

ASX ANNOUNCEMENT

15 MARCH 2026

SETTLEMENT OF LITIGATION WITH CF INDUSTRIES AND ACQUISITION OF NELSON BROTHERS' EXPLOSIVES BUSINESS IN THE US

Key points

- Orica has settled litigation with CF Industries in the US, for payment of US\$169.5 million, following careful consideration of the best interests of shareholders and customers.
- The settlement removes litigation uncertainty, allows Orica to establish a new diversified supply base into the US business and aims to strengthen security of supply for its customers.
- Settlement is to be funded using Orica's existing cash and undrawn committed bank debt facilities.
- Agreement also reached with joint venture partner, Nelson Brothers, to acquire 100% of their explosives business for US\$25 million plus retirement of US\$48 million debt, subject to due diligence.
- The combination of the acquisition and settlement is expected to be earnings per share (EPS) accretive in the first full financial year of ownership¹, will simplify the business, provide greater operational resilience, and growth potential in the key market of North America.
- The acquisition is expected to boost EBIT in the range of AUD\$35 million per annum once fully integrated, with further opportunities to grow revenue and realise additional business cost synergies.

Settlement with CF Industries

Orica advises that it has signed an agreement with supplier, CF Industries Sales LLC and CF Industries Nitrogen LLC (CF), to settle the litigation with CF that commenced in October 2023, with no admission of liability by any party.

Under the terms of the settlement, Orica will pay US\$169.5 million to CF in the second half of FY2026². This will be funded from existing cash and undrawn, committed bank debt facilities.

In reaching this outcome, Orica elected to resolve the matter on a commercial basis in the best interests of shareholders and customers. Orica will immediately commence seeking alternate contracts for long-term supply of ammonium nitrate into its US business, supplementing supply from the Orica global network, to establish a diversified supply base to strengthen security of supply for customers and support ongoing profitable growth in what is a key region for the business.

¹ Subject to completion of the Purchase Price Allocation

² It is anticipated that the expense related to this settlement amount will be recorded as an Individually Significant Item in Orica's HY2026 and FY2026 Financial Results

On 10 November 2025, Orica received notice of a claimed force majeure from CF in relation to the plant that is the subject of the litigation. Despite the plant closure since that time, Orica has successfully leveraged its global manufacturing and supply network to ensure there has been no impact to customer supply, with contractual commitments to our customers in the region continuing to be met.

Acquisition of Nelson Brothers' Explosives Business

Orica³ has entered into an agreement with its current 50:50 joint venture partner, Nelson Brothers Inc, under which Orica will acquire 100 per cent of the outstanding membership interest of two joint ventures, Nelson Brothers LLC and Nelson Brothers Mining Services, LLC (the JVs). Orica will thereby acquire 100 per cent of the JV's explosives business based in the United States and Nelson Brothers will acquire from the JVs the business and assets relating to the JVs' specialty chemicals business unit.

Under these arrangements, Orica is expected to significantly increase its exposure to the important US Quarries and Construction sectors through the acquisition of four wholly owned emulsion plants (known as Rojo, Black Thunder, Samoset and St Paul), initiating system magazines strategically located in critical end markets and mobile manufacturing unit bulk explosives delivery vehicles as well as benefit from increased downstream product storage capacity and direct channels to market. The ability to deliver direct sales to customers can in-turn facilitate a stronger adoption of Orica's advanced blasting technology and increased cross selling across Orica's integrated product and service offerings.

These transactions are subject to any adjustments following completion of due diligence and subject to execution of final agreements under which Orica will pay Nelson Brothers Inc. US\$25 million and retire the existing debt in the explosives business of US\$48 million. The transaction is expected to close in 2H FY26, and be earnings per share (EPS) accretive in the first full financial year of ownership, when considered in combination with the CF settlement and is highly synergistic to Orica⁴. EBIT uplift is anticipated to be in the range of AUD\$35 million per annum once fully integrated, with further opportunities to grow revenue and realise additional business cost synergies.

Orica Managing Director and CEO Sanjeev Gandhi said:

"Orica has agreed to settle this litigation with CF following careful consideration and in the best interests of shareholders and customers. Our focus remains on executing our strategy, advancing our growth initiatives and delivering sustainable value for customers and shareholders.

"Importantly, our actions have ensured there has been no disruption to customer supply, and we remain committed to strengthening security of supply for our customers through a diversified and resilient sourcing strategy in North America.

"The combination of the settlement and the acquisition of Nelson Brothers' US Explosives business will further strengthen our North American region, deliver immediate earnings benefits and support our strategy to grow in attractive downstream markets."

³ Through its US subsidiary, Orica USA, Inc

⁴ Subject to completion of the Purchase Price Allocation

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ABOUT ORICA

Orica (ASX: ORI) is one of the world's leading mining and infrastructure solutions providers. From the production and supply of explosives, blasting systems, specialty mining chemicals and geotechnical monitoring to our cutting-edge digital solutions and comprehensive range of services, we sustainably mobilise the earth's resources.

Operating for more than 150 years, today our 14,000+ global workforce supports customers across surface and underground mines, quarry, construction, and oil and gas operations.

Sustainability is integral to our operations. We have set an ambition to achieve net zero emissions by 2050 and are committed to playing our part in achieving the goals of the Paris Agreement.

Find out more about Orica: orica.com

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