabilities across chemistry, production, seeds, digital sciences and alliances to deliver the products our customers depend on, and to unlock new solutions, business models and value chains, and help growers produce more while conserving natural resources.

Across our crop protection and seed technologies platforms, we invest in technologies that deliver innovative solutions to combat weeds, pests and disease, and we deliver new crops, traits and hybrid varieties that generate new sources of value and will serve entirely new markets.

Our group strategy focuses on four key regions (North America, Europe, Asia Pacific and South America)¹ and 10 core crops and seeds where we can provide most value. These have been carefully selected based on our portfolio, market position and the potential for growth.

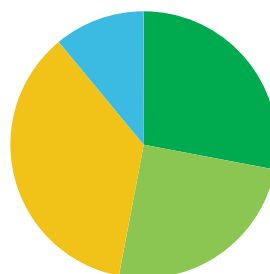
Our platforms also strengthen agricultural sustainability, which to us means reliably producing more affordable food, feed and fuel in ways that support farmer livelihoods and regenerate the environment. As we increasingly steer our business towards innovation, we are forging partnerships with agricultural collaborators and world-class innovators. We are thinking bigger and bolder. Nufarm is the first company to develop and commercialise plant-based omega-3 and we have developed and commercialised advanced bioenergy feedstock technology.

Focused on markets, crops and segments where we can be most successful



We have four revenue-generating operating segments. In FY23, North America was our largest contributor to revenue with 36 per cent, followed by Asia Pacific with 28 per cent and then Europe with 25 per cent. Our seed technologies operating segment, which is global, contributed 11 per cent of revenue in FY23, up from eight per cent in FY22.

Our FY23 underlying revenue was A\$3,481m



Percentage contribution

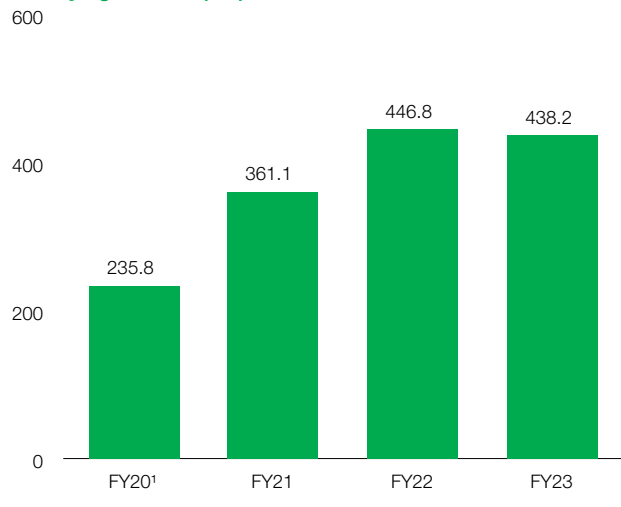
● Asia Pacific	28%
● Europe	25%
● North America	36%
● Seed technologies	11%

¹ Our major geographic segments are Asia Pacific, which includes Australia, New Zealand and certain parts of Asia; Europe, which includes the United Kingdom, the European Union, and certain other countries in Europe; the Middle East and Africa; North America, which includes the United States of America, Canada and Mexico; and South America, which includes Brazil, Argentina and certain other countries in South America.



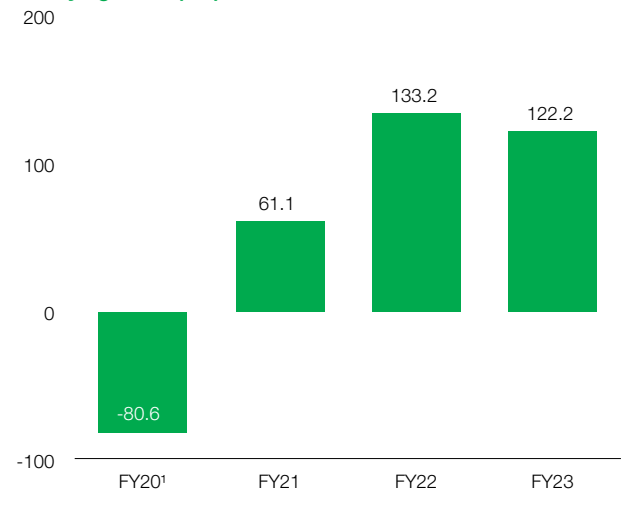
We have grown our EBITDA over the last four years. Our teams worldwide have worked to improve the financial health of Nufarm. We see this as a critical component of our ongoing sustainability as a business.

Underlying EBITDA (\$M)



- 1 In FY20, Nufarm Ltd changed its financial year from a 31 July to 30 September reporting date. FY20 numbers reported here reflect the 12 months ended 31 July 2020.
- 2 Underlying EBITDA is earnings before net finance costs, taxation, depreciation and amortisation excluding material items.

Underlying NPAT (\$M)



- 1 In FY20, Nufarm Ltd changed its financial year from a 31 July to 30 September reporting date. FY20 numbers reported here reflect the 12 months ended 31 July 2020.
- 2 Underlying NPAT is net profit/(loss) after tax excluding material items.



Our operations span the globe

In FY23, we employed 3,059 full time equivalent people in 34 countries. We have herbicide synthesis sites at Wyke, UK and Laverton, Australia. We formulate crop protection products in 11 manufacturing sites across the world.





We have three seed innovation centres in Horsham, Australia; Sacramento, USA and Venado Tuerto, Argentina. We have five seed R&D facilities, three in North America, one in Brazil and one in Serbia. We have a global procurement hub in Shanghai, China.



Our culture, values and behaviours

At Nufarm, the safety of our people, our products, our customers and the community is foremost in all that we do.

We believe all incidents can be prevented and that we are all responsible for making sure everyone who works at, or visits our sites, goes home safely.

Our actions are anchored by our RARE values and guided by our One Nufarm behaviours.

Our employees are encouraged to unearth the possibilities every day. We aim to provide an inclusive work environment where individuals are valued for their diversity and empowered to reach their full potential. This is a reference to our high performing culture and also reflects the three principles of our employee value proposition - own your growth, stay curious and come as you are.



We are accountable for our decisions and our actions. We recognise that trust is at the foundation of relationships and that acting ethically, safely and responsibly creates that trust.



We are resourceful and adaptable in meeting the needs of our customers and our organisation.



We respect others – colleagues, customers and stakeholders – and our environment. We care for all of our resources.

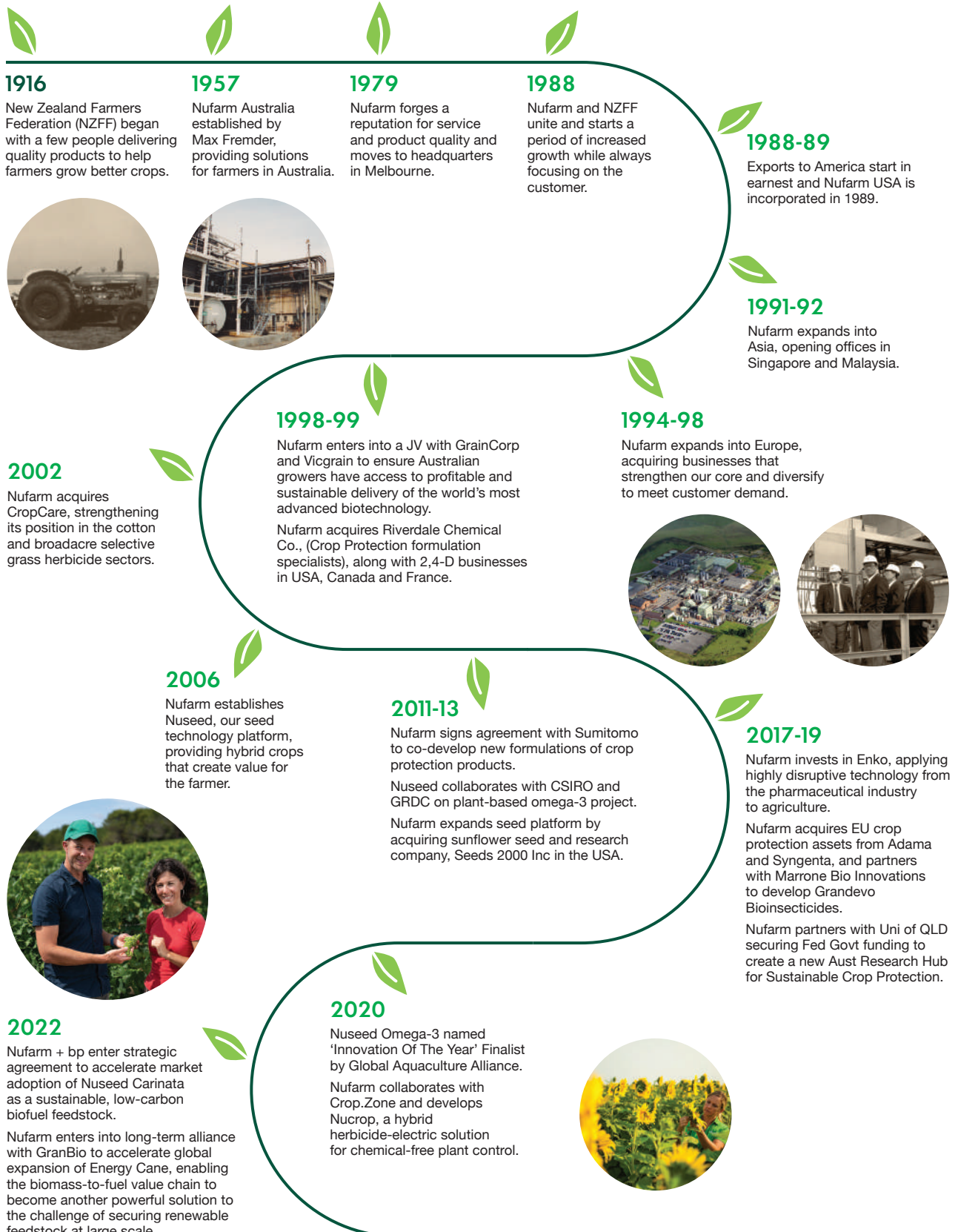


We are an innovative, entrepreneurial organisation where individuals and teams can do what is best for the customer, the organisation and our stakeholders.



Our history

For 100 years our focus has been on the customer. This will continue to be our focus for the next 100.



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Environmental, social and governance

Nufarm's purpose is to 'grow a better tomorrow'. Agricultural sustainability and the sustainability of our operations are integral to achieving our purpose.

Governance

Nufarm is committed to having policies and practices that reflect a high standard of corporate governance. The board considers that Nufarm's governance framework and adherence to that framework are fundamental in demonstrating that the directors are accountable to shareholders, are overseeing the management of risk and promoting a culture of ethical, lawful and responsible behaviour within Nufarm.

In FY23, we evolved our governance structure. Recognising the importance of board-level oversight in driving sustainable outcomes, we established the board sustainability and environment committee. This new committee is specifically charged with overseeing organisational performance in sustainability and environmental affairs, including compliance and risk management.

Our board composition continues to reflect our commitment to diversity and strong governance. We welcomed new independent, non-executive board members Federico Tripodi and Adrian Percy this year. At the date of this report, 43 per cent of the board's non-executive directors are women. At 30 September 2023 (2022: 43 per cent), 33 per cent of our non-executive directors were female. This was part of the board's succession planning which resulted in an overlapping

period between the appointment of two men and the planned retirement of two men.

To ensure that the board remains effective and up-to-date, directors undertook training in key areas such as process safety management, anti-trust requirements, cybersecurity risk management and continuous disclosure requirements. Our code of conduct and our speak up (whistleblower) policy set our expectations to do the right thing, and how to intervene if we think someone is not doing the right thing. Nufarm has various other corporate governance and disclosure policies covering areas including conflicts of interest and internal trading in the company's shares. In FY23, we updated our policies on continuous disclosure, risk management and inclusion and diversity and we made progress in areas such as modern slavery risk mitigation, tax transparency and cybersecurity.

We expanded the responsibilities of our Group Executive Growth to include sustainability and added new sustainability professionals into key business units, increasing our capabilities.

Further information on our governance approach is in our FY23 corporate governance statement in our annual report.

Solutions

We deliver commercial solutions that contribute to addressing three sustainability challenges the world faces.^{1,2,3}

 <p>Strengthening food security and affordability¹ By 2050, 10B people will need to be fed affordably, reliably and sustainably</p>	 <p>Protecting marine biodiversity² Oceans are increasingly overfished to meet growing needs for protein and omega-3</p>	 <p>Decarbonising emissions-intensive industries³ Aviation is responsible for approximately 3.5 per cent of greenhouse gas emissions</p>
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For us, 'agricultural sustainability' means the ability of the agricultural value chain to reliably and securely produce affordable food, feed and fuel in ways that regenerate the environment and protect the ongoing needs of future generations. We strive to enable this by engaging with our customers to understand their needs and bring innovative solutions to market.

We have products in our agricultural portfolio that contribute towards the United Nations Sustainable Development Goals (UN SDGs), 'Zero hunger' and 'Life on land'. Our products protect crops from weeds, diseases and pests and contribute to a more reliable and affordable food system.

¹ Ranganathan, J et al. (2018) How to Sustainably Feed 10 Billion People by 2050, in 21 Charts, World Resources Institute. <https://www.wri.org/insights/how-sustainably-feed-10-billion-people-2050-21-charts>
² World Ocean Review (2021) The Ocean, Guarantor of Life – Sustainable Use, Effective Protection, World Ocean Review. <https://worldoceanreview.com/en/wor-7/>
³ Masum, FH et al. (2023) Supply chain optimization of sustainable aviation fuel from carinata in the southeastern United States, Renewable and Sustainable Energy Reviews, Vol 171, January 2023, 113032.



Our nutritional portfolio provides renewable plant-based sources of protein and nutrition while also preserving the biodiversity of our oceans, contributing to the UN SDGs, 'Life below water' and 'Life on land'. Our Nuseed Omega-3 oil produces higher quality outputs in fish and nutritional supplements.⁴ Our product has been recognised by Friend of the Sea® for its contribution to biodiversity protection.

Our bioenergy portfolio of carinata and energy cane provides a source of renewable fuel, contributing towards the UN SDGs, 'Climate action' and 'Life on land'. Nuseed Carinata is an accredited sustainable aviation fuel that can be used with existing infrastructure for liquid fuels.

People

At Nufarm, our employees are central to our operational success and the achievement of our long-term strategic goals.

Safety is our highest priority and we strive to continuously improve our approach to process safety management, personal safety and wellbeing. Our objective is that 'everyone goes home safely' every day, whether working in the manufacturing plants or out on the road meeting with customers. Our wellness initiatives further extend to both physical and mental health, offering programs that range from fitness activities to mental health support.

While our internal safety audit program continues to demonstrate progress and identify areas for further improvement in our safety behaviours and culture, disappointingly we saw an increase in the number of lost time injuries (LTIs). About half of the reported LTIs were incurred in business areas other than our crop protection manufacturing sites (including in a newly acquired business). We aim to increase our safety culture and awareness and training effort in our non-crop protection manufacturing business. The Serious Injury Frequency Rate has remained at a similar level: 2.92 in FY23 compared with 3.07 in FY22.

We were fined £300,000 in August 2023 for an incident in 2021 where two employees at our Wyke facility were accidentally exposed to chlorine gas and required hospital treatment. This was a serious incident, prompting a thorough internal investigation into the circumstances surrounding it and corrective actions have been implemented.

We aim to foster a workplace where diversity is celebrated and our employees feel included. We understand that diverse thinking helps contribute to our innovation agenda, among other things. Our activities in this area include targeted hiring policies, ongoing cultural sensitivity training, and specific gender equality programs. FY23 saw us increase the number of women in our senior leadership team by 4 percentage points, bringing our gender ratio up from 31 per cent to 35 per cent. Our target for FY30 is to have a gender balance that is 40:40:20 for our senior leadership team (CEO-1 and CEO-2), meaning 40 per cent who identify as female, 40 per cent who identify as male and 20 per cent who identify as male, female or other. Overall, we increased the total proportion of women in Nufarm this year by 1 percentage point, with women now making up 28 per cent of our employee population. We have identified that supply chain, manufacturing and commercial remain three areas where our representation of women is lower and we will need more targeted initiatives to make a difference in our gender metrics in these areas.

Our employees remain engaged in our business, with our latest employee survey resulting in an engagement score of 78⁵, which is top quartile compared with other organisations.⁶

Planet

We have made steady progress in responding to our environmental challenges. We have worked to align our climate-related disclosures with the Taskforce on Climate-related Financial Disclosures' (TCFD) recommendations.

We recorded a 19 per cent reduction in our greenhouse gas emissions from our FY20 baseline, on track towards our 30 per cent reduction target by FY30. This year's reduction was largely due to reductions in volume in our synthesis plants at Laverton, Australia and Wyke, UK, which is why we continue to focus on our decarbonisation pathways. We completed our power purchase agreement (PPA) strategy at Pipe Road, Laverton and aim to establish the PPA in FY24. We also continue to monitor the development of hydrogen for our Wyke site in the UK.

We understand the importance of a risk-based approach to environmental management. Our activities include training our workforce and conducting regular environmental audits, to ensure compliance with our environmental obligations. However, in FY23, we received a US\$8,500 fine at our Chicago Heights facility for exceeding a license limit on the site's domestic sewage discharge.

We are on track to meet our target for 10 of our 11 manufacturing sites to achieve ISO 14001 certification by the end of FY25. Currently, five of our 11 crop protection manufacturing sites are ISO 14001 certified. This initiative aims to embed strong governance and process around environmental management at our manufacturing sites.

We aim to use materials responsibly, reduce waste, and increase recycling rates. This year, we achieved a 12 per cent reduction in hazardous waste and we are on track to reach our target of reducing hazardous waste by 20 per cent by 2025 from our FY20 baseline.

Our efforts in air emissions management have been progressing, focusing on reducing volatile organic compounds (VOCs) to minimise impacts on local communities and the environment. Progress on the output metric has been slower, with reduction in FY23 reaching 7 per cent against our baseline of FY20. Our goal remains a 25 per cent reduction in VOCs by 2025 and we are in the process of evaluating the optimal engineering option for our operations to help us achieve this goal in a way that balances economic and environmental benefits.

We recognise the need to protect ecosystems and have incorporated biodiversity considerations into our operations and product development. Where applicable, we evaluate the potential impact of our products on biodiversity as a part of the registration process, to minimise risk of harm from the use of our products.

⁴ Ruyter, B et al. n-3 Canola oil effectively replaces fish oil as a new safe dietary source of DHA in feed for juvenile Atlantic salmon, National Library of Medicine. <https://pubmed.ncbi.nlm.nih.gov/31506120/#:~:text=The%20results%20demonstrated%20that%20DHA,%3B%20n%2D3%20Fatty%20acids>

⁵ This is an employee satisfaction score out of 100.

⁶ We have partnered with GLINT to facilitate our employee engagement surveys. We benchmark Nufarm against GLINT's 900-strong customer base.

Environmental, social and governance continued

Our planned sustainability activity for FY24

While we are proud of our progress in FY23, we are well aware there is still much to do. We have secured new resources and skills to accelerate our sustainability program. In FY24, we will aim to complete four goals:

- 1 expand our emissions reporting and prepare our business for anticipated mandatory climate-related financial disclosure obligations expected to apply to Nufarm in the FY25 reporting year
- 2 refresh our materiality study to ensure we understand and prioritise sustainability issues with the greatest impact on our stakeholders
- 3 evolve our corporate strategy to integrate our strategic sustainability priorities
- 4 review our sustainability targets.

We estimate our manufacturing sites cover approximately 80 per cent of our greenhouse gas emissions and this is where we have focused our reporting resources in the past.

In FY24, we aim to expand our reporting activities to capture the balance of our scope 1 and 2 emissions, ready for external reporting in FY25. We will also consider our approach to scope 3 emissions for FY26 reporting. We aim to strengthen our approaches in the four areas of climate governance, strategy, risk management and metrics and targets.

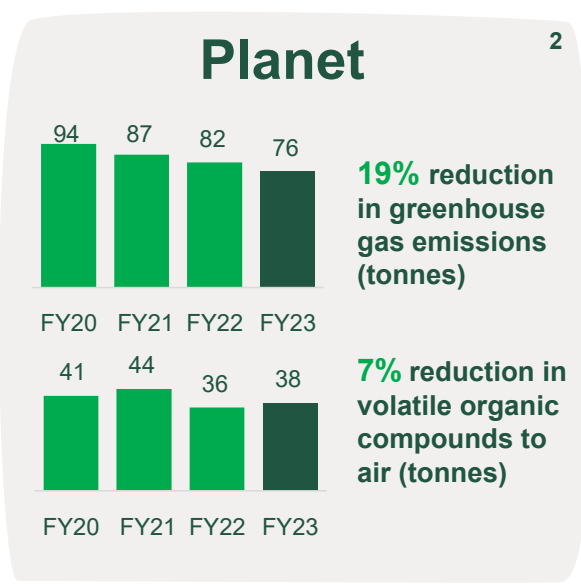
We look forward to engaging with a broad set of stakeholders to undertake our materiality assessment in the new year and we aim to consider the broader concepts of double materiality in scoping the activity. This is an important input into our corporate strategy, helping set out the pathway for agricultural innovation in a responsible and sustainable manner that considers the broader dimensions of natural capital and protecting human rights. As part of that strategy refresh, we aim to take the opportunity to examine our current public targets and align with our stakeholders' respective expectations.





Summary of our sustainability performance

This year we made progress on our climate targets and gender diversity goals.



- The lost time injury frequency rate (LTIFR) is the number of days of work lost due to workplace injury per million hours worked. Our LTIFR has increased this year from 0.81 in FY22 to 1.46. The serious injury frequency rate (SIFR) is the number of serious injuries per million hours worked. Our SIFR has fallen this year from 3.07 in FY22 to 2.92. Both metrics include Nufarm employees and contractor injuries.
- Our greenhouse gas emissions target is to reduce our scope 1 and 2 emissions from our crop protection manufacturing sites (over which we have both operational and financial control) by 2030 from our FY20 baseline. This year our greenhouse gas emissions were 19 per cent lower than our baseline, compared with 13 per cent lower in FY22. We have a target to reduce our volatile organic compounds (VOCs) to air by 25 per cent by 2025. This year our emissions increased compared with FY22; however, they are 7 per cent lower than our FY20 baseline.
- Our gender goal is to achieve no less than 35 per cent representation of either gender by 2025. This year we increased the percentage of female employees from 27 per cent in FY22 to 28 per cent. Our target for 2030 is for 40:40:20 representation in our senior leadership team (40 per cent identifying as women, 40 per cent identifying as men and 20 per cent identifying as men, women or other). We achieved our employee satisfaction goal of 78, as measured by GLINT; however, this is down one point from FY22 (79). FY21 was the first year of our continuous listening strategy measuring employee satisfaction frequently throughout the year. Prior to this we were capturing employee satisfaction every two years in a different way; as such, we do not have a measure of employee satisfaction for FY20.
- We have a target to reduce our hazardous waste by 20 per cent by 2025. This year our hazardous waste increased compared with FY22; however, it is 12 per cent below our FY20 baseline. We also have a target to obtain ISO 14001 certification at our crop protection manufacturing sites (excluding Cairo) by 2025.

Environmental, social and governance continued

External recognition of our sustainability journey

Our certifications and accreditations acknowledge our continuous improvement and sustainable solutions.

<h3>Corporate sustainability</h3> 	<h4>Nufarm Limited</h4> <ul style="list-style-type: none"> • Awarded a silver rating in FY23 by Ecovadis a global leader in supplier corporate social responsibility • Advanced rating from bronze in FY22 • Improved across all key areas of assessment (score out of 100) <ul style="list-style-type: none"> Up from 50 to 60 <ul style="list-style-type: none"> • Environmental • Ethics • Human Rights Up from 40 to 70 <ul style="list-style-type: none"> • Sustainable procurement 	
<h3>Plant-based omega-3</h3> 	<h4>Aquaterra® & Nutriterra®</h4> <ul style="list-style-type: none"> • Have been certified as Friend of the Sea®, the leading certification standard for products and services which respect and protect the marine environment • Were the first products to earn Friend of the Sea's new plant-based certification • Have achieved accreditation in the USA and Australia through the Excellence Through Stewardship (ETS) program.¹ 	 <p>excellence  through STEWARDSHIP</p>
<h3>Sustainable aviation fuel</h3> 	<h4>Carinata</h4> <ul style="list-style-type: none"> • Recognised by the International Civil Aviation Organization (ICAO) as enabling GHG reductions • Listed as a feedstock for ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) sustainable aviation fuels (SAF) • Certified by the Roundtable on Sustainable Biomaterials (RSB) • Certified by International Sustainability & Carbon Certification (ISCC).² 	

¹ ETS is a global non-profit organisation that promotes the universal adoption of product stewardship programs and quality management systems for the full lifecycle of agricultural biotechnology products.
² ISCC is a voluntary certification scheme recognised by the EU's Renewable Energy Directive and the US Internal Revenue Service for SAF tax credits.

Operating and Financial Review

Group results

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

	2023	2022	Change
	\$000	\$000	%
Summary financial results			
Revenue	3,480,611	3,772,970	(8)%
Revenue excluding Corporate revenue	3,480,611	3,579,856	(3)%
Gross profit	1,026,370	972,585	6%
Gross profit margin - excluding corporate revenue	29.5%	27.2%	9%
Underlying gross profit	1,020,649	988,863	3%
Underlying gross profit margin	29.3%	26.2%	12%
Underlying gross profit margin - excluding corporate revenue	29.3%	27.6%	6%
Underlying SG&A	(730,031)	(710,061)	3%
Research and development expenditure	(44,677)	(51,100)	(13)%
Underlying EBITDA	438,170	446,751	(2)%
Underlying EBIT	249,796	236,661	6%
Operating profit / (loss)	239,403	208,287	15%
Underlying net external interest	(77,415)	(51,574)	50%
Net external interest	(77,415)	(77,346)	0%
Foreign exchange gains / (losses)	(7,161)	(2,838)	152%
Underlying net financing costs	(84,576)	(54,412)	55%
Net financing costs	(84,576)	(80,184)	5%
Underlying net profit / (loss) after tax	122,191	133,197	(8)%
Underlying effective tax rate	26.0%	26.9%	(3)%
Net profit / (loss) after tax	111,140	107,438	3%
Statutory effective tax rate	28.2%	16.1%	75%
Basic earnings per share - excluding material items (cents)	29.2	33.1	(3.9) cents
Basic earnings per share (cents)	26.3	26.3	-
Final dividend per share declared (cents)	5 cents	6 cents	1 cents
Total dividends declared during the year (cents)	10 cents	10 cents	-



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Earnings

Following a period of elevated commodity prices and demand in FY22, falling active ingredient prices for foundational products created a less favourable set of conditions for Nufarm Crop Protection in FY23. Seed Technologies performed strongly and executed on a number of important milestones in omega-3 and biofuels. The group's revenue declined 8% to \$3.5 billion and underlying EBITDA declined 2% relative to the prior comparative period.

Excluding non-operating corporate revenue (representing sales to Sumitomo Chemical Company Ltd under supply agreements following the Latin American operations divestment), revenue reduced 3% compared with FY22 to \$3.5 billion in FY23.

Gross profit for the period was \$1.0 billion, which included a net expense of \$5 million recognised in material items. Excluding the impacts of the material items and non-operating corporate revenue, underlying gross profit margin increased by 170bp to 29.3% over the prior comparative period.

Net profit after tax increased 3% to \$111 million. This movement helped to keep basic earnings per share stable at 26.3 cents. Excluding material items, basic earnings per share reduced by 3.9 cents to 29.2 cents.

Underlying EBITDA of \$438 million is a reduction of 2% over the prior comparative period, representing strong performance in a challenging operating environment and following a record EBITDA result in the prior year.

Underlying selling, general and administration costs (underlying SG&A) increased by \$20 million as compared to the prior comparative period with increases in expenses across a number of categories. Research and development expenditure decreased by \$6 million as compared to the prior comparative period.

Depreciation and amortisation expense of \$188 million was 10% lower than the prior comparative period due mainly to regulatory phase-outs in Europe and delayed capital expenditure.

Underlying net external interest increased by \$26 million to \$77 million for the twelve months ended 30 September 2023, with benefits from refinancing the high yield bond during the first half of the prior year, more than offset by increases in base rates and debt levels.

Net foreign exchange losses were \$7 million which was \$4 million higher than the prior comparative period. This increase was a result of global currency volatility associated with a range of events including the conflict in Ukraine. The Group has a targeted currency exposure risk mitigation program to assist in the management of foreign exchange risk.

The statutory effective tax rate was 28.2%. Excluding material items, the underlying effective tax rate was 26.0%.

Underlying net profit after tax decreased 8% to \$122 million.

Cash flow

Cash flow results	2023	2022	Change
	\$000	\$000	%
Underlying net operating cash flow	(124,630)	366,120	large
Net operating cash flow - material items	(990)	(6,551)	(85)%
Total net operating cash flow	(125,620)	359,569	large
Underlying net investing cash flow	(241,731)	(240,409)	1%
Net investing cash flow - material items	-	-	-
Total net investing cash flow	(241,731)	(240,409)	1%
Total underlying net operating and investing cash flow	(366,361)	125,711	large
Total net operating and investing cash flow	(367,351)	119,160	large

The group's total net operating and investing cash flow for the year ended 30 September 2023 was a cash outflow of \$367 million.

Underlying net operating cash flow was a \$125 million outflow reflecting the movement in working capital during the period. Operating cash flow generation is highly correlated with changes in Net Working Capital and underlying EBITDA.

Net cash outflow from investing activities was flat when compared with the prior comparative period. The majority of capital expenditure during the year was in property, plant and equipment, with significant amounts in Wyke, largely relating to Health, Safety and Environment, and plant integrity, as well as in Chicago Heights. The balance was spent on internally developed intellectual property across Crop Protection and Seed Technologies, representing a significant investment in the future of the group.



Balance Sheet Management

Financial position	As at	As at	Change
	30 Sep 2023	30 Sep 2022	
	\$000	\$000	%
Net debt	849,842	346,168	large
Net working capital	1,363,113	862,696	58%
ANWC/sales excluding external corporate (%)	41.9%	28.3%	1,360 bps
ANWC/sales (%)	41.9%	26.8%	1,510 bps
Leverage (includes lease liabilities)	1.9	0.8	1.1 x
Gearing %	26.9%	13.9%	1,300 bps
ROFE - total group	8.8%	9.5%	(70) bps

Net debt increased by \$504 million to \$850 million. The Average net working capital to sales (ANWC/sales excluding external corporate (%)) ratio increased by 13.6 ppt to 41.9%, which is above the target range of between 35% and 40%. The increase in net working capital reflects increases in receivables due to normal fluctuations in sales and collections together with a reduction in accounts payable as the group reduced inventory through the second half. Management will continue to focus on working capital via a range of actions including customer terms, supplier negotiations and effective stock management.

Statutory core leverage was 1.9x at 30 September 2023, which is within the group target of 1.5x – 2.0x. Leverage was higher than the prior comparative period due mainly to the increase in net working capital.

Return on funds employed (ROFE) decreased to 8.8%, with the improvement in underlying EBIT being offset by higher funds employed reflecting the increase in net working capital.

Capital Management

Nufarm capital management principles aim to maintain a robust and durable capital structure with clear guidelines for the application of free cashflow generated from business operations.

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

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

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

Nufarm's new working capital debt facilities are important components underpinning a flexible and durable capital structure that will provide greater financial resilience across operating cycles and variable trading conditions.

Dividend

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

In considering the application of this policy any reference to free cash flow should be assessed through an appropriate historical and forecast cycle, to take into consideration fluctuations in net working capital and planned investment. Similarly target leverage is considered on an annualised basis.

The board has determined to pay an unfranked final dividend of 5 cents per share. The final dividend will be paid on 15 December 2023 to the holders of all fully paid shares in the company as at the close of business on 22 November 2023. The dividend reinvestment plan (DRP) will be made available to shareholders for the final dividend. Directors have determined that the issue price will be calculated on the volume weighted average price of the company's ordinary shares on the ASX over the 10-day period commencing on 20 November 2023 and ending on 1 December 2023. The last election date for shareholders who are not yet participants in the DRP, is 27 November 2023.

Operating and Financial Review continued

Review of operations

The group operates predominantly along two business lines, being Crop Protection and Seed Technologies.

The Crop Protection business deals in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease. It is managed by major geographic segments, being APAC (including Australia, New Zealand and certain parts of Asia), Europe (including the United Kingdom, the European Union, and certain other countries in Europe, the Middle East and Africa), and North America (including United States of America, Canada and Mexico).

The Seed Technologies business comprises the base seeds, bioenergy, omega-3 and seed treatment platforms. These platforms generate revenues through the sale of seed or oil based products, and licensing of intellectual property. The Seed Technologies business is managed on a worldwide basis.

Revenue - Underlying	2023	2022	Change	Change
(\$000s)	\$000	\$000	\$000	%
<i>Crop protection</i>				
APAC	970,504	1,038,424	(67,920)	-7%
North America	1,259,811	1,350,190	(90,379)	-7%
Europe	857,214	894,931	(37,717)	-4%
Total Crop protection	3,087,529	3,283,545	(196,016)	-6%
Seed Technologies	393,082	296,311	96,771	33%
Corporate	-	193,114	(193,114)	-100%
Nufarm Group	3,480,611	3,772,970	(292,359)	-8%
EBITDA - Underlying	2023	2022	Change	Change
(\$000s)	\$000	\$000	\$000	%
<i>Crop protection</i>				
APAC	87,709	134,534	(46,825)	-35%
North America	161,060	147,899	13,161	9%
Europe	164,768	171,109	(6,341)	-4%
Total Crop protection	413,537	453,542	(40,005)	-9%
Seed Technologies	98,052	58,544	39,508	67%
Corporate	(73,419)	(65,335)	(8,084)	12%
Nufarm Group	438,170	446,751	(8,581)	-2%
EBIT - Underlying	2023	2022	Change	Change
(\$000s)	\$000	\$000	\$000	%
<i>Crop protection</i>				
APAC	70,964	117,236	(46,272)	-39%
North America	127,918	117,121	10,797	9%
Europe	72,695	41,346	31,349	76%
Total Crop protection	271,577	275,703	(4,126)	-1%
Seed Technologies	52,622	27,201	25,421	93%
Corporate	(74,403)	(66,243)	(8,160)	12%
Nufarm Group	249,796	236,661	13,135	6%



APAC

Revenue of \$970 million decreased 7% and underlying EBITDA fell 35% to \$88 million relative to the prior comparative period, with lower active ingredients prices on foundational products being a key reason for the decline in revenue and EBITDA. These impacts were partly mitigated by a strong performances from our business in Indonesia.

North America

Revenue of \$1.3 billion decreased 7% relative to the prior comparative period, driven by lower demand for foundational products as customer buying patterns shifted to be more just-in-time. Demand for other, higher margin, products remained solid resulting in a favourable product mix which, together with tight control of SG&A, enabled the segment to delivered underlying EBITDA of \$161 million, which is 9% above the prior comparative period.

Europe

Revenue of \$857 million was 4% below the prior comparative period. Sales performance was strong in core crop segments, despite dry conditions through southern European markets and the impact of the phasing out of specific products. The industrial sales business experienced challenges in FY23 with reliability issues in Wyke impacting plant availability and manufacturing costs. Overall, the segment has performed solidly with EBITDA of \$165 million, down 4% vs the prior comparative period.

Seed Technologies

The Seed Technologies segment deals in the sale of seeds and seed treatment products, the sale of oil products into aquaculture, the licensing of certain seed technology intellectual property and facilitating activities including oil products into bioenergy markets. Revenue of \$393 million increased 33% relative to prior comparative period. Increased revenue from seed sales reflected stronger demand for hybrid canola varieties in Australia, South America and Canada; sorghum in Brazil, USA and other international markets; and sunflower in key global markets.

Underlying EBITDA of \$98 million was 67% above the prior comparative period, reflecting strong growth in our base seeds business as well as the recognition of license revenues.

Seed Technologies achieved several important milestones during the year, including the first shipment of Carinata grain to be processed into carinata oil for delivery to bp. During the period, the Norwegian Food Safety Committee approved Seed Technologies' patented Omega-3 Canola to be used as part of the feedstock mix for the Norwegian aquaculture market.

Outlook

Whilst the outlook is positive, we expect to face challenging conditions in our Crop Protection business in the first half of FY24 as industry conditions continue to normalise. We expect further growth in EBITDA in Seed Technologies in FY24, albeit at a more modest rate than we experienced in FY23 as we continue to invest in scaling our Omega-3 and biofuels platforms. We expect to return to growth in the second half of fiscal 24.

Forward looking statements reflect Nufarm's expectations at the date of this review and are based on information and assumptions known to date. They are subject to risks and uncertainties outlined in more detail on pages 26-30. Actual results may be significantly different to those expressed.

Material items

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

Transactions related to Russia and Ukraine

During the year ended 30 September 2023, the group has continued to assess the recoverability of assets, primarily trade receivables and inventories, in respect of the group's operations in Russia and Ukraine. The group has determined to cease operations in its Russian legal entity. The group continues to operate in Ukraine to support growers through sales of seed and crop protection products. The amounts recognised as material items during the year ended 30 September 2023 include reversals of previously recognised expenses pertaining to receivables and inventories, and the recognition in profit/(loss) of foreign currency translation reserve balances previously recognised in other comprehensive income. At 30 September 2023, the total remaining assets in Ukraine make up less than half a percent of total group assets.

Asset rationalisation and restructuring

During the year ended 30 September 2023, the group has ceased operating specific legal entities and begun liquidation proceedings. As a result, a non-cash material item has been incurred with respect to the recognition in profit/(loss) of foreign currency translation reserve balances previously recognised in other comprehensive income.

Deferred tax adjustments

During the prior corresponding period, the group recognised previously unrecognised tax losses as a result of improved financial performance and outlook for the group.

Debt refinancing costs

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

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

During the period ended 31 July 2020 the group entered into a supply agreement contract signed as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the 6 months ended 31 March 2022 market conditions in relation to the terms of the contract improved resulting in the group assessing at that time that the full provision would not be required and it was reversed. The contract expired in March 2022.

IFRS and Non-IFRS financial information

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

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

- 1 Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is underlying EBIT before depreciation, amortisation and material items. We believe that underlying EBIT and underlying EBITDA provide useful information, but should not be considered as an indication of, or an alternative to, profit / (loss) for the period as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.
- 2 Underlying EBITDA is used to reflect the underlying performance of Nufarm's operations. Underlying EBITDA is reconciled to operating profit below on a continuing basis.

	2023	2022	Change
Operating profit reconciliation	\$000	\$000	%
Underlying EBITDA	438,170	446,751	(2)%
add Depreciation and amortisation excluding material items	(188,374)	(210,090)	(10)%
Underlying EBIT	249,796	236,661	6%
Material items impacting operating profit	(10,393)	(28,374)	(63)%
Operating profit	239,403	208,287	15%



3 Non-IFRS measures are defined as follows:

Term	Definition
Gross profit margin	Gross profit as a percentage of revenue
Underlying gross profit	Gross profit less material items
Underlying gross profit margin	Underlying gross profit as a percentage of revenue
Underlying SG&A	Sales, marketing and distribution expenses plus General and administrative expenses less material items
Underlying EBIT	Earnings before net financing costs, taxation and material items
Underlying EBITDA	Underlying EBIT before depreciation, amortisation and material items
Underlying net external interest	Financial income, plus interest expense – external, plus interest expense - amortisation of debt establishment transaction costs, plus lease liability – interest expense, less material items.
Underlying net financing costs	Net financing costs less material items
Underlying net profit after tax	Profit/(loss) for the period attributable to the equity holders of Nufarm Limited less material items
Underlying income tax benefit/(expense)	Income tax benefit/(expense) excluding material items
Underlying effective tax rate	Underlying income tax benefit/(expense) divided by underlying net profit after tax
Net debt	Current loans and borrowings, plus non-current loans and borrowings, plus cash and cash equivalents
Net working capital	Current trade and other receivables, plus inventories less current trade and other payables
Average net working capital	Net working capital measured at each month end as an average
ANWC/sales (%)	Average net working capital as a percentage of rolling 12 months revenue
ANWC/sales excluding external corporate (%)	Average net working capital as a percentage of rolling 12 months revenue excluding non-operating corporate revenue
Leverage	Net debt / rolling 12 months underlying EBITDA
Interest coverage ratio	Rolling 12 months underlying EBITDA / rolling 12 months net external interest
Gearing %	Net debt / (net debt plus equity)
Return on funds employed (ROFE)	12 months rolling underlying EBIT divided by the average of opening and closing funds employed (total equity plus net debt)
Underlying net operating cash flow	Net cash from operating activities excluding material items cash flows
Underlying net investing cash flow	Net cash from investing activities excluding material items cash flows

Key risks

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

Nufarm's approach to risk and governance focuses on effective identification and management of risk to assist us in executing our business strategies. An overview of our approach to risk management and internal control is included in section 6 of the Corporate Governance Statement.

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

Strategic Risks

Strategic context	What this means for Nufarm (risk/uncertainty)	How we are managing this
Strategic growth (medium to long term)		
<p>Regulation and market access</p> <p>The crop protection industry is highly regulated with government controls and standards imposed on all aspects of the industry's operations. Crop protection products are subject to regulatory review and approval in all markets in which they are sold, with the requirements of regulatory authorities varying from country to country. Europe, in particular, is highly regulated and there is increasing political influence on the regulatory system. This is increasing the uncertainty in predicting regulatory outcomes.</p> <p>In relation to seed, Omega 3 trait presence in canola is also highly regulated in many markets across the globe (e.g. China) therefore industry resistance to Omega 3 co-existence that will continue until full de-regulation.</p> <p>Continued legal and community focus on the impact of crop protection products has been increasing, particularly in the US which may give rise to increased litigation risk in both environmental and personal bodily injury class actions.</p>	<p>Demand for new/different products and supporting manufacturing capability</p> <p>Regulatory policies can have an impact on the availability and usage of crop protection and seed technology products and, in some cases, can result in the restriction or removal of certain products from the market, which may have a material adverse effect on the financial performance of Nufarm. Social/ activist pressure to strengthen regulatory requirements as they relate to synthetic crop protection products may increase.</p> <p>Over time, our synthetic crop protection products may become less commercially viable in certain markets. This may bring the opportunity to increase our biological and other sustainable solutions presence in those markets. For example, seed technologies that improve crop resilience and yield will be in demand.</p> <p>This may require re-alignment and/or expansion of our manufacturing and processing footprint which will require capital investment to ensure we have the manufacturing and processing capability to produce new products that are pivotal to our growth.</p> <p>If the manufacturing footprint is not aligned to product portfolio, there is a risk that Nufarm's assets will be under-utilised and/or not ready to manufacture new product lines, thereby impacting our financial performance.</p>	<p>Continually evolving our product portfolio and customer strategy</p> <p>Nufarm has increased its investment in crop health company, Enko Chem (Enko). Enko is a crop health company that develops products for farmers to protect their crops from pests and disease. Enko recognises that innovation and technology are the future for sustainable agriculture practices.</p> <p>All product development is aligned to Nufarm's strategic focus on key geographies and crops. This is supported by centralised systems and processes to approve and monitor development activities and provide ongoing support and technical advice to the marketing and commercial functions.</p> <p>The Nufarm portfolio team conducts regular assessments of advancements in application technology and product development. This is a key input to the product development pipeline and participation in potential partnerships with third parties with access to alternative technologies.</p> <p>Nufarm monitors regulatory developments across its key regions of operations closely and completes detailed regulatory risk scenario analysis biannually. The Nufarm portfolio team considers this analysis in the maintenance and ongoing development of our portfolio.</p> <p>Nufarm participates in several industry bodies and task forces which provide input and analysis to regulatory bodies on the use of our key products. We are undertaking a significant consultation process with the industry to build and maintain support for Omega 3 coexistence.</p>
		<p>Alignment of manufacturing capability to our strategic plan</p> <p>Assessment of the viability of our manufacturing footprint is continuously reviewed and assessed to ensure production capability is aligned to the product demands of our customers.</p> <p>Capital plans developed to support replacement of ageing plant and preventative maintenance programs have been established to minimise production downtime. During FY23 we have continued implementation of a significant investment in our Wyke plant that will mitigate risks associated with ageing plant and enhance capability to support our growth plans.</p>

**Strategic growth (medium to long term)****Global economic & geo-political uncertainty**

The global economic environment continues to be inflationary.

The crises in Ukraine and the middle-east have not materially impacted our financial position to date, however, uncertainties remain given these crises are ongoing, such as volatility of energy prices and further supply chain impacts, and potential interruptions to our regional operations.

Capability to execute strategy

Inability to operationalise our strategy could result in loss of market share and variability in our earnings.

Capital – Nufarm's manufacturing footprint may require further capital investment to ensure we have the manufacturing capability to produce new products.

Supply chain – Our growth depends on getting our products between Nufarm global locations and to customers efficiently and effectively. Freight and logistics availability and supply generally may become increasingly harder and costlier to do which may negatively impact our financial performance. Supply chain partners may cease to exist or financial pressure may drive others to take shortcuts that impact their quality of service or integrity.

Workforce capability – Executing our strategy will mean strengthening existing functions and introducing new processes/ functions. If we cannot retain or attract existing and new skills, there is a risk that these processes and functions will not operate at the standard that will be required to execute our strategy.

Continually monitoring our operational capability

The Finance team reviews Nufarm's capital management principles against our longer-term objectives and also Nufarm's capital structure.

The manufacturing capital expenditure plan is reviewed annually as part of the budgeting process.

The Innovation team continually review our products and delete, re-engineer or develop new products that align to our customer needs.

The Procurement team monitors the diversification of supply to reduce key dependencies.

Suppliers operating in high-risk jurisdictions are subject to independent third-party risk assessments.

The People Plan and People and Performance strategic priorities are set annually and monitored throughout the year.

Succession planning processes ensure that key roles/ competencies are identified and managed.

Innovation

Nufarm holds or has the right to use intellectual property covering its products, which intellectual property may be lost or infringed.

Nufarm introduces innovative crop protection and seed technology products where there may be a risk of infringement of third-party intellectual property rights.

Legal obligations and patent protection

If Nufarm does not take adequate steps to protect or enforce its intellectual property rights it will lose the value of these rights.

Nufarm risks potential liability if it infringes third party intellectual property rights, and may need to withdraw products or negotiate a licensing deal.

Portfolio discipline

The portfolio team conducts product evaluations, which include engaging with advisors throughout the pipeline to assess to manage IP related risks.

The PMO 365 process was recently introduced to maintain new product project information, approve progress, and report on all new product projects.

Disciplined product selection process taking into account possible intellectual property infringement.

Aim to share responsibility with product development partners where feasible.

Operating and Financial Review continued

Climate Related Risks

Nufarm has conducted a risks and opportunities assessment against two scenarios with a short (2030) and long (2050) term horizon:

- 1 Low emissions (high transitional impact – global average temperature below 2°C warming to pre industrial levels), and
- 2 High emissions (high physical impact – global average temperature above 3°C warming to pre industrial levels),

The identified potential risks associated with these scenarios were:

- Changes in product demand – driven by changes in the market, and in policy and regulation,
- Operational changes – fossil fuels and carbon footprint reduction/compliance with policy and regulation and operational costs / cost of goods sold increases with suppliers passing on transition costs,
- Change in product demand driven by climate unsuitability and acute environmental events, and
- Impacts on our operations (including our supply chain) driven by changes in climate and weather events.

In addressing these risks into the future, Nufarm is committed to investing in our portfolio to deliver improving yields for growers, and new plant based solutions for use in aquaculture and bioenergy markets. Nufarm maintains a ‘partner for growth’ philosophy and this is applied across our distribution channel partners, and when establishing and maintaining our key supply partnerships and alliances. Our business continuity and insurance programs consider physical risk exposures relating to our manufacturing and non-manufacturing operations, and the longer term suitability of our manufacturing footprint and supply chain arrangements is assessed through our strategic risk management process.

Refer to the FY23 Sustainability Report for our Taskforce on Climate-related Financial Disclosures (TCFD), and further detail on our climate-related risks.

Operational Risks

What this means for Nufarm (risk/ uncertainty)

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

**What this means for Nufarm (risk/ uncertainty)****Operational sustainability & compliance (how we do it)****How we are managing this****Cyber-attack/unauthorised access**

Nufarm's operations are supported by several key IT systems and applications. Complete or partial failure of the IT systems, applications or data centre infrastructure due to unauthorised access, cyberattacks or natural disasters could have a significant impact on Nufarm's ability to maintain operations and service customers. This could adversely impact Nufarm's financial position and/or reputation.

Nufarm has continued to invest in IT systems, infrastructure and capability to support the efficient operation of the business.

Disaster recovery strategies exist for key IT systems, applications and data centres, which are reviewed and tested on a regular basis.

Cyber threats are assessed on an ongoing basis to the best of our knowledge based on the continually evolving nature of these threats. Security controls are updated to mitigate these risks supported by a combination of external and internal vulnerability testing.

Nufarm staff cyber security awareness program that includes awareness and education of potential events, including mock phishing exercises.

We engage external providers to undertake simulated periodic system penetration testing.

Loss of key personnel

The loss of key personnel or the inability to recruit and retain or motivate high calibre staff could have a material adverse effect on Nufarm. Nufarm operates globally and has facilities in multiple jurisdictions. Management of a complex business that operates globally has a higher employee risk/complexity than a business which operates in one jurisdiction. The addition of new employees and the departure of existing employees, particularly in key positions, can be disruptive and could have an adverse effect on Nufarm and may impact Nufarm's financial performance and future prospects.

Critical roles across the organisation have been identified and appropriate succession and retention strategies developed.

There is an in-house talent acquisition resource dedicated to serving Nufarm's key hiring needs.

Guidelines for remuneration and reward have been developed to ensure Nufarm can attract and retain talent.

Regular surveys are delivered to determine levels of staff engagement.

Safety incident

Operation of Nufarm's manufacturing sites across the globe require major hazard facility licences. Operating within these environments can lead to personal injury, loss of life or damage to property. Regulatory bodies undertake regular audits of Nufarm's sites to ensure that it is appropriate to renew the licences. These audits can result in suspension of operations, fines or penalties or remediation expenses.

A robust and comprehensive Health, Safety and Environment (HSE) program is in place which provides clear guidance on culture, behaviours, process, metrics and reporting.

This program includes the ongoing audit and assessment of HSE risks and practices.

A program of regular reporting at a local, regional and global level is in place, including quarterly reporting to the executive management and board.

Well-being seminars, encouragement of leave-taking and a range of other support measures (for example, the Employee Assistance Program) are in place and continue to be advocated throughout the organisation.

Environmental damage

Nufarm operates in a regulatory environment that establishes high standards in terms of environmental compliance. Any material failure by Nufarm to adequately control hazardous substances and manufacturing operations, including the discharge of waste material, or to meet its various statutory and regulatory environmental responsibilities, could result in significant liabilities as well as ongoing costs relating to operational inefficiencies which may arise. This extends to historical environmental issues that may be present in sites that we have acquired.

Environmental risk assessments have been completed across all our key operational sites and control measures implemented.

Our environmental management systems are aligned to the key requirements of ISO41001 certification at five out of 11 of our crop manufacturing sites. Five other sites are currently working towards obtaining certification.

Local management engage with local environmental authorities on key risks and compliance.

Product contamination/quality

Nufarm manufactures and supplies a range of crop protection products and seed solutions which must be manufactured, formulated and packaged to exact standards, with strict quality controls. The performance of those products would be negatively impacted if those quality standards are not met and this could, in turn, have an adverse impact on the reputation and success of Nufarm.

Quality specification guidelines and procedures are defined across the manufacturing process. This includes a detailed contamination prevention program with associated procedures that are aligned to the 'Contamination Prevention in the Manufacture of Crop Protection Products Guidelines and Best Practices' issued by CropLife International.

Manufacturing processes are subject to rigorous testing to ensure quality standards are met and an ongoing review program is in place with the aim of ensuring operations adhere to the quality standards.

We produce GM and non-GM seed. Unapproved GM products are highly regulated in many markets across the globe. Most markets have regulations determining accepted levels of unapproved trait presence, and other markets have no tolerance. Unintended trait presence and non-compliance with regulations could lead to significant liabilities owed to third parties, and impact our brand, reputation and growth.

In relation to controlling GM traits, trait testing is undertaken from breeding handover through different stages in production, before commercial product is released to be shipped to customers, and following relevant regulations in each targeted market. We are actively working to promote industry coordination and transparency of hybrid seed production zones.

What this means for Nufarm (risk/ uncertainty)

Operational sustainability & compliance (how we do it)

Compliance breach

Nufarm's global footprint requires compliance with government legislation and regulations across all the countries within which we are established to maintain our licenses to operate. New legislation or changes to requirements could have an adverse impact on our operations, financial position or relationship with key customers and suppliers. This includes requirements relating to occupational health and safety, environment, sustainability and governance including climate change, product registration, antitrust, sanctions and anti-bribery, data privacy, taxation and review of contractual obligations with key suppliers and customers. Geopolitical risks such as changes to tariffs and sovereign risk impacting the political stability of certain countries we operate in could impact the price and volume of agricultural products traded in these regions.

How we are managing this

Policies and procedures have been developed supporting legislative and regulatory compliance. Nufarm's Code of Conduct provides overarching guidance on behaviours and is supported by procedures relating to key compliance obligations.

Nufarm also maintains a dedicated internal legal team across its key regional operations, which is supported externally as required, to provide input on key legislative and regulatory compliance.

Nufarm's internal tax department has developed specific guidance on the group's tax strategy and policies to ensure compliance and alignment with tax authorities on the treatment of transactions.

Nufarm has a global speakup/ whistleblower program that encourages employees to report any unethical, illegal or fraudulent behaviour and allows for anonymous online and phone reporting.

Financial exposures (how we fund what we do)

Debt financing

Nufarm has several bilateral financing facilities to fund its working capital requirements. Continued access to these facilities is dependent upon the successful renewal of these facilities as and when they fall due. Nufarm's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If Nufarm is unable to refinance its debt obligations, or to do so on reasonable terms, it may have an adverse effect on the financial position and performance of Nufarm.

How we are managing this

A clearly defined funding strategy is in place which includes a diversified funding structure with a range of debt maturity profiles.

Board and executive oversight is in place to monitor the reporting of financial undertakings as required under Group debt facilities together with the ongoing compliance with certain financial covenants where applicable.

Further details on strategies to manage liquidity, credit and market risk is included in note 29 of the consolidated financial statements.

Trade financing

The liquidity of the group is influenced by the terms suppliers extend in respect of purchases of goods and services. The determination of terms provided by suppliers is influenced by a variety of factors including supplier's liquidity. Suppliers may engage financial institutions to facilitate the receipt of payments for goods and services from the group, which are often referred to as supplier financing arrangements. In the event suppliers or financial institutions cease such arrangements the liquidity of the group's suppliers may be affected. If suppliers subsequently seek to reduce terms on the group's purchases of goods and services in the future, the group's liquidity will be affected.

Foreign exchange exposure

Global companies such as Nufarm purchase inputs and determine selling prices in a range of international currencies and are therefore exposed to fluctuations in exchange rates. Further, a substantial portion of Nufarm's revenues, costs, assets and liabilities are denominated in currencies other than Australian dollars. As a result, exchange rate movements affecting these currencies may impact the financial performance and future prospects of the business of Nufarm.

Nufarm has implemented a range of financial risk management policies and procedures to assist with the management of foreign exchange exposure. The group treasury function manages financial risks in accordance with these policies. Where possible, currency and interest rate risk is managed through hedging strategies (refer note 29 of the consolidated financial statements).

Working Capital Management

Effective management of working capital is a key operational priority across the group and is directly correlated with the group's liquidity. Movements in working capital are able to be linked to factors such as changing customer demand as a result of seasonality, climatic conditions, changes in customer credit profiles and supply constraints; and changing supply dynamics as a result of supply chain disruptions, supplier manufacturing capacity, climatic conditions, changes in supplier credit profiles and customer demand. If Nufarm is unable to appropriately manage these factors across the group, it may have an adverse effect on the financial position and performance of the Nufarm.

Policies and procedures have been developed to support the management of customer credit, inventory and procurement.

Nufarm's procurement and integrated business planning processes provide a focus on working capital management regionally and globally. This is supported by an investment in systems and data analytics to provide timely data on key working capital drivers.

Performance metrics supporting working capital management have been defined at a global and regional level and included in individual objectives and performance related remuneration for senior management.

Board of directors and key management personnel

Board

Additional information about directors' committee memberships and other roles can be found in the Directors' Report on pages 54-59.

Current directors



John Gillam BCom, MAICD, FAIM

Independent non-executive chair

John Gillam joined the board on 31 July 2020 and was appointed chair on 24 September 2020.

John has extensive commercial and leadership experience from a 20-year career with Wesfarmers where he held various senior leadership roles including chief executive officer of the Bunnings Group, Managing Director of CSBP and chairman of Officeworks. John is based in Australia.



Greg Hunt Harvard AMP, Grad Dip. Mgmt, AGSM, AICD

Managing Director and Chief Executive Officer, non-independent executive director

Greg Hunt joined the board on 5 May 2015. Greg joined Nufarm in 2012 and was group executive commercial operations prior to being appointed chief executive officer in 2015.

Greg has considerable executive and agribusiness experience. Greg had a successful career at Elders before being appointed managing director of Elders Australia Limited, a position he held between 2001-2007. After leaving Elders, Greg worked with various private equity firms focussed on the agriculture sector and has acted as a corporate advisor to Australian and international organisations in agribusiness related matters.



Alexandra Gartmann BSc (Resource & Environmental Management)

Independent non-executive director

Alexandra Gartmann joined the board on 23 September 2022.

Alexandra brings over 25 years of deep industry experience in rural, agriculture and community focused organisations and is the former chief executive officer of the Rural Bank, a division of the Bendigo & Adelaide Bank. Her executive career includes roles such as Bendigo & Adelaide Bank Executive Marketing, Partnerships & Corporate Affairs and chief executive officer of Rural Bank and as chief executive officer of the Foundation for Rural & Regional Renewal and The Birchip Cropping Group. Alexandra serves on boards across agriculture, banking and the environment. Alexandra is based in Australia.



Dr David Jones BA (Hons) Science, PhD

Independent non-executive director

David Jones joined the board on 23 June 2021.

David has held chair and director roles in large global agricultural business. His experience includes head of business development at Syngenta and former chairman of Zeneca China, Arysta Life Science and Plant Impact. David has broad leadership experience in operations, strategy, mergers and acquisitions and intellectual property in multiple jurisdictions including Asia, Latin America, Europe and the United States. David is based in Switzerland.



Marie McDonald LLB(Hons), BSc(Hons)

Independent non-executive director

Marie McDonald joined the board on 22 March 2017.

Marie is widely recognised as one of Australia's leading corporate and commercial lawyers having been a senior partner at Ashurst until 2014 where she specialised in mergers and acquisitions, corporate governance and commercial law.

Marie was chair of the Corporations Committee of the Business Law Section of the Law Council of Australia from 2012 to 2013, having previously been the deputy chair, and was a member of the Australian Takeovers Panel from 2001 to 2010. Marie is currently a member of the Melbourne University Law School Foundation Board. Marie is based in Australia.



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Prof. Adrian Percy BSc, MSc, PhD

Independent non-executive director

Adrian Percy joined the board on 1 July 2023.

Adrian is currently the inaugural executive director of the NC Plant Sciences Initiative at North Carolina State University. He has more than 30 years of experience in the agricultural sector, with previous roles as chief technology officer of UPL Ltd and head of research and development for the Crop Science Division of Bayer. In the latter role, he was a member of their executive committee with responsibility for internal and open innovation activities in the areas of crop protection chemistry and biologicals, as well as seeds and traits. During his 25-year tenure at Bayer, he also held numerous positions in agricultural research and development. Adrian is a venture partner at Finistere Ventures LLC, a technology and life sciences venture capital investor. Adrian is based in the United States.



Lynne Saint BCom, GradDip Ed Studies, FCPA, FAICD

Independent non-executive director

Lynne Saint joined the board on 18 December 2020.

Lynne has broad financial and commercial experience from a global career including more than 19 years with Bechtel Group where she served as chief audit executive and chief financial officer of the Mining and Metals Global Business Unit. Her expertise encompasses strong financial skills, corporate governance, enterprise risk, supply chain risk and project management. Lynne is based in Australia.



Federico Tripodi BAgronomic Engineering, MBA

Independent non-executive director

Federico Tripodi joined the board on 19 June 2023.

Federico has close to three decades of involvement in the agri-food sector with his experience spanning general management, research and development, corporate strategy and the commercialization of novel plant biotechnologies targeted for consumers and farmers. Federico is the founder and chief executive officer of Blacktop Holdings, a boutique venture lab that offers strategic and operating partnership services to rapidly growing Ag Tech, Food and Agribusiness companies, their investors and research institutions. From 2016 to 2018, Federico served as the chief executive officer of Calyxt Inc. (NASDAQ:CLXT), a company that develops healthier food ingredients by applying a new breeding technology. Prior to Calyxt, Federico worked at Monsanto Company for nearly two decades where his primary focus was developing health, sustainability and renewable energy crop products in the United States and Latin America. Federico is based in the United States.

Former directors



Gordon Davis BForSc, MAgSc, MBA

Independent non-executive director

Gordon Davis joined the board on 31 May 2011 and resigned on 15 November 2023.

Gordon was managing director of AWB Limited (from 2006 to 2010) and has held various senior executive positions with Orica Limited, including general manager of Orica Mining Services (Australia, Asia) and general manager of Incitec Fertilisers. He has also served in a senior capacity on various industry associations. Gordon is based in Australia.



Peter Margin BSc(Hons), MBA

Independent non-executive director

Peter Margin joined the board on 3 October 2011 and resigned on 15 November 2023.

Peter has many years of leadership experience in major Australian and international food companies including executive chairman of Asahi Holdings (Australia) Pty Ltd, chief executive/managing director of Goodman Fielder Ltd and before that chief executive/managing director of National Foods Ltd. Peter is based in Australia.



Company Secretary



Kate Hall LLB(Hons), BSc and LLM(IP)

Company Secretary

Kate Hall was appointed company secretary on 20 April 2022. Kate has more than 20 years' Australian and international experience as a general counsel and senior executive leading legal, intellectual property, governance, risk and compliance functions.

Key management personnel

Greg Hunt Managing Director and Chief Executive Officer

(See profile in Board section)



Paul Townsend B.Bus (Accounting), FCA, GAICD

Chief Financial Officer

Paul Townsend joined Nufarm in December 2020. His 30-year career record spans across a variety of industries and includes chief financial officer roles with Asaleo Care, Pacific Hydro, Futuris Automotive Group and most recently Monash University.



David Allen MBA

Group Executive, Supply Chain Operations

Dave joined Nufarm in 2022 with a highly successful track record within global organisations of delivering strategic change, business transformation and capability development. Dave's areas of expertise include manufacturing, operations, procurement, sales and operations planning, logistics and IT.

Corporate governance statement

1 Introduction

Nufarm is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The board considers that Nufarm's governance framework and adherence to that framework are fundamental in demonstrating that the directors are accountable to shareholders, are appropriately overseeing the management of risk and promoting a culture of ethical, lawful and responsible behaviour within Nufarm.

This corporate governance statement (**Statement**) outlines the governance framework of Nufarm Limited ABN 37 091 323 312 and its controlled entities (**Nufarm or company**) for the year ended 30 September 2023.

Key governance policies are reviewed regularly to ensure they continue to reflect a high standard of corporate governance and comply with the ASX Corporate Governance Principles and Recommendations 4th Edition (**ASX Principles**). Nufarm, as a listed entity is required to comply with the Corporations Act (Cth), the ASX Listing Rules and other Australian and international laws and is required to report on the extent to which it has complied with the ASX Principles.

Nufarm's key governance documents, including constitution, board and board committee charters and key policies are available on the company's website at <https://nufarm.com/investor-centre/corporate-governance/>.

The Statement is current as at 8 December 2023 and has been approved by the board.

2 Board of directors

2.1 Board role and responsibilities

The constitution provides that the business and affairs of Nufarm are to be managed by or under the direction of the board. Ultimate responsibility for governance and strategy rests with the board. The role of the board is to represent shareholders, and to demonstrate leadership and approve the strategic direction of Nufarm. The board is accountable to the shareholders for the company's performance and governance.

The board charter sets out the board's key responsibilities, the matters the board has reserved for its own consideration and decision making and the authority it has delegated to the managing director and chief executive officer (**CEO**). The board's responsibilities, as set out in the board charter, include:

- appointment and termination of the CEO and the company secretary and ratification of the appointment of the chief financial officer (**CFO**) and key management personnel (**KMP**) and the terms of their employment contracts including termination payments
- approving the remuneration policies and practices of the board, the CEO and the CEO's direct reports
- approving commitments, capital and non-capital items, acquisitions and divestments above authority levels delegated to the CEO;
- approving the overall capital structure of Nufarm including any equity related transactions and major financing arrangements
- approving the annual and half year financial and director reports including the full year operating and financial review, remuneration report and corporate governance statement
- approving the dividend policy and determining the dividends to be paid
- approving management's development of corporate strategy
- reviewing and approving the annual budget, strategic business plans, balance sheet and funding strategy
- approving the succession plans and processes for the chair, directors, CEO and the CEO's direct reports
- approving the diversity and inclusion policy and measurable objectives for achieving diversity across Nufarm and monitoring progress in achieving those objectives
- approving governance practices and policies including the continuous disclosure policy, code of conduct, anti-bribery and anti-corruption policy and speak up (whistleblower) policy
- approving ASX releases as set out in the continuous disclosure policy
- appointing the chair of the board
- appointing directors to casual vacancies and recommending their election to shareholders at the next Annual General Meeting.

A copy of the board charter which sets out the role and responsibilities of the board in more detail can be found in the corporate governance section of Nufarm's website.



Delegation to management

The board has delegated to the CEO responsibility for the day-to-day management of the company's affairs and implementation of the strategic objectives, the annual budgets and policy initiatives. The CEO is accountable to the board for all authority delegated to management and for the company's performance. The CEO is required to operate in accordance with board approved policies and delegations of authority and management must supply the board with information in a form, timeframe and quality that will enable the board to discharge its duties effectively. The CEO is required to report to the board in a spirit of openness and trust and is required to ensure that all decisions are made lawfully, ethically and responsibly.

2.2 Board meetings and attendance

The board meets as often as required. During the reporting period, the board met 8 times including a strategy board session. Meetings are held face to face, virtually or as hybrid meetings.

In addition to the company secretary, the CFO regularly attends all board meetings by invitation. Other members of management attend meetings by invitation. During regularly scheduled meetings, the board generally holds a closed session (attended by non-executive directors only), which provides non-executive directors with an opportunity to raise issues in the absence of management.

Details of attendance at board and standing board committee meetings during FY23 can be found in the Annual Report on page 54.

Key Activities undertaken by the board during the year

The board considered a range of matters during FY23, including:

- reviewing and agreeing to adopt updates to governance policies including the inclusion and diversity policy, continuous disclosure policy, the group risk policy and the Modern Slavery Statement
- implementing a new board committee structure
- continuing the board succession process resulting in the appointment of Federico Tripodi and Adrian Percy as non-executive directors
- participating with management in the annual review of strategy and monitoring management's execution of strategy
- reviewing Nufarm's capital structure
- reviewing the delegation of authority to management to ensure it remains appropriate
- overseeing the financial performance and key metrics of the company
- reviewing the risk management system including the risk management framework.

2.3 Board composition

At the date of this Statement the board has seven non-executive directors and the CEO and at 30 September 2023 the board had nine non-executive directors and the CEO. Details of the directors, including their qualifications, experience, date of appointment and independent status are set out in the Directors Report on pages 52-53 in the 2023 Annual Report. The constitution provides that the company is not to have more than 11 or less than three directors.

In assessing the composition of the board regard is given to the following principles:

- the role of the chair and the CEO should not be filled by the same person
- the chair must be an independent non-executive director
- the CEO must be a full-time employee of the company
- the majority of the board must be independent non-executive directors
- the board should represent a broad range of qualifications, experience, expertise and diversity.

Changes during the year

During FY23, the board, with the assistance of the nomination committee, completed the final phase of its board renewal program to ensure a diverse mix of skills, experience and tenure that is aligned with the future of our business. Federico Tripodi and Adrian Percy were appointed as independent non-executive directors effective 19 June 2023 and 1 July 2023 respectively and long-standing non-executive directors Gordon Davis and Peter Margin retired effective 15 November 2023.

2.4 Director skills, experience and attributes

The key attributes that directors must possess are set out in the board charter and include:

- honesty, integrity and a proven track record of creating value for shareholders
- an ability to apply strategic thought
- a preparedness to debate issues openly and constructively and to question, challenge and critique
- a willingness to understand and commit to the governance framework of the company
- an ability to devote sufficient time to properly carry out the role and responsibilities of the board.

Corporate governance statement continued

Skills matrix

During FY23, the board completed the final phase of its board renewal program to ensure a diverse mix of skills, experience and tenure that is aligned with the future of our business. The board skills matrix at 30 September 2023 and the assessment of the directors in office at that date is included in the following table.

Skills/Experience	No of Directors with skill
Manufacturing & Integrated Supply Chain Management in High Risk Environment Relevant experience in international manufacturing and/or integrated supply chain management including demonstrated ability to improve production systems	7
Customer Relations Relevant international experience in customer service delivery and/or marketing of products, including brand marketing, e-commerce and use of digital technology	7
Technology Experience in R&D, seed technologies or emerging technologies including commercialisation	7
Agricultural Experience Experience in crop protection or agricultural industry obtained through a large international company	9
Finance Board audit experience or a senior executive or equivalent experience in financial accounting and reporting, corporate finance and internal financial controls/audit	8
Risk Relevant experience and understanding of risk management frameworks and controls, including HSEC and sustainability, and the ability to oversee mitigation strategies and identify emerging risks	10
Mergers, Acquisitions, JVs, Partnerships, Alliances, Divestments & Integrations Relevant experience in merger and acquisition transactions (including JV's etc) raising complex financial, regulatory and operational issues	9
Strategy and Transformation Experience in developing and executing successful strategies and/or transformation in a complex environment to deliver a sustained and resilient business	8
Corporate Governance and Compliance Experience serving on boards in different industries, including publicly listed. Awareness of leading practice in corporate governance and compliance with a demonstrated commitment to achieving those standards	10
Regulatory, Government, Public Policy Relevant experience identifying and managing legal, regulatory, public policy and corporate affairs issues	7
People, Culture and Remuneration Relevant experience overseeing or implementing a company's culture and people management framework, including succession planning and setting and applying remuneration policy and frameworks linked to strategy	7



2.5 Chair

The chair of the board is John Gillam, an independent non-executive director.

The chair is responsible for the leadership of the board and for encouraging a culture of openness and debate amongst the directors to foster a high performing and collegiate board. The chair also serves as the primary link between the board and management.

2.6 Board succession planning

The board manages succession planning for non-executive directors with the assistance of the nomination committee and for the CEO with the assistance of the people, safety and remuneration committee (previously the human resources committee).

During FY23 Federico Tripodi and Adrian Percy were appointed as independent non-executive directors, effective 19 June 2023 and 1 July 2023 respectively. Gordon Davis and Peter Margin resigned effective 15 November 2023.

The board has a non-executive tenure policy that provides for non-executive directors to retire after nine years (or twelve years in the case of a chair who has served in the role of chair for less than six years) from the first date of election of shareholders. The board may in exceptional circumstances exercise discretion to extend the maximum term where it considers such an extension is in the best interests of the company. Gordon Davis and Peter Margin had both held office for 12 years before they retired following a transition period with the newly appointed non-executive directors to facilitate the final phase of the board's renewal program.

All non-executive directors are required to stand for re-election every three years. The nomination committee will undertake a review of the directors retiring by rotation and make a recommendation to the board on whether their re-election is to be supported. The company provides all material information in its possession concerning the director standing for re-election in the notice of meeting and accompanying explanatory notes.

2.7 Director independence

The board is committed to ensuring the majority of non-executive directors are independent. The board considers directors to be independent where they are independent of management and free from any interest, position, association or relationship that might influence or might reasonably be perceived to interfere with the exercise of their unfettered and independent judgement.

During FY23 all non-executive directors were considered to be independent.

In considering the matter of independence, the board considered each director's tenure and concluded that Gordon Davis and Peter Margin had not held office for such a period as to interfere with the exercise of independent judgement. In reaching this conclusion, the board noted that neither had formed associations with management that might compromise their ability to exercise independent judgement.

2.8 Conflict of interest

The company has a conflict of interest policy to ensure that directors disclose any conflicts of interest and that any conflicts are appropriately addressed. In the event a director does have an actual or potential conflict, the director does not receive the relevant board or committee papers and must absent themselves from the room when the board or committee discusses and votes on matters subject to the conflict. This continues unless the other directors resolve otherwise. The director cannot access the minutes of the board or committee meeting in relation to the conflict.

2.9 Director appointment, induction training and continuing education

When considering new appointments to the board, the nomination committee oversees the preparation of a role description which includes the key attributes identified in the board charter and the relevant skills taking into account the principles set out in section 2.4 and any gaps identified in the board skills matrix. This role description is provided to an external search firm who assists in undertaking the search.

When suitable candidates are identified, the nomination committee will interview a short list of candidates before making a recommendation to the board. All directors will interview the candidate prior to the board considering formal appointment.

All non-executive directors on appointment are required to sign a letter of appointment which sets out the terms and conditions of their appointment including:

- duties and responsibilities of a director
- participation in induction training and continuing education
- remuneration
- expectation around time commitments for the board and relevant committee meetings
- the requirement to disclose directors' interests on an ongoing basis
- access to professional advice
- indemnity, access and insurance arrangements.

Prior to appointment all directors, are subject to extensive background and screening checks. All new senior executive appointments are also subject to extensive background and screening checks.

With the exception of the CEO, all directors appointed by the board to a casual vacancy are required to stand for shareholder election at the next AGM. The company provides all material information in its possession concerning the director standing for re-election in the notice of meeting and accompanying explanatory notes.

Induction training is provided to all new directors. This includes discussions with the CEO, CFO, company secretary and other senior executives and the option to visit the company's key sites globally. Induction materials include information on the company's strategy and financial performance, full information on the board including all board and committee charters, recent board and committee minutes, information on the risk management framework and the risk appetite statement approved by the board, all board policies including the code of conduct and the obligations of directors.

All directors are expected to undertake ongoing professional development to develop and maintain the skills and knowledge required to discharge their responsibilities. Directors are provided with information papers and presentations on developments in the law, industry related matters and any new emerging developments that may affect the company.

2.10 Shareholding requirements for non-executive directors

The company has a minimum shareholding policy which applies to all non-executive directors except for any nominee directors appointed to the board. The policy requires that non-executive directors are required to accumulate and then hold a minimum holding of Nufarm securities equivalent to 100 per cent of their total pre-tax annual base fee including superannuation. This minimum holding is to be achieved within five years of appointment or for those non-executive directors who were a member of the board at the date the policy was adopted (May 2021), within five years of the adoption. Further details are set out in the Remuneration Report on pages 56 to 76 of the Annual Report.

2.11 Board performance evaluation

The board is committed to regularly reviewing its own performance and effectiveness as well of those of the committees and individual directors. The board conducted an externally facilitated review during FY23 which focussed on board succession planning and board capabilities, board calendar and papers, executive succession planning and the structure of the board committees. All actions from this review have been implemented.

An assessment of director performance is undertaken by the nomination committee with feedback sought from all directors prior to the board considering recommending a director for re-election to shareholders at an AGM.

2.12 Independent professional advice

The board and its committees may access independent experts and professional counsel for advice where appropriate and may invite any person from time to time to attend meetings.

2.13 Company secretary

The details of the company secretary, including their qualifications, are set out in the Annual Report 2023 on page 53. The appointment and removal of the company secretary is a matter for the board. The company secretary is accountable to the board for the effectiveness of the implementation of the corporate governance processes, adherence to the board's principles and procedures and coordinates all board and board committee business, including agendas, papers, minutes, communication and filings. All directors have direct access to the company secretary.



3 Committees

During FY23 the board carried out a comprehensive review of its committee structure. To assist the board to carry out its responsibilities, effective 1 July 2023 the board has the following committees in place:

- audit and risk committee
- people, safety and remuneration committee
- innovation committee
- sustainability and environment committee
- nomination committee.

The former audit committee, risk and compliance committee and human resources committee ceased effective 30 June 2023 and their responsibilities were allocated to other committees.

Each committee has a charter which sets out the membership structure, roles and responsibilities and meeting procedures that can be found in the corporate governance section of Nufarm's website.

Generally, these committees review matters on behalf of the board and, as determined by the relevant charter:

- refer matters to the board for decision, with a recommendation from the committee, or
- determine matters (where the committee acts with delegated authority), which the committee then reports to the board.

The company secretary provides secretarial support for each committee.

Membership of each committee is outlined in the relevant section below. All board members are invited to attend all committee meetings with the consent of the committee chair.

3.1 Audit and risk committee

The role of the audit and risk committee is to assist the board in fulfilling its responsibilities in respect of the company's financial statements and corporate reporting, the effectiveness of internal and external audit processes, internal control systems, treasury and taxation practices, oversight of financial and non-financial risk management and the company's insurance program, and oversight of compliance with relevant legal and regulatory and best practice requirements within the responsibility of the committee.

The audit and risk committee was convened effective 1 July 2023, taking on all responsibilities of the former audit committee and those responsibilities of the former risk and compliance committee relating to overall risk governance and any risks which have not been allocated to other committees. Membership of and key activities carried out by those former committees is detailed in this section. The audit and risk committee charter was created in June 2023.

The key responsibilities of the audit and risk committee are:

- oversight of the integrity of the financial statements and other financial reports and financial reporting systems and processes
- reviewing the effectiveness of external audit processes
- oversight of the effectiveness of the internal audit function and systems of internal control
- oversight of treasury and taxation practices
- reviewing the effectiveness of risk governance including the risk management framework

- considering any material financial and non-financial risk areas that are not specifically under the remit of other committees
- oversight of compliance with applicable legal and regulatory requirements and best practices guidelines within the committee's area of responsibility
- oversight of the insurance program
- oversight of the process for receipt, retention and treatment of information received under the speak up (whistleblower) policy and any material breaches of the anti-bribery and corruption policy and the code of conduct
- other matters referred by the board from time to time.

Membership and meetings

The audit and risk committee consists of:

- a minimum of 3 members of the board, all of whom are non-executive directors
- a majority of independent directors (as defined in the board charter)
- an independent chair, who is not chair of the board.

The members of the audit and risk committee during the reporting period were:

Name	Membership status
Lynne Saint (Chair)	Member and chair from 1 July 2023
Marie McDonald	Member from 1 July 2023
Alexandra Gartmann	Member from 1 July 2023
John Gillam	Member from 1 July 2023
Gordon Davis	Member from 1 July 2023 until 15 November 2023
Peter Margin	Member from 1 July 2023 until 15 November 2023

Members of the former audit committee from 1 October 2022 until 30 June 2023 were:

Name	Membership status
Lynne Saint (Chair)	Member and chair for the entire period
Marie McDonald	Member for the entire period
Alexandra Gartmann	Member for the entire period
Gordon Davis	Member for the entire period

Members of the former risk and compliance committee from 1 October 2022 the start of the period until 30 June 2023 were:

Name	Membership status
Gordon Davis (Chair)	Member and chair for the entire period
Marie McDonald	Member for the entire period
Alexandra Gartmann	Member for the entire period
Peter Margin	Member for the entire period

At least one member of the committee must have formal accounting qualifications with recent and relevant experience. The committee as a whole is to have sufficient understanding of the industry in which Nufarm operates. The board is satisfied that the current composition of the committee satisfies this requirement.

The external auditors, CEO, CFO and Head of Risk, Assurance and Compliance have a standing invitation to attend meetings of the audit and risk committee, and the internal audit service provider partner attends meetings of the audit and risk committee at the invitation of the committee chair.

The details of the audit and risk committee meetings are set out in the Directors' Report in the 2023 Annual Report on page X.

Activities during the year

The key activities undertaken by the audit and risk committee (including the former audit committee and former risk and compliance committee) during the year include:

- reviewing the scope, plan and fees for the external audit for the period and overseeing the work performed by the external auditors
- reviewing the independence and performance of the external auditor
- reviewing significant accounting, financial reporting and related issues raised by management and the external auditor
- monitoring developments in significant accounting, financial reporting and taxation matters and considering the implications for the company
- approving the internal audit plan for FY24 and reviewing the outcome of internal audit reviews and the plans to implement any remedial action
- reviewing and monitoring improvements to the company's internal control and accounting practices
- reviewing and recommending to the board the approval of the half year and annual financial statements
- reviewing management reports on the company's key financial and non-financial risks and risk management program including contemporary and emerging risks such as, geopolitical, cyber-security, privacy and data breaches and climate change
- reviewing the company's key risks and risk management framework and confirming that the framework was sound and that the company is operating with due regard to the risk appetite set by the board
- receiving regular reports on health, safety and ESG matters (until responsibility for health and safety and ESG matters moved to other committees effective 1 July 2023)
- receiving regular reports on quality matters
- considering the company's insurance program
- recommending to the board the approval of the Modern Slavery Statement for FY22
- approving the 2022 Sustainability Report
- receiving regular reports on the company's compliance program.

External audit

The audit and risk committee reviews the external auditor's scope of work, including the external audit plan, to ensure it is appropriate, having regard to the company's key risks. The external auditor reports to the committee at each meeting and is given an opportunity to raise issues with the committee in the absence of management. The committee also reviews the performance and independence of the external auditor on an annual basis. KPMG is the external auditor.

The committee has a policy on the provision of non-audit related services by the external auditor which sets out the company's approach to engaging the external auditor for the performance of non-audit related services with a view to ensuring their independence is maintained. This policy was

reviewed and updated in February 2023. A copy of the policy on the provision of non-audit related services by the external auditor can be found in the corporate governance section of Nufarm's website.

The external auditor attends the company's AGM and is available to answer questions from investors relevant to the audit.

3.2 People, safety and remuneration committee

The role of the people, safety and remuneration committee is to assist the board to perform its functions in relation to remuneration policies and practices for directors, the CEO and KMP. It also assists in the development, retention and termination of the CEO and KMP, succession planning for the CEO and senior executives, equity based remuneration plans for employees, management of inclusion and diversity and management of occupational health and safety (OHS).

The people, safety and remuneration committee was convened effective 1 July 2023, taking on all responsibilities of the former human resources committee and those responsibilities of the former risk and compliance committee relating to OHS. Membership of and key activities carried out by the people, safety and remuneration committee and the former human resources committee is detailed in this section. The people, safety and remuneration committee charter was created in June 2023.

The committee's key responsibilities and functions are to:

- oversee the company's remuneration, recruitment, retention and termination policy and procedures and its application to the CEO and the KMPs
- assisting the board in the annual performance review of the CEO and overseeing the annual performance review of KMP
- oversee the succession plans and process for the CEO and direct reports to the CEO
- review and make recommendations to the board regarding the remuneration and benefits of non-executive directors;
- review the annual remuneration report
- review and make recommendations to the board on the inclusion and diversity policy and the measurable objectives for achieving the inclusion and diversity outcomes
- oversee and monitor the identification, assessment, management, prioritisation and reporting of OHS risks.

The process to engage remuneration consultants, who will provide independent remuneration advice, as appropriate, on director fees and KMP remuneration, structure, practice and disclosure, is included in the people, safety and remuneration committee charter. Remuneration consultants are engaged directly by the chair of the people, safety and remuneration committee and report directly to the committee.

During the period data provided by remuneration consultants engaged through this process was utilised to review KMP and Nufarm Leadership Team (NLT) remuneration for FY23.

Further details on the company's remuneration framework, the policies and practices regarding the remuneration of directors, as well as the contractual arrangements, remuneration and performance evaluation of other members of KMP, are reflected in the Remuneration Report on pages 56 to 76. The progress against the company's inclusion and diversity objectives are detailed in the inclusion and diversity section of this Statement on pages 43–47.



Membership and meetings

The people, safety and remuneration committee consists of a minimum of 3 members of the board, all of whom are independent non-executive directors.

The members of the committee during this period were:

Name	Membership status
Marie McDonald	Member and chair from 1 July 2023
John Gillam	Member from 1 July 2023
Gordon Davis	Member from 1 July 2023
David Jones	Member from 1 July 2023
Federico Tripodi	Member from 1 July 2023

The members of the former human resources committee from 1 October 2023 until 30 June 2023 were:

Name	Membership status
Peter Margin	Member and chair for the entire period
Gordon Davis	Member for the entire period
Lynne Saint	Member for the entire period

A standing invitation for all meetings is issued to the CEO, CFO and Group Executive, People and Performance.

Activities during the year

The key activities undertaken by the committee during the year included:

- approving the remuneration report for FY22
- responding to the FY22 remuneration 'strike' by engaging an independent remuneration consultant and engaging extensively with key stakeholders regarding proposed changes to the FY23 Executive Incentive Plan (EIP)
- endorsing the design of the FY23 EIP
- Undertaking the annual review of executive KMP's remuneration and making recommendations to the Board regarding remuneration levels, performance outcomes and incentive awards
- considering extension of minimum shareholding policy to executive KMP and other senior executives
- approving performance objectives and key performance indicators (KPIs) for the CEO, KMPs and key executives;
- approving the diversity and inclusion strategic priorities and targets
- approving the FY23 parameters for fixed pay remuneration
- monitoring the organisational culture and employee engagement metrics including pay equity and workforce representation;
- reviewing talent development programs and succession planning
- monitoring Nufarm inclusion and diversity objectives in line with Nufarm plans
- from 1 July 2023, receiving reports on key OHS risks.

3.3 Sustainability and environment committee

The role of the sustainability and environment committee is to assist the board in relation to sustainability and environment related performance, risks and reporting. The committee was convened on 1 July 2023 to enhance the board's focus on sustainability and the environment, previously under the remit of the former risk and compliance committee. Membership of and key activities carried out by the sustainability and environment committee is detailed in this section. The sustainability and environment committee charter was created in June 2023.

The key responsibilities and functions of the sustainability and environment committee are:

- overseeing sustainability and environmental risks that are material to the operations and achievement of Nufarm's strategy
- overseeing Nufarm's performance with respect to sustainability and environmental issues, including external targets, the impact on stakeholders and on Nufarm's reputation
- reviewing Nufarm's public sustainability and environment targets and position statements
- monitoring Nufarm's strategy as it relates to sustainability and environmental issues
- monitoring compliance with applicable sustainability and environmental related laws and regulations
- overseeing the preparation and assurance of Nufarm's periodic sustainability and environment related reporting.

Membership and meetings

The sustainability and environment committee consists of:

- a minimum of 3 members of the board, all of whom are non-executive directors
- a majority of independent directors
- an independent director as chair.

The members of the sustainability and environment committee during the reporting period were:

Name	Membership status
Alexandra Gartmann	Member and chair from 1 July 2023
Lynne Saint	Member from 1 July 2023
Adrian Percy	Member from 1 July 2023

A standing invitation for all meetings is issued to the CEO, CFO, Group Executive, Supply Chain Operations and Group Executive, Growth and Sustainability.

Activities during the reporting period

The key activities undertaken by the committee during this period were:

- overseeing the preparation of the 2023 Annual Sustainability Review
- receiving reports from management on environmental performance and ESG related matters.

3.4 Innovation committee

The role of the innovation committee is to assist the board in the oversight of the company's strategy, policies and procedures with regard to the development and adoption of innovation solutions and technologies in crop protection and seed technologies. Membership of and key activities carried out by the innovation committee is detailed in this section. The innovation committee charter was last reviewed in July 2021.

The innovation committee's key responsibilities and functions are:

- recommending the product research and development policy to the board for approval
- reviewing the strategic direction of the company's approach to innovation in crop protection and seed technologies including the processes for reviewing existing and emerging trends in innovation that may affect the company's strategic plan
- oversight and review of any innovation technologies in potential acquisitions
- monitoring and reviewing the company's research and development capital allocation policies and procedures for crop protection and seed technologies
- monitoring post implementation results including measurable benefits for all new key product development
- reviewing management of the intellectual property portfolio
- reviewing and making recommendations on commercialisation opportunities for the company's technology and intellectual property
- reviewing relationships with key third parties necessary to further develop the company's adoption of innovative solutions and technologies.

Membership and meetings

The committee consists of:

- a minimum of 3 members of the board with the majority to be independent non-executive directors
- an independent director as chair.

The members of the committee during the relevant period were:

Name	Membership status
Dr David Jones (Chair)	Member for the entire period
Peter Margin	Member for the entire period
Marie McDonald	Member until 30 June 2023
Adrian Percy	Member from 1 July 2023
Federico Tripodi	Member from 19 June 2023

A standing invitation for all meetings is issued to the CEO, CFO, Group Executive, Portfolio Solutions and Group Executive, Nuseed.

Activities during the reporting period

The key activities undertaken by the committee during this period were:

- recommending material innovation related capital expenditure to the board
- receiving reports from management on new leads, new technologies and M&A opportunities
- reviewing capital allocation for research and development projects.

3.5 Nomination committee

The role of the nomination committee is to assist the board to oversee the composition, performance, succession planning of the board as well as the induction and ongoing training for directors. Membership of and key activities carried out by the nomination committee is also detailed in this section. The nomination committee charter was last reviewed in July 2021.

The nomination committee has a charter which sets out the roles and responsibilities of the committee in more detail and can be found on the corporate governance section of Nufarm's website.

Membership and meetings

The membership of the nomination committee includes:

- All non-executive directors (with the majority to be independent non-executive directors) with the chair to be an independent non-executive director
- where the board chair is the committee chair, he or she will not chair the committee when it is dealing with the appointment of a successor to the chair.

The members of the nomination committee during this period were:

Name	Membership status
John Gillam (Chair)	Chair and member for the entire period
Gordon Davis	Member for the entire period
Alexandra Gartmann	Member for the entire period
David Jones	Member for the entire period
Marie McDonald	Member for the entire period
Peter Margin	Member for the entire period
Adrian Percy	Member from 1 July 2023
Lynne Saint	Member for the entire period
Federico Tripodi	Member from 19 June 2023

Activities during the year

The key activities undertaken by the nomination committee related to succession planning for the board including making a recommendation to appoint Federico Tripodi and Adrian Percy as independent non-executive directors.

4 Inclusion and diversity

As a global agricultural innovator, we highly value a diverse and inclusive work environment that fuels innovative thinking and decision-making. We know this comes from nurturing a workplace in which individuals are valued for their diversity, can bring their whole self to work and be empowered to reach their full potential. We are stronger when our operations and solutions reflect the thinking of all our people, representing a broad range of backgrounds, cultures and experiences. As we continue to support the future of agriculture, we will also continue to nurture a rich diverse and inclusive culture and a strong sense of belonging for all.

This year we continued our focus towards our 2022–2025 Inclusion and Diversity goals with oversight and leadership from our executive Inclusion and Diversity (I&D) steering committee. Our strategy will allow us to embed inclusion, diversity and equity in the way we conduct our business, wherever we operate around the world. Some activities were:

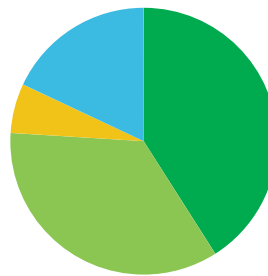
- continuing to improve our employee satisfaction and inclusion and diversity items measured through Nufarm Voice, our employee continuous listening strategy
- providing access to a global wellness platform and Employee Assistance Program (EAP) for all employees in 48 languages, and seeing 36 per cent uptake for 2023 FY (2022: 23 per cent)
- refreshing our executive I&D steering committee with a new chair appointed and new member introduced to bring fresh perspective to the steering committee leadership
- establishing employee-initiated Employee Representative Groups (ERG) as a subset of our regional I&D councils
- providing mentoring for women and extending this externally beyond the Nufarm context
- celebrating diversity through the theme #comeasyouare across the globe with International Women's Day with a STEM focus, Black History Month in North America, and European Diversity Week
- establishing Graduate/Internship programs in all regions to help attract and build diversity pipelines in relevant functions, ranging from commercial to technology and engineering
- intentionally focusing on attracting diverse and female talent through:
 - inclusive interview training for all managers
 - targeted shortlists
 - gender diverse interview panels
 - deploying our new referral programs that encouraged referral of under-represented candidates across all regions
- showcasing Nufarm progress through Work 180 recognition and promotion of 3 employee stories. We continue to be recognised as a relevant employer under the *Workplace Gender Equality Act* and as a gender diverse employer, endorsed by work180 in Australia and North America.

4.1 Nufarm's workforce

At the end of this reporting period, we employed the full-time equivalent of 3059 people (2022: 2,811), an increase of 248 full-time equivalents seen mostly in the supply chain, sales and portfolio functions (87 per cent).

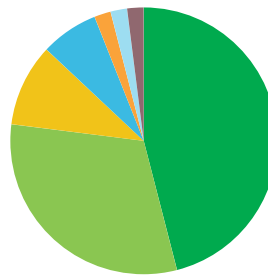
Most of our workforce remain full-time: 93 per cent are permanent employees (2022: 89 per cent) and 7 per cent are contract or non-permanent employees (2022: 11 per cent). Where the role allows it, we support flexible working arrangements, with 3 per cent of our workforce operating under part-time arrangements (2022: 3 per cent). The number of men participating in part-time work continues to increase. Men now represent 28 per cent of our part-time workforce compared with women, who represent 72 per cent (2022: 23 per cent men and 77 percent women).

2023 FTE by Geography



Asia-Pacific	41%
Europe	35%
South America	6%
North America	18%

2023 FTE by Function



Supply Chain	46%
Sales	31%
Portfolio Solutions	10%
Finance	7%
Corporate	2%
Information Technology	2%
Human Resources	2%



Financial Year
2023 Overview

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Environmental, social
and governance

Operating and
Financial Review

Corporate
governance
statement

Directors' Report

Remuneration Report

Financial Statements

4.2 Women at Nufarm

Nufarm focuses on removing barriers to equality and being an inclusive place to work. We are committed to working towards a 40:40:20 vision for 2030 in our senior leadership category (CEO-1 and CEO-2). This represents at least 40 per cent who identify as women, 40 per cent who identify as men and 20 per cent who identify as man, woman, or other in our senior leadership by 2030.

With 35% of the executive and senior management team being women, we are well on the way to achieving our target of having not less than 35 per cent of either gender represented in our workforce by 2025. We saw improved representation of women across the business this year:

Representation of women increased in Europe and South America, while North America and APAC remained unchanged. Representation of women also increased across all functions that are under-represented by women. We continued to focus on improving gender diversity in our commercial and manufacturing functions and pursue targeted objectives to address the gender diversity gap.

Board **43%**

At the date of this report 43 per cent of the board's non-executive directors are women. 33 per cent of our non-executive directors were women at 30 September 2023 (2022: 43 per cent). This was part of the board's succession planning, which resulted in an overlapping period between the appointment of two men and the planned retirement of two men.



Leadership **35%**

Women represent 35 per cent (2022: 31 per cent) in our executive and senior management employee category (including KMP). This is an increase of 4 per cent.

45 per cent of all executive and senior management appointments were women, (2022: 80 per cent); 40 per cent of those came from within our internal talent pool (2022: 13 per cent)



Business **28%**

Representation of women across the business increased to 28 per cent (2022: 27 per cent)

35 per cent of all new appointments were women (2022: 37 per cent).

27 per cent of leavers were women (2022: 28 per cent).

Promotions of women was 34 per cent (2022: 35 per cent)





Gender Diversity by Geography

	30 Sept 2023			30 Sept 2022		
	Women	Men	Grand Total	Women %	Women%	Grand Total
Asia-Pacific	314	921	1236	25%	25%	1189
Europe	329	754	1083	30%	29%	1017
South America	42	134	176	24%	23%	113
North America	171	393	564	30%	30%	492
			3059	28%	27%	2811

Gender Diversity by Function

	30 Sept 2023			30 Sept 2022		
	Women	Men	Grand Total	Women %	Women%	Grand Total
Supply Chain	306	1105	1411	22%	20%	1280
Sales	219	738	957	23%	18%	816
Portfolio Solutions	119	173	292	41%	43%	236
Finance	113	99	212	53%	55%	166
Corporate	35	37	72	49%	46%	85
Information Technology	12	37	49	24%	20%	51
Human Resources	52	13	65	80%	79%	44
			3059	28%	27%	2811

Gender Diversity by Employee Category

	30 Sept 2023			30 Sept 2022		
	Women	Men	Grand Total	Women %	Women%	Grand Total
Non-executive directors (Sep 2023)	3	6	9	33% ¹	43%	9
Non-executive directors (Nov 2023)	3	4	7	43% ²	43%	7
Executive key management personnel ³	0	3	3	0%	0%	3
Exec and senior management (CEO-1 and CEO-2) ⁴	31	55	86	36%	32%	88
People manager	99	328	427	23%	19%	423
Professionals	396	879	1275	31%	30%	1143
Manufacturing shop floor	137	820	957	14%	15%	900
Administration	190	94	285	67%	72%	235
Other	3	23	26	12%	21%	19

1 33 per cent is the representation of women non-executive directors at 30 September 2023, due to succession planning, which resulted in an overlapping period between the appointment of two men and the planned retirement of two men.

2 43 per cent is the representation of women non-executive directors at the time of this report and reflects the true gender diversity of the board's non executive directors.

3 Executive key management personnel as listed in the annual report and includes CEO and some direct reports.

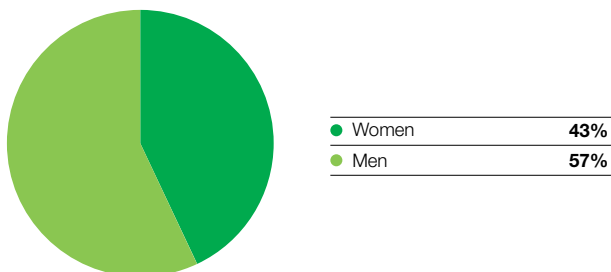
4 CEO-1 refers to the layer of senior executives reporting directly to the CEO; CEO-2 the next layer of senior management reporting to those senior executives.

Corporate governance statement continued

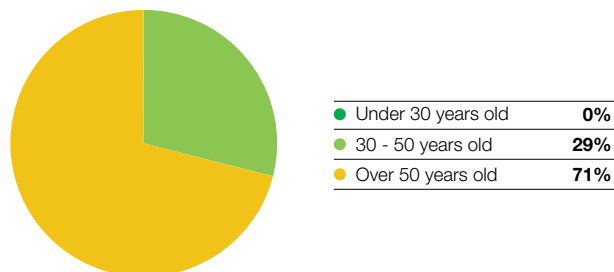
4.3 Nufarm board diversity

During FY23 the board continued its succession planning resulting in the appointment of two new non-executive directors ahead of the planned retirement of longstanding directors Peter Margin and Gordon Davis in November 2023. The following data set represents the current non-executive director composition at the date of this annual report release.

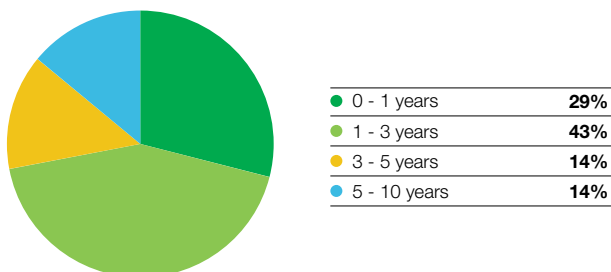
Gender of non-executive directors



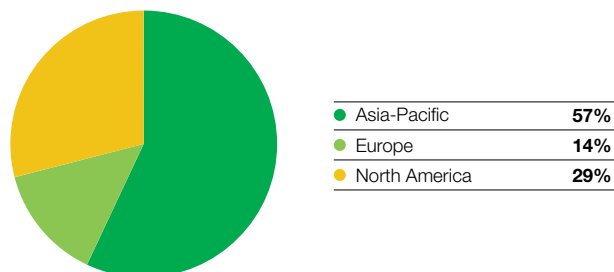
Age of non-executive directors



Tenure of non-executive directors



Region of residence of non-executive directors

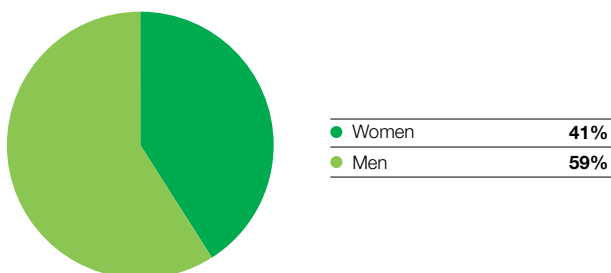


4.4 Cultural diversity at Nufarm

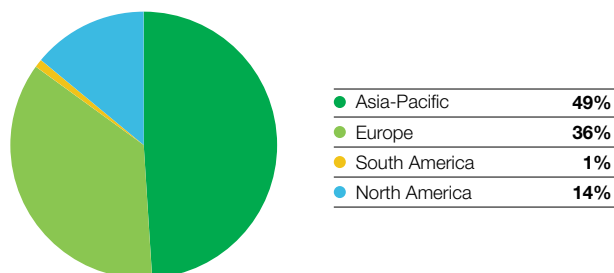
Our global footprint gives us a culturally diverse workforce of leaders and teams serving customers from more than 100 countries.

- 43 per cent of non-executive board members (2022: 14 per cent) and 46 per cent of CEO-1 executive team members reside outside Australia
- Our executive and senior management team remains culturally diverse, representing at least 20 different nationalities
- Nufarm's employee self-disclosed data indicate that our workforce comes from over 80 different countries and can speak over 40 different languages
- From this self-disclosed data we know 21 per cent are currently working in a country other than that of their birth (2022:18 per cent). This population represents 11 per cent of our organisation (2022: 9 per cent)
- Of the employees that are working in a country other than that of their birth 41 per cent are women and 59 per cent are men (2022: 42 percent female and 58 percent male).

2023 Gender diversity of employees working in a country other than birth



2023 Location of our employees working in a country other than that of their birth





4.5 Nufarm Voice

Through Nufarm Voice, our comprehensive employee engagement platform, we facilitate a continuous listening strategy that involves regular, anonymous surveys. Employee feedback uncovers opportunities to improve and strengths to leverage towards building a more inclusive culture and a better Nufarm. This year we conducted three Nufarm Voice employee engagement surveys and introduced onboarding surveys to speed up time to perform and sense of belonging as part of our continuous employee listening strategy.

Nufarm Voice empowers managers to better use anonymous, confidential employee feedback on a regular basis to fuel meaningful conversations and prioritise timely action that responds to this feedback and contributes to positive change. This is done by:

- empowering our managers in the driver's seat to act on what their teams are telling them about ways to create positive change
- conducting shorter and more frequent surveys so we can continuously listen to the voice of our people
- delivering results coupled with suggested resources and checklists so managers can start to make positive change immediately.

The survey runs every four months and while participation is not compulsory it is encouraged. We saw gradual improvement towards the top quartile benchmark: high participation continued at 78–80 per cent and overall employee satisfaction (78) remains at the top quartile benchmark in the GLINT database (77 per cent).

Nufarm Voice is a comprehensive employee engagement platform, we use the results to understand, cultivate and measure our progress towards building a more inclusive culture. Since we introduced the survey, we can see our inclusion and diversity efforts progressing positively, with most of the identified inclusion items at or above the top quartile benchmark.

Although women report slightly lower engagement across all the identified inclusion items, their response continues to improve more than that of men year on year across most items since introduced in 2020.

Nufarm Voice Inclusion Items 2023		Recent result versus benchmark	Change since FY22	Women versus men response	Change in womens response
Overall engagement (eSat)	78	+1	(1)	(3)	(1)
Authenticity: I feel comfortable being myself at work.	83	+1	(1)	(1)	(1)
Inclusion: Leaders at Nufarm value different perspectives.	74	-	+1	(1)	+3
Speak my mind: I feel free to speak my mind without fear of negative consequences.	74	+1	+1	(2)	+4
Equal opportunity: Regardless of background, everyone at Nufarm has equal opportunity to succeed.	78	+1	+1	(3)	+2
Belonging: I feel a sense of belonging at Nufarm.	78	+1	-	(2)	-

4.6 Focus for FY25 and progress towards achievement

We are cultivating a high performing culture – one our employees create as they solve for the customer using a growth mindset and working together as ‘One Nufarm’. We recognise inclusive and diverse workplaces perform better and can deliver stronger returns, innovate with ease, have access to a diverse talent pool and retain their employees for longer while making a positive contribution to the economy.

Our committed aspiration - 40:40:20 representation by 2030 for Senior Leadership Team (CEO-1 and CEO-2)

I&D Goals by 2025	2023 I&D objectives
<p>Increase I&D awareness: Implement an I&D communication plan for all internal and external communications.</p> <p>Communicate about I&D internally and externally to show our employees and stakeholders Nufarm is an inclusive work environment where individuals are valued for their diversity and can bring their whole self to work and be empowered to reach their full potential, measured through Nufarm Voice survey and LinkedIn presence.</p>	<p>For internal communications: Frequent communication/engagement activities that improve our people’s experience above benchmark for the following inclusion items:</p> <ul style="list-style-type: none"> • Authenticity: I feel comfortable being myself at work. • Inclusion: Leaders at Nufarm value different perspectives. • Speak my mind: I feel free to speak my mind without fear of negative consequences. • Equal opportunity: Regardless of background everyone at Nufarm has equal opportunity to succeed. • Belonging: I feel a sense of belonging at Nufarm. <p>For external communications: Improve gender diversity of social media followers greater than industry, 31 per cent that identify as women (LinkedIn, 2022). Increasing female engagement and awareness of Nufarm diversity benefits measured through LinkedIn reporting.</p>
<p>Strengthen I&D leadership: Increase leadership accountability for creating an inclusive workplace and progressing diversity.</p> <p>Pursue leadership and talent development targets by 2025:</p> <ul style="list-style-type: none"> • the board to have not less than 40 per cent of either gender represented by 2025 • senior leadership team and workforce to have not less than 35 per cent of either gender represented by 2025 • senior leadership team to have succession plans with diverse candidates who are skilled, ambitious and engaged • establishing gender diversity in succession plans for all executive roles by 2025 	<p>Progress the senior leadership team towards having not less than 35 per cent of each gender represented, with clear accountabilities established.</p> <p>Pursue a targeted inclusion program for manufacturing: Increase representation of women in supply chain (manufacturing) leadership roles by at least 3 per cent in FY23 (2020: 13 per cent)</p> <ul style="list-style-type: none"> • map external talent for manufacturing roles • ensure sites are represented on local inclusion and diversity councils • establish Women in Manufacturing Mentoring <p>Improve representation of women in commercial and P&L roles:</p> <ul style="list-style-type: none"> • deploy the Women’s Mentoring Program across all regions • increase female representation greater than 17 per cent in commercial and P&L roles • conduct a global gender pay parity review. <p>Have not less than 35 per cent of each gender represented in succession plans of the executive team (CEO-1) and establish gender diversity in more than 70 per cent of individual succession plans.</p>
<p>Attract and retain diverse talent: Update recruitment and selection processes to reduce bias, attract/select more diverse talent and enable internal promotions.</p> <p>For attracting and advertising:</p> <ul style="list-style-type: none"> • increase role attractiveness to minority groups by 2025 measured through engagement presence with LinkedIn and appointments • target universities, colleges, technical institutions, and areas with high minority populations to advertise and build an employer of choice image for IT, commercial agriculture, and manufacturing by 2025 <p>For selection:</p> <ul style="list-style-type: none"> • have one female on the selection panel for all senior leadership appointments and for 80 per cent of all other appointments across the organisation by 2025 • commit to having a gender-neutral shortlist for all senior leadership roles with at least one female on the shortlist of 80 per cent of all other roles by 2025 	<p>Deploy an employee referral program across all regions to increase diversity of candidates in each business unit:</p> <ul style="list-style-type: none"> • develop a global parental leave guide • launch early-in-career programs to attract early-in-career pipeline relevant to regional focus areas <p>For interview panels:</p> <ul style="list-style-type: none"> • have one female on selection panel for all senior leadership appointments • have one female on selection panel for 80 per cent of all other appointments across the organisation <p>For shortlisting:</p> <ul style="list-style-type: none"> • have a gender-neutral shortlist for all senior leadership roles • have one female on the shortlist for 70 per cent of all other roles by 2025



2023 Progress against objectives

2024 I&D objectives

For internal communications:

We have implemented psychological safety training and embedded psychological safety in our training and processes, through Leadership Training in Asia, Development Training in Europe and Career Conversations in Australia. The creation of ERG's in Europe and North America creates a sense of belonging and allows members of these groups to speak up and share their views of diversity through local campaigns.

Four of the five inclusion items track above the top quartile (Nufarm Voice items 2023, section 4.4).

For external communications:

Total female engagement with LinkedIn went up 2 per cent to 40 per cent (2022: 38 per cent). Overall, followers remained consistent at 31 per cent (2022: 31 per cent) represented by women.

For internal communications: Frequent communication/engagement activities that improve our peoples experience above benchmark for the following inclusion items:

- Authenticity: I feel comfortable being myself at work.
- Inclusion: Leaders at Nufarm value different perspectives.
- Speak my mind: I feel free to speak my mind without fear of negative consequences.
- Equal opportunity: Regardless of background everyone at Nufarm has equal opportunity to succeed.
- Belonging: I feel a sense of belonging at Nufarm.

For external communications: Improve gender diversity of social media followers greater than industry, 31 per cent that identify as women (LinkedIn, 2022).

- 43 per cent of non-executive directors are women at the date of this report
- 35 per cent of the Executive and Senior Management team are women

Women in manufacturing:

- women representation has increased in manufacturing leadership roles representing 15 per cent of all people leadership roles (2022: 13 per cent)
- targeted talent mapping was completed and being used for talent acquisition
- our manufacturing sites have either their own local inclusion & diversity council or are represented on the regional I&D council
- Europe and NA have established mentoring across manufacturing and supply chain with 12 initial participants. APAC will extend their mentoring program to manufacturing in 2024

Women in commercial and P&L roles:

- women's mentoring is active in all regions with targeted commercial female participation of at least 21 participants
- women's representation has increased to 23 per cent of the commercial function (2022: 21 per cent) and 19 per cent of commercial leadership roles

Nufarm job architecture framework has been developed across all countries and roles in the organisation. This will be used to undertake Pay Parity review early FY24

Women now represent 39 per cent of the talent pool for executive (CEO-1) succession (2022: 35 per cent). Both genders are represented in 70 per cent of active succession plans.

Develop the next 2025-2028 Inclusion and Diversity roadmap through diagnostics, data and consultation.

Progress the senior leadership team beyond having not less than 35 per cent of each gender represented.

Pursue a targeted program for manufacturing:

- increase representation of women in supply chain (manufacturing) leadership roles to 16 per cent
- establish Women in Manufacturing focus groups and conduct a needs analysis to remove barriers for women in manufacturing
- extend access to mentoring for women in manufacturing

Conduct a global gender pay parity review using new job architecture framework.

Have not less than 40 per cent of either gender represented across the talent pool for executive (CEO-1) succession and establish gender diversity in more than 70 percent of individual succession plans.

Employee referral program across all regions is now deployed and we have seen an uplift in diverse candidates selected. At least 28 successful external referrals were made and 21 per cent were considered under-represented appointments. 50 per cent of the referrals identify as female.

- our parental leave practice was audited across all countries with more than 100 employees to find we meet or exceed the median market practice
- early in career programs are now established and focus on regional priorities: NA - technology to be launched early 2024, ANZ - commercial and operations and Europe - operations

For interview panels:

- 100 per cent of senior leadership (CEO-1 and CEO-2) appointments had both genders as part of interview panel
- 68 per cent of all roles had a woman on the interview panel

For shortlisting:

- 92 per cent of all senior leadership roles had at least one woman on the shortlist, and 78 per cent had at least two women.
- 51 per cent of all roles appointed had at least one woman on the shortlist.

Develop a Global Parental Leave Guide to provide a Nufarm minimum standard.

Facilitate the early-in career programs established and develop a growth plan for 2025 -2028.

For interview panels: have one woman on selection panel for all senior leadership appointments and for 80 per cent of all other appointments across the organisations

For shortlisting: have a gender-neutral shortlist for all senior leadership roles with at least one woman on the shortlist for 70 per cent of all other roles by 2025

These objectives are in addition to the ongoing activities expected as part of Nufarm's inclusion and diversity policy and current practices that are already yielding meaningful results.

5 Promoting responsible and ethical behaviour

The policies and other documents described in this section are available in the corporate governance section of Nufarm's website.

Code of conduct

Nufarm's code of conduct applies to all directors, employees, contractors, agents and representatives of the company.

The key values underpinning the code of conduct are:

- actions must be governed by the highest standards of integrity and fairness
- all decisions must be made in accordance with the spirit and letter of applicable law
- business must be conducted honestly and ethically, with skill and the best judgement, and for the benefit of customers, employees, investors and the company alike.

Our code of conduct outlines the expectations that guide the daily actions of our employees. It requires Nufarm to promote high standards of integrity by conducting our affairs honestly, ethically and responsibly.

Material breaches of the code of conduct are reported to the audit and risk committee.

The code of conduct was reviewed with updates approved by the board in November 2020.

Anti-bribery and anti-corruption policy

Nufarm's anti-bribery and anti-corruption policy applies to all directors, employees, contractors, agents and representatives who must not offer, provide or receive, anything of value to or from a public official or someone in business, either directly or indirectly, to obtain or retain a commercial advantage or to induce or reward the recipient, or any other person, for acting improperly. While bribery may involve a monetary payment or offer, it covers anything of value such as gifts, entertainment, scholarships, donations and travel.

Material breaches of the anti-bribery and anti-corruption policy are reported to the audit and risk committee.

The anti-bribery and anti-corruption policy was reviewed with updates approved by the board in November 2023.

Speak up (whistleblower) policy

Nufarm has in place a speak up (whistleblower) policy to provide a clear and transparent way for employees and contractors to report unethical, unlawful or irresponsible behaviour without fear of intimidation or recrimination.

The purpose of the speak up policy is to help detect and address any conduct that is:

- corrupt, illegal, unlawful or fraudulent including bribery or any other act in breach of the company's anti-bribery and anti-corruption policy
- contrary to or in breach of any company's policy or the company's code of conduct, including harassment, bullying, discrimination victimisation
- seriously harmful or potentially seriously harmful activity that pose a threat to the company's employees, shareholders, clients or third parties such as deliberate unsafe work practices, with wilful disregard for the safety of others
- activity that could cause significant financial loss to the company or damage its reputation or be otherwise detrimental to the company's interests
- a substantial mismanagement of company resources
- any act which endangers the public or the financial system.

The speak up policy sets out protection that will be afforded to whistleblowers as well as the option to make an anonymous report.

The audit and risk committee oversees the application of the speak up policy, including review of reporting trends.

The speak up policy was reviewed with updates approved by the board in June 2022.

Modern Slavery Statement and human rights policy

Nufarm takes its human rights obligations and responsibilities seriously and strives to protect human rights in its business, supply chain and the communities in which it operates consistent with the United Nations Universal Declaration of Human Rights. Nufarm believes that respecting human rights is integral to the sustainability and success of its business.

Nufarm has in place a human rights policy that was reviewed and updated by the board in September 2022.

Nufarm believes that slavery, trafficking in persons and child labour are very serious issues. The board approved the current Modern Slavery Statement in March 2023. The statement provides information on the steps taken to identify and reduce the risk of modern slavery in our business, including our initial focus on the most significant areas of our supply chain and operations being our direct spend and employees in higher risk countries and the actions that will be taken in the coming year. The audit and risk committee receives updates on progress against these actions.

Security trading policy and insider trading

The board has a security trading policy that covers dealings by directors, KMP and relevant employees and complies with the ASX Listing Rule requirements for a trading policy. The security trading policy aims to ensure that public confidence is maintained in the reputation of Nufarm, the reputation of its directors and employees and in the trading of Nufarm securities.

The security trading policy prohibits all Nufarm employees from trading in Nufarm securities at any time if they are in possession of price sensitive information and during blackout periods. Additional restrictions apply to directors, KMPs and relevant employees in including that they may only trade if they have obtained pre-approval to do so.

The policy also prohibits directors, KMP's and relevant employees from entering into margin lending, short-term or speculative dealing or hedging of Nufarm securities.

The security trading policy was last reviewed by the board in November 2023.



6 Risk management and internal control

6.1 Approach to risk management and internal control

The board recognises that the effective identification and management of risk reduces the uncertainty in executing the company's business strategies. The board has a focus on strategy development and execution and actively supports integrated risk management to strengthen this focus area.

The risk framework, policies and procedures align to the concepts and principles identified in the Australia/New Zealand standard on Risk Management (AS/NZ ISO 31000:201809).

They set out the roles, responsibilities, and guidelines for managing financial and non-financial risks associated with the company's business and have been designed to provide effective management of material risks at a level appropriate to the company's global business and have continued to be enhanced as the group's operations develop and its range of activities expand. These risks include contemporary and emerging risks such as cyber-security, post-COVID-19 impacts, privacy and data breaches, increased geo-political risk, sustainability and climate change.

The policy and framework emphasise the board and executive's commitment to maintaining a positive risk culture across Nufarm to maximise the effectiveness of risk management practices with a particular focus on integrating risk into strategy and decision-making.

The group risk management policy is available in the corporate governance section of Nufarm's website.

Nufarm is committed to continuing to improve its enterprise risk management practices to protect and enhance shareholder value. The executive risk and compliance committee continued to meet during FY23 to assist with overseeing, directing and supporting the implementation and operation of the risk management framework and internal compliance and control system across the company. The members of the committee are the CEO (Chair), CFO, Group Executive, Supply Chain Operations, Group Executive, People and Performance, the Group Executive, General Counsel and Company Secretary, the Group Executive, Technology and Information Services and the Group Executive, Growth and Sustainability. A standing invitation to attend the meeting is issued to the Head of Risk, Assurance and Compliance, Group ESG Manager and the Global Lead – Health, Safety and Quality.

More information on Nufarm's financial and non-financial risks, including environmental, the approach to climate change and social related risks, is set out in pages 25 to 31 of this report and in the sustainability report.

6.2 Risk management responsibilities

The board is responsible for overseeing Nufarm's risk management framework, including both financial and non-financial risks and setting the risk appetite within which the board expects management to operate. The board is also responsible to satisfy itself that management has developed and implemented a sound system of internal controls.

The board has delegated oversight of the ongoing risk management program, procedures, auditing and adequacy and effectiveness of the enterprise risk management and oversight of evaluating the adequacy and effectiveness of the internal control systems to the audit and risk committee.

The company's risk management framework, policies and procedures set out the roles, responsibilities and guidelines for managing financial and non-financial risks associated with the business. The framework, policies and procedures have been designed to provide effective management and governance of material risks at a level appropriate to Nufarm's global business. The risk framework, policies and procedures will continue to be enhanced as the group's operations develop and its range of activities expands.

Nufarm's group risk management team, led by the Head of Risk, Assurance and Compliance, manages the implementation of this framework across the company. The framework aims to deal adequately with contemporary and emerging risks, such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

Risk profiles for key operational business units have been developed and were reviewed in FY23. These risk profiles identify the:

- nature and likelihood of specific material risks
- key controls in place to mitigate and manage the risk
- the effectiveness of key controls
- responsibilities for managing these risks.

The audit and risk committee charter requires the committee to review, at least every two years, the risk management framework.

The risk management framework was reviewed in FY23. The audit and risk committee is satisfied that the risk management framework continues to be sound and that the company is operating with due regard for the risk appetite set by the board.

6.3 Internal audit

Nufarm adopts a co-sourced internal audit model, engaging PWC which is accountable to both the audit and risk committee and the CEO for the delivery of the internal audit plan and work program. The Head of Risk, Assurance and Compliance manages the relationship with PWC.

The internal audit service provider supports management efforts to:

- manage and control risks
- improve the efficiency and effectiveness of key business processes and internal control systems
- monitor compliance with company-wide requirements, policies and procedures
- provide the committee with assurance on the operating effectiveness of controls.

The scope of internal audit work (including the annual internal audit plan) is prepared with a view to providing coverage of all major business and functional units and identified key risks. The audit and risk committee approves the internal audit plan which is reviewed throughout the year to ensure it remains appropriate.

The Head of Risk, Assurance and Compliance and PWC reports directly to the audit and risk committee at each meeting on the progress against the internal audit plan, as well as detailed findings and corresponding management actions in relation to reviews undertaken in accordance with the internal audit plan. There is an opportunity to raise issues with the audit and risk committee in the absence of management, in closed sessions held at least twice per year. The internal audit function had unfettered access to the chair of the audit and risk committee.

6.4 CEO and CFO assurance

Before the board adopted the 2023 half year and annual financial statements, the CEO and the CFO provided written declarations to the board in respect of the company's half year and annual financial statements that, in their opinion, the financial records of the company have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The declaration of the CEO and CFO is supported by written statements by all executives and key finance personnel relating to the financial position of the company, market disclosure, the application of company policies and compliance with internal controls and external obligations.

6.5 Verification of periodic reports

Nufarm is committed to ensuring that all the information contained in its corporate reports are accurate, effective and clear. Nufarm has put in place a process to verify the integrity of its periodic reports that are not subject to audit or reviewed by the external auditor. This includes the annual Directors Reports, the Annual Report and the Sustainability Report.

A statement on the processes undertaken to verify the information not audited or verified by the external auditor is available in the corporate governance section of Nufarm's website.



7 Continuous disclosure and communications with shareholders

7.1 Continuous disclosure and market communications

Nufarm is committed to timely, open and effective communication with its shareholders and the general investment community.

The board has adopted a continuous disclosure policy, which establishes procedures aimed at ensuring that Nufarm complies with the legal and regulatory requirements under the Corporations Act and the ASX Listing Rules. These procedures include the establishment of a market disclosure committee, which monitors the continuous disclosure framework and is responsible for ensuring that Nufarm complies with its obligations.

The market disclosure committee is constituted by the chair of the board, CEO, CFO, group general counsel and company secretary and the general manager, investor relations and external communications and is responsible for implementing and monitoring reporting processes and controls to ensure there is an adequate system in place for the disclosure of all material information to the ASX.

The Group Executive, General Counsel and Company Secretary reports to the board on the matters considered by the market disclosure committee at each meeting. The board approves any announcements which are within the matters reserved for decision by the board including annual and half year financial reports, any profit update or earnings guidance, matters which could have significant financial or reputational risks, company transforming transactions or events, significant corporate transactions including any equity related transactions and any other matters that the market disclosure committee considers is of fundamental significance to the company. In addition to approving the announcements reserved for decision by the board, directors are provided with copies of all announcements that are made to the ASX immediately after they have been released on the market announcements platform.

The continuous disclosure policy was reviewed and updated by the board in September 2023. The policy is available in the corporate governance section of Nufarm's website.

7.2 Shareholder communication

The company places a high priority on communication with shareholders and other stakeholders and aims to ensure they are kept informed of all major developments affecting Nufarm. The company has an investor relations program to facilitate a direct, two-way dialogue with shareholders and the company believes it is important not only to provide relevant information as quickly and efficiently as possible, but also to listen and understand shareholders' perspectives and respond to their feedback.

Nufarm holds briefings on the annual and half year financial results and on other new and significant information. Presentation material or speeches that provides any new and substantive information are first disclosed to the ASX through the market announcements platform and then posted to the Nufarm website prior to any discussion.

One of the key communication tools is the company's website. The website contains the key governance documents, market announcements, the Annual Report and half-yearly financial statements, a calendar of events relating to shareholders and other communications to key stakeholders. The website also contains a facility for shareholders to direct inquiries to the company.

Shareholders are provided with an update on the company's performance at the AGM, as well as an opportunity to vote on important matters affecting Nufarm and ask questions of the board and key members of management. All resolutions at the AGM are decided by a poll rather than a show of hands. Copies of the chair's speech and the meeting presentation are released to the ASX and posted to the company's website as the meeting commences. A summary of proceedings and outcome of voting on the items of business are also released to the ASX and posted to the website as soon as they are available after the meeting. All directors are expected to attend the AGM.

Nufarm's external auditor attends the AGM to answer any shareholder questions concerning the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by Nufarm and the independence of the external auditor in relation to the audit.

The company encourages shareholders to receive communications electronically. Shareholders may elect to receive all or some of their communications electronically. This election can be made directly with the share registry, Computershare Investor Services Pty Limited.

The board obtains the views of shareholders by either formal or informal means. The board receives a regular report from the general manager investor relations and external communications which contains feedback from investors. The CEO and CFO are accessible to shareholders, analysts, fund managers and others with a potential interest in the company. The chair of the board and the chair of the people, safety and remuneration committee are also accessible to shareholders and institutional investors.

Directors' Report

The directors present their report together with the financial report of Nufarm Limited ('the company') and of the group, being the company and its subsidiaries and the group's interests in associates and jointly controlled entities, for the financial year ended 30 September 2023 and the auditors' report thereon.

Directors

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

J Gillam (Chair)
 G Hunt (Managing Director)
 G Davis (resigned 15 November 2023)
 A Gartmann
 D Jones
 P Margin (resigned 15 November 2023)
 M McDonald
 A Percy (appointed 1 July 2023)
 L Saint
 F Tripodi (appointed 19 June 2023)

Details of the qualifications, experience and current committee responsibilities and other directorships of the directors are set out below. During the year the board implemented a new committee structure and membership effective from 1 July 2023. Unless otherwise indicated, all directors held their position as a director throughout the entire period or from the date of the creation of a new committee (if applicable) and up to the date of this report. Membership of the current and former committees is included below. More information about the committee re-structure will be provided in the 2023 Corporate Governance Statement. In summary, from 1 July 2023: the audit and risk committee replaced the former audit and risk and compliance committees; the people, safety and remuneration committee replaced the former human resources committee and gained responsibility for occupational health and safety; the sustainability and environment committee was newly convened; the innovation committee structure did not change but membership did; and, the nomination committee did not change.

Name, qualifications and responsibilities	Tenure and experience
<p>John Gillam BCom, MAICD, FAIM</p> <p>Independent non-executive chair Member of the audit and risk committee Member of the people, safety and remuneration committee Chair of the nomination committee</p>	<p>John Gillam joined the board on 31 July 2020 and was appointed chair on 24 September 2020.</p> <p>John has extensive commercial and leadership experience from a 20-year career with Wesfarmers where he held various senior leadership roles including chief executive officer of the Bunnings Group, Managing Director of CSBP and chairman of Officeworks. John is based in Australia.</p> <p>Other directorships and offices (current and recent):</p> <ul style="list-style-type: none"> • Chair of CSR Limited (director since December 2017 and chair since 1 June 2018) • Chair of BlueFit Pty Limited (since February 2018) • Director of Clontarf Foundation (since 2017) • Former director of the Heartwell Foundation (from 2009 to July 2023)
<p>Greg Hunt Managing director and CEO</p>	<p>Greg Hunt joined the board on 5 May 2015.</p> <p>Greg joined Nufarm in 2012 and was group executive commercial operations prior to being appointed acting CEO in February 2015.</p> <p>Greg has considerable executive and agribusiness experience. Greg had a successful career at Elders before being appointed managing director of Elders Australia Limited, a position he held between 2001-2007. After leaving Elders, Greg worked with various private equity firms focussed on the agriculture sector and has acted as a corporate advisor to Australian and international organisations in agribusiness related matters.</p>
<p>Gordon Davis BForSc, MAgSc, MBA</p> <p>Independent non-executive director Member of the audit and risk committee Member of the people, safety and remuneration committee Member of the nomination committee</p> <p>(Chair of the former risk and compliance committee and member of the former audit committee and the former human resources committee until 30 June 2023)</p>	<p>Gordon Davis joined the board on 31 May 2011.</p> <p>Gordon was managing director of AWB Limited (from 2006 to 2010) and has held various senior executive positions with Orica Limited, including general manager of Orica Mining Services (Australia, Asia) and general manager of Incitec Fertilisers. He has also served in a senior capacity on various industry associations. Gordon is based in Australia.</p> <p>Other directorships (current and recent):</p> <p>Director of Healius Limited (formerly Primary Health Care Limited) (since August 2015) Director of Midway Limited (since April 2016)</p>

**Name, qualifications and responsibilities****Tenure and experience**

<p>Alexandra Gartmann BSc (Resource & Environmental Management)</p> <p>Independent non-executive director Chair of the sustainability and environment committee Member of the audit and risk committee Member of the nomination committee</p> <p>(Member of the former risk and compliance committee and member of the former audit committee until 30 June 2023)</p>	<p>Alexandra Gartmann joined the board on 23 September 2022.</p> <p>Alexandra brings over 25 years of deep industry experience in rural, agriculture and community focused organisations and is the former CEO of the Rural Bank, a division of the Bendigo & Adelaide Bank. Her executive career includes roles such as Bendigo & Adelaide Bank Executive Marketing, Partnerships & Corporate Affairs and CEO of Rural Bank and as CEO of the Foundation for Rural & Regional Renewal and The Birchip Cropping Group. Alexandra serves on boards across agriculture, banking and the environment. Alexandra is based in Australia.</p> <p>Other directorships and roles (current and recent):</p> <ul style="list-style-type: none"> • Chair of the Victorian Agriculture & Climate Change Council • Trustee of the Helen MacPherson Smith Trust • Director of the Australian Farm Institute • Presiding member of the Grains Research & Development Corporation (GRDC) Selection Committee • Director and Deputy Chair of the Australian Wool Testing Authority • Director of the One Basin Cooperative Research Centre • Former chair of the CSIRO Agriculture and Food Advisory Council
<p>Dr David Jones BA (Hons) Science, PhD</p> <p>Independent non-executive director Chair of the innovation committee Member of the people, safety and remuneration committee Member of the nomination committee</p>	<p>David Jones joined the board on 23 June 2021.</p> <p>David has held chair and director roles in large global agricultural business. His experience includes Head of Business Development at Syngenta and former Chairman of Zeneca China, Arysta Life Science, and Plant Impact. David has broad leadership experience in operations, strategy, mergers and acquisitions and intellectual property in multiple jurisdictions including Asia, Latin America, Europe and the United States. David is based in Switzerland.</p> <p>Other directorships (current and recent):</p> <ul style="list-style-type: none"> • Chairman of BigSis (since 2020) • Former Chairman of Enko Chem Inc (July 2021 to June 2023) • Former Chairman of Commercial Advisory Board of Enko Chem Inc (2019 to July 2021)
<p>Peter Margin BSc(Hons), MBA</p> <p>Independent non-executive director Member of the audit and risk committee Member of the innovation committee Member of the nomination committee</p> <p>(Chair of the former human resources committee and member of the former risk and compliance committee until 30 June 2023)</p>	<p>Peter Margin joined the board on 3 October 2011.</p> <p>Peter has many years of leadership experience in major Australian and international food companies including executive chairman of Asahi Holdings (Australia) Pty Ltd, chief executive/managing director of Goodman Fielder Ltd and before that chief executive/managing director of National Foods Ltd. Peter is based in Australia.</p> <p>Other directorships (current and recent):</p> <ul style="list-style-type: none"> • Deputy chairman of Bega Cheese Limited (since September 2020) • Director of Costa Group Holdings Limited (since June 2015) • Director of Golf Australia (since September 2023) • Former chairman of Asahi Holdings (Australia) Pty Ltd (to December 2020)
<p>Marie McDonald LLB(Hons), BSc(Hons)</p> <p>Independent non-executive director Chair of the people, safety and remuneration committee Member of the audit and risk committee Member of the nomination committee</p> <p>(Member of the innovation committee, the former audit committee and the former risk and compliance committee until 30 June 2023)</p>	<p>Marie McDonald joined the board on 22 March 2017.</p> <p>Marie is widely recognised as one of Australia's leading corporate and commercial lawyers having been a Senior Partner at Ashurst until 2014 where she specialised in mergers and acquisitions, corporate governance and commercial law.</p> <p>Marie was chair of the Corporations Committee of the Business Law Section of the Law Council of Australia from 2012 to 2013, having previously been the deputy chair, and was a member of the Australian Takeovers Panel from 2001 to 2010. Marie is currently a member of the Melbourne University Law School Foundation Board. Marie is based in Australia.</p> <p>Other directorships (current and recent):</p> <ul style="list-style-type: none"> • Director of CSL Limited (since 14 August 2013) • Director of Nanosonics Limited (since 24 October 2016) • Director of Walter and Eliza Hall Institute of Medical Research (since October 2016)

Name, qualifications and responsibilities	Tenure and experience
<p>Prof. Adrian Percy BSc, MSc, PhD</p> <p>Independent non-executive director Member of the sustainability and environment committee Member of the innovation committee Member of the nomination committee</p>	<p>Adrian Percy joined the board on 1 July 2023.</p> <p>Adrian is currently the inaugural Executive Director of the NC Plant Sciences Initiative at North Carolina State University. He has more than 30 years of experience in the agricultural sector, with previous roles as Chief Technology Officer of UPL Ltd and Head of Research and Development for the Crop Science Division of Bayer. In the latter role, he was a member of their Executive Committee with responsibility for internal and open innovation activities in the areas of crop protection chemistry and biologicals, as well as seeds and traits. During his 25-year tenure at Bayer, he also held numerous positions in agricultural research and development.</p> <p>Adrian is a Venture Partner at Finistere Ventures LLC, a technology and life sciences venture capital investor. Adrian is based in the United States.</p> <p>Other directorships (current and recent):</p> <ul style="list-style-type: none"> • Director at BioLumic (US) • Director at AgPlenus (US) • Director at FA Bio (US) • Director at Evogene (US)
<p>Lynne Saint BCom, GradDip Ed Studies, FCPA, FAICD</p> <p>Independent non-executive director Chair of the audit and risk committee Member of the sustainability and environment committee Member of the nomination committee</p> <p>(Chair of the former audit committee and member of the former human resources committee until 30 June 2023)</p>	<p>Lynne Saint joined the board on 18 December 2020.</p> <p>Lynne has broad financial and commercial experience from a global career including more than 19 years with Bechtel Group where she served as chief audit executive and chief financial officer of the Mining and Metals Global Business Unit. Her expertise encompasses strong financial skills, corporate governance, enterprise risk, supply chain risk and project management. Lynne is based in Australia.</p> <p>Other directorships (current and recent):</p> <ul style="list-style-type: none"> • Director of Iluka Resources (since 24 October 2019) • Director of Ventia Services Group Limited (since 1 July 2021)
<p>Federico Tripodi BAgronomic Engineering, MBA</p> <p>Independent non-executive director Member of the people, safety and remuneration committee Member of the innovation committee Member of the nomination committee</p>	<p>Federico Tripodi joined the board on 19 June 2023.</p> <p>Federico has close to three-decades of involvement in the agri-food sector with his experience spanning general management, research and development, corporate strategy and the commercialization of novel plant biotechnologies targeted for consumers and farmers.</p> <p>Federico is the Founder and CEO of Blacktop Holdings, a boutique venture lab that offers strategic and operating partnership services to rapidly growing Ag Tech, Food and Agribusiness companies, their investors and research institutions.</p> <p>From 2016 to 2018, Federico served as the CEO of Calyxt Inc. (NASDAQ:CLXT), a company that develops healthier food ingredients by applying a new breeding technology. Prior to Calyxt, Federico worked at Monsanto Company for nearly two decades where his primary focus was developing health, sustainability and renewable energy crop products in the United States and Latin America. Federico is based in the United States.</p> <p>Other directorships (current and recent):</p> <ul style="list-style-type: none"> • Chairman at the Agricultural Utilization Research Institute (AURI)

Company secretary

Kate Hall (LLB (Hons), BSc and LLM (IP)) was appointed company secretary on 20 April 2022. Kate has more than 20 years' Australian and international experience as a general counsel and senior executive leading legal, intellectual property, governance, risk and compliance functions.



Directors' interests in shares and step-up securities

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

	Nufarm Ltd Ordinary shares	Nufarm Finance (NZ) Ltd Step-up securities
J Gillam	185,000	–
G Hunt	822,623	–
G Davis	71,609	–
A Gartmann	8,450	–
D Jones	82,000	–
P Margin	38,762	–
M McDonald	34,827	–
A Percy ¹	–	–
L Saint	28,027	–
F Tripodi ²	–	–

1 Adrian Percy was appointed as director on 1 July 2023.

2 Federico Tripodi was appointed as director on 19 June 2023.

Directors' meetings

The number of directors' meetings (including meetings of board committees) and number of meetings attended by each of the directors of the company during the financial year are listed below. During the year the board implemented a new committee structure and membership effective 1 July 2023. More information about the committee re-structure is provided in the 2023 Corporate Governance Statement.

	Board		Audit and Risk ¹		People, Safety and Remuneration ²		Innovation ³		Sustainability and Environment ⁴		Nomination	
	A	B	A	B	A	B	A	B	A	B	A	B
John Gillam	8	8	1	6	1	4	–	–	–	1	7	7
Greg Hunt	8	8	–	6	–	4	–	3	–	1	–	7
Gordon Davis	8	8	7	7	3	3	–	3	–	–	7	7
Alexandra Gartmann	8	8	7	7	–	3	–	2	1	1	7	7
David Jones	8	8	–	–	1	1	3	3	–	–	7	7
Peter Margin	8	8	3	5	3	3	3	3	–	1	7	7
Marie McDonald	8	8	7	7	1	4	2	2	–	–	7	7
Adrian Percy ⁵	2	1	–	–	–	–	1	1	1	–	1	–
Lynne Saint	8	8	4	7	3	3	–	2	1	1	7	7
Federico Tripodi ⁶	2	2	–	–	1	1	1	1	–	–	2	2

1 Includes audit & risk committee meetings since 1 July 2023, and meetings of the previous 'audit committee' and 'risk & compliance committee' meetings up to 30 June 2023 (when those committees ceased)

2 Includes people, safety & remuneration committee since 1 July 2023, and meetings of the previous 'human resources committee' up to 30 June 2023 (when that committee ceased)

3 The innovation committee structure did not change and was in place for the full year, membership of the committee changed from 1 July 2023

4 The sustainability and environment committee commenced 1 July 2023

5 Adrian Percy commenced as a director on 1 July 2023

6 Federico Tripodi commenced as a director on 19 June 2023

Column A: indicates the number of meetings held during the period of each director's board tenure and formal membership of a committee.

Column B: indicates the number of meetings attended by each director (whether or not the director was a member of the committee).

Directors' Report continued

Principal Activities and Changes

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

Nufarm employs approximately 3,070 people at its various locations in Australasia, the Americas, Europe, Africa and the Middle East.

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

Results

The net profit/(loss) attributable to members of the group for the year ended 30 September 2023 is \$111.1 million. The comparable figure for the year ended 30 September 2022 was \$107.4 million.

Operating and Financial Review and Future Prospects

The operating and financial review and future prospects are set out in the Operating and Financial Review on pages 19-30 and forms part of this Directors' Report.

Dividends

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

	Cents per share	Total amount \$000	Payment date
Declared final dividend (unfranked)	5.0	19,038	15 December 2023
Paid interim dividend (unfranked)	5.0	18,997	9 June 2023
Paid final dividend (unfranked)	6.0	22,795	9 December 2022

Nufarm Step-up Securities distributions

The following distributions have been paid or proposed since the end of the preceding financial year.

Proposed and unrecognised at reporting date	Distribution rate (annualised)	Total amount \$000	Payment date
Distribution for the period 16 October 2023 to 14 April 2024	8.32%	10,413	15 Apr 2024
Distribution for the period 17 April 2023 to 16 October 2023	7.66%	9,587	16 Oct 2023
2023			
Distribution for the period 17 October 2022 to 16 April 2023	7.37%	9,227	17 Apr 2023
Distribution for the period 19 April 2022 to 16 October 2022	4.86%	6,055	17 Oct 2022

State of Affairs

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

Events subsequent to reporting date

On 16 October 2023 a distribution was paid by Nufarm Finance (NZ) Ltd on the Nufarm Step-up Securities. The distribution rate was 7.66 (annualised) per cent resulting in a gross distribution of \$9,587 million.

On 15 November 2023 the directors declared a final and unfranked dividend of 5.0 cents per share which is payable on 15 December 2023.

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

Remuneration Report

The Remuneration Report set out on pages 60-83 forms part of this Directors' Report.



Environmental performance

Nufarm UK Ltd incurred a GBP300K fine in August 2023 after pleading guilty to a breach of the Control of Major Accidents Hazards Regulations in the UK 2015. The group did not incur any other material prosecutions or fines in the financial period relating to environmental performance. The group publishes annually a sustainability report. This report can be viewed on the group's website.

Non-audit services

During the year KPMG, the company's auditor, has performed certain other services in addition to their statutory duties. Details of the audit fee and non-audit services are set out in note 37 on page 153 to the financial report.

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

Indemnities and insurance for directors and officers

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

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

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 84 and forms part of the Directors' Report for the financial year ended 30 September 2023.

Rounding of amounts

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

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

John Gillam
Director

Greg Hunt
Director

Melbourne, 15 November 2023

Remuneration Report

Introduction from the chair of the People, Safety and Remuneration committee

Dear fellow shareholders,

As chair of Nufarm's People, Safety and Remuneration (PSR) committee, I am pleased to present the remuneration report for the financial year ended 30 September 2023 (FY23).

Response to First Strike Against Remuneration Report

At the FY22 AGM, we received a 'first strike' against the remuneration report. Additionally, 51.16% of shareholders voted against the grant of equity under the Executive Incentive Plan (EIP) to our Managing Director and Chief Executive Officer (CEO).

While disappointing, we recognised the importance of this feedback and undertook extensive consultation with our shareholders and their representatives. Throughout the year, we listened to a wide cohort of stakeholders, and while we received strong support from a number, we were conscious of the concerns of others.

Of particular concern was the structure of the EIP – with some stakeholders expressing a desire for increased long-term performance alignment, a preference for tighter linkage of non-financial metrics to quantitative performance outcomes, and concerns regarding the binary approach to the profit gateway.

In light of this feedback, the PSR committee has spent significant time during the year reviewing and re-setting the remuneration arrangements for Nufarm's executive Key Management Personnel (KMP). Our focus has remained on maintaining the alignment between the rewards we provide to attract, retain and motivate our key people, and the delivery of sustainable financial returns to our shareholders.

While the board continues to believe the objectives behind the introduction of the EIP remain appropriate for Nufarm, we have made changes in response to shareholder concerns.

The key changes we have made to the FY23 EIP are:

- Introduction of a relative total shareholder return measure, which applies to 43% of any performance rights granted to the CEO (30% for other executive KMP);
- Introduction of long-term financial measures to drive performance in the Seed Technologies and Crop Protection businesses, which are in line with our published FY26 strategic aspirations. These measures apply to 46% of any performance rights granted to the CEO (60% for both the Chief Financial Officer (CFO) and the Group Executive Supply Chain Operations (GESCO));
- Modest adjustments were made to remuneration arrangements to reflect the changes, which were set with reference to a thorough market review to ensure a market appropriate position; and
- A changed approach to the profit gateway such that, if the profit hurdle is not met at Year 1, any awards due to be made based on scorecard outcomes will be made in performance rights (with no portion in cash), to maintain a link to our long-term shareholder and strategic performance targets.

We have also sought to enhance the transparency of our disclosures in this Remuneration Report.

Finally, we will be re-presenting to shareholders for approval the FY22 EIP performance rights award to our CEO, reflecting the revised FY23 EIP design. Details will be available in our Notice of Meeting.

While the board and PSR committee believe that remuneration awards and the changes introduced in FY23 are appropriate, we will continue to consult with our investors on the effectiveness of our remuneration policy, framework and governance to ensure they continue to meet the needs of the business and our stakeholders.

Executive remuneration outcomes for the 2023 year

FY23 has been a challenging year for the industry and, despite this, Nufarm had a sound result overall.

Following a record year in FY22, our financial performance in FY23 remained strong. We reported revenue of \$3.5 billion and statutory Net profit after tax of \$111 million, up 3% on our FY22 year. Underlying EBITDA of \$438 million, was 2% below our FY22 year and was negatively impacted by widespread channel destocking and falling active ingredients prices in our crop protection business.

The contributions made by our people in creating sustainable long-term returns for our shareholders resulted in several significant accomplishments during FY23 including strong growth in our base Seed Technology business; strong growth in Omega-3, including the planting of our first hybrids and expansion of our certified grower base and farm contracting; and strong growth in our Bioenergy businesses, including the first delivery of Carinata for processing into biofuel. Despite the more difficult trading environment, we also achieved a solid result in Crop Protection, continuing to invest in our new product pipeline as well as plant and supply chain efficiency with significant investment into Wyke and Chicago Heights.

The company's financial performance has been reflected in the EIP outcomes for executive KMP. Each of the FY23 EIP award measures was assessed and two of the financial metrics were above threshold, while one was below. No discretion was exercised to adjust the timing or amount of the outcome. Taking into account assessment of Non-financial individual goals, the EIP award outcome for FY23 was 65% of potential target for all executive KMP, including the CEO.

The final legacy LTI (FY21) plan was tested on 30 September 2023: the 3-year return on funds employed (ROFE) target was achieved; and the relative total shareholder return (RTSR) target was achieved, consequently 85% of the incentive rights vested.

Further details of remuneration outcomes are set out in section 5 of the Remuneration Report



Director fees

In July 2023 we restructured the sub committees of the board. A new sustainability and environment committee was created, the former risk and compliance committee was dissolved, and its responsibilities were allocated among other committees. This resulted in an increase to some committee fees, as follows:

Committee	Fee increase (\$)	
	Chair	Member
Audit & risk	\$10,500	\$5,250
People, safety & remuneration	\$6,000	\$3,000

There were no changes to board member fees, which have remained constant since 1 August 2018.

In summary

The board believes the remuneration outcomes reflect the strong financial results for FY23. The future prospects for our business are bright and I believe we have the right team to achieve our growth aspirations.

Thank you to my fellow PSR committee members and, in particular, to Peter Margin for his past leadership of the committee over 11 years.

I invite you to review Nufarm's full remuneration report and thank you, our shareholders, for your ongoing support of Nufarm, its purpose and vision.

Marie McDonald

Chair – People, Safety and Remuneration Committee

Remuneration Report continued

Audited remuneration report

The audited remuneration report is designed to provide shareholders with an understanding of Nufarm's remuneration policies and the link between our remuneration strategy and performance. This report details Nufarm's remuneration framework and outcomes for Key Management Personnel (KMP) for the financial year ended 30 September 2023 (FY23). The report has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) (Corporations Act).

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1 KMP in FY23

KMP are those individuals with authority and responsibility for planning, directing, and controlling the activities of the Group directly or indirectly, being non-executive directors (NEDs); executive directors (the CEO); and other executives considered to be KMP. The CEO and other executive KMP are referred to collectively as 'executive KMP' throughout this report.

For FY23, Nufarm's KMP were:

	Name	Position	Term
NEDs	John Gillam	Chair, independent non-executive director	Full year
	Gordon Davis ¹	Independent non-executive director	Full year
	Alexandra Gartmann	Independent non-executive director	Full year
	David Jones	Independent non-executive director	Full year
	Peter Margin ¹	Independent non-executive director	Full year
	Marie McDonald	Independent non-executive director	Full year
	Lynne Saint	Independent non-executive director	Full year
	Federico Tripodi	Independent non-executive director	Part year Appointed on 19 June 2023
	Adrian Percy	Independent non-executive director	Part year Appointed on 1 July 2023
Executive KMP	Greg Hunt	Managing director, and CEO (CEO)	Full year
	Paul Townsend	Chief Financial Officer (CFO)	Full year
	Dave Allen	Group executive supply chain operations (GESCO)	Full year

¹ Gordon Davis and Peter Margin resigned effective 15 November 2023



2 Response to the 'first strike' and evolution of the EIP design

In FY22 we introduced a new executive remuneration approach, replacing traditional short- and long-term incentive plans with a single variable reward program, the Executive Incentive Plan (EIP). Under the EIP, performance is measured over one year against a scorecard, following which awards are made in both cash and performance rights. Cash awards are paid immediately following the performance assessment. Performance rights may vest after a further three years, subject to satisfactory achievement of additional long-term performance targets.

While there was strong support from pockets of our shareholders, others held concerns around the EIP design, resulting in a 'first strike' at the FY22 AGM. Extensive stakeholder feedback sessions with our key stakeholders were undertaken to understand what worked well and what needed improvement. A broad range of views were expressed, and valuable suggestions provided.

We have outlined below a summary of key concerns raised and our response:

Concerns expressed	Response	Detail
Lack of long-term EIP financial performance measures for equity component	Introduced a long-term relative Total Shareholder Return (rTSR) performance measure	<p>The revised EIP structure incorporates an rTSR measure, to be assessed against the companies in the S&P/ASX200.</p> <p>rTSR provides alignment with the shareholder experience and ensures executives only benefit from the award where shareholder outcomes are in line with, or outperform, 'the market'.</p> <p>The rTSR measure will be weighted at 43% for the CEO and 30% for other executive KMP.</p> <p>See section 4.4 for further details.</p>
Disclosure of EIP non-financial measures was unclear, resulting in them being seen as 'a normal part of executive KMP day job'	Introduction of strategic financial measures more clearly aligned with Nufarm's published FY26 aspirations	<p>We have introduced long-term strategic financial measures for the Seed Technologies and Crop Protection businesses, in line with our published FY26 strategic aspirations, first announced to ASX on 3 February 2022.</p> <p>These measures were selected as they are integral to the success of our FY26 aspirations, and will align executive remuneration outcomes with shareholder expectations.</p> <p>These now make up 46% of the CEO's performance rights award (60% for both the CFO and the GESC), and the targets set are aligned to the aspirations already published for FY26.</p> <p>The previously disclosed ESG assessment remains, but we have specified the weighting of the measure (11% for the CEO, 10% for both the CFO and the GESC), and note the targets are aligned to the metrics published in our sustainability report.</p> <p>See section 4.4 for further details.</p>
Impact of the 'binary' profit gateway potentially resulting in no incentives through parts of the cycle	Amendment of the gateway approach	<p>The previous profit gateway has been modified to address stakeholder concerns that its effect could be such that no ongoing shareholder-linked awards might be available to participants. This was considered a genuine retention and motivation risk, and not aligned to long-term shareholder interests.</p> <p>The binary profit gateway was changed to an Annual Cash Award Gateway.</p> <p>From FY23, if the Annual Cash Award Gateway is not met, no cash awards will be provided. Instead, any awards payable as measured against the scorecard and reflecting the nil profit outcome will be delivered in performance rights and subject to the longer-term performance hurdles, maintaining focus on our long-term strategic objectives.</p> <p>See section 4.4 for further details.</p>
Quantum of CEO's remuneration package at maximum outcome was not discounted and market positioning for executive KMP remuneration was unclear	Market review for executive KMP has been undertaken, adjustments made, and transparency of disclosure increased	<p>In response to shareholder concerns regarding the CEO's remuneration quantum, a thorough market remuneration review was undertaken for executive KMP in FY23. The review confirmed that our current market positioning for the CEO and CFO was at approximately median for fixed remuneration and below median for total remuneration (at both target and maximum). For the GESC, who is based in the UK, valid UK market data for positions matched to the GESC position with similar working capital and logistics scope was not available. Therefore the company determined a remuneration level utilising internal relativities and survey data for positions in larger and smaller companies.</p> <p>To reflect the change to the long-term performance conditions of the revised EIP, and to maintain a competitive market position, we made the following adjustments to executive KMP remuneration:</p> <ul style="list-style-type: none"> For the CEO, a 4% increase in EIP opportunity, all of which was allocated to performance rights. For the CFO and GESC, one-off grants of restricted stock will be made following publication of the FY23 results. The grants of \$120,000 and \$100,000 worth of Nufarm restricted equity (respectively) will vest after 3 years. <p>To provide a better understanding of Mr Hunt's package relative to ASX peers, we now disclose:</p> <ul style="list-style-type: none"> Remuneration opportunity at target and maximum outcomes Information regarding our remuneration benchmarking approach and the CEO's position. <p>See section 4.3 for further details.</p>

Remuneration Report continued

Concerns expressed	Response	Detail
Given the non-traditional executive remuneration approach, a minimum shareholding expectation should be in place	Extension of the Non Executive Director Minimum Shareholding policy to executive KMP	Nufarm's Minimum Shareholding policy will be extended to apply to executive KMP and other senior executives. See section 6.3 for further details.

Approach to the CEO's FY22 EIP award

At the 2022 AGM our resolution to make a grant of rights to the Managing Director and CEO under the FY22 EIP did not receive majority shareholder support. In light of this outcome, the board determined the most appropriate action would be to re-present an amended FY22 award to shareholders for approval at the FY23 AGM. The new FY22 performance rights award will be presented to shareholders under the terms of the revised FY23 EIP plan rules, but as though it had been granted following FY22 (i.e., it will be assessed at end of FY25). Details will be provided in the Notice of Meeting for the forthcoming Annual General Meeting.

FY22 Executive incentive plan updates for CEO

		FAR	EIP %	At target \$	At maximum \$	Total award \$	EIP Award as a % of target potential	EIP as % of FAR
G Hunt	Original FY22 EIP plan	1,359,278	130%	1,767,061	2,429,709	2,429,709	138%	179%
	Updated FY22 EIP plan	1,359,278	134%	1,821,433	2,504,470	2,504,470	138%	184%

FY22 Executive incentive plan updates for CEO

		Total award \$	To be paid in cash in December 2022	To be converted into rights with vesting date 30 September 2025 ¹	Equivalent number of rights using 5-Day VWAP post FY22 results	Estimated fair value of rights using 30 September 2023 valuation
G Hunt	Original FY22 EIP plan	2,429,709	809,822	1,619,887	272,227	1,249,522
	Updated FY22 EIP plan	2,504,470	809,822	1,694,648	284,791	1,007,163

¹ The amounts to be converted into rights are converted by dividing this amount by the 5-Day VWAP of the Nufarm share price following the announcement of the audited financial statements.

3 Our Remuneration Philosophy

Link between business strategy and remuneration

Ambition: Nufarm's ambition is to be an agricultural innovator developing integrated solutions for our customers. Using technology and innovation, we are developing solutions across each of our business segments and platforms.

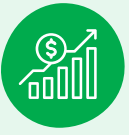




Business strategy: We remain focussed on core crops and key geographies where we believe we can drive better returns and serve our customers. We have ten core crops and seeds, across key regions of North America, Europe, APAC and South America.

The agricultural industry is evolving, and Nufarm is well positioned to support our customers and the industry through change, with innovation and technology as the cornerstones of our future. We have growth platforms in hybrid seeds, bioenergy, nutritionals, crop protection, biologicals and disruptive technologies.

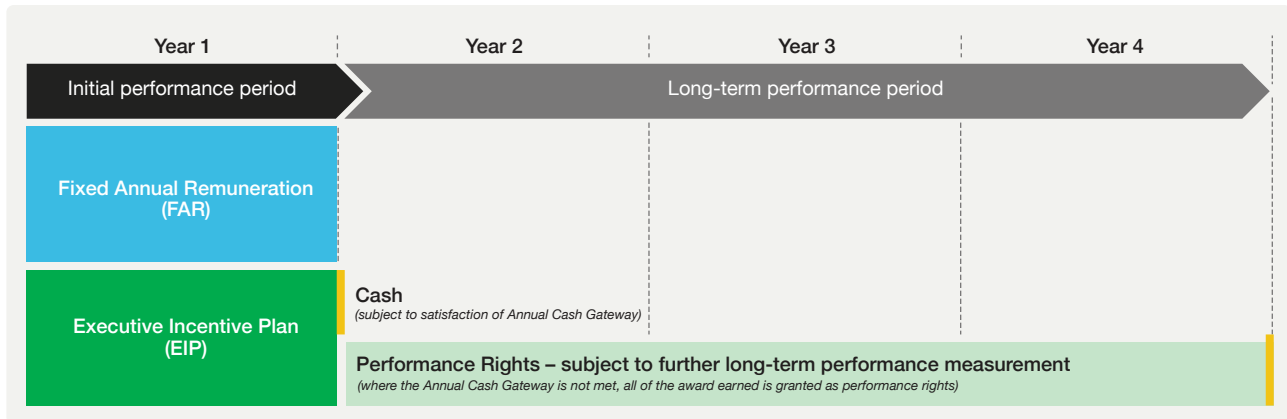
Our platforms and solutions help to:

- improve farm productivity and strengthen agriculture's resilience.
- protect crops and soils to reduce food loss and enable practices such as no-till farming.
- remove carbon from the air and reduce pressure on oceans for marine sources of omega-3 oil.
- provide farm inputs that safeguard the supply of affordable food, fibre and fuel.

Remuneration strategy: To attract, retain and motivate global talent that delivers our business strategy and contributes to sustainable, long-term growth in:

 <p>Driving a pay for performance culture where financial rewards are directly linked to short- and long-term company performance</p>	 <p>Rewarding and retaining participants, and attracting global talent</p>	 <p>Addressing the cyclical nature of the sector</p>	 <p>Distributing awards as a mixture of cash and performance rights</p>	 <p>Including annual financial and non-financial targets</p>
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4 Executive KMP remuneration framework

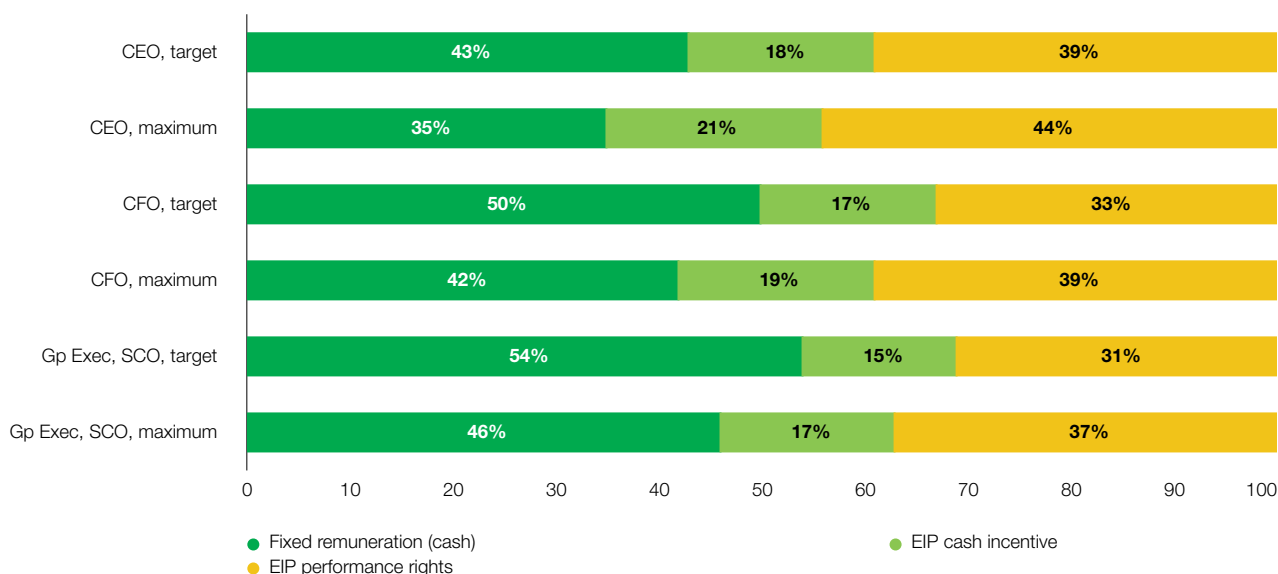


	FAR	EIP
Purpose	Attract, motivate, and retain highly skilled employees.	Reward achievement if financial and personal/team strategic objectives are met and align to long-term shareholder value creation.
Type	Base salary plus superannuation/pension.	If Annual Cash Award Gateway (as defined in section 4.4) is...
		<p>...met:</p> <ul style="list-style-type: none"> Cash: 32% of award for CEO (33.3% other executive KMP) Performance rights: 68% of award for CEO (66.7% for other executive KMP) <p>...not met:</p> <ul style="list-style-type: none"> Performance rights: 100% of award
Payment method	Cash, paid monthly plus contributions to superannuation/pension plans, as applicable.	<p>Award quantum is determined based on an assessment of performance over Year 1 against a combination of financial and non-financial performance measures.</p> <ul style="list-style-type: none"> Cash component (if any): Paid in cash annually following release of audited financial statements. Performance rights component: Granted following release of audited financial statements, other than for CEO where the grant is subject to shareholder approval at next AGM. Vesting is subject to meeting performance conditions at Year 4. Vested performance rights are converted to shares.
Link to remuneration principles	Cash remuneration levels are set with reference to market benchmarking as well as internal relativity, performance, and experience.	<p>EIP remuneration levels are set with reference to market benchmarking and seek to ensure that the balance between fixed and at risk pay reflects both short- and long-term Nufarm objectives.</p> <p>Outcomes are based on short-term/long-term financial and non-financial performance measures.</p>

Remuneration Report continued

4.1 Executive KMP pay mix at target and maximum

The graphic below shows the remuneration mix for executive KMP. The variable 'at risk' components of EIP (including potential performance rights) are expressed at target and maximum. The minimum that can be earned under the EIP (if performance is considered unacceptable) is zero. Each component is determined as a percentage of the total remuneration package.



The CFO and GESC will receive one-off grants of restricted stock following publication of the FY23 results. The grants of \$120,000 and \$100,000 worth of Nufarm restricted equity (respectively) will vest after 3 years. Given the one-off nature of these grants, their impact is not reflected in the framework table above, but has been considered as part of the FY23 remuneration disclosures in section 5 of this remuneration report.

4.2 Setting competitive remuneration levels

FAR and total remuneration levels are reviewed annually for changes in role scope, promotion, internal relativities, and significant market changes. With the assistance of an independent remuneration consultant, Guerdon Associates, remuneration benchmarking was conducted in FY23.

A subset of peers within the ASX200 companies with similar characteristics to the Nufarm business was chosen, referencing companies total assets, net assets, revenue, EBITDA, market capitalisation and operational scope. The comparators included companies involved in agriculture and other cyclical industries, with significant capex requirements and complexity, and with international manufacturing/processing operations. Nufarm targets the median of this group as its preferred market position for both fixed and total remuneration.

4.3 Fixed Annual Remuneration

Nufarm offers market competitive pay rates to attract and retain our experienced and skilled management team. Remuneration levels are set based on role size, complexity, scope, and leadership accountability, and with reference to our remuneration benchmarking comparator group. Nufarm remains committed to the principle of pay equity.

Having reviewed FY22 market data and incumbent performance, the board considered it appropriate to grant the CEO and CFO, 5.0% and 3.0% FAR increases (respectively), effective from 1 October 2022.

An independent market remuneration review undertaken during FY23 showed that both CEO and CFO was at approximately the median for fixed remuneration and below median for total remuneration (at both target and maximum). For the GESC, who is based in the UK, valid UK market data for positions matched to the GESC position with similar working capital and logistics scope was not available. Therefore the company determined a remuneration level utilising internal relativities and survey data for positions in larger and smaller companies.

After taking into account the adjustments referred to in section 2, the board considered that an increase to executive KMP FAR/ base salary for FY24, would be appropriate. Details of the increases are outlined below:

Executive KMP	Currency	FY23 FAR (\$)	FY24 FAR (\$)	Increase (%)	Target EIP (%) ¹
CEO	AUD	1,427,243	1,484,333	4.0%	134.0%
CFO	AUD	794,980	834,729	5.0%	100.0%
GESC	GBP	400,000	416,000	4.0%	85.0%

¹ Percentage of fixed remuneration for incentive opportunities.

4.4 Executive incentive plan (EIP) description

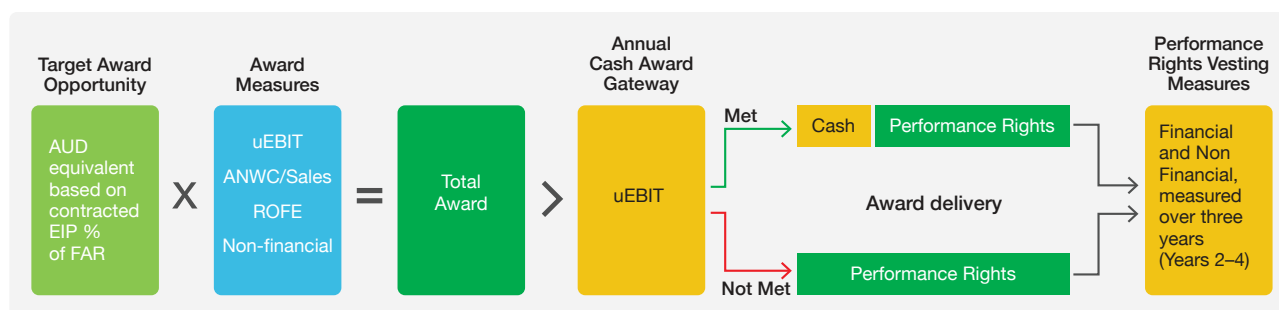
The EIP is a single variable reward plan that provides participants the opportunity to earn shareholder aligned awards, across both the short- and long-term.

The revised EIP takes into account the feedback received from key investors and proxy advisors after the AGM held in February 2023 and has been adapted from the previous version to incorporate longer-term financial measures, and reduce the weighting of non-financial measures. The revised EIP applied in FY23 (and subject to shareholder approval, will apply retrospectively to the CEO's FY22 EIP performance rights award).

We note the following key features for FY23:

- (i) **Award Measures** requiring testing annually against metrics made up of 75% financial and 25% non-financial at target to determine the amount of total award that will be made;
- (ii) **An Annual Cash Award Gateway** that determines if any cash payments will be made, or if incentive awards will be entirely granted as performance rights. If the gateway has been met, for the CEO the award is delivered in a combination of 32% cash and 68% performance rights (for other executive KMP 33.3%/66.7%); and
- (iii) **Performance Rights Vesting Measures** requiring testing three years after any awards are granted, against financial and non-financial objectives, with financial metrics making up approximately 90% of the total weighting.

The following diagram shows how these features apply in determining the EIP award value:



The following table outlines the key terms of the FY23 EIP:

What is the EIP's aim?	<p>The plan rewards achievement against a combination of financial and non-financial performance measures that are aligned to the creation of shareholder value over both the short- and longer-term.</p> <p>In Year 1, primary emphasis is placed on profitability, return on investment, and cash flow. There are also non-financial measures at Year 1 which focus our executive KMP on executing the most critical objectives aligned to the company's strategy. These measures determine the amount of cash and performance rights which may be awarded at the end of Year 1.</p> <p>Performance rights are subsequently tested at the end of Year 4, against a market measure and other strategic measures supporting our long-term objectives. The majority of strategic measures are tied to clear financial objectives.</p>	
How is the EIP opportunity established?	<p>The EIP target is set annually as a percentage of FAR (CEO, CFO) or base salary (GESC). This is pro-rated for any relevant changes determined during the year.</p>	
Who participates in the EIP and what is the "at risk" amount as a % of FAR?	CEO	134% of FAR at target / 184.25% of FAR at maximum
	CFO	100% of FAR at target / 137.5% of FAR at maximum
	GESC	85% of base salary at target / 116.87% of base salary at maximum
What measures are used in the plan?	<p>The EIP consists of:</p> <ol style="list-style-type: none"> (i) Award Measures: tests four measures over Year 1, each with an equal weighting at target. The Award Measures include three financial measures and one non-financial measure. These measures determine the size of the Total Award. (ii) Annual Cash Award Gateway: tests one financial measure, uEBIT, over Year 1. This measure determines whether the award is eligible for a cash payment or not. (iii) Performance Rights Vesting Measures: tests a number of financial and non-financial long-term measures at the completion of the performance period (Year 4). These measures determine whether performance rights will vest. 	

Remuneration Report continued

What are the Award Measures?	Elements – Award Measures	Weighting	Measured by																																									
	Profit	25%	Group underlying EBIT (uEBIT)																																									
	Return on Investments	25%	Average group underlying return on funds employed (ROFE)																																									
	Cash flow	25%	Average net working capital divided by sales (ANWC/Sales)																																									
	Non-financial	25%	<p>Defined non-financial strategic or operational goals as determined by the board for each executive KMP. These include:</p> <ul style="list-style-type: none"> • Safety and Environment • Sustainability • Improved supply chain capability and outcomes • Strategic growth for the Crop Protection and Seed Technologies business • Improved capital structure with more appropriate working capital debt facilities 																																									
Is there a minimum threshold for EIP payment?	<p>All Award Measures have a minimum threshold that must be achieved in order to be considered for an award to be made.</p> <p>The previous “binary” profit gateway has been removed. Refer below for detail of the new Annual Cash Award Gateway.</p>																																											
How are the Award Measures measured?	<p>Each of the Award Measures is comprised of three performance levels: minimum, target and maximum. The minimum, target and maximum values for financial performance measures are set, reviewed, and approved by the board annually for each executive KMP.</p> <p>Performance Levels</p> <table border="1"> <tr> <td>Minimum</td> <td colspan="3">The minimum performance outcome that must be achieved before any EIP award will be made in relation to the measure.</td> </tr> <tr> <td>Target</td> <td colspan="3">An outcome delivering significant benefit to the company achieved by great performance.</td> </tr> <tr> <td>Maximum</td> <td colspan="3">A stretch goal that could only be achieved by outstanding performance.</td> </tr> </table> <table border="1"> <thead> <tr> <th></th> <th>uEBIT & Return on investments</th> <th>Cash flow</th> <th>Non-financial</th> </tr> </thead> <tbody> <tr> <td>Minimum</td> <td>85% of budget*</td> <td>105% of budgeted* ANWC/Sales</td> <td rowspan="3">Determined by the board based on individual performance</td> </tr> <tr> <td>Target</td> <td>100%</td> <td>100%</td> </tr> <tr> <td>Maximum</td> <td>120%</td> <td>95%</td> </tr> </tbody> </table> <p>*Annual budgets are reviewed and approved by the board to ensure they demonstrate growth potential and achievement of strategic milestones.</p> <p>Once performance levels are assessed, EIP Awards are calculated based on payout slopes with a minimum award of 25% to a maximum of 150% for each financial measure. All measures are equally weighted at 25% of the total award.</p> <table border="1"> <thead> <tr> <th></th> <th>uEBIT & Return on Investments</th> <th>Cash flow</th> <th>Non-financial</th> </tr> </thead> <tbody> <tr> <td>Minimum</td> <td colspan="3">25% of EIP target payment</td> </tr> <tr> <td>Target</td> <td colspan="2">100%</td> <td rowspan="2">0% to 100% of EIP target payment</td> </tr> <tr> <td>Maximum</td> <td colspan="2">150%</td> </tr> </tbody> </table>			Minimum	The minimum performance outcome that must be achieved before any EIP award will be made in relation to the measure.			Target	An outcome delivering significant benefit to the company achieved by great performance.			Maximum	A stretch goal that could only be achieved by outstanding performance.				uEBIT & Return on investments	Cash flow	Non-financial	Minimum	85% of budget*	105% of budgeted* ANWC/Sales	Determined by the board based on individual performance	Target	100%	100%	Maximum	120%	95%		uEBIT & Return on Investments	Cash flow	Non-financial	Minimum	25% of EIP target payment			Target	100%		0% to 100% of EIP target payment	Maximum	150%	
Minimum	The minimum performance outcome that must be achieved before any EIP award will be made in relation to the measure.																																											
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Target	100%		0% to 100% of EIP target payment																																									
Maximum	150%																																											
Are payments in cash or equity?	<p>The Annual Cash Award Gateway determines whether any awards are eligible to be paid in cash:</p> <ul style="list-style-type: none"> • If the Annual Cash Award Gateway is met: a portion of the total EIP Award (CEO: 32%, CFO/GESC: 33.3%) is awarded as cash at the end of Year 1, following the release of the audited financial statements. The remaining (CEO: 68%; CFO/GESC: 66.7%) is awarded as performance rights, subject to continued performance and vesting conditions. • If the Annual Cash Award Gateway is not met: the total EIP Award is awarded as performance rights, subject to continued performance and vesting conditions. 																																											
How are the number of performance rights determined?	<p>The number of performance rights to be granted will be determined using the value of the relevant portion of the Total Award divided by the 5-day VWAP following the release of the preliminary final report in November 2023.</p>																																											



What are the performance rights vesting measures?	At the end of the vesting period, the following performance measures will apply:					
	Weighting					
	Measure	CEO	CFO	GESC	Target	
	Relative TSR (rTSR)	43%	30%	30%	Percentile rank	% vesting
	Measured against the ASX 200				Less than the 50th percentile	0%
	This peer group was selected as we believe investors have a choice to allocate capital across all the sectors and companies within it.				50th percentile	50%
					Between the 50th and the 75th percentile	Straight line vesting between 50%-100%
					75th percentile or above	100%
	Revenue and margin growth in our Crop Protection segment	23%	20%	30%	In line with publicly disclosed FY26 aspirations, revenue of \$3.8-\$3.9b by FY26 and overall margin improvement since announcement of FY22-26 aspirations. Note: Crop Protection margin growth targets are commercially sensitive and will be disclosed retrospectively at the time of testing.	
					In making the assessment, the board will also have regard to the performance of the Crop Protection segment relative to the overall growth/contraction of the global crop protection market.	
Revenue, margin growth in our Seed Technologies segment	23%	20%	-	In line with publicly disclosed FY26 aspirations, revenue of \$600 to \$700 million by FY26, EBITDA margin of 20% to 25% by FY26.		
ESG Outcomes	11%	10%	10%	On track to meet the targets applicable at 2026 or beyond as published in our 2023 sustainability report, including 30% reduction in emissions from our manufacturing sites by 2030.		
Average NWC/sales	-	10%	10%	ANWC/sales 35-40% on a three-year average.		
Leverage outcomes		10%		Statutory leverage 1.5-2 times on a three-year average.		
Strategic investments and delivery of planned outcomes across our global crop protection manufacturing platforms.	-	-	20%	Delivery of strategic investments (CapEx) that support the growth in volume and margin from our global crop protection manufacturing assets in line with Budget FY24-26.		
	rTSR will be measured over the three-years following Year 1 (i.e., Years 2 -4). rTSR performance is calculated by an independent external provider and is subject to board confirmation and discretion.					
	Strategic performance measures will be assessed by the board at the end of Year 4. Vesting cannot exceed 100%. The board will provide shareholders with a clear rationale as to the final determination of vesting outcomes following its assessment of performance at the end of the performance period.					
What are the dividend and voting rights?	Rights do not carry any dividend or voting rights. Shares allocated on vesting of Rights carry the same dividend and voting rights as other shares issued by the company.					
When do the performance rights vest?	At the end of the Year 4, the performance rights are tested against the objectives described above. Withholding a large portion of the award as rights with service and performance measures ensures the participants maintain a focus on both short- and long-term company performance as well as alignment with shareholder experience. Awards that do not vest will lapse.					
What happens if the performance rights vesting measures are not met?	There is no retesting if the performance condition is not met at the end of the performance period. Any proportion of the performance rights that have not met the performance required to vest at the end of the three-year performance period will lapse and consequently be forfeited as a result.					

Remuneration Report continued

Is there a “claw back” provision in the plan?	<p>The Nufarm board has absolute discretion regarding the amount and timing of any EIP awards. The EIP is governed by the overarching Nufarm Executive Incentive Plan rules.</p> <p>Within the remuneration framework, under specific circumstances, the board has discretion to lapse or enforce forfeiture (or potentially cash repayment where an award has been issued as cash or converted into cash) of any rights, options or shares issued under the terms of the relevant plans.</p>
What happens if the executive KMP leaves Nufarm?	<p>Unless the board determines otherwise:</p> <p>(a) if employment is terminated for cause (as defined below) or the executive KMP resigns (or gives notice of resignation) prior to the date on which the EIP award is delivered, the employee will not be entitled to an EIP award.</p> <p>An employee will be “terminated for cause”, where employment with the Group is terminated because the employee:</p> <ul style="list-style-type: none">– acted fraudulently or dishonestly;– engaged in serious or wilful misconduct;– is seriously negligent in the performance of their duties;– committed a serious breach of their employment contract;– committed an act, whether at work or otherwise, which could reasonably be regarded to have brought the company or a group company into disrepute; or– is convicted of an offence punishable by imprisonment. <p>(b) if an employee ceases employment for any other reason prior to the date on which the EIP award is delivered, it will be pro-rated (based on the portion of the performance period that has elapsed up until the date of termination). Unvested equity will remain intact and continue to vest under the plan rules.</p>

4.5 Legacy long term incentive (LTI) plan

Whilst the previous STI and LTI plans were replaced with the EIP in FY22, some rights awarded under the Legacy FY21 LTI plans were on foot in FY23 and have been performance tested to 30 September 2023. Key terms of the awards can be found in the 2021 Remuneration Report and Notice of Meeting. The outcome is described in section 5.



5 FY23 company performance and remuneration outcomes

Nufarm's financial performance, share price and dividends over the past five years are summarised below:

Performance measures		Continuing group ¹				
		FY23	FY22	FY21	Sept 20 ^{2,3}	FY20 ^{3,4}
Earnings						
Underlying EBITDA ⁵	\$m	438.2	446.8	361.1	(43.4)	235.8
Underlying EBIT ⁵	\$m	249.8	236.7	153.1	(78.8)	34.4
Underlying NPAT ⁵	\$m	122.2	133.2	61.1	(85.9)	(80.6)
ANWC/Sales ⁶	%	41.9	28.3	34.3	44.7	46.4
ROFE achieved ⁷	%	8.8	9.5	5.9	n/a	1.2
Shareholder value						
TSR ⁸	%	27.0	24.8	(45.3)	(4.2)	(49.2)
Dividends declared	Cents	10.0	10.0	4.0	-	-
Closing share price	\$	4.75	5.00	4.80	3.85	4.02

1 Performance measures for FY20 are presented on a continuing operations basis.

2 'Sept 20' is presented for the 2 months ended 30 September 2020.

3 Performance metrics for Sept 20 and FY20 have not been restated for the change in accounting policy with respect to the IFRIC agenda decision on cloud computing arrangement costs as disclosed in the FY21 Annual Report.

4 FY20 is presented for the 12 months ended 31 July 2020.

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

6 ANWC/Sales is the average net working capital over the period divided by the sales over the period, and is used throughout the business as a key performance indicator with respect of capital management.

7 ROFE is underlying EBIT divided by the average of opening and closing funds employed (total equity plus net debt).

8 Total shareholder return (TSR) is measured over a three year return period.

5.1 FY23 EIP Annual Measures outcomes

The Annual Measures performance period for the FY23 EIP concluded on 30 September 2023.

The hurdles for the FY23 EIP were as follows:

	FY23 targets					
	Weighting	Metric	Threshold	Target	Maximum	Applies to
Financial elements						All Executive KMP
Profit	25%	Underlying EBIT ¹	212.2	249.6	299.52	All Executive KMP
Return on investment	25%	ROFE ²	8.2%	9.6%	11.5%	All Executive KMP
Cash flow	25%	ANWC/Sales	34.2%	32.5%	31.0%	All Executive KMP
Non-financial elements	25%		Refer executive incentive plan description			Varies by Executive KMP

1 Measure used as the Annual Cash Award Gateway

2 Calculated on an underlying basis which excludes the impact of material items.

The below tables shows the outcomes against actual targets for executive KMP:

Executive KMP	Annual cash award gateway		Group uEBIT			
	Group uEBIT	Weight	Target ¹	Actual ¹	Award outcome	
G Hunt	Successful	25%	249.6	249.8	100%	
P Townsend	Successful	25%	249.6	249.8	100%	
D Allen	Successful	25%	249.6	249.8	100%	

1 Figures presented are \$ millions.

Executive KMP	Group ROFE				Group ANWC / sales %				Non-financial	
	Weight	Target	Actual	Award outcome	Weight	Target	Actual	Award outcome	Weight	Award Outcome
G Hunt	25%	9.6%	8.8%	60%	25%	32.5%	41.9%	0%	25%	100%
P Townsend	25%	9.6%	8.8%	60%	25%	32.5%	41.9%	0%	25%	100%
D Allen	25%	9.6%	8.8%	60%	25%	32.5%	41.9%	0%	25%	100%

Remuneration Report continued

FY23 Executive incentive plan potential

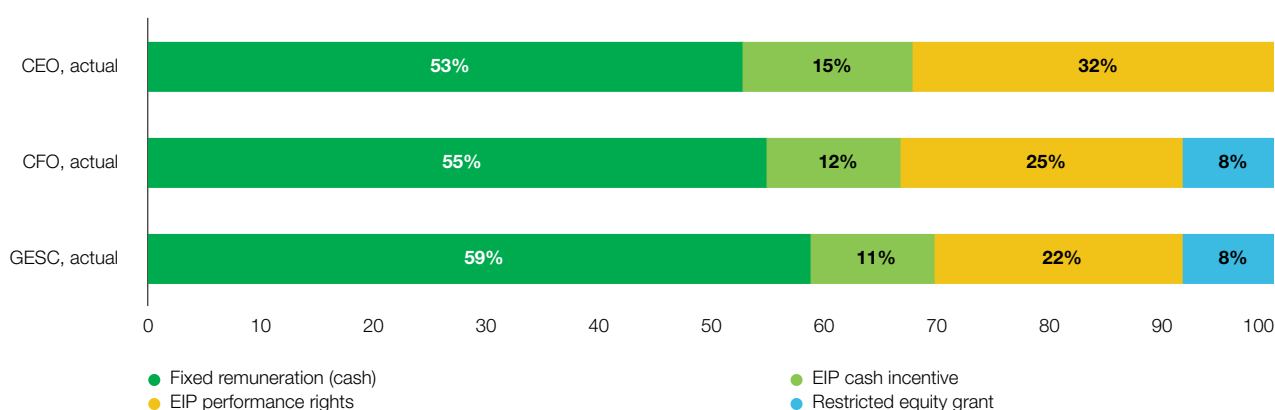
Executive KMP	At target \$	At maximum \$	Total award \$	EIP Award as a % of target potential	EIP as % of FAR	To be paid in cash in December 2023	To be converted into rights with vesting date 30 September 2026 ¹	Estimated fair value of rights using 30 September 2023 valuation
G Hunt	1,912,506	2,629,695	1,245,153	65%	87%	398,449	846,704	664,420
P Townsend	794,980	1,093,098	517,578	65%	65%	172,354	345,224	287,969
D Allen	641,509	882,075	417,660	65%	55%	139,081	278,579	232,374
Executive KMP average	1,116,332	1,534,956	726,797	65%	69%	236,628	490,169	394,921

¹ The amounts to be converted into rights are converted by dividing this amount by the 5-Day VWAP of the Nufarm share price following the announcement of the audited financial statements.

The board approved the outcomes in accordance with the EIP rules and determined there was no reason to exercise any discretion (up or down) with regard to the EIP Annual Measures outcome for FY23.

5.2 Executive KMP pay mix FY23, actual

The graphic below shows the actual remuneration mix for executive KMP for FY23.



5.3 FY22 EIP Performance Rights Allocation

EIP performance rights are allocated based on the five-day VWAP following the release of the preliminary final report.

Because the FY22 Remuneration Report was released before the allocation value could be determined, the number of rights awarded were not able to be reported at the time. Accordingly, the FY22 EIP equity outcomes against targets for executive KMP are shown here:

FY22 Executive incentive plan rights conversion

Executive KMP	EIP to be converted into rights	5-Day VWAP post FY22 results	Equivalent number of rights using 5-Day VWAP post FY22 results	EIP rights granted	Grant date fair value	Fair value of EIP rights granted during FY23
G Hunt ¹	1,694,648	5.9505	284,791	-	-	-
P Townsend	707,542	5.9505	118,904	118,904	5.68	675,375
D Allen ²	n/a	n/a	n/a	n/a	n/a	n/a

¹ G Hunt EIP rights are subject to shareholder approval prior to granting.

² D Allen did not participate in the FY22 EIP plan.

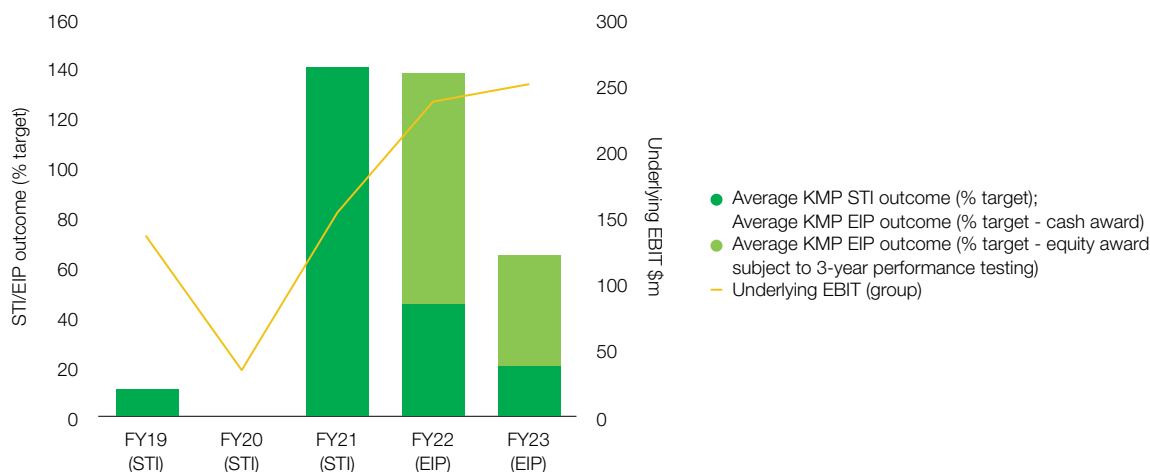
Details of the terms of the FY22 EIP for the CFO is set out in the FY22 remuneration report. Details of the terms of the FY22 EIP for the CEO will be set out in the Notice of Meeting for the forthcoming Annual General Meeting, and the grant of performance rights will be subject to shareholder approval.

The details of performance rights granted with respect to the FY23 EIP award will be disclosed in the FY24 remuneration report.



Historical STI/EIP outcomes vs underlying EBIT performance

The following chart compares remuneration outcomes with underlying EBIT performance over the past five financial years. FY19 - FY21 reflect STI outcomes, while FY22 and FY23 reflect the EIP. It is important to note that a significant portion of the FY22 and FY23 EIP remains at risk and subject to further long-term performance measures. While historical comparison is difficult given the change in remuneration structure to the EIP, Nufarm is confident that there is a strong link between pay and performance, with executives only benefiting when the group is performing in line with challenging expectations.



5.4 Legacy FY21 LTI plan outcomes

The performance period for the final LTI plan, for FY21, concluded on 30 September 2023.

The results of Nufarm's rTSR were calculated by an external provider. ROFE was calculated on an underlying basis which excludes the impact of material items. This is intended to ensure that no windfall gains or losses distort the outcome. The board approved the vesting outcomes in accordance with the LTI plan rules and decided that there was no reason to exercise any modifying discretion (up or down) with regard to the LTI outcome for FY23.

The vesting outcomes for the FY21 LTI plan are detailed below reflecting rTSR and ROFE performance to 30 September 2023.

Performance measure	Threshold	Actual	% of total plan vested
RTSR	50th percentile	60th percentile	35%
ROFE	6.9%	8.1% (above stretch)	50%
Total			85%

This table details the individual outcomes for the FY21 LTI plan award granted 1 October 2020.

FY21 LTI award vested 30 September 2023

Executive KMP	Total number of rights available	Total number of rights awarded	Total award as a % of potential	Grant date fair value of rights awarded \$	Total grant date fair value of rights available \$	Total grant date fair value of lapsed rights \$
G Hunt	233,948	198,856	85.0%	568,026	697,165	129,139
P Townsend	74,161	63,037	85.0%	180,063	221,000	40,936
D Allen ¹	n/a	n/a	n/a	n/a	n/a	n/a

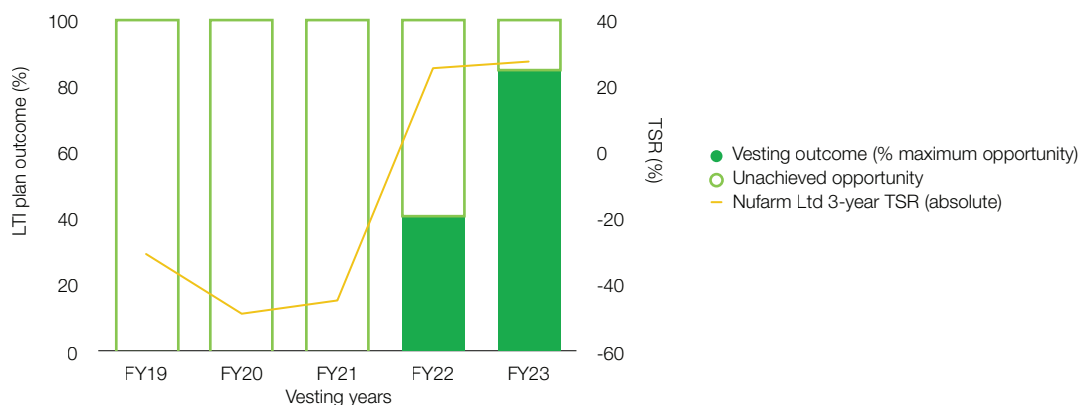
¹ D Allen did not participate in the FY21 LTI plan.

Remuneration Report continued

Historical LTI outcomes vs TSR performance

The following chart compares Nufarm's LTI plan vesting results for the past five LTI plans (as a percentage of plan maximum) compared to the rolling three-year TSR performance during the same period. While awards were tested against relative TSR (rather than the absolute performance shown), the chart demonstrates that executives have only benefited historically when shareholder return has been positive.

The FY17, FY18 and FY19 LTI plans did not meet the threshold and are depicted as hollow bars.



5.5 Actual total remuneration earned by executives in FY23 (unaudited)

The table below details actual pay and benefits for executive KMP who were employed during the reporting period. This table aims to assist shareholders in understanding the cash and other benefits received by executive KMP from the various components of their remuneration during FY23.

As a general principle, Australian Accounting Standards require the value of share-based payments to be calculated at the time of grant and accrued over the performance period and restriction period. The Corporations Act and Australian Accounting Standards also require that pay and benefits be disclosed for the period that a person is an executive KMP. This may not reflect what executive KMP received or became entitled to during FY23 (especially if they became executive KMP part way through the year).

The figures in this table have not been prepared in accordance with Australian Accounting Standards. They provide additional voluntary disclosures to the statutory remuneration tables in section 9 (which provides a breakdown of executive KMP remuneration in accordance with statutory requirements and Australian Accounting Standards). The treatment of the remuneration elements in this disclosure is as follows:

- Fixed remuneration earned between 1 October 2022 and 30 September 2023 including superannuation.
- EIP cash illustrates the cash award earned via the FY23 EIP and paid following the release of the audited results for the year ended 30 September 2023.
- STI and LTI rights vested illustrates the number of rights that vested (in respect of the FY21 STI plan and the FY21 LTI plan) during the period 1 October 2022 to 30 September 2023. The values represent the number of rights vested multiplied by the share price at the relevant date.



	Period	Fixed remuneration			At risk remuneration (realised)			Total ¹		
		Salary and fees	Other benefits ²	Super-annuation	EIP cash	STI rights vested ³	LTI rights vested ³	Total remuneration	LTI rights forfeited ³	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Non-executive directors										
Sub total non-executive directors remuneration (realised)	FY23	1,602	-	85	1,687	-	-	-	1,687	-
	FY22	1,470	-	99	1,569	-	-	-	1,569	-
Executive KMP										
G Hunt Managing director and CEO	FY23	1,400	-	28	1,428	398	693	945	3,464	(167)
	FY22	1,332	-	28	1,360	810	-	327	2,497	(470)
P Townsend Chief financial officer	FY23	767	-	28	795	173	263	299	1,530	(53)
	FY22	744	-	28	772	354	-	-	1,126	-
D Allen Group executive supply chain ⁴	FY23	778	15	-	793	139	-	-	932	-
	FY22	61	1	-	62	-	-	-	62	-
Former executive KMP										
E Prado Group executive supply chain ⁵	FY23	-	-	-	-	-	-	-	-	-
	FY22	691	57	49	797	298	-	-	1,095	-
Sub total executive KMP (realised)	FY23	2,945	15	56	3,016	710	956	1,244	5,926	(220)
	FY22	2,828	58	105	2,991	1,462	-	327	4,780	(470)
Total non-executive directors and executive KMP (realised)	FY23	4,547	15	141	4,703	710	956	1,244	7,613	(220)
	FY22	4,298	58	204	4,560	1,462	-	327	6,349	(470)

1 Total represents total remuneration paid in the financial period.

2 Other benefits includes allowances, health insurance and other costs for overseas based executives.

3 STI/LTI rights vested or forfeited are valued at the Nufarm share price prevailing upon the vesting or forfeiture date (\$4.75 at 30 September 2023, \$5.00 at 30 September 2022).

4 D Allen was appointed a KMP on 1 September 2022.

5 E Prado ceased being a KMP on 31 August 2022.

6 Remuneration governance

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

The board has progressively increased the remit of the PSR committee to include a wider talent and succession agenda including a review of Nufarm's diversity and inclusion strategy and, more recently, responsibility for occupational health and safety.

The board engages the services of independent remuneration consultants, as it deems appropriate throughout the year. During FY23, we worked with Guerdon Associates in relation to remuneration benchmarking and SW Corporate in relation to shareholder engagement regarding the EIP design. No remuneration recommendations were requested or provided.

6.1 PSR committee's focus during FY23

In FY23 the PSR committee undertook a range of activities relating to broader people and remuneration issues including:

- Responding to the FY22 remuneration 'strike' by engaging an independent remuneration consultant and engaging extensively with key stakeholders regarding proposed changes to the FY23 EIP;
- Endorsing the design of the FY23 EIP;
- Undertaking the annual review of executive KMP remuneration and making recommendations to the board regarding remuneration levels, performance outcomes and incentive awards;
- Considering extension of Minimum Shareholding Policy to executive KMP and other senior executives;
- Approving performance objectives and Key Performance Indicators (KPIs) for the CEO, executive KMP and key executives;
- Approving the diversity and inclusion strategic priorities and targets;
- Approving the FY23 parameters for Fixed Pay remuneration;
- Monitoring the organisational culture and employee engagement metrics including pay equity and workforce representation;
- Reviewing talent development programs and succession planning; and
- Monitoring Nufarm inclusion and diversity objectives in line with Nufarm plans.

6.2 Board's approach to remuneration governance

The board measures financial performance under the applicable EIP and LTI plans using audited numbers. Within the remuneration framework, under specific circumstances, the board has discretion to lapse or enforce forfeiture (or potentially cash repayment where an award has been issued as cash or converted into cash) of any rights, options or shares issued under the terms of the relevant plans. The board considered all information in light of company performance, changes during the year to the scope and scale of executive roles, individual performance and the motivation and retention of key individuals, in making remuneration decisions.

6.3 Minimum shareholding policy and share trading

In FY21 the board introduced a NED MSR policy which applies to all NEDs except for any nominee directors appointed to the board. The policy requires that NEDs are required to accumulate and then hold a minimum holding of Nufarm securities equivalent to one hundred per cent of their total pre-tax annual base fee including superannuation. In line with the MSR policy and applicable transitional arrangements, all NEDs comply with the policy or are on track to comply.

During the year, the board agreed to extend the minimum shareholding policy to all executive KMP and other senior executives. The executive KMP and other senior executives will be expected to build and hold a shareholding equal to, for the CEO one hundred per cent of FAR, and for other executives, fifty per cent of FAR or base salary. Other than for meeting tax obligations, executives are expected not to sell any Nufarm equity until the threshold has been met. The policy applies to the CEO from FY24 and to other executives from FY25.

NEDs and executive KMP, like all officers, must comply with Nufarm's Security Trading Policy. Further, in accordance with the policy, they are not permitted to enter into margin lending, short-term or speculative dealing or hedging of Nufarm securities, including any performance rights.



7 Executive KMP contractual agreements and cessation of employment

The company has employment contracts with the executive KMP which formalise the terms and conditions of employment and are for an indefinite term. The contracts of the CEO and other executive KMP have been structured to be compliant with the termination benefits cap under the Corporations Act. The contracts also provide for payment of applicable statutory entitlements including when executive KMP leave employment under different circumstances, as specified here.

The company may terminate the contract of the CEO and other executive KMP by giving suitable notice, and they may terminate their contract by giving notice as specified below. The company may terminate an employment contract immediately for serious misconduct.

The table below includes details relating to executive KMP contractual terms, as well as treatment of on-foot incentive awards in the event of termination (which are governed under the rules of the relevant award):

CEO and other executive KMP	
Employment agreement	Individual contract
Resignation by the executive	<p>6-month notice period.</p> <p>The board may choose to allow the CEO to work out their notice period or place the CEO on leave or make a payment in lieu of notice at the board's discretion.</p> <p>If an executive KMP resigns (or gives notice of resignation) prior to the date on which the EIP award is delivered, they are not entitled to an EIP award for the current performance year.</p>
Termination by the Group without cause	If employment is terminated by the company without cause they will be entitled to receive a total payment of an amount equivalent to twelve (12) months' Fixed Annual Remuneration, inclusive of payment in lieu of any notice period not served (the 'Severance Payment').
Termination by the Group with cause	No notice or severance is payable. All unvested incentive awards are forfeited, including any grant for the current year (which will not be granted).
Cessation of employment for other reasons	<p>If an executive KMP ceases employment for any reason other than 'terminated for cause' all unvested equity will remain intact and continue to vest under the plan rules.</p> <p>If employment ceases prior to the date on which the EIP award is delivered, it will be pro-rated (based on the portion of the performance period that has elapsed up until the date of termination).</p>
Board discretion	The Nufarm board have an absolute discretion regarding the amount and timing of any EIP payment made or not made to any executive KMP or other participant.

Remuneration Report continued

8 Non-executive director remuneration

To maintain independence and impartiality when making decisions affecting the future direction of the company, NED fees are fixed, and NEDs do not receive any performance-related incentives. The chair receives a fee for chairing the board and does not receive any other fees for participation on committees. Other NEDs receive a base fee and additional fees for each additional committee chair position and membership. Non-executive directors are not entitled to any retirement benefits other than statutory superannuation contributions.

Fees for NEDs are set at a level to attract and retain directors with the necessary skills and experience to allow the board to have a proper understanding of, and competence to deal with, current and emerging issues for Nufarm's business. The board seeks to attract directors with different skills, experience, expertise, and diversity. Additionally, when setting NED fees, the board takes into account factors such as external market data on fees and the size and complexity of Nufarm's operations.

The board's policy is to position NED fees at the market median with comparably sized listed entities. The board determines the fees payable to NEDs within the aggregate amount approved from time to time by shareholders. At the company's 2017 AGM, shareholders approved an aggregate of \$2,000,000 per year (including superannuation costs). The total fees for FY23 remained within the approved cap.

8.1 NED remuneration for FY23

The chair's fee and NED base fees have remained unchanged since 1 August 2018.

8.2 Committee fee adjustments

Two changes to committees were made with effect from 1 July 2023, with consequential fee adjustments:

- A new sustainability & environment committee was created, with fees set at the same level as the previous committees.
- The risk and compliance committee was dissolved, and its responsibilities allocated to other committees:
 - The previous audit committee (renamed audit and risk committee) took on responsibility for risk; and
 - The previous human resources committee (renamed people, safety & remuneration committee) took on responsibility for occupational health and safety.

Fees for these committees were increased slightly to account for the additional responsibilities.

The changes to committee fees, effective from 1 July 2023, resulted in the following chair and NED fee arrangements:

Fees applicable from 1 July 2023 (\$) per annum	Chair	Member
Board	392,567	160,597
Audit and Risk committee	37,500	18,750
People, Safety, and remuneration committee	33,000	16,500
Innovation committee	27,000	13,500
Sustainability and Environment committee	27,000	13,500
Nomination committee	-	-



9 Statutory remuneration tables

9.1 NEDs

	Period	Short term			Total short term	Other long term benefits ²	Post-employment	Termination benefits	Share based payments (SBP)	Total	
		Salary and fees	Cash bonus (vested)	Other benefits ¹			Super-annuation		Equity settled expenses		Total remuneration
		\$000	\$000	\$000			\$000		\$000		\$000
Non-executive directors											
J Gillam Chair	FY23	365	-	-	365	-	28	-	-	393	
	FY22	359	-	-	359	-	34	-	-	393	
G Davis Director	FY23	210	-	-	210	-	-	-	-	210	
	FY22	200	-	-	200	-	15	-	-	215	
A Gartmann Director ³	FY23	155	-	-	155	-	17	-	-	172	
	FY22	4	-	-	4	-	-	-	-	4	
D Jones Director	FY23	192	-	-	192	-	-	-	-	192	
	FY22	188	-	-	188	-	-	-	-	188	
P Margin Director	FY23	207	-	-	207	-	-	-	-	207	
	FY22	215	-	-	215	-	-	-	-	215	
M McDonald Director	FY23	187	-	-	187	-	20	-	-	207	
	FY22	183	-	-	183	-	18	-	-	201	
A Percy Director ⁴	FY23	47	-	-	47	-	-	-	-	47	
	FY22	-	-	-	-	-	-	-	-	-	
L Saint Director	FY23	184	-	-	184	-	20	-	-	204	
	FY22	183	-	-	183	-	18	-	-	201	
F Tripodi Director ⁵	FY23	55	-	-	55	-	-	-	-	55	
	FY22	-	-	-	-	-	-	-	-	-	
Former non-executive directors											
F Ford Director ⁶	FY23	-	-	-	-	-	-	-	-	-	
	FY22	32	-	-	32	-	3	-	-	35	
T Takasaki Director ⁷	FY23	-	-	-	-	-	-	-	-	-	
	FY22	106	-	-	106	-	11	-	-	117	
Sub total non-executive directors remuneration	FY23	1,602	-	-	1,602	-	85	-	-	1,687	
	FY22	1,470	-	-	1,470	-	99	-	-	1,569	

1 Other benefits includes movements in annual leave accrual. For overseas based executives other benefits include allowances health insurance and other costs. A negative balance may appear where the leave accrual has decreased from the prior year.

2 Other long term includes movement in long service leave provisions. A negative balance may appear where the leave accrual has decreased from the prior year.

3 A Gartmann was appointed as a director on 23 September 2022.

4 A Percy commenced as a director on 1 July 2023.

5 F Tripodi commenced as a director on 19 June 2023.

6 F Ford ceased being a director on 17 December 2021.

7 T Takasaki ceased being a director on 31 May 2022.

Remuneration Report continued

9.2 Executive KMP

	Period	Short term			Total short term	Other long term benefits ²	Post-employment	Termination benefits	Share based payments (SBP)	Total
		Salary and fees	Cash bonus (vested)	Other benefits ¹			Super-annuation		Equity settled expenses ³	Total Remuneration
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Executive KMP										
G Hunt Managing director and CEO	FY23	1,400	398	58	1,856	53	28	-	730	2,667
	FY22	1,332	810	66	2,208	42	28	-	833	3,111
P Townsend Chief financial officer	FY23	767	173	6	946	20	28	-	425	1,419
	FY22	744	354	-	1,098	19	28	-	339	1,484
D Allen Group executive supply chain ⁴	FY23	778	139	15	932	-	-	-	83	1,015
	FY22	61	-	1	62	-	-	-	-	62
Former executive KMP										
E Prado Group executive supply chain ⁵	FY23	-	-	-	-	-	-	-	-	-
	FY22	691	298	57	1,046	-	49	-	276	1,371
Sub total executive KMP remuneration	FY23	2,945	710	79	3,734	73	56	-	1,238	5,101
	FY22	2,828	1,462	124	4,414	61	105	-	1,448	6,028
Total non-executive directors and executive KMP remuneration	FY23	4,547	710	79	5,336	73	141	-	1,238	6,788
	FY22	4,298	1,462	124	5,884	61	204	-	1,448	7,597

1 Other benefits includes movements in annual leave accrual. For overseas based executives other benefits include allowances health insurance and other costs. A negative balance may appear where the leave accrual has decreased from the prior year.

2 Other long term includes movement in long service leave provisions. A negative balance may appear where the leave accrual has decreased from the prior year.

3 Assuming shareholder approval, G Hunt equity settled expenses in respect of the FY22 EIP and FY23 EIP are estimated based on 30 September 2023 fair value. P Townsend and D Allen equity settled expenses in respect of the FY23 EIP are estimated based on 30 September 2023 fair value.

4 D Allen was appointed a KMP on 1 September 2022.

5 E Prado ceased being a KMP on 31 August 2022.

	Period	Percentage of remuneration performance based	SBP expense as a proportion of total remuneration
		%	%
Executive KMP			
G Hunt Managing director and CEO	FY23	42%	27%
	FY22	53%	27%
P Townsend Chief financial officer	FY23	42%	30%
	FY22	47%	23%
D Allen Group executive supply chain ¹	FY23	22%	8%
	FY22	-	-
Former executive KMP			
E Prado Group executive supply chain ²	FY23	-	-
	FY22	42%	20%

1 D Allen was appointed a KMP on the 1 September 2022.

2 E Prado ceased being a KMP on the 31 August 2022.



10 Equity instruments held by directors and disclosed executives

The following tables show the number of:

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

that were held during the financial year by disclosed executives and non-executive directors of the group, including their close family members and entities related to them. Equity instruments in relation to the FY23 EIP will be granted following the release of the FY23 audited financial statements.

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

10.1 Executive KMP rights over ordinary shares in Nufarm Limited

Scheme		Number of rights held at 30 September 2022	Number of rights granted as remuneration	Number of rights exercised	Number of rights forfeited or lapsed	Number of rights changed due to other reasons ¹	Number of rights held at 30 September 2023	Number of rights vested during FY23	Number of rights vested at 30 September 2023 ²	Value at date of forfeiture \$ ³
Executive KMP										
G Hunt Managing director and CEO	LTI rights	299,325	-	(65,377)	(35,092)	-	198,856	198,856	198,856	166,687
	STI rights deferred	145,890	-	-	-	-	145,890	145,890	145,890	-
P Townsend Chief financial officer	EIP rights	-	118,904	-	-	-	118,904	-	-	-
	LTI rights	74,161	-	-	(11,124)	-	63,037	63,037	63,037	52,839
	STI rights deferred	55,465	-	-	-	-	55,465	55,465	55,465	-
Total executive KMP	EIP rights	-	118,904	-	-	-	118,904	-	-	-
	LTI rights	373,486	-	(65,377)	(46,216)	-	261,893	261,893	261,893	219,526
	STI rights deferred	201,355	-	-	-	-	201,355	201,355	201,355	-
Non-KMP officers										
K Hall Company secretary	EIP rights	-	28,167	-	-	-	28,167	-	-	-
Total executive KMP and non-KMP officers		574,841	147,071	(65,377)	(46,216)	-	610,319	463,248	463,248	219,526

1 "Other reasons" reflect changes to KMP and non-KMP officers during the period.

2 All rights that are vested are exercisable.

3 15% of LTI performance rights due to vest in the year ended 30 September 2023 were forfeited due to a failure to satisfy service or performance conditions. The value of the LTI performance rights forfeited is expressed in the table above using the share price of the company as at the date of forfeiture (30 September 2023: \$4.75)

10.2 Non-executive director rights over ordinary shares in Nufarm Limited

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

The first six-monthly tranche of FY23 NED rights issued under the plan vested into shares in May 2023. Rights issued under the second tranche are scheduled to vest in November 2023. These rights, as well as those that subsequently convert to restricted shares, combine to form part of the NED's Minimum Shareholding Requirement (MSR). The movement during the reporting period in the number of rights for each NED, including their related parties, is set out in the table below:

Remuneration Report continued

	Balance as at 30 September 2022	Rights acquired	Vested and converted to shares ¹	Forfeited	Balance as at 30 September 2023
Non-executive directors					
J Gillam	-	-	-	-	-
G Davis	-	-	-	-	-
A Gartmann	-	-	-	-	-
D Jones	-	-	-	-	-
P Margin	4,197	5,397	(6,895)	-	2,699
M McDonald	-	-	-	-	-
A Percy ²	-	-	-	-	-
L Saint	7,631	12,212	(13,737)	-	6,106
F Tripodi ³	-	-	-	-	-
Total	11,828	17,609	(20,632)	-	8,805

1 This represents the NED rights that have vested and subsequently been converted to ordinary shares.

2 A Percy commenced as a director on 1 July 2023.

3 F Tripodi commenced as a director on 19 June 2023

Shares in Nufarm Limited held by non-executive directors and executive KMP

	Balance as at 30 September 2022	Granted as remuneration	On exercise of rights	Net change other	Balance as at 30 September 2023
Non-executive directors					
J Gillam	185,000	-	-	-	185,000
G Davis	71,609	-	-	-	71,609
A Gartmann	-	-	-	8,450	8,450
D Jones	82,000	-	-	-	82,000
P Margin	31,867	-	6,895	-	38,762
M McDonald	34,827	-	-	-	34,827
A Percy ¹	-	-	-	-	-
L Saint	14,290	-	13,737	-	28,027
F Tripodi ²	-	-	-	-	-
Executive KMP					
G Hunt	589,847	-	65,376	21,510	676,733
P Townsend	20,500	-	-	-	20,500
D Allen	9,843	-	-	394	10,237
Total	1,039,783	-	86,008	30,354	1,156,145

1 A Percy commenced as a director on 1 July 2023.

2 F Tripodi commenced as a director on 19 June 2023.

Shares issued as a result of the exercise of options

There were nil (2022: nil) shares issued as a result of the exercise of options during the year.

Unissued shares under option

There are nil (2022: nil) unissued shares under option.



11 Other statutory disclosures

Loans to key management personnel

There were no loans between executive KMP (or their related parties) and the company or any of its subsidiaries at 30 September 2023 (2022: Nil).

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

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

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

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

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

John Gillam
Director

Marie McDonald
Director

Melbourne, 15 November 2023

Auditor's Independence Declaration



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

To the Directors of Nufarm Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Nufarm Limited for the financial year ended 30 September 2023 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.

A handwritten version of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'Chris Sargent'.

Chris Sargent

Partner

Melbourne

15 November 2023

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Consolidated financial statements for the year ended 30 September 2023

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 September

	Note	2023 \$000	2022 \$000
Revenue		3,480,611	3,772,970
Cost of sales		(2,454,241)	(2,800,385)
Gross profit		1,026,370	972,585
Other income	7	5,039	9,051
Sales, marketing and distribution expenses		(515,590)	(523,344)
General and administrative expenses		(230,555)	(198,813)
Research and development expenses		(44,677)	(51,100)
Share of net profits/(losses) of equity accounted investees	18	(1,184)	(92)
Operating profits/(losses)		239,403	208,287
Financial income	10	5,383	2,381
Financial expenses excluding foreign exchange gains/(losses)	10	(82,798)	(79,727)
Net foreign exchange gains/(losses)	10	(7,161)	(2,838)
Net financial expenses	10	(89,959)	(82,565)
Net financing costs	10	(84,576)	(80,184)
Profit/(loss) before income tax		154,827	128,103
Income tax benefit/(expense)	11	(43,687)	(20,665)
Profit/(loss) for the period		111,140	107,438
Attributable to:			
Equity holders of the group		111,140	107,438

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



	Note	2023 \$000	2022 \$000
Profit/(loss) for the period		111,140	107,438
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation on foreign subsidiaries closed, transferred to profit/(loss)		16,969	-
Foreign exchange translation differences for foreign operations		70,403	(67,496)
Effective portion of changes in fair value of cash flow hedges		(283)	234
Effective portion of changes in fair value of net investment hedges		-	6,293
<i>Items that will not be reclassified to profit or loss:</i>			
Gains/(losses) due to changes in fair value of other investments		83	4,293
Actuarial gains/(losses) on defined benefit plans		5,564	12,635
Income tax on share based payment transactions		(950)	359
Other comprehensive profit/(loss) for the period, net of income tax		91,786	(43,682)
Total comprehensive profit/(loss) for the period		202,926	63,756
Attributable to:			
Equity holders of the group		202,926	63,756
Earnings per share			
Basic earnings/(loss) per share	28	26.3	26.3
Diluted earnings/(loss) per share	28	26.0	26.1

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

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

Consolidated balance sheet

As at 30 September

	Note	2023 \$000	2022 \$000
Current assets			
Cash and cash equivalents	14	410,957	585,702
Trade and other receivables	15	670,785	550,251
Inventories	16	1,464,011	1,602,457
Current tax assets	17	17,881	19,251
Assets held for sale	12	10,818	3,438
Total current assets		2,574,452	2,761,099
Non-current assets			
Trade and other receivables	15	6,436	3,778
Investments in equity accounted investees	18	5,527	6,462
Other investments	19	62,804	54,850
Deferred tax assets	17	176,267	164,801
Property, plant and equipment	20	569,332	475,331
Intangible assets	21	1,230,249	1,192,777
Total non-current assets		2,050,615	1,897,999
TOTAL ASSETS		4,625,067	4,659,098
Current liabilities			
Trade and other payables	22	771,683	1,290,012
Loans and borrowings	23	47,763	269,169
Employee benefits	24	32,730	30,595
Current tax payable	17	15,753	10,773
Provisions	26	5,059	6,878
Total current liabilities		872,988	1,607,427
Non-current liabilities			
Payables	22	30,333	28,827
Loans and borrowings	23	1,213,036	662,701
Deferred tax liabilities	17	149,687	146,141
Employee benefits	24	49,133	61,281
Total non-current liabilities		1,442,189	898,950
TOTAL LIABILITIES		2,315,177	2,506,377
NET ASSETS		2,309,890	2,152,721
Equity			
Share capital		1,840,609	1,837,228
Reserves		133,012	42,751
Retained earnings		89,337	25,810
Equity attributable to equity holders of the group		2,062,958	1,905,789
Other securities		246,932	246,932
TOTAL EQUITY		2,309,890	2,152,721

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

Consolidated statement of cash flows

For the year ended 30 September

	Note	2023 \$000	2022 \$000
Cash flows from operating activities			
Profit/(loss) for the period – after tax		111,140	107,438
Adjustments for:			
Tax expense/(benefit)		43,687	20,665
Net finance expense		77,415	77,346
Depreciation & amortisation		188,374	213,680
Inventory write down	8	9,419	58,278
Share of (profits)/losses of associates net of tax	18	1,184	92
Currency translation on foreign subsidiaries closed, transferred to profit/(loss)		16,969	-
Other		348	(363)
Movements in working capital items:			
(Increase)/decrease in receivables		(123,191)	259,518
(Increase)/decrease in inventories		130,614	(684,572)
Increase/(decrease) in payables		(485,188)	390,551
Exchange rate change on foreign controlled entities working capital items		13,114	8,853
Cash generated from operations		(16,115)	451,486
Interest received		5,383	2,381
Dividends received		-	9
Interest paid		(73,984)	(62,278)
Taxes paid		(40,904)	(32,029)
Net operating cash flows	6	(125,620)	359,569
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		541	643
Payments for property, plant and equipment		(129,628)	(75,802)
Payments for other investments, associates or joint ventures		(7,739)	(46,170)
Purchase of a business, net of cash acquired		(7,790)	(33,965)
Payments for acquired intangibles and major product development expenditure		(97,115)	(85,115)
Net investing cash flows	6	(241,731)	(240,409)
Cash flows from financing activities			
High yield bond – early redemption costs		-	(18,988)
Debt establishment transaction costs	23	(20,842)	(14,354)
Proceeds from borrowings	23	877,760	497,895
Repayment of borrowings	23	(590,124)	(668,645)
Lease liability payments	23	(24,363)	(20,116)
Distribution to other securities holders	27	(15,282)	(10,201)
Dividends paid	27	(41,169)	(29,957)
Net financing cash flows	6	185,980	(264,366)
Net increase/(decrease) in cash and cash equivalents		(181,371)	(145,206)
Cash at the beginning of the period		585,702	724,215
Exchange rate fluctuations on foreign cash balances		6,626	6,693
Cash and cash equivalents at period end date	14	410,957	585,702

The consolidated statement of cash flows is to be read in conjunction with the attached notes.



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Consolidated statement of changes in equity

For the year ended 30 September

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



Consolidated	Attributable to equity holders of the group							
	Share capital	Translation reserve	Capital profit reserve	Other reserve	Retained earnings	Total	Other securities	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 October 2022	1,837,228	(6,335)	33,627	15,459	25,810	1,905,789	246,932	2,152,721
Profit/(loss) for the period from continuing operations	-	-	-	-	111,140	111,140	-	111,140
Other comprehensive income								
Currency translation on foreign subsidiaries closed, transferred to profit/(loss)	-	16,969	-	-	-	16,969	-	16,969
Foreign exchange translation differences	-	70,403	-	-	-	70,403	-	70,403
Gains/(losses) on cash flow hedges taken to equity	-	-	-	(283)	-	(283)	-	(283)
Gains/(losses) on net investment hedges taken to equity	-	-	-	-	-	-	-	-
Gains/(losses) due to changes in fair value of other investments	-	-	-	83	-	83	-	83
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	5,564	5,564	-	5,564
Income tax on share based payment transactions	-	-	-	(950)	-	(950)	-	(950)
Total comprehensive income/(loss) for the period	-	87,372	-	(1,150)	116,704	202,926	-	202,926
Transactions with owners, recorded directly in equity								
Employee share award entitlements and share issuances	2,706	-	-	4,039	-	6,745	-	6,745
Dividends paid to shareholders	-	-	-	-	(41,844)	(41,844)	-	(41,844)
Dividend reinvestment plan	675	-	-	-	-	675	-	675
Distributions to other security holders	-	-	-	-	(11,333)	(11,333)	-	(11,333)
Balance at 30 September 2023	1,840,609	81,037	33,627	18,348	89,337	2,062,958	246,932	2,309,890

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

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

Notes to the consolidated financial statements

For the year ended 30 September

1 Reporting entity

Nufarm Limited (the 'company') is a company limited by shares and domiciled in Australia that is listed on the Australian Securities Exchange. The address of the company's registered office is 103-105 Pipe Road, Laverton North, Victoria, 3026. The consolidated financial statements of the company as at and for the year ended 2023 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates and jointly controlled entities.

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

2 Basis of preparation

(a) Statement of compliance

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

Changes to significant accounting policies are described in note 3.

The consolidated financial statements were authorised for issue by the board on 15 November 2023.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

(i) Business combinations

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

(ii) Impairment testing

The group determines whether goodwill and intangibles with indefinite useful lives are impaired on an annual basis or at each reporting date if required, using the higher of a value in use (VIU) or a fair value less cost to dispose (FVLCD) methodology to estimate the recoverable amount of cash generating units.

VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal.

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

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

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

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



(iii) Income taxes

Uncertain tax matters:

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

Deferred tax:

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

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

(iv) Defined benefit plans

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

(v) Working capital

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

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

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

(vi) Capitalised development costs

Development activities involve a plan or design for the production of new or substantially improved products and processes, or for extended use of existing products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group has sufficient resources to complete development and to use or sell the asset. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The criteria above are derived from estimates and judgements including supply and demand forecasts, growth rates, discount rates, and regulatory considerations that are used in valuation modelling. Estimates and assumptions may change as new information becomes available, including changes to estimates related to the useful life of the intangible assets which are accounted for prospectively and may affect amortisation rates and intangible asset carrying values. If, after having commenced the development activity, a judgement is made that the intangible asset is impaired, the appropriate amount will be recognised in profit or loss.

(vii) Intellectual property

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

(viii) Revenue from contracts with customers

Estimates are used by the group in determining the transaction price, including variable consideration, for long-term licensing contracts with customers, along with the stand-alone selling price for distinct performance obligations within specific contracts, used in the allocation of the transaction price to performance obligations within individual contracts. Using the expected value method or the most likely value method, the variable consideration is estimated over the life of the contracts, whereby the group considers third party projections on grain commodity prices, biofuel pricing, emissions pricing, available acreage, and other market inputs. The group applies judgement in applying constraints to the transaction price considering how the variable consideration is linked to factors within the control of the group, and factors related to market forces.

The group estimates, using the expected cost plus margin approach and the residual approach, how the transaction price is allocated to distinct performance obligations within specific contracts. The expected cost plus margin approach includes estimates on the cost drivers to deliver services to customers over the life of the contract. The group applies judgement, based on existing market conditions and service delivery costs, in estimating the long term cost to deliver the relevant service performance obligations.

(ix) Russia and Ukraine conflict

The group has carefully considered the effect of the Russian and Ukrainian conflict in preparing its financial statements for the year ended 2023. Where applicable, the group has incorporated judgements, estimates and assumptions specific to the impact of the conflict, primarily in respect

Notes to the consolidated financial statements continued

For the year ended 30 September

2 Basis of preparation continued

of the net realisable value of inventory and the expected credit losses for outstanding receivables, in determining the amounts recognised in the financial statements. Estimates and assumptions may change as the situation in these geographies change, with actual expenses in future periods differing from the provisions established, and any such differences would impact future earnings of the group.

(e) Reclassification

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

3 Significant accounting policies

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

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

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

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

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments, including:
 - Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract.
 - Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use.
 - Reference to the Conceptual Framework (Amendments to AASB 3).

(ii) New and revised accounting standards and interpretations on issue but not yet effective

During the current year, the International Sustainability Standards Board (ISSB) issued the inaugural sustainability reporting disclosures:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures

The group has not early adopted these standards.

In May 2023, the International Accounting Standards Board (IASB) issued 'International Tax Reform—Pillar Two Model Rules', which amended IAS 12 Income Taxes. The amendments provide temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform ("the reform"), which required large multinational companies to be subject to a minimum 15% tax rate (global minimum tax). The amendment to IAS 12 introduces targeted disclosure requirements, to help investors better understand a company's exposure to income taxes arising from the reform, effective for the financial year ended 30 September 2024. The group is subject to the Pillar Two Global Anti-Base Erosion Rules (GloBE) and has applied the temporary exception to the

accounting for deferred taxes arising from the implementation of these rules. The group is assessing the impact on its financial statements for the next financial year.

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

(b) Basis of consolidation

(i) Business combinations

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

The group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

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

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

(ii) Non-controlling interests (NCI)

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

(iii) Subsidiaries

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

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



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

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

(iv) Investments in equity accounted investees

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

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

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

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

(v) Transactions eliminated on consolidation

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

(c) Foreign currency

(i) Foreign currency transactions

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

are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are included in net financing costs.

(ii) Foreign operations

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

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

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

(d) Financial instruments

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

(i) Non-derivative financial assets

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

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

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

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Amortised cost

Notes to the consolidated financial statements continued

For the year ended 30 September

3 Significant accounting policies continued

- Fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

Financial assets at amortised cost

This category is the most relevant to the group. Financial assets are measured at amortised cost if both of the following conditions are met and is not designated as FVTPL:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets at fair value through OCI (FVOCI) – debt instruments

The group measures debt instruments at fair value through OCI if both of the following conditions are met and is not designated as FVTPL:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk

management or investment strategy. Financial assets with cash flows that are not 'solely payments of principal and interest' (SPPI) are classified and measured at fair value through profit or loss, irrespective of the business model.

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

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

(ii) Non-derivative financial liabilities

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

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

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

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

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

(iii) Share capital

Ordinary shares

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

(iv) Other securities

Nufarm step-up securities

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

(v) Derivative financial instruments, including hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently



remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The group designates certain derivatives as either:

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

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

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

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

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

Fair value hedge

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

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

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is

recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within net foreign exchange gains or losses.

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

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

Net investment hedge

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

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

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

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

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

(e) Property, plant and equipment

(i) Recognition and measurement

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

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

Notes to the consolidated financial statements continued

For the year ended 30 September

3 Significant accounting policies continued

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Land is not depreciated.

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

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

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

(f) Intangible assets

(i) Goodwill

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

(ii) Intellectual property

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

(iii) Computer software

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

(iv) Research and development

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

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

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

(v) Subsequent expenditure

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

(vi) Amortisation of intangible assets

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

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

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

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

(g) Leases

Lease liability

Lease liabilities are initially measured at the present value of lease payments that are not paid at that date. The lease



payments are discounted using either the interest rate implicit in the lease, where that rate can be readily determined, or the incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following (where applicable):

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

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

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

Interest is recognised in profit or loss within net financing costs.

Incremental borrowing rate

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

in addition to financing rates applicable in the geographical regions in which it operates.

Right of use asset

The right-of-use asset is initially measured at cost, and comprises the following (where applicable):

- 1 the amount of the initial measure of the lease liability, as described above;
- 2 any lease payments made at or before the commencement date, less any lease incentives received;
- 3 any initial direct costs incurred by the lessee; and
- 4 an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease terms and conditions of the lease, unless those costs are incurred to produce inventories.

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

Determining the lease term

The lease term is the non-cancellable period of a lease, together with both:

- (a) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and
- (b) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

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

Short term/low value leases

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

(h) Inventories

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

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

(i) Impairment

(i) Non-derivative financial assets

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

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

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

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

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

(ii) Non-financial assets

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

Notes to the consolidated financial statements continued

For the year ended 30 September

3 Significant accounting policies continued

available for use, the recoverable amount is estimated at each reporting date.

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

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

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

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

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

(j) Assets held for sale

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

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

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or

depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

Refer to note 12 for assets held for the sale during the period.

(k) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Other long-term employee benefits

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



Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

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

(v) Short-term benefits

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

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

(vi) Share-based payment transactions

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

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

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

The group has a long term incentive plan (LTIP) in place, granted on 1 October 2020, which was available to key executives and certain selected senior managers. The vesting date for the existing plan was 30 September 2023. Performance rights were granted to acquire ordinary shares in the group subject to the achievement of market and non-market performance conditions. The fair value of the LTIP

rights is expensed over the relevant vesting period. For further information refer to note 25 for further details on the plan.

The group has a executive incentive plan (EIP) which is available to key executives. Subject to the achievement of certain performance conditions in the first year, a pre-determined percentage of the EIP is paid in cash with the remainder deferred into rights to ordinary shares which have vesting periods of one to three years following the year in which the performance conditions are measured. The deferred rights are subject to service vesting conditions, applicable performance conditions, and may include market based performance conditions. The cash portion is recognised immediately as an expense at the time of performance testing. The fair value of the EIP rights is expensed over the vesting period including the year in which the performance measures are measured. Refer to note 25 for further details on this plan.

(l) Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost. A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(m) Revenue from contracts with customers

Revenue is recognised when the group satisfies a performance obligation by transferring control of the promised good or service to a customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for the goods or services. Further information about each source of revenue from contracts with customers and the criteria for recognition follows.

(i) Revenue from the sale of goods

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

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

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3 Significant accounting policies continued

Rights of return

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

Rebates and sales incentives

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

(ii) Revenue from services, licenses and royalties

The group earns revenue from the provision of services to customers, with revenue recognised over time as the services are performed and the performance obligations satisfied. Revenue from licenses of intellectual property are either recognised at a point in time or over time. Where a license represents a license to use the intellectual property as it exists at the point in time in which the license is granted, then the revenue is recognised at a point in time (subject to any constraints applied against variable consideration). Where a license represents a license to access the intellectual property, then the revenue is recognised over time. Typically, the group earns revenues from licenses at a point in time.

Where a contract contains a sales or usage based element, such as a royalty linked to the amount of grain harvested from a particular seed sale, or generation of oil with respect to specific varieties of seed by a customer through the use of a license of intellectual property relevant to the end product, this sales or usage based element is recognised over time as the performance obligations are satisfied.

If the consideration in a contract includes a variable amount of consideration to which it will be entitled in exchange for the services, licensing or royalties, then the variable consideration is estimated at contract inception and is constrained until it is highly probable that a significant revenue reversal will not occur when the uncertainty in respect of the variable consideration is resolved. The group uses both the expected value method and the most likely value method when estimating the total variable consideration based on the terms of the contracts with customers. In certain circumstances the group is required to allocate the variable consideration to performance obligations, and this is done so based on their relative stand-alone selling price, considering discounts and variable amounts. In situations in which a stand-alone selling price is not directly observable, the group uses the expected cost plus margin approach, and the residual approach, to estimate the stand-alone selling price over the life of the contract with customers.

(iii) Other income

Other income is derived from net income realised from activities that are outside of the ordinary business of the group.

(iv) Significant financing components

The group may receive short-term advances from its customers. Using the practical expedient in AASB 15, the group does not adjust the promised amount of consideration for the effects of a significant financing component as it is

expected, at contract inception, that the period between the transfer of the good and when the customer pays for that good will be one year or less.

Further, in respect of contracts with customers that cover multiple periods, the group assesses whether there is a significant financing component in the contracts, including whether the customer has paid in advance and the timing of the transfer is at its discretion, or whether a substantial amount of the consideration is variable and the amount or timing of the consideration varies on a future event not substantially within the control of the customer of the group, or whether the difference between the promised consideration and the cash selling price arose for reasons other than financing.

(n) Cash and cash equivalents

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

(o) Finance income and finance costs

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

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

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

(p) Income tax

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

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



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

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

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

(i) Tax consolidation

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

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

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

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

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

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

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

equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

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

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

(q) Goods and services tax

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

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

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

(r) Earnings per share

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

(s) Segment reporting

Determination and presentation of operating segments

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

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

Notes to the consolidated financial statements continued

For the year ended 30 September

3 Significant accounting policies continued

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment (excluding right-of-use assets) and intangible assets other than goodwill.

4 Determination of fair values

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

(i) Property, plant and equipment

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

(ii) Intangible assets

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

(iii) Inventories

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

(iv) Trade and other receivables

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

(v) Derivatives

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

(vi) Non-derivative financial liabilities

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

(vii) Share-based payment transactions

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



5 Operating segments

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

Operating segments

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

The crop protection business deals in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease. It is managed by major geographic segments, being APAC (including Australia, New Zealand and certain parts of Asia); Europe (including the United Kingdom, the European Union, and certain other countries in Europe, the Middle East and Africa) and North America (including United States of America, Canada and Mexico).

The seed technologies business comprises the base seeds, bioenergy, nutritionals and seed treatment platforms. These platforms generate revenues through the sale of seed or oil based products, and licensing of intellectual property. The seed technologies business is managed on a worldwide basis.

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

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The non-operating corporate segment comprises mainly corporate expenses, and unallocated interest-bearing loans, borrowings and corporate assets. From April 2020, the non-operating corporate segment revenue represented revenue earned on delivering products under the two year supply agreement with Sumitomo Chemical Company Ltd as the purchaser of the group's South American business, that was divested in April 2020. As the contract expired in March 2022, there is expected to be no corporate revenue for the year ended 30 September 2023 (and into the future) with respect to this agreement.

2023 Operating Segments	Crop Protection			Total \$000	Seed Technologies Global \$000	Non Operating Corporate \$000	Group Total \$000
	APAC \$000	Europe \$000	North America \$000				
Revenue							
Total segment revenue	970,504	857,214	1,259,811	3,087,529	393,082	-	3,480,611
Results							
Underlying EBITDA ¹	87,709	164,768	161,060	413,537	98,052	(73,419)	438,170
Depreciation & amortisation excluding material items	(16,745)	(92,073)	(33,142)	(141,960)	(45,430)	(984)	(188,374)
Underlying EBIT¹	70,964	72,695	127,918	271,577	52,622	(74,403)	249,796
Material items included in operating profit (refer note 6)							(10,393)
Net financing costs							(84,576)
Profit/(loss) before tax							154,827

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

2022 Operating Segments	Crop Protection			Total \$000	Seed Technologies Global \$000	Non Operating Corporate \$000	Group Total \$000
	APAC \$000	Europe \$000	North America \$000				
Revenue							
Total segment revenue	1,038,424	894,931	1,350,190	3,283,545	296,311	193,114	3,772,970
Results							
Underlying EBITDA ¹	134,534	171,109	147,899	453,542	58,544	(65,335)	446,751
Depreciation & amortisation excluding material items	(17,298)	(129,763)	(30,778)	(177,839)	(31,343)	(908)	(210,090)
Underlying EBIT¹	117,236	41,346	117,121	275,703	27,201	(66,243)	236,661
Material items included in operating profit (refer note 6)							(28,374)
Net financing costs							(80,184)
Profit/(loss) before tax							128,103

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

Notes to the consolidated financial statements continued

For the year ended 30 September

5 Operating segments continued

2023	Crop Protection					Seed Technologies Global	Non Operating Corporate	Group
	APAC	Europe	North America	Total	Total			
Operating Segments	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets								
Segment assets	710,361	1,356,419	1,304,654	3,371,434	719,057	455,427	4,545,918	
Assets held for sale	10,818	-	-	10,818	-	-	10,818	
Equity accounted & other investments	1,870	2,921	-	4,791	1,136	62,404	68,331	
Total assets	723,049	1,359,340	1,304,654	3,387,043	720,193	517,831	4,625,067	
Liabilities								
Segment liabilities	327,567	280,364	231,915	839,846	128,204	1,347,127	2,315,177	
Total liabilities	327,567	280,364	231,915	839,846	128,204	1,347,127	2,315,177	
Other segment information								
Capital expenditure (cash basis) ¹	28,688	95,120	45,587	169,395	65,106	7,771	242,272	

¹ Capital expenditure includes cash investments in property, plant and equipment, intangibles and other investments but excludes right of use lease assets

2022	Crop Protection					Seed Technologies Global	Non Operating Corporate	Group
	APAC	Europe	North America	Total	Total			
Operating Segments	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Assets								
Segment assets	745,488	1,273,606	1,320,015	3,339,109	618,741	636,498	4,594,348	
Assets held for sale	3,438	-	-	3,438	-	-	3,438	
Equity accounted & other investments	2,165	3,514	-	5,679	1,188	54,445	61,312	
Total assets	751,091	1,277,120	1,320,015	3,348,226	619,929	690,943	4,659,098	
Liabilities								
Segment liabilities	678,181	252,309	376,031	1,306,521	90,662	1,109,194	2,506,377	
Total liabilities	678,181	252,309	376,031	1,306,521	90,662	1,109,194	2,506,377	
Other segment information								
Capital expenditure (cash basis) ¹	20,579	70,894	26,923	118,396	77,963	44,693	241,052	

¹ Capital expenditure includes cash investments in property, plant and equipment, intangibles and other investments but excludes right of use lease assets



Geographical information - revenue by location of customer	Revenue	
	2023	2022
	\$000	\$000
United States of America	1,047,598	1,104,667
Australia	770,257	801,219
Rest of world ¹	1,662,756	1,867,084
Total	3,480,611	3,772,970

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

Geographical information - non-current assets by location of asset	Non-current assets	
	2023	2022
	\$000	\$000
United States of America	468,925	453,371
United Kingdom	433,084	346,587
Germany	385,942	381,766
Australia	351,563	339,798
Rest of world ¹	234,834	211,676
Unallocated ²	176,267	164,801
Total	2,050,615	1,897,999

1 Other than Germany, Australia, United States of America, and the United Kingdom, non-current assets held in other countries are individually less than 10% of the group's total non-current assets.

2 Unallocated non-current assets predominately include deferred tax assets.

Notes to the consolidated financial statements continued

For the year ended 30 September

6 Individually material income and expense items

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

	2023	2023	2022	2022
	\$000	\$000	\$000	\$000
	pre-tax	after-tax	pre-tax	after-tax
<i>Material items by category:</i>				
Transactions related to Russia and Ukraine	2,312	1,654	(29,454)	(28,191)
Asset rationalisation and restructuring	(12,705)	(12,705)	-	-
Debt refinancing costs	-	-	(25,772)	(18,767)
Transactions related to South American Business disposal	-	-	1,080	1,080
Deferred tax asset recognition	-	-	-	20,119
Total profit/(loss)	(10,393)	(11,051)	(54,146)	(25,759)

30 September 2023 Material items

Transactions related to Russia and Ukraine

During the year ended 30 September 2023, the group has continued to assess the recoverability of assets, primarily trade receivables and inventories, in respect of the group's operations in Russia and Ukraine. The group has determined to cease operations in its Russian legal entity. The group continues to operate in Ukraine to support growers through sales of seed and crop protection products. The amounts recognised as material items during the year ended 30 September 2023 include reversals of previously recognised expenses pertaining to receivables and inventories, and the recognition in profit/(loss) of foreign currency translation reserve balances previously recognised in other comprehensive income. At 30 September 2023, the total remaining assets in Ukraine make up less than half a percent of total group assets.

Asset rationalising and restructuring

During the year ended 30 September 2023, the group has ceased operating specific legal entities and begun liquidation proceedings. As a result, a non-cash material item has been incurred with respect to the recognition in profit/(loss) of foreign currency translation reserve balances previously recognised in other comprehensive income.

30 September 2022 Material items

Transactions related to Russia and Ukraine

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

Debt refinancing costs

During the year ended 30 September 2022 the group refinanced its high yield bond and incurred costs related to early redemption call premium and accelerated amortisation of deferred debt establishment transaction costs.

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

During the period ended 31 July 2020 the group entered into a supply agreement contract as part of the disposal of the South American business that subsequently became onerous, as disclosed in material items for that period. During the year

ended 30 September 2022 market conditions in relation to the terms of the contract improved. The group assessed that the full provision previously recognised, would no longer be required, and it was fully reversed. The contract expired in March 2022.

Deferred tax adjustments

Australian Accounting Standards require that the group recognises a deferred tax asset arising from unutilised tax losses and tax credits, to the extent that it is probable that future taxable profit will be available, against which the tax losses and tax credits can be utilised. The net recognition of the deferred tax assets of \$20.119 million in respect of the tax losses, during the year ended 30 September 2022, reflected improved financial performance and outlook for the group.



Material items are classified by function as follows:

2023 \$000	Cost of sales	Selling, marketing and distribution expense	General & administrative expense	Net financing costs	Total Pre-tax
Transactions related to Russia and Ukraine	5,721	-	(3,409)	-	2,312
Asset rationalisation and restructuring	-	-	(12,705)	-	(12,705)
Total material items	5,721	-	(16,114)	-	(10,393)
Total material items included in operating profit/(loss)	5,721	-	(16,114)	-	(10,393)

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

Material items impacting cash flows are as follows:

2023	Underlying \$000	Material items \$000	Total group \$000
Cash flows from operating activities			
Net operating cash flows	(124,630)	(990)	(125,620)
Cash flows from investing activities			
Net investing cash flows	(241,731)	-	(241,731)
Cash flows from financing activities			
Net financing cash flows	185,980	-	185,980
Net operating, investing and financing cash flows	(180,381)	(990)	(181,371)
2022	Underlying \$000	Material items \$000	Total group \$000
Cash flows from operating activities			
Net operating cash flows	366,120	(6,551)	359,569
Cash flows from investing activities			
Net investing cash flows	(240,409)	-	(240,409)
Cash flows from financing activities			
Net financing cash flows	(245,378)	(18,988)	(264,366)
Net operating, investing and financing cash flows	(119,667)	(25,539)	(145,206)

Notes to the consolidated financial statements continued

For the year ended 30 September

7 Revenue from contracts with customers and other income

The following sources of revenue from contracts with customers were recognised in the period result:

	2023	2022
	\$000	\$000
Sources of revenue from contracts with customers		
Revenue from the sale of goods	3,425,334	3,753,782
Revenue from services, licenses and royalties	55,277	19,188
Total revenue	3,480,611	3,772,970

The following sources of other income, derived outside of the ordinary course of business, were recognised in the period result:

	2023	2022
	\$000	\$000
Other income		
Rental income	36	48
Sundry income	5,003	9,003
Total other income	5,039	9,051

8 Other expenses

The following expenses were included in the period result:

	Underlying	Material items	Total group
	\$000	\$000	\$000
2023			
Depreciation and amortisation	188,374	-	188,374
Inventory write down	15,140	(5,721)	9,419
2022			
Depreciation and amortisation	210,090	3,590	213,680
Inventory write down	42,000	16,278	58,278



9 Personnel expenses

	2023	2022
	\$000	\$000
Wages and salaries	359,342	312,104
Other associated personnel expenses	58,023	49,117
Contributions to defined contribution superannuation funds	16,579	12,217
Expense/(gain) related to defined benefit superannuation funds	3,439	2,110
Short-term employee benefits	7,260	6,582
Other long-term employee benefits	2,206	4,112
Personnel expenses	446,849	386,242

10 Finance income and expense

	2023	2022
	\$000	\$000
Other financial income	5,383	2,381
Financial income	5,383	2,381
Interest expense – external	(67,680)	(43,474)
Interest expense – debt establishment transaction costs	(6,590)	(9,755)
Debt redemption costs	-	(18,988)
Lease liability – interest expense	(8,528)	(7,510)
Net foreign exchange gains/(losses)	(7,161)	(2,838)
Financial expenses	(89,959)	(82,565)
Net financing costs	(84,576)	(80,184)

Notes to the consolidated financial statements continued

For the year ended 30 September

11 Income tax expense

	2023	2022
	\$000	\$000
Recognised in the income statement		
Current tax expense/(benefit)		
Current period	51,046	31,355
Tax free income and non-recognition of tax assets on material items	2,880	4,361
Changes in estimates related to prior years	(726)	2,434
Current tax expense/(benefit)	53,200	38,150
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences and tax losses	(1,537)	12,008
Effect of changes in tax rates	(2,246)	(105)
(Recognition)/non-recognition of tax assets on underlying and material items	(5,730)	(29,388)
Deferred tax expense/(benefit)	(9,513)	(17,485)
Total income tax expense/(benefit) in income statement	43,687	20,665
	2023	2022
	\$000	\$000
Numerical reconciliation between tax expense and pre-tax net profit		
Profit/(Loss) before tax	154,827	128,103
Income tax using the Australian corporate tax rate of 30%	46,448	38,431
<i>Increase/(decrease) in income tax expense due to:</i>		
Non-deductible Amortisation/Depreciation	3,813	3,310
Non-deductible expenses	4,416	3,640
Other taxable income	1,111	1,612
Effect of changes in tax rates	(2,246)	(105)
(Recognition)/non-recognition of tax assets on underlying items	(5,730)	(9,269)
(Recognition)/non-recognition of tax losses on material items	-	(20,119)
Tax free income and non-recognition of tax assets on material items	2,880	4,361
Effect of tax rate in foreign jurisdictions	(5,688)	(2,217)
Tax exempt income	-	-
Tax incentives not recognised in the income statement	(591)	(1,413)
	44,413	18,231
Changes in estimates related to prior years	(726)	2,434
Income tax expense/(benefit)	43,687	20,665
	2023	2022
	\$000	\$000
Income tax recognised directly in equity		
Nufarm step-up securities distribution	(3,949)	(2,489)
Income tax recognised directly in equity	(3,949)	(2,489)
Income tax recognised in other comprehensive income		
Relating to actuarial gains/(losses) on defined benefit plans	(1,728)	3,998
Relating to equity based compensation	950	(359)
Income tax recognised in other comprehensive income	(778)	3,639



12 Assets held for sale

During the period ended 31 July 2020 the group announced a group wide performance improvement program, relating to asset rationalisation and organisational restructuring. As part of this program, the manufacturing operations of the Raymond Road site in Laverton Australia, forming part of the APAC segment, were closed. During the year ended 30 September 2022 the group approved the sale of the Raymond Road site and entered into a asset sale agreement.

During the year ended 30 September 2023, remediation activity with regards to the site has been ongoing such that the asset sale agreement settlement has been extended. During the year, the group has recognised an additional \$7.380 million of assets held for sale relating to the agreed remediation works incurred to prepare the site for final sale. The group continues to report the assets as held for sale at 30 September 2023, with settlement expected to occur during the next financial year.

	2023	2022
	\$000	\$000
Land and buildings	10,818	3,438
Total assets held for sale	10,818	3,438

13 Business combinations and acquisition of non-controlling interests

Acquisitions in 2023

On 8 November 2022, the group announced that it had entered into an agreement to purchase Sonic Boomsprays (Sonic) a Western Australian owned and operated sprayer manufacturer. The acquisition of Sonic follows the expansion of Croplands' Adelaide manufacturing site and will mean the company has additional capacity and operating efficiencies to meet the needs of growers across Australia.

The acquisition included a cash consideration of \$4.8 million paid on the acquisition date. Since acquisition date, Sonic has contributed \$1.356 million to the group's operating profit. Revenue and profit from the acquisition that would have been earned if the acquisition had occurred at the commencement of the financial year has not been provided on the basis that the amounts would not be significant.

Acquiree's net assets at acquisition date	Preliminary acquisition fair value
	\$000
Net identifiable assets and liabilities	3,205
Goodwill on acquisition	1,595
Cash consideration paid	4,800
Total consideration	4,800

Total goodwill of \$1.595 million from the business combination is attributable to synergies expected to be achieved from integrating Sonic into the group's existing Croplands' business.

Acquisitions in 2022

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

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

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

Notes to the consolidated financial statements continued

For the year ended 30 September

13 Business combinations and acquisition of non-controlling interests continued

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

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

Since the acquisition date, there have been no changes in the acquisition date fair values of the net assets acquired.

Acquisition of non-controlling interest

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

14 Cash and cash equivalents

	2023	2022
	\$000	\$000
Bank balances	408,856	578,159
Call deposits	2,101	7,543
	410,957	585,702
Bank overdraft	-	-
Total cash and cash equivalents	410,957	585,702



15 Trade and other receivables

	2023 \$000	2022 \$000
Current		
Trade receivables	530,417	477,464
Provision for impairment losses	(25,232)	(30,945)
	505,185	446,519
Prepayments	34,640	27,277
Derivative financial instruments	12,073	24,734
Other receivables	118,887	51,721
Current receivables	670,785	550,251
Non-current		
Other receivables	4,390	3,778
Other receivables - associates	2,046	-
Non-current receivables	6,436	3,778
Total trade and other receivables	677,221	554,029

16 Inventories

	2023 \$000	2022 \$000
Raw materials	420,706	582,421
Work in progress	34,728	26,481
Finished goods	1,048,613	1,051,399
	1,504,047	1,660,301
Provision for obsolescence and valuation adjustments of inventories	(40,036)	(57,844)
Total inventories	1,464,011	1,602,457

For the year ended 30 September 2023 the value of inventory was written down by \$9.419 million (30 September 2022: \$58.278 million), refer note 8 for additional information.

Notes to the consolidated financial statements continued

For the year ended 30 September

17 Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the group of \$17.881 million (2022: \$19.251 million) represents the amount of income taxes recoverable in respect of the current and prior periods and that arose from the payment of tax in excess of the amounts due to the relevant tax authority. The current tax liability for the group of \$15.753 million (2022: \$10.773 million) represents the amount of income taxes payable in respect of current and prior financial periods.

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Consolidated	\$000	\$000	\$000	\$000	\$000	\$000
Property, plant and equipment	16,112	10,750	(14,532)	(6,580)	1,580	4,170
Intangible assets	13,255	10,052	(101,718)	(101,061)	(88,463)	(91,009)
Employee benefits	16,422	19,282	(585)	-	15,837	19,282
Provisions	27,461	25,898	(22,977)	(20,466)	4,484	5,432
Other items	53,886	31,200	(41,328)	(27,485)	12,558	3,715
Tax value of losses carried forward	80,587	77,070	(3)	-	80,584	77,070
Tax assets/(liabilities)	207,723	174,252	(181,143)	(155,592)	26,580	18,660
Set off of tax	(31,456)	(9,451)	31,456	9,451	-	-
Net tax assets/(liabilities)	176,267	164,801	(149,687)	(146,141)	26,580	18,660

Movement in temporary differences during the period

	Balance	Recognised	Recognised	Currency	Balance
	2022	in income	in equity	adjustment	2023
Consolidated	\$000	\$000	\$000	\$000	\$000
Property, plant and equipment	4,170	(2,375)	-	(215)	1,580
Intangible assets	(91,009)	5,169	-	(2,623)	(88,463)
Employee benefits	19,282	(5,640)	1,728	467	15,837
Provisions	5,432	(1,234)	-	286	4,484
Other items	3,715	9,750	(950)	43	12,558
Tax value of losses carried forward	77,070	3,843	-	(329)	80,584
	18,660	9,513	778	(2,371)	26,580

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

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



Deferred tax assets and liabilities

Unrecognised deferred tax liability

At 30 September 2023, a deferred tax liability of \$42.547 million (2022: \$36.867 million) relating to investments in subsidiaries has not been recognised because the group controls the repatriation of retained earnings and it is satisfied that it will not be incurred in the foreseeable future. This amount represents the theoretical withholding tax payable if all overseas retained earnings were paid as dividends.

Unrecognised deferred tax assets

At 30 September 2023, there are unrecognised deferred tax assets in respect of tax losses and timing differences of \$216.876 million (2022: \$216.374 million).

18 Investments accounted for using the equity method

The group accounts for investments in associates and joint ventures using the equity method. The group had the following individually immaterial associates and joint ventures during the period:

	Nature of relationship	Country	Balance date of associate	Ownership and voting interest	
				2023	2022
Seedtech Pty Ltd	Associate ¹	Australia	31 December	25.00%	25.00%
Leshan Nong Fu Trading Co., Ltd	Joint Venture ²	China	31 December	35.00%	35.00%
Crop.zone GmbH	Associate ³	Germany	31 December	14.77%	14.77%

1 Seedtech is a company that offers services to the seed industry such as cleaning, packaging, distribution and storage of seeds.

2 Leshan Nong Fu Trading is a joint venture in which the group has joint control and a 35 percent ownership interest. The joint venture is focused on sales and marketing of formulated crop protection products in the Chinese domestic market. It is structured as a separate vehicle. In accordance with the agreement under which Leshan Nong Fu Trading was established, the investors in the joint venture have agreed to make capital contributions in proportion to their ownership interests to make up any losses up to a maximum amount of RMB 100 million (\$21.645 million). This commitment has not been recognised in this consolidated financial statements.

3 Crop.zone is an Agtech start-up which provides electrophysical solutions to replace chemical herbicides in select market segments. During the period additional capital contributions were provided which raised the group's ownership interest to 14.77 per cent. The investment in Crop.zone is equity accounted as Nufarm has additional powers under its shareholders agreement such that it is able to exert significant influence over the operations of Crop.zone.

	Carrying amount		Share of profit/(loss)	
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Seedtech Pty Ltd	762	808	(45)	144
Leshan Nong Fu Trading Co., Ltd	1,870	2,164	(250)	3
Crop.zone GmbH	2,895	3,490	(889)	(239)
	5,527	6,462	(1,184)	(92)

19 Other investments

	2023	2022
Non-current investments	\$000	\$000
Other investments	62,804	54,850
Total non-current investments	62,804	54,850

In November 2022, the group increased its investment, by USD 5 million, in Enko Chem, a crop protection innovation company specialising in the discovery and development of novel products for growers that meet demands of growers, consumers and regulators globally. The group intends to hold this investment for the long term for strategic purposes and has designated the investment at FVOCI.

Since inception, the group has recognised an increase in the investment fair value of \$6.637 million, in respect of the investment in Enko Chem, as at 30 September 2023 (30 September 2022: \$6.403 million) through other comprehensive income.

Notes to the consolidated financial statements continued

For the year ended 30 September

20 Property, plant and equipment

	Land and buildings \$000	Plant and machinery \$000	Capital work in progress \$000	Total \$000
Cost				
Balance at 1 October 2022	342,501	732,001	95,804	1,170,306
Additions	13,790	31,069	97,292	142,151
Additions through business combinations	-	494	-	494
Disposals and write-offs	(1,724)	(9,417)	-	(11,141)
Other transfers	20,572	18,324	(38,896)	-
Foreign exchange adjustment	11,385	28,541	4,529	44,455
Balance at 30 September 2023	386,524	801,012	158,729	1,346,265
Accumulated depreciation and impairment losses				
Balance at 1 October 2022	(164,420)	(530,555)	-	(694,975)
Depreciation charge for the period	(21,647)	(43,820)	-	(65,467)
Disposals and write-offs	448	9,250	-	9,698
Other transfers	(4,669)	4,669	-	-
Foreign exchange adjustment	(5,694)	(20,495)	-	(26,189)
Balance at 30 September 2023	(195,982)	(580,951)	-	(776,933)
Net property, plant and equipment at 30 September 2023	190,542	220,061	158,729	569,332

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



21 Intangible assets

	Goodwill \$000	Intellectual Property \$000	Computer software \$000	Capitalised development costs \$000	Total \$000
Cost					
Balance at 1 October 2022	380,791	1,092,366	87,933	705,977	2,267,067
Additions	-	3,247	2,418	91,450	97,115
Additions through business combinations	1,595	1,212	-	-	2,807
Disposals and write-offs	-	(5,081)	-	(663)	(5,744)
Other transfers	-	2,393	(107)	(2,286)	-
Foreign exchange adjustment	18,063	61,102	5,340	44,179	128,684
Balance at 30 September 2023	400,449	1,155,239	95,584	838,657	2,489,929
Accumulated amortisation and impairment losses					
Balance at 1 October 2022	(165,076)	(549,129)	(60,008)	(300,077)	(1,074,290)
Amortisation charge for the period	-	(60,041)	(10,035)	(52,831)	(122,907)
Disposals and write-offs	-	5,081	5	153	5,239
Other transfers	-	9,534	116	(9,650)	-
Foreign exchange adjustment	(11,645)	(30,409)	(3,673)	(21,995)	(67,722)
Balance at 30 September 2023	(176,721)	(624,964)	(73,595)	(384,400)	(1,259,680)
Intangibles carrying amount at 30 September 2023	223,728	530,275	21,989	454,257	1,230,249
	Goodwill \$000	Intellectual Property \$000	Computer software \$000	Capitalised development costs \$000	Total \$000
Cost					
Balance at 1 October 2021	379,843	1,094,293	90,546	628,404	2,193,086
Additions	-	4,920	702	79,468	85,090
Additions through business combinations	2,895	39,250	-	-	42,145
Disposals and write-offs	-	(111)	-	(4,747)	(4,858)
Other transfers	-	(28,918)	196	28,722	-
Foreign exchange adjustment	(1,947)	(17,068)	(3,511)	(25,870)	(48,396)
Balance at 30 September 2022	380,791	1,092,366	87,933	705,977	2,267,067
Accumulated amortisation and impairment losses					
Balance at 1 October 2021	(172,470)	(475,920)	(49,790)	(251,075)	(949,255)
Amortisation charge for the period	-	(78,422)	(11,809)	(62,320)	(152,551)
Disposals and write-offs	-	29	-	552	581
Other transfers	-	526	-	(526)	-
Foreign exchange adjustment	7,394	4,658	1,591	13,292	26,935
Balance at 30 September 2022	(165,076)	(549,129)	(60,008)	(300,077)	(1,074,290)
Intangibles carrying amount at 30 September 2022	215,715	543,237	27,925	405,900	1,192,777

Notes to the consolidated financial statements continued

For the year ended 30 September

21 Intangible assets continued

Cash-generating units containing goodwill

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

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

The major CGUs and their intangible assets are as follows: North America \$186 million (2022: \$197 million), Seed Technologies \$461 million (2022: \$432 million), Europe \$548 million (2022: \$534 million) and APAC \$31 million (2021: \$30 million). The remaining balance of intangibles is spread across multiple CGUs, with no remaining individual CGU intangible balance being more than 5 per cent of the total intangibles balance at balance date.

Impairment testing for cash-generating units containing goodwill

For the impairment testing of these assets, the carrying amount of the asset is compared to its recoverable amount at a CGU level. The group typically uses a value in use methodology when assessing the recoverable amount of the assets, but may also use a fair value less cost to dispose methodology, in which case the higher of the two valuation methods is used when assessing recoverable amount.

Valuation method – Value in use

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



Valuation assumptions

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

2023	Valuation method	Terminal growth rate	Discount rate	Total goodwill \$'000
North America CGU	VIU	2.0%	10.3%	58,921
Europe CGU	VIU	2.3%	11.2%	68,146
APAC CGU	VIU	2.5%	10.6%	15,139
Seed Technology CGU	VIU	3.3%	12.9%	79,928

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

The margin and volume assumptions underpinning the cashflow projections generally reflect past experience for existing and enhanced portfolio products, while new products utilise external sources of information reflecting current market pricing in expected end use markets.

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

Europe cash generating unit

At 30 September 2023 the group used a value in use (VIU) methodology to estimate the recoverable amount of the Europe cash generating unit (CGU). The key assumptions underlying the value in use calculations are as follows:

- growth in post-tax cashflows before working capital changes and capital expenditure for the region of 4.4% per annum between FY23 and FY28.
- a weighted average terminal growth rate in line with local country economic forecasts of 2.3%; and
- a weighted average post-tax discount rate of 11.2%.

Given the limited headroom identified through the modelling, management estimated the value of the Europe CGU considering different cashflow scenarios, and applying sensitivities against discount rates and terminal growth rates. While management has determined that no impairment exists for the year ended 30 September 2023, any future adverse movement in a key assumption including projected European CGU cashflows, terminal growth rates, and discount rates, in the absence of other factors, may lead to impairment.

Notes to the consolidated financial statements continued

For the year ended 30 September

22 Trade and other payables

	2023	2022
	\$000	\$000
Current payables – unsecured		
Trade creditors and accruals – unsecured	673,358	1,147,451
Business combination – consideration payable	-	3,072
Derivative financial instruments	6,812	11,254
Cash advances from customers (contract liabilities)	91,513	128,235
Current payables	771,683	1,290,012
Non-current payables – unsecured		
Creditors, accruals and cash advances from customers (contract liabilities)	23,421	22,194
Business combination – consideration payable	6,912	6,633
Non-current payables	30,333	28,827

23 Interest-bearing loans and borrowings

	2023	2022
	\$000	\$000
Current liabilities		
Bank loans – secured	18,658	239,526
Bank loans – unsecured	16,690	15,033
Deferred debt establishment costs	(6,313)	(3,964)
Lease liabilities	18,728	18,574
Loans and borrowings – current	47,763	269,169
Non-current liabilities		
Bank loans - secured	513,043	-
Bank loans – unsecured	44,480	398
Senior unsecured notes	540,040	537,634
Deferred debt establishment costs	(20,275)	(8,371)
Lease liabilities	125,947	123,288
Other loans – unsecured	9,801	9,752
Loans and borrowings – non-current	1,213,036	662,701
Net cash and cash equivalents	(410,957)	(585,702)
Net debt	849,842	346,168

Financing facilities

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

	Accessible	Utilised
	\$000	\$000
2023		
Bank loan facilities and senior unsecured notes	1,366,855	1,132,911
Other facilities	9,801	9,801
Total financing facilities	1,376,656	1,142,712
2022		
Bank loan facilities and senior unsecured notes	1,302,559	792,590
Other facilities	9,752	9,752
Total financing facilities	1,312,311	802,342



	Loans and borrowings – current	Loans and borrowings – non-current	Debt related derivatives (included in assets / liabilities) ¹	Total debt related financial instruments
Reconciliation of liabilities arising from financing activities	\$000	\$000	\$000	\$000
Balance at 1 Oct 2022	269,169	662,701	(7,256)	924,614
Cash changes				
Proceeds from borrowings (net of costs)	64,121	848,106	(34,467)	877,760
Repayment of borrowings	(244,827)	(345,297)	-	(590,124)
Debt establishment transaction costs	(1,154)	(19,688)	-	(20,842)
Lease liability payments	(24,363)	-	-	(24,363)
Total cash flows	(206,223)	483,121	(34,467)	242,431
Non-cash changes				
Leases entered into during the period net of leases ceased	-	20,731	-	20,731
Foreign exchange movements	7,204	17,506	36,164	60,874
Transfer	(28,977)	28,977	-	-
Amortisation of debt establishment transaction costs	6,590	-	-	6,590
Accelerated amortisation of debt establishment transaction costs	-	-	-	-
Total non-cash changes	(15,183)	67,214	36,164	88,195
Balance at 30 September 2023	47,763	1,213,036	(5,559)	1,255,240

¹ Total derivatives balance at 30 September 2023 is a net asset of \$5.261 million (2022: \$13.480 million net asset). The difference in carrying value to the table above relates to forward exchange contracts which are excluded from the balances above as they are not connected to the group's financing activities.

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

Financing arrangements	2023	2022
Without refinancing, expiry of available debt facilities (excluding lease liabilities)	\$000	\$000
Period ending 30 September 2024 / 30 September 2023	73,213	764,527
Period ending 30 September 2025 / 30 September 2024	159,994	398
Period ending 30 September 2026 or later / 30 September 2025 or later	1,143,449	547,386

Notes to the consolidated financial statements continued

For the year ended 30 September

23 Interest-bearing loans and borrowings continued

	2023	2022
Average interest rates	%	%
Nufarm step-up securities	7.66	4.86
Asset backed loan	6.63	n/a
Standby liquidity facility	5.73	n/a
Syndicated bank facility	n/a	n/a
Group securitisation program facility	n/a	3.31
Other bank loans	6.71	3.91
Lease liabilities	5.95	5.26
Senior unsecured notes	5.00	5.00

Average interest rates are calculated using the weighted average of the interest rates for the drawn balances under each facility as at 30 September 2023. Undrawn facility fees are paid on undrawn portions of the Asset backed loan, the Standby liquidity facility, and other bank loans.

24 Employee benefits

	2023	2022
	\$000	\$000
Current		
Liability for short-term employee benefits	17,065	16,162
Liability for current portion of other long-term employee benefits	15,665	14,433
Current employee benefits	32,730	30,595
Non-current		
Defined benefit fund obligations		
Present value of unfunded obligations	8,322	7,687
Present value of funded obligations	120,087	122,393
Fair value of fund assets – funded	(84,588)	(77,650)
Recognised liability for defined benefit fund obligations	43,821	52,430
Liability for non-current portion of other long-term employee benefits	5,312	8,851
Non-current employee benefits	49,133	61,281
Total employee benefits	81,863	91,876

During the period ended 30 September 2023 the group made contributions to defined benefit pension funds in the United Kingdom, France, Indonesia and Germany that provide defined benefit amounts for employees upon retirement.



	2023 \$000	2022 \$000
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	130,557	213,422
Service cost	755	870
Interest cost	7,141	4,136
Actuarial losses/(gains)	(14,167)	(69,070)
Past service cost	-	-
Losses/(gains) on curtailment	-	-
Plan amendments	-	-
Contributions	-	-
Benefits paid	(6,394)	(6,222)
Exchange adjustment	11,126	(12,579)
Closing defined benefit obligation	129,018	130,557
Changes in the fair value of fund assets are as follows:		
Opening fair value of fund assets	77,780	130,946
Interest income	4,437	2,548
Actuarial gains/(losses) – return on plan assets excluding interest income	(7,234)	(49,795)
Surplus taken to retained earnings	-	-
Assets distributed on settlement	-	-
Contributions by employer	8,048	8,040
Distributions	(5,686)	(6,037)
Exchange adjustment	7,393	(7,922)
Closing fair value of fund assets	84,738	77,780

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

Notes to the consolidated financial statements continued

For the year ended 30 September

24 Employee benefits continued

Expense/(gain) recognised in profit or loss	2023	2022
	\$000	\$000
Current service costs	755	870
Interest on obligation	7,141	4,136
Interest income	(4,437)	(2,548)
Losses/(gains) on curtailment	-	-
Plan amendments	(20)	(348)
Past service cost/(gain)	-	-
Expense recognised in profit or loss	3,439	2,110
<i>The expense is recognised in the following line items in profit or loss:</i>		
Cost of sales	1,902	1,011
Sales, marketing and distribution expenses	955	811
General and administrative expenses	520	251
Research and development expenses	62	37
Expense recognised in profit or loss	3,439	2,110
	2023	2022
	\$000	\$000
Actuarial gains/(losses) recognised in other comprehensive income (net of tax)		
Cumulative amount at period opening date	(60,104)	(72,739)
Recognised during the period	5,564	12,635
Cumulative amount at period closing date	(54,540)	(60,104)
	2023	2022
	%	%
<i>The major categories of fund assets as a percentage of total fund assets are as follows:</i>		
Equities	76.4%	77.0%
Bonds	13.6%	14.5%
Property	0.3%	1.3%
Cash	8.4%	6.7%
Other	1.3%	0.5%
<i>Principal actuarial assumptions at the reporting date (expressed as weighted averages):</i>		
Discount rate at period end	5.4%	5.0%
Future salary increases	3.2%	2.9%
Future pension increases	2.5%	2.7%

The group expects to pay \$8.340 million in contributions to defined benefit plans during the year ending 30 September 2024 (2023: \$7.621 million).

25 Share-based payments

Nufarm Executive Share Plan (2000)

The Nufarm Executive Share Plan (2000) offered shares to executives. In August 2011 the group decided to cease the use of this plan and no awards have been granted since this time. All awards have vested and converted into unrestricted shares as at 30 September 2023 and an independent trustee continues to hold the shares on behalf of participants. At 30 September 2023 there were 2 participants (2022: 3 participants) in the scheme and 2,554 shares (2022: 3,034) were allocated and held by the trustee on behalf of the participants. The cost of issuing the shares were expensed in the period of issue.

Nufarm Short Term Incentive Plan (STI)

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

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

For the year ended 30 September 2021, a pre-determined percentage of the STI was paid in cash at the time of



performance testing and the balance was deferred into rights to shares in the group for nil consideration. The number of rights to shares granted was based on the volume weighted average price (VWAP) of Nufarm Limited shares in the 5 days subsequent to the results announcement. At 30 September 2023, all STI rights have vested and are eligible for exercising into ordinary shares.

Nufarm Executive Long Term Incentive Plan (LTIP)

On 1 August 2011, the LTIP commenced and was available to key executives and certain selected senior managers. Awards were granted to individuals in the form of performance rights, which comprised rights to acquire ordinary shares in the group for nil consideration, subject to the achievement of global performance hurdles. Under the plan, individuals received an annual award of performance rights as soon as practical after the announcement of results in the preceding period. The performance and vesting period for the awards was three years. For the year ended 30 September 2023, the group had one LTIP plan in place, as it is being phased out following the introduction of the Executive Incentive Plan. LTIP awards vest in two equal tranches as follows:

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

Executive Incentive Plan (EIP)

The Executive Incentive Plan (EIP) commenced in 2022 and replaced the STI and LTIP plans for key management personnel and certain selected senior managers.

The total EIP award opportunity is based on a fixed percentage of the fixed annual remuneration (or equivalent) relevant to an individual, and is calculated at the end of the initial performance year. The calculation incorporates certain financial and non-financial performance measures relevant to an individual, including:

- a profit measure (typically underlying EBIT¹ or underlying EBITDA¹)
- a cash flow measure (typically average net working capital as a percentage of revenue)
- a return measure (typically return of funds employed, or return on assets)
- non-financial measures incorporating strategic and business improvement objectives

Subject to the achievement of an annual cash award gateway, the total EIP award opportunity is:

- Where the annual cash award gateway is met: allocated to an individual as a combination of cash paid (typically 33.33%) and deferred performance rights (typically 66.67%) in Nufarm ordinary shares for nil consideration.
- Where the annual cash award gateway is not met: allocated to an individual as deferred performance rights (100%) in Nufarm ordinary shares for nil consideration.

The number of rights granted is based on the volume weighted average price of Nufarm Limited shares in the five days subsequent to the results announcement.

Depending on the role of the individual, the performance and vesting period for the deferred performance rights vary between

two, three and four years. For key management personnel the vesting of the deferred performance rights is conditional upon satisfaction of certain non-market measures and a relative total shareholder return measure (market measure) at the end of the vesting period.

Nufarm Key Leadership Incentive Plan (KLIP)

On 1 August 2018, the KLIP commenced and is available to certain selected group employees. Awards are granted to individuals in the form of rights, which provide eligibility to the employees to acquire ordinary shares in the group for nil consideration, subject to the employees remaining employed within the group for a defined length of time under the respective plans. The rights generally will have a vesting period of four years. At 30 September 2023 there were 90 participants (30 September 2022: 63 participants) in the scheme and 1,227,500 rights (30 September 2022: 1,025,500) were allocated.

Global Share Plan (2001)

The Global Share Plan commenced in 2001 and was available to all permanent employees. The plan was suspended effective 31 December 2020. Previously, participants contributed a proportion of their salary to purchase shares. The group contributed an amount equal to 10 per cent of the number of ordinary shares acquired with a participant's contribution in the form of additional ordinary shares. Amounts over 10 per cent of the participant's salary could be contributed but were not able to be matched. For each year the shares are held, up to a maximum of five years, the group contributes a further 10 per cent of the value of the shares acquired with the participant's contribution. An independent trustee holds the shares on behalf of the participants. At 30 September 2023 there were 288 participants (30 September 2022: 343 participants) in the scheme and 1,213,694 shares (30 September 2021: 1,412,199) were allocated and held by the trustee on behalf of the participants.

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

Notes to the consolidated financial statements continued

For the year ended 30 September

25 Share-based payments continued

Nushare Share Plan

The Nushare Share Plan commenced in 2022 and offers shares to all permanent employees who have not given, or been given, notice of termination. Over an initial six-month period, employees contribute a percentage or set-amount of after-tax salary each month, up to 10 per cent of their annual salary, and an independent trustee acquires shares monthly at market value. At the end of the initial six-month period, for every three shares acquired through the plan, employees are granted one share right. The rights have a subsequent vesting period of 12 months, with conditions requiring employees to hold the acquired shares and continue employment with

Nufarm over the subsequent month period. Upon satisfaction of the conditions, the rights will automatically convert into unrestricted Nufarm ordinary shares. An independent trustee holds both the acquired shares and the rights on behalf of all employees. At 30 September 2023 there were 496 participants (30 September 2022: 311) in the scheme and 127,279 rights (30 September 2022: 15,718) were allocated and held by the trustee on behalf of the participants.

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

	2023	2022
	\$000	\$000
Employee expenses		
Total expense arising from share-based payment transactions	5,850	4,606

Measurement of fair values

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

The EIP performance rights vesting conditions vary depending on the role of the individual, but they are all subject to employment vesting conditions, and may include both non-market vesting conditions and market vesting conditions (specifically relative total shareholder return metrics). The LTIP performance rights are also subject to employment vesting conditions, and both non-market vesting conditions and market vesting conditions (specifically relative total shareholder return metrics). The KLIP performance rights are subject to employment vesting conditions only. The STIP is not subject to vesting conditions.

To estimate the fair value of the different performance plans, the group utilises a range of valuation techniques including Monte-Carlo simulation methodologies, Binomial Tree methodologies, and discounted dividend methodologies.



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

	Weighted average fair value at grant date	Share price at grant date	Grant date	Earliest vesting date	Weighted average expected life	Volatility	Risk free interest rate	Dividend yield
Nufarm EIP performance rights								
2022 Plan	\$5.68	\$5.95	24 Nov 2022	30 Sep 2023	2.3 years	n/a	n/a	1.7%
Nufarm LTIP performance rights								
2021 Plan – 3 year	\$2.98	\$3.87	1 Oct 2020	30 Sep 2023	3 years	32%	0.2%	1.7%
Nufarm KLIP performance rights								
2023 Plan – 4 year	\$4.71	\$5.00	1 Oct 2022	30 Sep 2026	4 years	n/a	n/a	1.7%
2022 Plan – 4 year	\$4.41	\$4.72	1 Oct 2021	30 Sep 2025	4 years	n/a	n/a	1.7%
2021 Plan – 4 year	\$3.60	\$3.87	1 Oct 2020	30 Sep 2024	4 years	32%	0.3%	1.8%
2020 Plan – 4 year	\$4.83	\$5.03	1 Aug 2019	31 Jul 2023	4 years	30%	0.9%	1.0%
Nufarm STIP deferred rights								
2021 Plan - 3 year	\$4.78	\$4.78	24 Nov 2021	30 Sep 2023	3 years	n/a	n/a	n/a
2023 Reconciliation of outstanding share awards								
	Outstanding at period opening date	Forfeited during the period	Exercised rights during the period	Expired during the period	Granted during the period	Outstanding at 30 September	Exercisable at 30 September	
EIP	-	-	-	-	751,317	751,317	174,376	
LTI	943,321	(153,576)	(188,868)	-	-	600,877	600,877	
KLIP	1,025,500	(51,000)	(233,500)	-	486,500	1,227,500	-	
STI	484,564	-	-	-	-	484,564	484,564	
2022 Reconciliation of outstanding share awards								
	Outstanding at period opening date	Forfeited during the period	Exercised rights during the period	Expired during the period	Granted during the period	Outstanding at 30 September	Exercisable at 30 September	
LTI	1,212,422	(269,101)	-	-	-	943,321	187,002	
KLIP	709,798	(105,500)	(83,798)	-	505,000	1,025,500	-	
STI	26,695	-	(26,695)	-	484,564	484,564	-	

The performance rights outstanding at 30 September 2023 have a \$nil exercise price (2022: \$nil) and a weighted average contractual life of 3 years (2022: 3 years). All performance rights granted to date have a \$nil exercise price.

Notes to the consolidated financial statements continued

For the year ended 30 September

26 Provisions

	2023	2022
Current	\$000	\$000
Restructuring	5,059	6,878
Other	-	-
Current provisions	5,059	6,878

	Restructuring	Other provision	Total
Movement in provisions	\$000	\$000	\$000
Balance at 1 October 2022	6,878	-	6,878
Provisions made during the period	-	-	-
Provisions reversed during the period	-	-	-
Provisions used during the period	(2,039)	-	(2,039)
Exchange adjustment	220	-	220
Balance at 30 September 2023	5,059	-	5,059

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

27 Capital and reserves

	Number of ordinary shares	Number of ordinary shares
Share capital	2023	2022
Balance at 1 October	380,168,745	379,907,116
Issue of shares	595,508	261,629
Balance at 30 September	380,764,253	380,168,745

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

During the period the following shares were issued:

- On 25 November 2022, 188,868 shares at \$5.95 were issued under Employee Incentive Plan
- On 9 December 2022, 59,890 shares at \$6.06 were issued under the Dividend Reinvestment Plan
- On 21 February 2023, 56,527 shares at \$5.69 were issued under the Global Share Plan
- On 9 June 2023, 56,723 shares at \$5.50 were issued under Dividend Reinvestment Plan
- On 1 August 2023, 233,500 shares at \$5.40 were issued under Key Leadership Incentive Plan

Other securities

Nufarm step-up securities

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

Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by

Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The distribution rate is the average mid-rate for bank bills with a term of six months plus a margin of 3.9% (2022: 3.9%).

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

Translation reserve

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

Capital profit reserve

This reserve is used to accumulate realised capital profits.

Other reserves

This reserve includes the following:

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



Dividends

2023	Cents per share	Total amount \$'000	Payment date
Paid interim dividend (unfranked)	5.0	18,997	9 Jun 2023
Paid final dividend (unfranked)	6.0	22,795	9 Dec 2022
2022			
Paid interim dividend (unfranked)	4.0	15,199	17 Jun 2022
Paid final dividend (unfranked)	4.0	15,200	17 Dec 2021

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

Distributions

Nufarm step-up securities	Distribution rate (annualised)	Total amount \$'000	Payment date
The following distributions were paid by Nufarm Finance (NZ) Ltd:			
Proposed and unrecognised at reporting date			
Distribution	8.32%	10,413	15 Apr 2024
Distribution	7.66%	9,587	16 Oct 2023
2023			
Distribution	7.37%	9,227	17 Apr 2023
Distribution	4.86%	6,055	17 Oct 2022
2022			
Distribution	3.97%	5,072	19 Apr 2022
Distribution	4.00%	5,029	15 Oct 2021

The distribution on the Nufarm step-up securities reported on the equity movement schedule has been reduced by the tax benefit on the gross distribution, giving an after-tax amount of \$11.333 million (2022: \$7.518 million).

	2023	2022
Franking credit balance	\$'000	\$'000
The amount of franking credits available for the subsequent financial period are:		
Franking account balance as at the end of the period at 30% (2022: 30%)	-	-
Franking credits that will arise from the payment of income tax payable as at the end of the period	-	-
Credit balance at 30 September	-	-

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the company as the head entity in the tax-consolidated group has also assumed the benefit of \$nil (2022: \$nil) franking credits.

Notes to the consolidated financial statements continued

For the year ended 30 September

28 Earnings per share

	Note	2023 \$000	2022 \$000
Net profit/(loss) for the period		111,140	107,438
Net profit/(loss) attributable to equity holders of the group		111,140	107,438
Other securities distributions (net of tax)		(11,333)	(7,518)
Earnings/(loss) used in the calculations of basic and diluted earnings per share		99,807	99,920
Subtract/(add back) items of material income/(expense)	6	(11,051)	(25,759)
Earnings/(loss) excluding items of material income/(expense) used in the calculation of earnings per share - excluding material items		110,858	125,679

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

	Number of shares	
	2023	2022
Weighted average number of ordinary shares used in calculation of basic earnings per share	380,098,351	379,799,885
Plus weighted average number of rights held under employee share plans	3,439,239	2,841,016
Weighted average number of ordinary shares used in calculation of diluted earnings per share	383,537,590	382,640,901

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

	Cents per share	
Earnings per share	2023	2022
Basic earnings per share	26.3	26.3
Diluted earnings per share	26.0	26.1
Basic earnings per share – excluding material items	29.2	33.1
Diluted earnings per share – excluding material items	28.9	32.8



29 Financial risk management and financial instruments

The group has exposure to the following financial risks:

- credit risk;
- liquidity risk; and
- market risk.

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

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

The global head of risk and compliance and the chief financial officer report to the chair of the audit and risk committee. Written reports regarding risk and compliance activities and internal audit findings are provided at each meeting of the

audit and risk committee. In doing so, the global head of risk and compliance and the chief financial officer have direct and ongoing access to the chair and members of the audit and risk committee.

Credit risk

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

Exposure to credit risk

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

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

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

	2023	2022
	\$000	\$000
Carrying amount		
Trade and other receivables	665,148	529,295
Cash and cash equivalents	410,957	585,702
Derivative contracts:		
Assets	12,073	24,734
	1,088,178	1,139,731

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

	2023	2022
	\$000	\$000
Carrying amount		
Australia/New Zealand	118,282	164,340
Asia	76,286	61,627
Europe	233,630	191,810
North America	203,893	89,436
South America	33,057	22,080
Trade and other receivables	665,148	529,293

The group's top five customers account for \$99.022 million of the trade receivables carrying amount at 30 September 2023 (30 September 2022: \$96.338 million). These top five customers represent 19 per cent (30 September 2022: 21 per cent) of the total trade receivables.

Notes to the consolidated financial statements continued

For the year ended 30 September

29 Financial risk management and financial instruments continued

Impairment losses

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

	2023	2022
	\$000	\$000
Receivables ageing		
Current	448,044	402,601
Past due – 0 to 90 days	52,559	46,982
Past due – 90 to 180 days	7,170	11,567
Past due – 180 to 360 days	6,489	2,806
Past due – more than one year	16,155	13,508
	530,417	477,464
Provision for expected credit losses	(25,232)	(30,945)
Trade receivables	505,185	446,519

Some receivables are secured by collateral from customers such as guarantees and charges on assets. In some countries credit insurance is undertaken to reduce credit risk. The past due receivables not impaired are considered recoverable. In the crop protection industry, it is normal practice to vary the terms

of sales depending on the climatic conditions experienced in each country.

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

	2023	2022
	\$000	\$000
Provision for expected credit losses		
Balance at 1 October	30,945	22,662
Provisions made / (reversed) during the period	7,446	18,194
Provisions used during the period	(13,736)	(8,903)
Exchange adjustment	577	(1,008)
Balance at 30 September	25,232	30,945

Expected credit loss assessment for individual customers

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

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

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



Liquidity risk

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

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

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

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

Debt facilities

As at 30 September 2023, the key group facilities include a five year \$800 million revolving asset based lending credit facility maturing in November 2027 (30 September 2022: group trade receivables securitisation facility with a maximum seasonal limit of \$500 million), a US\$350 million senior unsecured notes offering maturing in January 2030 (30 September 2022: US\$350 million) and two year standby liquidity facility of \$150 million maturing in November 2024 (30 September 2022: a senior secured bank facility (SFA) of \$440 million).

On 15 November 2022 Nufarm entered into a five year \$800 million revolving asset based lending credit facility (ABL) secured against trade receivables and inventory located in Australia, the United States and Canada. Concurrently, a two year \$150 million standby liquidity facility (SLF) secured against tangible assets in Australia, the United States, Canada and New Zealand was entered into. The ABL and SLF replaced the \$500 million group trade receivables securitisation facility and the senior secured bank facility (SFA). The ABL and SLF facilities provide the group with flexibility to align drawings with changes in working capital and other cash requirements.

Availability under the ABL will be limited at any time to the lesser of the global borrowing base and the ABL facility limit (\$800 million). The global borrowing base fluctuates on a monthly basis relative to the advance rates against trade receivables and inventory, ineligibility criteria and the inclusion of a provision for general reserves in Australia, the United States and Canada. As at 30 September 2023, the global borrowing base was lower than the ABL facility limit at \$536 million.

The ABL facility is governed by terms and conditions that are customary for a secured facility of this size, and as at 30 September 2023 Nufarm was in compliance with all conditions.

On 27 January 2022 the group completed the refinancing of the US\$475 million senior unsecured notes due in April 2026 ("the 2026 notes"). The 2026 notes were redeemed from investors in February 2022 through the issuance of

US\$350 million senior unsecured notes due in January 2030 with a fixed coupon of 5.00% ("the 2030 notes"). The 2030 notes were issued under a dual tranche structure by Nufarm Australia Ltd (US\$105 million) and Nufarm Americas Inc (US\$245 million).

The SLF is designed to provide the group access to committed funding to cover peak working capital requirements, and is governed by terms and conditions that are customary for a secured facility of this size. The guarantor group is consistent across the ABL, the 2030 notes and SLF.

The majority of debt facilities that reside outside the ABL facility, the 2030 notes and SLF are regional working capital facilities, primarily located in Europe, which at 30 September 2023 totalled \$150.291 million (30 September 2022: \$112.372 million). A parent guarantee is provided to support working capital facilities in Europe.

Trade finance

The liquidity of the group is influenced by the terms suppliers extend in respect of purchases of goods and services. The determination of terms provided by suppliers is influenced by a variety of factors including supplier's liquidity. Suppliers may engage financial institutions to facilitate the receipt of payments for goods and services from the group, which are often referred to as supplier financing arrangements. The group is aware that trade payables of \$31.816 million at 30 September 2023 (30 September 2022: \$367.639 million) are to be settled via such arrangements in future periods. In the event suppliers or financial institutions cease such arrangements the liquidity of the group's suppliers may be affected. If suppliers subsequently seek to reduce terms on group's purchases of goods and services in the future, the group's liquidity will be affected. Details of the group's trade and other payables are disclosed in note 22.

To support the liquidity of the group and reduce the credit risk relating to specific customers, trade receivables held by the group are sold to third parties. The sales (or factoring) of receivables to third parties is primarily done on a non-recourse basis, and the group incurs a financing expense at the time of the sale. The group derecognises trade receivables where the terms of the sale allows for derecognition. At 30 September 2023 the group did not have any derecognised trade receivables which were being held by third parties (30 September 2022: nil).

Notes to the consolidated financial statements continued

For the year ended 30 September

29 Financial risk management and financial instruments continued

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

2023	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	More than 2 years \$000
Non-derivative financial liabilities					
Trade and other payables	788,292	788,292	764,871	17,074	6,347
Business combination – consideration payable	6,912	30,204	-	314	29,890
Bank loans – secured	531,701	655,326	52,849	113,328	489,149
Bank loans – unsecured	61,170	70,514	21,758	5,863	42,893
Senior unsecured notes	540,040	715,553	27,002	27,002	661,549
Other loans – unsecured	9,801	9,801	-	-	9,801
Lease liabilities – secured	144,675	300,278	25,118	20,622	254,538
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	1,271	92,578	92,578	-	-
Inflow	-	(91,596)	(91,596)	-	-
Other derivative contracts:					
Outflow	5,541	396,366	396,366	-	-
Inflow	-	(389,992)	(389,992)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	-	784,425	784,425	-	-
Inflow	(12,073)	(796,642)	(796,642)	-	-
	2,077,330	2,565,107	886,737	184,203	1,494,167



2022	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	1-2 years \$000	More than 2 years \$000
Non-derivative financial liabilities					
Trade and other payables	1,297,880	1,297,880	1,275,686	16,736	5,458
Business combination – consideration payable	9,705	31,099	3,072	-	28,027
Bank loans - secured	239,526	247,088	247,088	-	-
Bank loans - unsecured	15,431	16,939	16,490	449	-
Senior unsecured notes	537,634	739,247	26,882	26,882	685,483
Other loans - unsecured	9,752	9,752	-	-	9,752
Lease liabilities - secured	141,862	288,246	24,004	20,463	243,779
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	11,254	733,317	733,317	-	-
Inflow	-	(721,141)	(721,141)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Other derivative contracts:					
Outflow	-	841,870	841,870	-	-
Inflow	(24,734)	(870,076)	(870,076)	-	-
	2,238,310	2,614,221	1,577,192	64,530	972,499

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For the year ended 30 September

29 Financial risk management and financial instruments continued

Market risk

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

Currency risk

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

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

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

For accounting purposes, the group has not designated any other derivative financial instruments in hedge relationships and all movements in fair value are recognised in profit or loss during the period. The net fair value of derivative financial instruments in the group, not designated as being in a hedge relationship, used as economic hedges of forecast transactions at 30 September 2023 was a \$5.261 million asset (2022: \$13.480 million asset) comprising assets of \$12.073 million (2022: \$24.734 million) and liabilities of \$6.812 million (2022: \$11.254 million).

Exposure to transactional currency risk

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

Net financial assets/(liabilities) - by currency of denomination

	AUD	USD	EUR	GBP
	\$000	\$000	\$000	\$000
2023				
Functional currency of group operation				
Australian dollars	-	803	688	(2,035)
US dollars	(7)	-	(682)	(18)
Euro	1,136	(4,961)	-	1,468
British pound	(245)	(98)	1,219	-
	884	(4,256)	1,225	(585)

Net financial assets/(liabilities) - by currency of denomination

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



Sensitivity analysis

Based on the aforementioned group's net financial assets/ (liabilities) at 30 September 2023, a one per cent strengthening or weakening of the following currencies at 30 September 2023

would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes all other variables, including interest rates, remain constant. The analysis is performed on the same basis for 30 September 2022.

	Strengthening	Weakening	Strengthening	Weakening
	Profit or (loss) after tax	Profit or (loss) after tax	Profit or (loss) after tax	Profit or (loss) after tax
	2023	2023	2022	2022
	\$000	\$000	\$000	\$000
Currency movement				
1% change in the Australian dollar exchange rate	10	(10)	42	(43)
1% change in the US dollar exchange rate	(25)	25	(72)	72
1% change in the Euro exchange rate	25	(25)	(90)	89
1% change in the GBP exchange rate	(10)	10	120	(119)

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

The following significant exchange rates applied during the period:

AUD	Average Rate ¹		Reporting Date ²	
	2023	2022	2023	2022
US Dollar	0.664	0.710	0.648	0.651
Euro	0.621	0.658	0.611	0.662
GBP	0.540	0.558	0.530	0.580

1 This represents the average of the monthly rates used to translate foreign subsidiary earnings into the reporting currency (AUD). It is not weighted by earnings.

2 This represents the closing rate at 30 September 2023.

Notes to the consolidated financial statements continued

For the year ended 30 September

29 Financial risk management and financial instruments continued

Interest rate risk

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

The majority of the group's debt is raised under central borrowing programs. The asset based loan facility and the standby liquidity facility are considered floating rate facilities. The notes were refinanced in January 2022 through the

issuance of US\$350 million senior unsecured notes due in January 2030 with a fixed coupon component of 5.00%.

Interest rate risk on Nufarm step-up securities

The distribution rate is the average mid-rate for bank bills with a term of six months plus a margin of 3.9% (2022: 3.9%).

Profile

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

	Carrying amount	
	2023	2022
	\$000	\$000
Variable rate instruments		
Financial assets	2,101	7,543
Financial liabilities	(747,347)	(406,571)
	(745,246)	(399,028)
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(540,040)	(537,634)
	(540,040)	(537,634)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or (loss) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

The sensitivity is calculated on the debt at 30 September 2023. Due to the seasonality of the crop protection business, debt levels can vary during the period. The analysis is performed on the same basis for 30 September 2022.

	Profit or (loss)	
	100bp increase	100b decrease
	\$000	\$000
2023		
Variable rate instruments	(7,452)	7,452
Total sensitivity	(7,452)	7,452
2022		
Variable rate instruments	(3,990)	3,990
Total sensitivity	(3,990)	3,990



Fair values

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

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate to the fair values. In the case of the centrally managed fixed rate debt not swapped to floating rate totalling \$540.040 million (2022: \$537.634 million), the fair value at 30 September 2023 is \$474.938 million (2022: \$451.156 million).

	Note	Carried at fair value through profit or loss \$000	Derivatives used for hedging \$000	Financial assets / liabilities at amortised cost \$000	Financial assets / liabilities at FVOCI \$000	Total \$000
2023						
Cash and cash equivalents	14	-	-	410,957	-	410,957
Trade and other receivables excluding derivatives	15	-	-	665,148	-	665,148
Other investments	19	-	-	-	62,403	62,403
Forward exchange contracts:						
Assets	15	12,073	-	-	-	12,073
Liabilities	22	(5,541)	(1,271)	-	-	(6,812)
Trade and other payables excluding derivatives	22	(6,912)	-	(788,292)	-	(795,204)
Secured bank loans	23	-	-	(531,701)	-	(531,701)
Unsecured bank loans	23	-	-	(61,170)	-	(61,170)
Senior unsecured notes	23	-	-	(540,040)	-	(540,040)
Other loans	23	-	-	(9,801)	-	(9,801)
Lease liabilities	23	-	-	(144,675)	-	(144,675)
		(380)	(1,271)	(999,574)	62,403	(938,822)
		Carried at fair value through profit or loss \$000	Derivatives used for hedging \$000	Financial assets / liabilities at amortised cost \$000	Financial assets / liabilities at FVOCI \$000	Total \$000
2022						
Cash and cash equivalents	14	-	-	585,702	-	585,702
Trade and other receivables excluding derivatives	15	-	-	529,295	-	529,295
Other investments	19	-	-	-	54,445	54,445
Forward exchange contracts:						
Assets	15	24,734	-	-	-	24,734
Liabilities	22	(11,254)	-	-	-	(11,254)
Trade and other payables excluding derivatives	22	(9,705)	-	(1,297,880)	-	(1,307,585)
Secured bank loans	23	-	-	(239,526)	-	(239,526)
Unsecured bank loans	23	-	-	(15,431)	-	(15,431)
Senior unsecured notes	23	-	-	(537,634)	-	(537,634)
Other loans	23	-	-	(9,752)	-	(9,752)
Lease liabilities	23	-	-	(141,862)	-	(141,862)
		3,775	-	(1,127,088)	54,445	(1,068,868)

Notes to the consolidated financial statements continued

For the year ended 30 September

29 Financial risk management and financial instruments continued

Fair value hierarchy

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

- Level 1: Based on quoted prices (unadjusted) in active markets for identical financial assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either

directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
2023				
Derivative financial assets	-	12,073	-	12,073
Other investments	-	-	62,403	62,403
	-	12,073	62,403	74,476
Derivative financial liabilities	-	(6,812)	-	(6,812)
Business combination – consideration payable	-	-	(6,912)	(6,912)
	-	(6,812)	(6,912)	(13,724)
	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
2022				
Derivative financial assets	-	24,734	-	24,734
Other investments	-	-	54,445	54,445
	-	24,734	54,445	79,179
Derivative financial liabilities	-	(11,254)	-	(11,254)
Business combination – consideration payable	-	-	(9,705)	(9,705)
	-	(11,254)	(9,705)	(20,959)

There have been no transfers between levels in either the year ended 30 September 2023 and the year ended 30 September 2022.

Valuation techniques used to derive fair values

The group has used the following valuation techniques and assumptions in the determination of the fair values noted above.

- Derivative financial assets and liabilities include forward exchange contracts which are valued using market data including spot foreign exchange rates and forward rates at balance sheet date to determine fair value.
- Other investments include the group's strategic investments which primarily consist of unlisted private investments. The fair value of these investments are determined using comparable company analysis and recent capital seeding rounds.
- Contingent consideration is payable with respect to the group's acquisition of the energy cane business from GranBio Investimentos SA in the year ended 30 September 2022. The fair value of the contingent consideration payable is determined using valuation techniques such as discounted cashflow models. Assumptions are based upon agreed royalty rates payable on forecasted revenues to be earned by the group until 30 June 2034, together with estimated discount rate and growth rate assumptions.



Capital management

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

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

- 1 Application of free cashflow to investment growth projects and/or small bolt-on acquisitions where the projected returns satisfy internal underlying return on funds employed (ROFE) measures that exceed the group's weighted average cost of capital.
- 2 Consideration of the payment of a dividend from part of free cashflow, subject to compliance with the core target

leverage (statutory) range of 1.5x – 2.0x, under the group's dividend policy.

- 3 Consideration of any excess capital to be returned to shareholders in circumstances where the group is below its targeted leverage metrics and insufficient growth opportunities exist to utilise excess free cashflow. These capital return measures may include special dividends and share buy-backs.

The board is focused on the efficient use of capital and believes ROFE, leverage and cashflow are appropriate performance measures to be considered in the application of the board's capital management policy. In particular, ROFE provides a measure that remains effective regardless of the mix of equity and debt, which may change from time to time. ROFE is included in management remuneration structures through budget targets that incorporate capital management and growth strategies. The ROFE for the year ended 30 September 2023 was 8.8 per cent. (2022: 9.5 per cent).

30 Leases

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

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

Right-of-use assets

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

	Land and buildings \$000	Plant and machinery \$000	Total \$000
Balance at 1 October 2022	86,786	18,148	104,934
Additions to right-of-use assets	9,734	11,692	21,426
Depreciation charge for the period	(15,981)	(9,538)	(25,519)
Disposals and write-offs	(1,018)	(267)	(1,285)
Transfers between categories	8,302	(8,302)	-
Foreign exchange adjustment	3,498	(496)	3,002
Balance at 30 September 2023	91,321	11,237	102,558

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

Notes to the consolidated financial statements continued

For the year ended 30 September

30 Leases continued

	2023	2022
	\$000	\$000
Amounts recognised in profit/(loss)		
Depreciation on right of use assets	(25,519)	(21,815)
Lease liability interest expenses	(8,528)	(7,510)
Expenses relating to short-term leases	(1,133)	(197)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(47)	(8)
Amounts recognised in statement of cash flows		
Operating cashflows		
Lease liability interest payments	(8,528)	(7,510)
Short-term and low-value lease payments	(1,087)	(205)
Financing cashflows		
Lease liability principal payments	(24,363)	(20,116)

31 Capital commitments

The group had contractual obligations to purchase plant and equipment for \$11.151 million at 30 September 2023 (2022: \$15.346 million).

The group has agreed to make capital contributions in proportion to its interest in the Leshan Nong Fu Trading Co., Ltd joint venture to make up any losses if required, up to a maximum of RMB 35 million. The outstanding commitment is RMB 28 million (\$5.945 million). For further information refer to Note 18.

32 Contingencies

In the ordinary course of business, obligations may arise in the future due to lawsuits and claims including those pertaining to product liability, safety and health, environmental and tax matters which may be instituted or asserted against the group. While the amounts claimed may be substantial, a future liability cannot be determined due to significant uncertainties that existed at balance date.

Nonetheless, it is possible that results of the group's operations or liquidity in a particular period could be materially affected by such claims in the future.

33 Group entities

Company	Notes	Place of incorporation	Percentage of shares held	
			2023	2022
Company				
Nufarm Limited – ultimate controlling entity				
Subsidiaries				
Access Genetics Pty Ltd	1	Australia	100	100
Agcare Biotech Pty Ltd	1	Australia	100	100
Agchem Receivables Corporation		USA	100	100
Agryl Holdings Limited	1	Australia	100	100
Agtrol International SE DE CV		Mexico	100	100
Ag-seed Research Pty Ltd	1	Australia	100	100
Ag-turf SA DE CV		Mexico	100	100
AH Marks Australia Pty Ltd	1	Australia	100	100
AH Marks Holdings Limited		United Kingdom	100	100
AH Marks Pensions Scottish Limited Partnership		United Kingdom	100	100
Artfern Pty Ltd	1	Australia	100	100
Nuseed Brazil SA (previously known as Atlantica Sementes SA)		Brazil	100	100
Australis Services Pty Ltd	1	Australia	100	100

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	Notes	Place of incorporation	Percentage of shares held	
			2023	2022
Bestbeech Pty Ltd	1	Australia	100	100
Chemicca Limited	1	Australia	100	100
CNG Holdings BV		Netherlands	100	100
COCRF Investor 177 LLC	2	USA	-	-
Crop Care Australasia Pty Ltd	1	Australia	100	100
Crop Care Holdings Limited		New Zealand	100	100
Croplands Equipment Limited		New Zealand	100	100
Croplands Equipment Pty Ltd	1	Australia	100	100
Danestoke Pty Ltd	1	Australia	100	100
Edgehill Investments Pty Ltd	1	Australia	100	100
Fchem (Aust) Limited	1	Australia	100	100
Fernz Canada Limited		Canada	100	100
First Classic Pty Ltd	1	Australia	100	100
Frost Technology Corporation		USA	100	100
Growell Limited		United Kingdom	100	100
Grupo Corporativo Nufarm SA		Guatemala	100	100
Le Moulin des Ecluses s.a		France	100	100
Lefroy Seeds Pty Ltd	1	Australia	100	100
Manaus Holdings Sdn Bhd		Malaysia	100	100
Marman (Nufarm) Inc		USA	100	100
Marman de Mexico Sociedad Anonima De Capital Variable		Mexico	100	100
Marman Holdings LLC		USA	100	100
Masmart Pty Ltd	1	Australia	100	100
Mastra Corporation Pty Ltd	1	Australia	100	100
Mastra Corporation Sdn Bhd		Malaysia	100	100
Mastra Corporation USA Pty Ltd	1	Australia	100	100
Mastra Holdings Sdn Bhd		Malaysia	100	100
Mastra Industries Sdn Bhd		Malaysia	100	100
Medisup Securities Limited	1	Australia	100	100
Munistrategies Sub-CDE 29, LLC	2	USA	-	-
NF Agriculture Inc		USA	100	100
Nufarm ABF Trustees Limited		United Kingdom	100	-
Nufarm Africa SARLAU		Morocco	-	100
Nufarm Agriculture (Pty) Ltd		South Africa	100	100
Nufarm Agriculture Inc		Canada	100	100
Nufarm Agriculture Zimbabwe (Pvt) Ltd		Zimbabwe	100	100
Nufarm Americas Holding Company		USA	100	100
Nufarm Americas Inc		USA	100	100
Nufarm Asia Sdn Bhd		Malaysia	100	100
Nufarm Australia Limited	1	Australia	100	100
Nufarm BV		Netherlands	100	100
Nufarm Canada Receivables Partnership		Canada	100	100
Nufarm Chemical (Shanghai) Co Ltd		China	100	100
Nufarm Crop Products UK Limited		United Kingdom	100	100
Nufarm Costa Rica Inc. SA		Costa Rica	100	100
Nufarm de Guatemala SA		Guatemala	100	100

Notes to the consolidated financial statements continued

For the year ended 30 September

33 Group entities continued

	Notes	Place of incorporation	Percentage of shares held	
			2023	2022
Nufarm de Mexico Sa de CV		Mexico	100	100
Nufarm de Panama SA		Panama	100	100
Nufarm de Venezuela SA		Venezuela	100	100
Nufarm del Ecuador SA		Ecuador	100	100
Nufarm Deutschland GmbH		Germany	100	100
Nufarm do Brazil Ltda		Brazil	100	100
Nufarm Espana SA		Spain	100	100
Nufarm Europe GmbH		Germany	100	100
Nufarm Finance BV	2	Netherlands	-	-
Nufarm Finance Inc		USA	100	100
Nufarm Finance Pty Ltd		Australia	100	100
Nufarm Finance (NZ) Limited		New Zealand	100	100
Nufarm GmbH		Austria	100	100
Nufarm GmbH & Co KG		Austria	100	100
Nufarm Grupo Mexico S DE RL DE CV		Mexico	100	100
Nufarm Holdings (NZ) Limited		New Zealand	100	100
Nufarm Holdings BV		Netherlands	100	100
Nufarm Holdings s.a.s		France	100	100
Nufarm Hong Kong Investments Ltd		Hong Kong	100	100
Nufarm Hungaria Kft		Hungary	100	100
Nufarm Inc		USA	100	100
Nufarm Insurance Pte Ltd		Singapore	100	100
Nufarm Investments Cooperatie WA		Netherlands	100	100
Nufarm Investment Pty Ltd		Australia	100	100
Nufarm Italia srl		Italy	100	100
Nufarm KK		Japan	100	100
Nufarm Korea Ltd		Korea	100	100
Nufarm Labuan Pte Ltd		Malaysia	100	100
Nufarm Limited		United Kingdom	100	100
Nufarm Malaysia Sdn Bhd		Malaysia	100	100
Nufarm Materials Limited	1	Australia	100	100
Nufarm Middle East Operations		Egypt	100	100
Nufarm Nordics AB		Sweden	100	100
Nufarm NZ Limited		New Zealand	100	100
Nufarm Paraguay SA		Paraguay	100	100
Nufarm Pensions General Partner Ltd		United Kingdom	100	100
Nufarm Pensions Scottish Limited Partnership		United Kingdom	100	100
Nufarm Peru SAC		Peru	100	100
Nufarm Platte Pty Ltd	1	Australia	100	100
Nufarm Polska SP.Z O.O		Poland	100	100
Nufarm Portugal LDA		Portugal	100	100
Nufarm Romania SRL		Romania	100	100
Nufarm s.a.s		France	100	100
Nufarm Services (Singapore) Pte Ltd		Singapore	100	100
Nufarm Services Sdn Bhd		Malaysia	100	100
Nufarm Suisse Sarl		Switzerland	100	100



	Notes	Place of incorporation	Percentage of shares held	
			2023	2022
Nufarm Technologies (M) Sdn Bhd		Malaysia	100	100
Nufarm Technologies USA		New Zealand	100	100
Nufarm Technologies USA Pty Ltd	1	Australia	100	100
Nufarm Treasury Pty Ltd	1	Australia	100	100
Nufarm Turkey Import & Trade of Chemical Products LLP		Turkey	100	100
Nufarm UK Limited		United Kingdom	100	100
Nufarm Ukraine LLC		Ukraine	100	100
Nufarm Uruguay SA		Uruguay	100	100
Nufarm USA Inc		USA	100	100
Nugrain Pty Ltd	1	Australia	100	100
Nuseed Americas Inc		USA	100	100
Nuseed Canada Inc		Canada	100	100
Nuseed Europe Holding Company Ltd		United Kingdom	100	100
Nuseed Europe Ltd		United Kingdom	100	100
Nuseed Global Holdings Pty Ltd	1	Australia	100	100
Nuseed Global Innovation		United Kingdom	100	100
Nuseed Global Management USA Inc		USA	100	100
Nuseed Holding Company		USA	100	100
Nuseed International Holdings Pty Ltd	1	Australia	100	100
Nuseed Mexico SA De CV		Mexico	100	100
Nuseed Nutritional Australia Pty Ltd		Australia	100	100
Nuseed Nutritional US Inc		USA	100	100
Nuseed Omega Holdings Pty Ltd	1	Australia	100	100
Nuseed Pty Ltd	1	Australia	100	100
Nuseed Russia LLC		Russia	100	100
Nuseed SA		Argentina	100	100
Nuseed Serbia d.o.o.		Serbia	100	100
Nuseed South America Sementes Ltda		Brazil	100	100
Nuseed Ukraine LLC		Ukraine	100	100
Nuseed Uruguay SA		Uruguay	100	100
Nutrihealth Grain Pty Ltd	1	Australia	100	100
Nutrihealth Pty Ltd	1	Australia	100	100
Opti-Crop Systems Pty Ltd		Australia	75	75
Pharma Pacific Pty Ltd	1	Australia	100	100
Plant Protection Products For Middle East Operations		Egypt	100	-
PT Agrow		Indonesia	-	100
PT Crop Care		Indonesia	100	100
PT Nufamindo Agro Mukmur		Indonesia	-	100
PT Nufarm Indonesia		Indonesia	100	100
Richardson Seeds Ltd		USA	100	100
Selchem Pty Ltd	1	Australia	100	100
Societe Des Ecluses De la Garenne		France	100	100
3 Rivers Sub-CDE 5 LLC	2	USA	-	-

1 These entities have entered into a deed of cross guarantee dated 21 June 2006, varied by an Assumption Deed dated 13 February 2013, 29 May 2013 and 26 July 2019 with Nufarm Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a class order issued by the Australian Securities and Investment Commission, these companies are relieved from the requirement to prepare financial statements.

2 The group does not hold any ownership interests in these entities, however, based on the terms of agreement under which these entities were established, the group controls the operations of these entities.

Notes to the consolidated financial statements continued

For the year ended 30 September

34 Company disclosures

	Company	
	2023	2022
	\$000	\$000
Result of the company		
Profit for the period	43,580	45,522
Other comprehensive income	98	(1,542)
Total comprehensive profit/(loss) for the period	43,678	43,980
	2023	2022
	\$000	\$000
Financial position of the company at the period end		
Current assets	679,738	747,789
Total assets	2,116,094	2,175,225
Current liabilities	102,186	166,482
Total liabilities	108,017	176,404
Total equity of the company comprising of:		
Share capital	1,840,609	1,837,228
Reserves	51,929	47,790
Accumulated losses	(57,512)	(57,512)
Retained Earnings ¹	173,051	171,315
Total equity	2,008,077	1,998,821

¹ Retained earnings comprises the transfer of net profit for the period and are characterised as profits available for distribution as dividends in future periods. Dividends amounting to \$41.844 million (2022: \$30.396 million) were distributed from the retained earnings during the year.

Company contingencies

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

Company capital commitments for acquisition of property, plant and equipment

There are no capital commitments for the company at 30 September 2023 or 30 September 2022.



35 Deed of cross guarantee

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

It is a condition of the class order that the company and each of the subsidiaries enter into a deed of cross guarantee. The company and certain Australian controlled entities have entered into a deed of cross guarantee dated 21 June 2006, varied by an Assumption Deed dated 13 February 2013, 29 May 2013 and 26 July 2019, which provides that all parties to the deed will guarantee to each creditor, payment in full of any debt of each company participating in the deed on winding-up of that company.

A consolidated statement of profit or loss and other comprehensive income, and consolidated balance sheet, comprising the company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, at 30 September 2023 follows.

	Consolidated Deed Group	
	2023	2022
	\$000	\$000
Summarised consolidated statement of profit or loss, and retained earnings		
Profit/(loss) before income tax expense	88,983	(9,800)
Income tax (expense)/benefit	(2,144)	18,580
Net profit/(loss) attributable to members of the closed group	86,839	8,780
Retained profits/(losses) at the beginning of the period	(116,171)	(94,555)
Dividends paid	(41,844)	(30,396)
Retained profits/(losses) at the end of the period	(71,176)	(116,171)

Notes to the consolidated financial statements continued

For the year ended 30 September

35 Deed of cross guarantee continued

	Consolidated Deed Group	
	2023	2022
Balance sheet	\$000	\$000
Current assets		
Cash and cash equivalents	93,716	136,807
Trade and other receivables	923,158	1,027,461
Inventories	302,869	271,896
Current tax assets	12,621	12,346
Assets held for sale	10,818	3,438
Total current assets	1,343,182	1,451,948
Non-current assets		
Investments in equity accounted investees	2,632	2,972
Other investments	1,364,077	1,302,019
Deferred tax assets	81,219	85,721
Property, plant and equipment	114,949	114,092
Intangible assets	172,385	168,273
Total non-current assets	1,735,262	1,673,077
TOTAL ASSETS	3,078,444	3,125,025
Current liabilities		
Trade and other payables	753,534	1,020,710
Loans and borrowings	2,924	1,302
Employee benefits	22,954	22,533
Current tax payable	(381)	2,158
Provision	3,325	3,922
Total current liabilities	782,356	1,050,625
Non-current liabilities		
Loans and borrowings	340,809	173,349
Deferred tax liabilities	42,937	46,594
Employee benefits	2,439	2,443
Total non-current liabilities	386,185	222,386
TOTAL LIABILITIES	1,168,541	1,273,011
NET ASSETS	1,909,903	1,852,014
Equity		
Share capital	1,840,609	1,837,228
Other contributed equity	73,691	73,691
Reserves	66,779	57,266
Retained earnings	(71,176)	(116,171)
TOTAL EQUITY	1,909,903	1,852,014



36 Related parties

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

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

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

These transactions were undertaken on commercial terms and conditions.

(b) Transactions with associated parties

Crop.zone GMBH

In August 2021, Nufarm provided a bank guarantee to support crop.zone GmbH for a value of EUR 250,000. The guarantee is still in place as at 30 September 2023. In July 2023, the group provided a convertible loan of EUR 1.250 million with a fixed term maturity of three years to Crop.zone GMBH. It is expected that the loan will be converted into additional shares in Crop.zone GMBH within this period. The payment of interest is contingent upon whether the loan is converted into additional shares in Crop.zone GMBH within this period, and will become payable where such a conversion does not occur. The group has recognised the convertible loan as a Other receivables - associates balance at 30 September 2023.

	2023	2022
	\$000	\$000
Crop.zone GMBH:		
Lease payments	639	611
Interest expense	13	123
Sale of goods and services	21	40
Purchase of goods and services	893	1,620
	As at 30 Sep	
	2023	2022
	\$000	\$000
Crop.zone GMBH:		
Trade and other payables	-	74
Trade and other receivables	21	-
Other receivables - associates	2,046	-
Lease liability	513	792

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

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

	2023	2022
	\$000	\$000
Sumitomo Chemical Company Ltd:		
Sale of goods and services	-	242,985
Purchase of goods and services	-	81,450

These transactions were undertaken on commercial terms and conditions.

Notes to the consolidated financial statements continued

For the year ended 30 September

36 Related parties continued

(c) Key management personnel compensation

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

	2023	2022
	\$000	\$000
Short term employee benefits	5,338	5,883
Post employment benefits	139	203
Equity compensation benefits	1,237	1,448
Termination benefits	-	-
Other long term benefits	73	61
	6,787	7,595

Individual directors and executives compensation disclosures

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

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

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

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

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

(e) Loans to key management personnel and their related parties

There were no loans to key management personnel at 30 September 2023 (2022: nil).



37 Auditors' remuneration

	2023 \$000	2022 \$000
Audit services		
KPMG Australia		
Audit and review of group financial report	1,060	885
Overseas KPMG firms		
Audit and review of group and local financial reports	2,913	2,698
Other auditors		
Audit and review of local financial reports	499	473
Audit services remuneration	4,472	4,056
Other services		
KPMG Australia		
Other assurance services	-	362
Other advisory services	3	-
Overseas KPMG firms		
Other assurance services	46	92
Other advisory services	-	1
Other auditors		
Other assurance services	-	-
Other advisory services	103	67
Other services remuneration	152	522

38 Subsequent events

On 16 October 2023 a distribution was paid by Nufarm Finance (NZ) on the Nufarm step-up securities. The distribution rate (annualised) was 7.66% resulting in a gross distribution of \$9.587 million.

A final dividend of 5 cents per share, totalling \$19.038 million, was declared on 15 November 2023 and will be paid on 15 December 2023.

Other than noted above, no matters or circumstances have arisen in the interval between 30 September 2023 and the date of this report that, in the opinion of the directors, have or may significantly affect the operations, results or state of affairs of the group in subsequent accounting periods.

Directors' declaration

- 1 In the opinion of the directors of Nufarm Limited (the company):
 - (a) the consolidated financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the group's financial position as at 30 September 2023 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 2 There are reasonable grounds to believe that the company and the group entities identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.
- 3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the year ended 30 September 2023.
- 4 The directors draw attention to note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



John Gillam
Director



Greg Hunt
Director

Dated at Melbourne this 15th day of November 2023



Independent Auditor's Report

To the shareholders of Nufarm Limited

Report on the audit of the Financial Report

Opinion

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

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

- giving a true and fair view of the **Group's** financial position as at 30 September 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated balance sheet as at 30 September 2023
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

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

Basis for opinion

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

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

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

Key Audit Matters

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

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

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

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

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Recoverability of property, plant and equipment (\$569.3m) and intangible assets (\$1,230.2m)	
<p>Refer to the following notes to the financial report: Note 2(d)(ii) Basis of preparation – Use of estimates and judgements – impairment testing, Note 3(i)(ii) Significant accounting policies – Impairment – Non-financial assets, Note 20 Property, plant and equipment, and Note 21 Intangible assets.</p>	
The key audit matter	How the matter was addressed in our audit
<p>A key audit matter was the Group’s testing of the recoverable amount of property, plant and equipment and intangible assets given the size of the balances and the level of judgement required by us when evaluating the evidence available. In addition, the ongoing uncertainty around inflationary expectations, supply chain disruptions and fluctuations in demand and pricing caused by economic and climatic conditions increases estimation uncertainty when applying forward looking assumptions.</p> <p>We focused on the significant forward looking assumptions the Group applied in each value in use model, including:</p> <ul style="list-style-type: none"> • Forecast cash flows, growth rates and terminal growth rates in light of market conditions impacting each cash generating unit (“CGU”); and • Discount rates, which 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. <p>The value in use models are complex, largely manually developed and use adjusted historical performance and a range of internal and external sources as inputs to the assumptions. Modelling using forward looking assumptions tends to be prone to greater risk for potential bias, error and inconsistent application. Where the Group has not met prior year forecasts in relation to a specific CGU we factor this into our assessment of forecast assumptions. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Using our understanding of the nature of the Group’s business, we analysed: <ul style="list-style-type: none"> - the internal reporting of the Group to assess how results are monitored and reported; and - the implications for CGU identification in accordance with accounting standards. • Considering the appropriateness of the value in use method applied by the Group to perform the annual impairment test against the requirements of the accounting standards. • Assessing the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • Testing the design and implementation of key controls over the cash flow models, including Board consideration and approval of key assumptions and business unit budgets which form the basis of the cash flow forecasts. • Assessing the Group’s discounted cash flow models and key assumptions by: <ul style="list-style-type: none"> - comparing forecast cash flows to historical trends and performance, by CGU, to inform our evaluation of the forecasts incorporated into the models and company-specific risk premiums incorporated into the discount rates; - comparing the relevant cash flow forecasts to the Board approved budgets and FY24-FY26 business plans; - working with our valuation specialists, we independently developed a discount rate range and terminal growth rate for each CGU, using publicly available market data for comparable entities, adjusted for risk

	<p>factors specific to the CGU and the industry it operates in. We compared the discount rates and terminal growth rates applied by the Group for each CGU to our acceptable ranges; and</p> <ul style="list-style-type: none"> - using our industry knowledge, information published by regulatory and other bodies and information obtained through inquiries with the Group to challenge key assumptions. • Evaluating the Group’s sensitivity analysis in respect of the key assumptions in the models to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • Working with our valuation specialists, we compared the implied earnings and asset multiples from the models to corresponding multiples of comparable entities. • Assessing the related disclosures included in the financial report using our understanding of the matter obtained from our testing and against the requirements of accounting standards.
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Recoverability of deferred tax assets in relation to tax losses (\$80.6m)	
<p>Refer to the following notes to the financial report: Note 2(d)(iii) Basis of preparation – Use of estimates and judgements – income taxes, Note 3(p) Significant accounting policies – Income tax, Note 11 Income tax expense and Note 17 Tax assets and liabilities.</p>	
The key audit matter	How the matter was addressed in our audit
<p>Recoverability of deferred tax assets in relation to tax losses is a key audit matter due to the:</p> <ul style="list-style-type: none"> • Complexity in auditing the forward-looking assumptions applied to the Group’s tax loss utilisation models, especially given the multiple tax jurisdictions and their bespoke tax regimes. Further details on the significant forward-looking assumptions and implications for the audit are contained in the Key Audit Matter relating to the recoverability of property, plant and equipment and intangible assets. Additional auditor attention is focused on the reconciliation of forecast cash flows to forecasts of taxable income for each tax jurisdiction. • Age of the tax losses, and the relevance of recent taxable profits to forecasts. <p>The large number of jurisdictions and our need to consider their varying and complex rules on tax loss utilisation. This necessitated involvement of our tax specialists to supplement our senior audit team members in relevant jurisdictions.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Testing design and implementation of key controls over the taxable income forecasts underpinning the tax loss utilisation models, including Board consideration and approval of key assumptions and business unit budgets which form the basis of these forecasts. • Comparing the key assumptions and business unit budgets for consistency with those tested by us, as set out in the Key Audit Matter relating to the recoverability of property, plant and equipment and intangible assets, and also comparing the reconciliation of these budgets to taxable income concepts. • Assessing the Group’s tax loss utilisation models and key assumptions, by significant jurisdiction, by: <ul style="list-style-type: none"> - comparing taxable income to historical trends and performance to inform our evaluation of the current taxable profit forecasts; - evaluating the key assumptions in the Group’s forecast tax loss utilisation models, including the identification of areas of estimation uncertainty to focus further procedures; - understanding the timing of future taxable income and considering the consistency of the timeframes of expected recovery to our knowledge of the business and its plans; and - involving our tax specialists and teams from relevant jurisdictions to assess the tax loss utilisation expiry dates and annual utilisation allowances for consistency with local practice, regulatory parameters and legislation.

Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Appendix 4E, the Directors' Report (including the Remuneration Report), the Operating and Financial Review, the Corporate Governance Statement and the Corporate Information. The Financial Year 2023 Overview, Chair's Message, CEO's Message, Environmental, Social and Governance, information on the Board of Directors and Key Management Personnel and the Shareholder and Statutory Information are expected to be made available to us after the date of the Auditor's Report.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

Independent Audit Report continued



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.aasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the audit of the Financial Report

Opinion

In our opinion, the Remuneration Report of Nufarm Limited for the year ended 30 September 2023 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 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Chris Sargent

Partner

Melbourne

15 November 2023

Shareholder and Statutory Information

Substantial shareholders

As at 29 November 2023, the names of the substantial holders of the company and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to the company, are as follows:

Holder of equity securities	Number of equity securities held	% of total issued securities capital in relevant class
Allan Gray Pty Ltd	57,379,649	15.08%
L1 Capital Pty Ltd	51,574,303	13.55%
Phoenix Group	21,290,883	5.60%
Host Plus Pty Ltd	19,480,896	5.12%
Dimensional Entities LLC	19,039,733	5.00%
Vanguard Group	19,011,407	5.00%

Number of holders

As at 15 November 2023, the number of holders is as follows:

Class of Equity Securities	Number of holders
Fully paid ordinary shares	13,395

Less than marketable parcels of ordinary shares (UMP Shares)

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at 15 November 2023 is as follows:

Total shares	UMP shares	UMP holders	% of issued shares held by UMP holders
381,423,197	40,688	1,202	0.01%

Voting rights of equity securities

As at 15 November 2023, there were 13,395 holders of a total of 381,423,197 ordinary shares of the company. At a general meeting of the company, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each ordinary share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and, in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

Distribution of holders of equity securities

The distribution of holders of equity securities on issue in the company as at 15 November 2023 is as follows:

Distribution of ordinary shareholders holdings ranges	Holders	Total units	%
1 - 1,000	5,811	2,381,328	0.62
1,001 - 5,000	5,340	13,565,222	3.56
5,001 - 10,000	1,354	10,042,557	2.63
10,001 - 100,000	842	18,412,592	4.83
100,001 Over	48	337,021,498	88.36



Shareholder and Statutory Information continued

Twenty largest shareholders as at 15 November 2023

Rank	Name	Units	% Units
1	CITICORP NOMINEES PTY LIMITED	125,505,330	32.90
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	96,099,991	25.20
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	61,133,235	16.03
4	NATIONAL NOMINEES LIMITED	16,468,013	4.32
5	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	9,226,276	2.42
6	BNP PARIBAS NOMS PTY LTD	5,836,267	1.53
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	3,476,052	0.91
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,279,372	0.86
9	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,759,281	0.46
10	FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	1,611,996	0.42
11	MOTURUA PROPERTIES LTD	1,352,595	0.35
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,318,943	0.35
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	958,088	0.25
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	876,698	0.23
15	BNPP NOMS PTY LTD HUB24 CUSTODIAL SERV LTD	870,867	0.23
16	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	722,213	0.19
17	SAINT KENTIGERN TRUST BOARD	430,434	0.11
18	MR MARK GODDARD	420,000	0.11
19	ALTO NOMINEES PTY LTD <MARTIN SUPER FUND ACCOUNT>	357,176	0.09
20	BNP PARIBAS NOMS (NZ) LTD	355,421	0.09
Total number of shares of top 20 holders		332,058,248	87.06
Total remaining holders balance		49,364,949	12.94

Corporate information

Board of directors

J Gillam – Chair
G Hunt – Managing Director
A Gartmann
D Jones
M McDonald
A Percy
L Saint
F Tripodi

Registered office

103-105 Pipe Road
Laverton North Victoria 3026 Australia
Telephone: +61 3 9282 1000
Facsimile: +61 3 9282 1001

Nufarm Limited (NZ Branch)

Baker Tilly Staples Rodway Auckland Ltd
9th Floor, 45 Queen Street,
Auckland, 1010
New Zealand
Telephone: +64 9 270 4150

Company Secretary

Kate Hall

Auditors

KPMG
Tower Two Collins Square
727 Collins Street
Melbourne Victoria 3008
Australia

Trustee for Nufarm step-up securities

The Trust Company (Australia) Limited
Level 15, 20 Bond Street
Sydney NSW 2000 Australia

Share registrar

Australia
Computershare Investor Services Pty Ltd
GPO Box 2975 Melbourne Victoria 3001 Australia
Telephone: 1300 652 479
Outside Australia: +61 3 9415 4360

Step-up securities registrar

New Zealand
Computershare Registry Services Limited
Private Bag 92119
Auckland NZ 1142
Telephone: +64 9 488 8700

Stock exchange listing

The company's ordinary shares are quoted on the Australian Securities Exchange (ASX). The company was admitted to the official list of the ASX on 10 November 1988 (ASX issuer code: NUF).

Website

www.nufarm.com

Nufarm Limited

ACN 091 323 312



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