

ASX ANNOUNCEMENT

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ORICA TO EXPAND MINING CHEMICALS BUSINESS WITH CYANCO ACQUISITION, PARTLY FUNDED BY EQUITY RAISING

Orica (ASX: ORI) has entered into a binding agreement to acquire 100 per cent of the common stock of Cyanco Intermediate 4 Corp. (Cyanco) (the Acquisition) from an affiliate of Cerberus Capital Management, L.P. (Cerberus) for US\$640 million on a cash-free, debt-free enterprise value basis.

The Acquisition of Cyanco, a US-based leader in the manufacture and distribution of sodium cyanide primarily serving the gold mining industries in the US, Canada, Mexico, Latin America, and Africa, is expected to complement Orica's established Mining Chemicals business and create an integrated global manufacturing and distribution network.

The Acquisition will be largely funded from Orica's existing cash and undrawn committed debt facilities, alongside a A\$400 million underwritten institutional placement (the Placement).

TRANSACTION HIGHLIGHTS

- Orica to acquire Cyanco, a US-based leader in the manufacture and distribution of sodium cyanide, for US\$640 million¹ on a cash-free, debt-free enterprise value basis
- In line with Orica's strategy for growth beyond blasting, Orica will establish a Mining Chemicals business vertical and create an integrated global sodium cyanide manufacturing and distribution network
- More than doubles Orica's existing sodium cyanide production capacity to approximately 240kTpa via the contribution of Cyanco's two manufacturing plants in Nevada and Texas
- Significantly increases Orica's footprint in the very attractive North American gold mining industry and strategically located to access cost competitive US natural gas-based manufacturing assets
- The Acquisition purchase price represents an implied multiple of 7.5x CY2023A EBITDA² (pre-synergies) and 6.7x CY2023A EBITDA² (including expected pro forma net cost synergies of ~US\$10 million)
- Strong EBITDA margins accretive to Orica's, with ~90 per cent free cash flow conversion and low capital requirements³
- The Acquisition will be largely funded from Orica's existing cash and undrawn committed debt facilities, alongside a A\$400 million underwritten institutional placement
- Orica will additionally undertake a non-underwritten share purchase plan capped at A\$65 million (together with the Placement, the **Equity Raising**) to enable retail investor participation
- Orica will retain a prudent balance sheet post the Acquisition and Placement, with gearing expected to be at the lower end of Orica's target range of 30 to 40 per cent⁴
- The Acquisition together with the Placement are expected to be mid-single digits earnings per share (EPS) accretive in the first full year of ownership (pre-synergies)⁵
- Given the highly complementary nature of the two businesses, run-rate net cost synergies of ~US\$10 million are expected by the end of year three of Orica's ownership
- RONA contribution from the Acquisition and Placement is expected to be within Orica's stated current guidance of 12.0 to 14.0 per cent in the medium-term
- The Acquisition is expected to be completed by the end of FY2024, subject to the expiration of certain regulatory waiting periods and other customary closing conditions

FY2024 OUTLOOK

- Any EBIT contribution from Cyanco in FY2024 is expected to be largely offset by integration costs depending on the timing of completion; increased net financing costs and incremental amortisation are to be confirmed post transaction completion
- Orica's earnings outlook for FY2024 remains as per the ASX announcement released on 15 February 2024

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Orica Managing Director and CEO Sanjeev Gandhi said: *"I am delighted to announce the acquisition of Cyanco today, accelerating the delivery of Orica's Mining Chemicals strategy and creating a leading global mining chemicals business.*

"Cyanco is a highly complementary business, and by combining it with our established sodium cyanide business, Orica will create a leading integrated global sodium cyanide producer with world-class supply capabilities in mining. The Acquisition will more than double Orica's existing sodium cyanide production capacity and provide us with the ability to cater to the highly attractive US and Canadian gold mining industries.

"By combining these two leading businesses, we expect to improve our ability to serve our customers by enhancing Orica's global network of transfer stations in key gold mining regions, supporting security of supply to mine sites.

"The Acquisition is mutually beneficial to both Cyanco and Orica stakeholders, and we look forward to welcoming Cyanco's employees to Orica. We are excited about the opportunities this will create for Orica, our customers, and our shareholders".

TRANSACTION OVERVIEW

The Acquisition purchase price of US\$640 million on a cash-free, debt-free enterprise value basis¹, represents an implied multiple of 7.5x CY2023A EBITDA² (pre-synergies) and 6.7x CY2023A EBITDA² (including expected pro forma net cost synergies of ~US\$10 million).

The Acquisition is expected to be completed by the end of FY2024, subject to the expiration of certain regulatory waiting periods and other customary closing conditions.

The Acquisition will be largely funded from Orica's existing cash and undrawn committed debt facilities, alongside a A\$400 million underwritten institutional placement. Orica will additionally undertake a non-underwritten share purchase plan capped at A\$65 million to enable retail investor participation. Orica will retain a prudent balance sheet post the Acquisition and Placement, with gearing expected to be at the lower end of Orica's target range of 30 to 40 per cent.⁴

The Equity Raising comprises of a fully underwritten A\$400 million Placement and a non-underwritten share purchase plan capped at A\$65 million.

ABOUT CYANCO

Cyanco is a leading manufacturer and distributor of sodium cyanide, a specialised chemical required for gold processing.

Cyanco's production facilities are strategically located to serve the Nevada gold mining region and seaborne export market. Cyanco is a leading supplier of sodium cyanide in the US, with a well-established distribution footprint, enabling service to gold mines in Canada through rail link and supply capabilities into international regions through seaborne transportation.

Cyanco has an attractive financial profile and strong cash flow generation. Cyanco also has strong commercial discipline embedded in its business model, including customer contracts with pass-through structures for cost increases and automatic term renewal mechanisms.

Cyanco is committed to producing, delivering and using sodium cyanide safely and responsibly. Orica will incorporate Cyanco's greenhouse gas emissions profile into its global Scope 1, 2 and 3 inventory and remains committed to delivering on its existing public climate change targets⁶.

STRATEGIC RATIONALE

- **Complementary geographic expansion into attractive US and Canada gold mining industries, with long-term industry trends driving demand for sodium cyanide**
 - Global sodium cyanide demand growing at ~4 per cent per annum from 2023 to 2028, with North American sodium cyanide demand growing at ~5 per cent per annum in the same period⁷
 - Global treated ore is forecast to grow faster than historic rates due to greenfield and brownfield mining projects and decreasing ore grades⁷
 - Sodium cyanide is a specialised chemical required for gold mining, with no commercially viable substitute

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- Sodium cyanide has strong fundamentals as a stable, counter-cyclical business with a complex operating environment for supply
- **Complements Orica's established sodium cyanide business and creates a global sodium cyanide manufacturer and supply network**
 - Complements Orica's existing sodium cyanide manufacturing operations at Yarwun, Australia
 - More than doubles Orica's existing sodium cyanide production capacity to approximately 240kTpa via the contribution of Cyanco's two manufacturing plants in Nevada and Texas
 - Expands Orica's network to three manufacturing facilities, increasing supply networks and improving security of supply to customers
 - Extensive transfer station network in key gold mining regions, including Asia Pacific, US, Canada, Latin America, and Africa
 - Expansive in-country commercial and technical teams provide extensive support network
- **Further diversifies Orica's exposure to attractive segments across end markets, commodities, and geography**
 - Increases revenue contribution from mining chemicals to >10 per cent (pro forma post Terra Insights and Cyanco acquisitions)⁸
 - Further commodity diversification, increasing gold exposure to ~25 per cent of revenue (pro forma post Terra Insights and Cyanco acquisitions)⁸
 - Greater geographic exposure to the North American end markets, increasing to ~25 per cent of revenue (pro forma post Terra Insights and Cyanco acquisitions)⁸
- **Opportunity to expand customer relationships and solutions offered across the mining value chain**
 - Application of Orica's digital and technical expertise in ore monitoring and processing to provide value-added services
 - Enhanced ability to service mining customers with a broader suite of products and services across the mining value chain
 - Opportunity to deepen customer relationships through expanded solutions and supply

DETAILS OF THE INSTITUTIONAL PLACEMENT

Orica is undertaking a fully underwritten placement of new fully paid ordinary shares in Orica (**New Shares**) to eligible institutional investors to raise approximately A\$400 million (**Placement**).

The Placement will be conducted at a fixed price of A\$15.84 per New Share (**Placement Price**), representing a:

- 6.0 per cent discount to the last traded price of A\$16.85 on 20 February 2024; and
- 5.2 per cent discount to the five-day Volume Weighted Average Price (**VWAP**) of A\$16.70 up to, and including 20 February 2024

The Placement will result in approximately 25.3 million New Shares being issued, representing approximately 5.5 per cent of Orica's existing issued share capital. New Shares issued under the Placement will rank equally with existing Orica shares from their date of issue and will be entitled to any dividend for the six months ending 31 March 2024.

It is intended that Orica's eligible institutional shareholders who bid for an amount equal to, or less than, their pro rata share of New Shares under the Placement will be allocated their full bid on a reasonable endeavours basis.⁹

DETAILS OF THE SHARE PURCHASE PLAN

Following the completion of the Placement, Orica will offer eligible shareholders the opportunity to participate in a non-underwritten share purchase plan (**SPP**), subject to an aggregate cap of A\$65 million.

Under the SPP, eligible Orica shareholders, being shareholders who had a registered address in Australia or New Zealand on Orica's register at 7.00pm (Melbourne time) on Tuesday, 20 February 2024, will have the opportunity to apply for up to A\$30,000 of New Shares free of any brokerage, commission, and transaction costs. The SPP will be priced at the lower of the Placement Price and a 2.0 per cent discount to the five-day VWAP of Orica shares up to, and including, the closing date of the SPP, which is currently scheduled for Monday, 18 March 2024.

New Shares issued under the SPP will rank equally with existing Orica shares from their date of issue.

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Full details of the SPP will be set out in the SPP Offer Booklet, which will be released to the ASX and sent to eligible shareholders on or around Thursday, 29 February 2024.

KEY DATES FOR THE PLACEMENT AND SPP

Description	Date
Record date for SPP	7.00pm, Tuesday, 20 February 2024
Trading halt and announcement of the Acquisition and Equity Raising	Wednesday, 21 February 2024
Placement bookbuild	Wednesday, 21 February 2024
Announcement of completion of Placement and trading halt lifted – trading resumes on the ASX	Thursday, 22 February 2024
Settlement of New Shares issued under the Placement	Monday, 26 February 2024
Issue and commencement of trading of New Shares issued under the Placement	Tuesday, 27 February 2024
SPP offer opens and SPP booklet is dispatched	Thursday, 29 February 2024
SPP offer closing date	5.00pm, Monday, 18 March 2024
Issue of New Shares under the SPP	Monday, 25 March 2024
Commencement of trading of New Shares issued under the SPP	Tuesday, 26 March 2024
Despatch of holding statements in respect of New Shares issued under the SPP	Wednesday, 27 March 2024

The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares issued under the Placement and the SPP is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Orica reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice. All times above are to Melbourne, Australia time.

FURTHER INFORMATION

Further details of the Acquisition and Equity Raising are set out in the investor presentation released to the ASX today. The investor presentation contains important information including details about key risks and international offer restrictions with respect to the Placement, which should be read together with this announcement.

ANALYST AND INVESTOR BRIEFING

Orica will conduct a conference call in relation to the announcement at 10:30am (Melbourne time) on Wednesday, 21 February 2024.

Participants must pre-register for the call using the following link: <https://s1.c-conf.com/diamondpass/10037051-xz56a3.html>

Participants will receive a calendar invite, conference call details and a unique code to be quoted when dialling into the call.

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A replay of the conference call will also be available using the following teleconference details:

Australia	1800 265 784
Australia Local	+61 7 3107 6325
New Zealand	0800 886 078
New Zealand Local (Auckland)	+64 9 929 3905
France	0800 919 377
Germany	0800 181 0896
Hong Kong	800 930 639
Singapore	800 101 3223
UK	0800 031 4295
US / Canada	1855 883 1031

Replay Pin: 10037051

ADVISERS

Goldman Sachs Australia Pty Ltd is acting as an exclusive financial adviser, Skadden, Arps, Slate, Meagher & Flom LLP is acting as legal adviser on the Acquisition, and Gilbert + Tobin is acting as legal adviser to Orica on the Equity Raising.

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1 Enterprise value of US\$640m on a cash-free, debt-free basis equivalent to A\$985m (on the basis of an exchange rate of AUD/USD = 0.6500), and subject to customary completion adjustments, including for Cyanco's net working capital, indebtedness and cash balance at completion of the Acquisition.

2 Based on December year end EBITDA figure (pre IFRS-16) and before transaction costs. Refer to "Important Notices", for risks related to forecasts and estimates of financial information.

3 Average of CY2021-2023A reported figures by Cyanco management.

4 Based on the pro forma balance sheet as at 30 September 2023 including the Terra Insights and Cyanco acquisitions and the Placement; excludes the impact of the Deer Park land sale announced on 15 February 2024.

5 Pre-purchase price allocation (PPA), excluding run-rate net cost synergies and transaction costs.

6 In accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004), Orica's target base year emissions will be restated to ensure meaningful and accurate comparison of emissions performance over time.

7 Source: Wood Mackenzie; S&P Global; Metals Focus; Orica analysis.

8 Pro forma FY2023 revenue, based on Orica's audited consolidated financial statements for the year ended 30 September 2023, and Terra Insights and Cyanco management reported numbers in the same period which are unaudited. Orica's acquisition of Terra Insights was previously announced on 20 December 2023 and is expected to be completed by the end of March 2024.

9 For this purpose, an eligible institutional shareholder's 'pro rata' share of New Shares issued under the Placement will be estimated by reference to Orica's latest available beneficial shareholder register prior to launch of the Placement, but without undertaking any reconciliation processes and ignoring New Shares that may be issued under the SPP. Unlike in a rights issue, this may not truly reflect the participating shareholder's actual 'pro rata' share of New Shares issued under the Placement. Nothing in this announcement gives a shareholder a right or entitlement to participate in the Placement and Orica has no obligation to reconcile assumed holdings (e.g. for recent trading or swap positions) when determining a shareholder's 'pro rata' share of New Shares issued under the Placement. Institutional shareholders who do not reside in Australia or other eligible jurisdictions will not be eligible to participate in the Placement – see 'International Offer Restrictions' in the investor presentation for the eligible jurisdictions and relevant selling restrictions. Orica and the Lead Manager disclaim any duty or liability (including for negligence) in respect of the determination of a shareholder's 'pro rata' share of New Shares issued under the Placement.

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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, 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 150 years, today our 12,500+ 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: www.orica.com

IMPORTANT NOTICES

This announcement should be read subject to the disclaimer in the investor presentation released by Orica to the ASX today (as if references in that disclaimer to "this presentation" were to "this announcement"). This announcement is not a financial product or investment advice, a recommendation to acquire New Shares or financial, accounting, legal or tax advice. The information in this announcement does not contain all the information necessary to fully evaluate an investment in Orica. It should be read in conjunction with the other materials lodged with ASX in relation to the Acquisition and Equity Raising (including the investor presentation and the key risks set out therein), and Orica's other periodic and continuous disclosure announcements. This announcement has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the information in this announcement and in the investor presentation in relation to the Acquisition and Equity Raising having regard to their own objectives, financial and tax situation and needs, and should seek legal, tax and other professional advice. Orica is not licensed to provide financial product advice in respect of an investment in shares.

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Orica, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Orica's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Orica, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Orica as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Orica, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to persons acting for the account or benefit of persons in the United States, or in any jurisdiction in which such an offer would be illegal. The New Shares to be offered and sold in the Placement and issued under the SPP have not been, nor will be, registered under the U.S. Securities Act of 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares to be offered and sold in the Placement may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The New Shares to be offered and sold in the SPP may not be offered and sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States.

This announcement includes "forward looking statements" within the meaning of Section 27A of the U.S. Securities Act, Section 21E of the United States Securities Exchange Act of 1934 and the United States Private Securities Litigation Reform Act of 1995. Forward looking statements inherently involve known and unknown risks and uncertainties. Orica provides no assurance that the forward-looking statements contained herein will prove accurate. No undue reliance should be placed on any forward-looking statement

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