15 November 2022

The Manager
Companies Announcement Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

United Malt Group Limited 2022 Annual Report

United Malt today announced its results for the full year ended 30 September 2022. Attached is the Appendix 4E and 2022 Annual Report including:

- Directors' report
- Remuneration report
- FY22 Financial report

This announcement is authorised for market release by the United Malt Board of Directors.

Yours sincerely,
United Malt Group Limited

Lisa Jones

Lisa Jones
Company Secretary

APPENDIX 4E- Preliminary Final Report

Under ASX Listing Rule 4.3A

Current Reporting Period	**1 October 2021 to 30 September 2022**
Prior Corresponding Period	**1 October 2020 to 30 September 2021**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

To be read in conjunction with the FY22 Financial Report.

Key information

	% change		$M (AUD)
Revenue from ordinary activities	13.9%	to	1,406.7
Net profit after tax attributable to members for United Malt Group Limited	(20.0%)	to	11.6
Net profit after tax before significant items	(66.6%)	to	11.6
Earnings before depreciation, amortisation, interest, tax, and significant items	(26.0%)	to	91.8
Basic earnings per share (cents per share)	(18.8%)	to	3.9

Details relating to dividends

	Record Date	Payment Date	Cents per share	$M (AUD)	Franked %	Conduit foreign income %
FY21 Final dividend per share	2 December 2021	17 December 2021	3.5	10.5	0%	0%
FY22 Interim dividend per share	2 June 2022	17 June 2022	1.5	4.5	0%	100%
FY22 Final dividend per share	N/A	N/A	Nil	Nil	N/A	N/A
Total FY22 dividend			**5.0**	**15.0**	**0%**	

Net tangible assets per share

	30 September 2021	30 September 2022
Net tangible assets per share	$2.68	$2.71

Additional information

Additional Appendix 4E disclosure requirements and further information including commentary on significant features of the operating performance, trends in performance and other factors affecting the results for the current period is contained in the FY22 Annual Report and accompanying Investor Presentation.

This report is based on the consolidated financial statements and notes which have been audited by PricewaterhouseCoopers.
Further information regarding the company and its business activities can be obtained by visiting the Company's website at www.unitedmalt.com

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|ABN 61 140 174 189|

UNITED MALT

Annual Report 2022

AR 22

Creating the ingredients that bring people together.

CONTENTS

Our Purpose

Our company purpose is in 'Creating the ingredients that bring people together' in order to create value for our stakeholders. It provides the foundation of our business strategy.

Our Values

Safety

The safety of our people is paramount. Safety is part of our way of life and requires the commitment of everyone throughout the organisation.

Safety extends to the health and wellbeing of ourselves and everyone around us and to the environment in which we operate.

It is part of everything that we do as well as the way that we do it. It is our way of coming together as a community.

Quality

We provide outstanding ingredients and superior service that, together, deliver premium value to our customers.

At every step in the process, and in all our roles, we come together as a team to make sure that we strive to provide the best.

Passion

We are deeply passionate about making malt and proud of our industry, our business and our people.

We are proud to be part of a wider community and are positive stewards in the way we work. We bring a spirit of innovation and continuous improvement to everything that we do.

Integrity

We believe that nothing is more important than our reputation and, behaving with the highest level of integrity is fundamental to who we are.

Chairman's Letter

Graham Bradley AM
Chairman and Non-Executive Director

Fellow shareholders,
In a year which we hoped would have been one of recovery after the Covid-19 pandemic, United Malt Group delivered an unsatisfactory result for the past year.

Our financial results in FY22 were affected by adverse volatility in market conditions, including the impact of the severe drought on the Canadian barley crops, significant disruption to ocean and rail supply chains, and increased freight and energy costs. Faced with these changes in external conditions, the Company's commercial arrangements did not respond with the required speed to protect our returns, especially in our Processing Segment in Canada.

As a result, earnings declined in our Processing Segment while earnings in our Warehouse & Distribution Segment remained firm.

The Board and management have acted decisively to implement initiatives to strengthen our management capability, re-negotiate our contracts with larger customers for FY23, diversify our barley sourcing and bring increased discipline and rigour to costs and capital management. We also improved the timeliness and quality of performance reporting to top management and to the Board.

These measures mean that the Group can respond more effectively to changed market conditions through more active and informed management of risks going forward.

As a result of these improvements, we expect a material increase in earnings in FY23 and a further improvement in FY24.

Overview of FY22 Performance

Group Underlying Earnings Before Interest Tax Depreciation & Amortisation (EBITDA) for FY22 was $105.9 million[1], down 23.2 per cent on the prior year results of $137.9 million. Underlying EBITDA excludes Software as a Service (SaaS) charge of $13.3 million and one-off impairment of $0.8 million on the sale of our Brewers Select business in the UK.

EBITDA was $91.8 million and Net Profit After Tax for the year was $11.6 million, down from $14.5 million in FY21.

Group Underlying Net Profit After Tax (NPAT) was $11.6 million compared to $34.7 million for FY21.

FY22 Dividend

The Board declared an unfranked 1.5 cent interim dividend in May 2022 in respect of the Company's first half earnings. In light of the Company's second-half profit performance, the Board did not declare a final dividend for FY22. Total dividends for FY22 represented ~40 per cent of Underlying NPAT.

However, the Board expects a material recovery in earnings in FY23 and expects to resume dividend payments in line with our policy to distribute approximately 60 per cent of Underlying NPAT as dividends to shareholders.

Capital and Debt

The increased value of both our barley and malt inventories as a result of high barley prices, coupled with the additional intake of barley in the UK in preparation for the commissioning of our expanded Inverness facility, caused the Company's Net Debt/EBITDA ratio to temporarily exceed our target range of 2.0 - 2.5 times as at 30 September 2022.

We maintain strong relationships with our major banks, all of whom provided covenant amendments in respect of 30 September 2022 and 31 March 2023 together with additional inventory funding to accommodate higher inventory values and our increased requirements for the Inverness expansion. We also have entered in to a factoring arrangement under which we anticipate factoring up to ~ $90 million[2] to provide further short term financing flexibility.

We expect to work with our banks during FY23 to restructure our debt facilities to better accommodate volatile inventory values.

Our expected improvement in earnings in FY23, together with significantly reduced capital expenditure in FY23, mean we have a clear pathway to our target Net Debt/EBITDA range of 2.0 – 2.5 times by 30 September 2023.

Sustainability

United Malt is committed to safe, efficient and sustainable operations and to managing our business consistent with our values and the expectations of our stakeholders and the communities in which we operate.

United Malt is committed to safe, efficient and sustainable operations and to managing our business consistent with our values and the expectations of our stakeholders and the communities in which we operate.

We are committed to managing our environmental impact responsibly. We also recognise commitments made by governments in each of our geographies to achieve net zero emissions. With the support of external advisors, we are working on a roadmap to help develop our plans and timeframes to make tangible and sustainable reductions in our use of energy and water and associated emissions.

Details of progress towards our sustainability targets are contained in our Sustainability Report which is available on the United Malt website.

CEO succession

In October, Mark Palmquist informed the Board of his intention to retire from his role as Managing Director and Chief Executive Officer during FY23.

The Board has a global CEO search process underway. Mark will remain in his role until his successor is appointed to assist with an orderly transition.

I want to acknowledge and thank Mark for his service to the Company and the pivotal role he played in establishing United Malt as a listed Company.

Governance

Your Board continues to focus on having the requisite diversity of skills and experience to assist management to deliver the Company's strategy and to oversee the Company's governance and risk management.

We strengthened our Board in September 2022 with the appointment of Pat Bowe as an Independent Non-Executive Director. Pat has 40 years' experience in agribusiness directly relevant to our malting and distribution businesses, including grain trading, agriculture processing and supply chain management. He is currently President and Chief Executive Officer of The Andersons, Inc., an Ohio-based Fortune 500 listed agricultural supply chain company.

We are currently well advanced towards appointing a further North American director with experience in the beverage and food ingredient production and distribution sectors.

Conclusion

The Board shares Shareholders' disappointment with the Company's financial performance in FY22. We acknowledge the need for the Company to do better, to execute the actions needed to make our business more resilient to future shocks and to do so effectively and quickly.

While high energy prices and supply chain disruptions may remain challenges in FY23, the volume and quality of the North American barley crop has improved significantly on the prior year and we are reducing the risk inherent in our commercial arrangements against future volatility of barley prices and inflation in input costs.

Our Inverness expansion is expected to be producing commercial quality malt in the first quarter of calendar 2023. This new capacity is now approximately 95 per cent sold and our Arbroath expansion is already producing above target rate of 22,000 tonnes per annum. The completion of our two expansion projects in Scotland is expected to deliver incremental EBITDA of approximately $18.0[3] million on a full year run rate basis.

Assuming no material deterioration in market conditions, we are targeting a significant improvement in the Company's financial performance in FY23. We expect Underlying EBITDA to be in the range of $140-160 million driven by improved crop conditions, improved pricing and commercial discipline, completion of the Scottish expansion and efficiencies underpinned by completion of our new technology platform. Our second half EBITDA is expected to be substantially higher than the first half as the new calendar year contracts come into force from January.

We are targeting a further step up in EBITDA in FY24 as more legacy contracts are re-negotiated, as the full benefit of the Inverness expansion is achieved, and further planned cost-efficiencies are realised.

In the meantime, I want to thank shareholders for your ongoing support and thank my Board and management colleagues for their efforts over the past difficult year.

Graham Bradley AM
Chairman and Non-Executive Director

1. Underlying EBITDA for FY22 excludes SaaS costs of ($13.3m) and the impairment of the Brewers Select assets ($0.8m). For FY21 underlying EBITDA excludes SaaS costs ($6.5m), Grantham site closure costs ($3.1m) and transformation costs ($4.3m).

2. US$60 million receivables factoring arrangement.

3. Subject to FX.

Managing Director and CEO's Review

Mark Palmquist
Managing Director and CEO

FY22 presented an extraordinarily challenging year to the malting industry in North America generally and to United Malt's business.

Our Processing Segment in North America was adversely impacted by a number of external events, including the significant deterioration of the Canadian barley crop, supply chain disruptions, increased costs of imported barley which could not be fully passed on to customers and accelerating input cost inflation.

This resulted in the Company delivering a disappointing financial result for the year with Group Underlying EBITDA (before SaaS costs and one-off items) of $105.9 million, a decline of 23.2 per cent on the prior year.

As the Chairman indicated in his report, this was a year which we had hoped would have been one of recovery after the Covid-19 pandemic.

We are implementing measures to ensure the Company is better equipped to mitigate external risks to our business in the future, including a more pro-active approach to managing risk, with improved pricing and commercial terms to better capture the true cost-to-serve our customers.

With a significant improvement in the volume and quality of the North American barley crop this year we expect a material increase in earnings in FY23.

Safety

Our safety performance during FY22 did not meet our expectations and does not represent the progress we set ourselves on our Safe for Life journey.

While we have been able to improve the Lost Time Injury Frequency Rate from 4.04 to 3.48, we have seen an increase in the Recordable Injury Frequency Rate from 1.42 to 1.89, with the total number of recordable injuries increasing by 5, which was mostly driven by poor performance in our Canadian plants.

We continue to focus on proactive leadership engagements, with over 7,000 engagements completed during the year.

We continued with our Global ISO Certification work and we have now successfully transitioned two regions; Australia and the United Kingdom to our global framework. Further work is underway to prepare our North American sites for certification.

FY22 Financial Results

Group Results

Sales volumes in FY22 were in line with FY21, while Group revenue increased by 13.9 per cent to $1,406.7 million compared to the prior year, primarily reflecting the pass through of increased barley prices. On a constant currency basis revenue increased by 10.5 per cent.

Underlying EBITDA (before SaaS costs and one-off items) was $105.9 million, down 23.2 per cent on the prior year, reflecting the significant decline in earnings in the Processing Segment.

Net Profit After Tax was $11.6 million down 20 per cent on the prior year, and earnings per share were 3.9 cents compared to 4.8 cents for the prior year.

Segment Results

The Processing Segment was impacted by the drought in Canada which produced poor quality barley resulting in increased production costs. The reduced barley crop also resulted in the Company incurring additional logistics costs to import barley into Canadian processing plants from Australia and Denmark to ensure we continued to supply customers.

The Segment was also impacted by disruption to supply chains including sea, rail and road freight which caused continued delays in customer shipments and higher than expected energy costs which were not able to be fully passed through to customers.

Segment Underlying EBITDA (before SaaS costs) declined by 30.8 per cent to $70.1 million.

The Warehouse & Distribution Segment performed solidly in FY22.

Revenue increased by 8.0 per cent to $356.6 million as a result of ongoing benefits of the optimisation initiatives delivered over the past two years.

Underlying EBITDA (before SaaS costs and one-off items) increased by 2.5 per cent to $44.6 million. The Segment operates on a relatively short cycle and is better able to manage margins in an inflationary environment, as experienced during the year.

Subsequent to the year end, in October 2022 we divested our UK craft distribution business, Brewers Select. We will continue to supply our malts to the UK craft market via a third-party distribution partner, which will provide us with the most effective access to smaller craft customers. This decision was part of our continual review of our portfolio of assets to ensure we positioning our business and resources to best serve the growing distilling market in the UK.

An impairment on sale of $0.8 million was recorded as a one-off item in the FY22 results.

Including one-off costs and SaaS costs, Segment EBITDA was $40.3 million and was 1.2 per cent down on the prior year.

Balance sheet

Net debt at 30 September 2022 was $453.4 million which resulted in the Company's Net Debt/ EBITDA ratio of 5.0 times at 30 September 2022 temporarily exceeding the target range of 2.0-2.5 times.

The Company received covenant amendments in respect of 30 September 2022 and 31 March 2023 and additional inventory funding capacity with our banks to accommodate expanded short term requirements.

An expected improvement in earnings and significantly reduced capital expenditure commitments in FY23 mean we maintain a clear pathway to our target Net debt/ EBITDA range by 30 September 2023.

Capital Expenditure

Capital expenditure for FY22 was $91.2 million which represents the peak in our growth capital expenditure.

Major growth initiatives included the expansion of the Scottish distilling project. In total this project will add 79,000 tonnes to our capacity at both Arbroath and Inverness and is expected to generate incremental EBITDA of approximately $18 million on full year run rate basis.

Other growth projects included sustainability and efficiency programs including the new speciality ingredient processing plant in Calgary and our Optisteep water reduction technology installation at our Pocatello plant.

For the next few years, the Company expects base capital expenditure to be in the range of ~$55 to $60 million including stay-in-business and safety-related investment in the range of ~$30 to $35 million.

Update on Strategy

During the year United Malt held an investor day to outline our strategy and how we expect to deliver earnings growth to create shareholder value over the medium term.

Notwithstanding the significant challenges of FY22, the fundamentals of our industry remain positive.

Beer remains a significant beverage category. Beer consumption has not typically been significantly impacted in periods of recession. While demand for craft beer and ancillary products continues to grow. Malt whisky production is also expected to continue its upward trend and demand for distilling continues to grow with United Malt's customers laying down spirits for 10+ years for aged whisky.

Our strategic focus is to build a more resilient global malting business to strengthen our ability to fully capture value for shareholders from this expected malt demand and tighter capacity utilisation in the industry.

In the short term we are taking a more pro-active approach to managing risk, with improved pricing and commercial terms to better capture the true cost-to-serve our customers. This includes pricing malt to customers more frequently, when we have more certainty on crop quality and price, and a more disciplined approach to managing customers' volume commitments. Our contracts will also include more frequent freight price re-sets and inflation cost escalation.

Over the medium term our focus will be on ensuring a more rigorous approach to capital, cost and cash discipline across all elements of our business.

This will be supported by our transformation programme which is focused on renewing our organisation and technology platforms to create a simplified, more efficient and effective organisation. We expect to complete the implementation of the new technology platform in 2023. The new Enterprise Resource Planning (ERP) platform and Transport Management System (TMS) are well advanced and are being progressively deployed across the business. We remain confident and committed to achieving ~$30 million of net transformation benefits in EBITDA by FY24.

Sustainability

Sustainability is a key strategic priority for United Malt. We continue to focus on embedding sustainability within our day-to-day operations, emphasising safe, efficient and sustainable operations while ensuring the management of our business is consistent with our values and the expectations of our stakeholders and the communities in which we operate.

In 2022 we continued to progress our commitment to gender equality and have increased the level of female participation at the Leadership level to 28 per cent compared to 26 per cent for the prior year.

As a malting business, we have a direct relationship with nature, land and the farming community and water is central to our success. Malting is a water intensive process and therefore we focus on managing our consumption, reducing our usage, responsibly treating effluent and looking for new technologies to reduce consumption to ensure the sustainability of our business into the future.

During the year we successfully implemented a new Optisteep technology at our Pocatello plant, which reduces water consumption by up to 30 per cent during the steeping phase.

Looking ahead

United Malt anticipates a material increase in earnings in FY23 with the expected drivers of earnings improvement including improved North American barley crop conditions, improved pricing and commercial terms with customers, completion of the Scottish expansion project and the progressive delivery of the transformation project.

Our confidence in the improved outlook for FY23 is founded on the improved quantity and quality of barley we have purchased in North America and the UK for conversion into malt during calendar 2023 and the prices at which we have agreed with our customers to supply.

Our focus is on disciplined execution and risk management and the delivery of our strategy for shareholder value creation.

Conclusion

On a personal note, in October 2022, I advised the Board of my intention to retire as Managing Director and CEO during FY23.

It has been a privilege to serve United Malt as CEO during its first three years as a standalone company and I believe the time is right for a new Chief Executive to lead United Malt for the next period of its development.

I remain committed to the role while the Board undertakes a search for a successor to ensure both an orderly transition to a new CEO and that we retain focus and momentum on our priorities as outlined.

In conclusion, I want to thank all our employees at United Malt for their efforts in what has been a difficult and ultimately disappointing year.

I also want to acknowledge and thank our shareholders for your continued support of the Company.

Mark Palmquist
Managing Director and CEO

United Malt Overview

United Malt's operational headquarters are in Vancouver, Washington, US and the Company is listed on the Australian Securities Exchange (ASX: UMG).

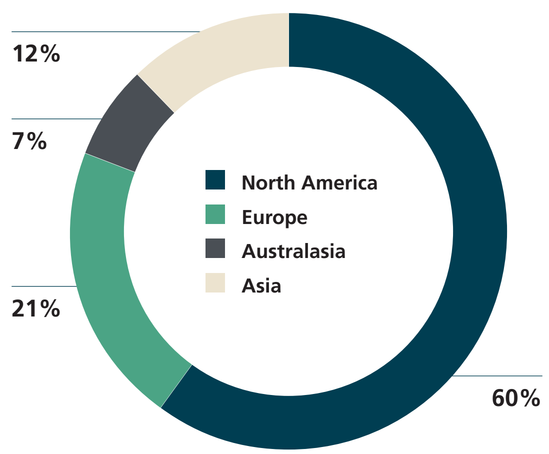
United Malt primarily serves the brewing, distilling and food markets through our family brands, anchored in the world's finest barley growing regions, as well as our Warehouse & Distribution arm, which champions local malts and other products of outstanding character.

We maintain a presence in Canada, the US, Australia, the UK and New Zealand and products sold in these markets as well as export markets across Asia, Latin and South America, Europe and Africa. We're proud to be one of the leading malt suppliers to the craft brewing sector, supported by a distribution network of 21 warehouses (both Company-operated and through third party logistics providers) and international craft distribution partnerships throughout North America, South America, Europe, Asia and Australia.

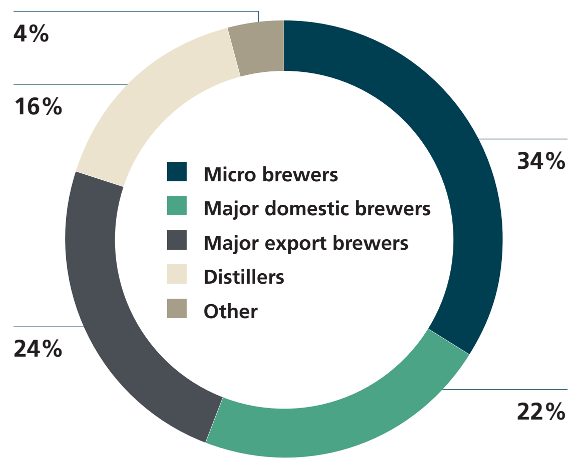
Our customer-centric strategy puts customers at the centre of everything we do, whilst targeting high value markets where the long-term outlook for growth remains supportive. Our customer base is diversified by product, end-market and geography, and comprises a range of high-quality customers including global brewers, craft brewers, distillers and food companies. We sell into domestic and export markets. We serve over 7,000 customers around the globe.

We have a long history of established brands in each of our markets and operate United Malt with a shared purpose and values.

Revenue by customer geography



Revenue by customer group



Our long history of established brands

1823 — 1902 — 1912 — 1934 — 1995

Value Creation

United Malt's business model, strategic positioning and expertise in leveraging key inputs into our business creates value for our customers, shareholders, employees, supply chain and community.

We're proud partners in craft to the world's best distillers and brewers and their most discerning customers and strive to be our customers' preferred partner in quality, service experience and innovation.

Selection of the Highest Quality Barley

We maintain long term relationships with a variety of growers, across many growing regions. We contract directly with growers for production acres and planting of specific varieties to meet the needs of our customers. Many of our malting facilities are strategically located in key barley growing areas.

Quality & Provenance Preservation

We have capabilities to store our barley in the right conditions to maintain quality prior to processing. We segregate our barley to preserve its unique identity and key quality attributes to meet our customers' requirements.

Processing – Conversion to Malt

Our 12 processing plants convert barley into malt via a process of steeping, germination and kilning. Through these processes we create our range of base and speciality malts for applications in the brewing, distilling and food markets.

Distribution

Distribution is a further step in our value creation, allowing us to connect our customers to our malts in the format that meets their requirements. Our Processing division distributes our malt products in a bulk format via rail car, road and containers to major food and beverage producers. Our Warehouse & Distribution division provides our malts in a smaller format to meet the needs of craft producers. We complement our malt ingredient offering with the provision of the full range of other brewing and distilling ingredients. We provide our customers with products including hops, yeast, adjuncts, flavours and packaging materials – providing the one stop shop for craft producers.

Customers

The centuries of experience of our international maltsters in creating the finest malts, combined with strong end to end supply chain capabilities in each of our operating geographies, supports our customers by delivering the ingredients they need to create world-class food and beverage products.

Shareholders

We're focused on delivering long term sustainable growth and returns and to generate cash flows to support dividends and investment in responsible growth for the future.

Employees

We provide a safe work environment. We seek to foster an inclusive and development focused employee experience. Our employees make up an inclusive, diverse and exceptional team full of passionate people with teams who are always collaborating and supporting each other while upholding a culture of continuous improvement and passion for our ingredients.

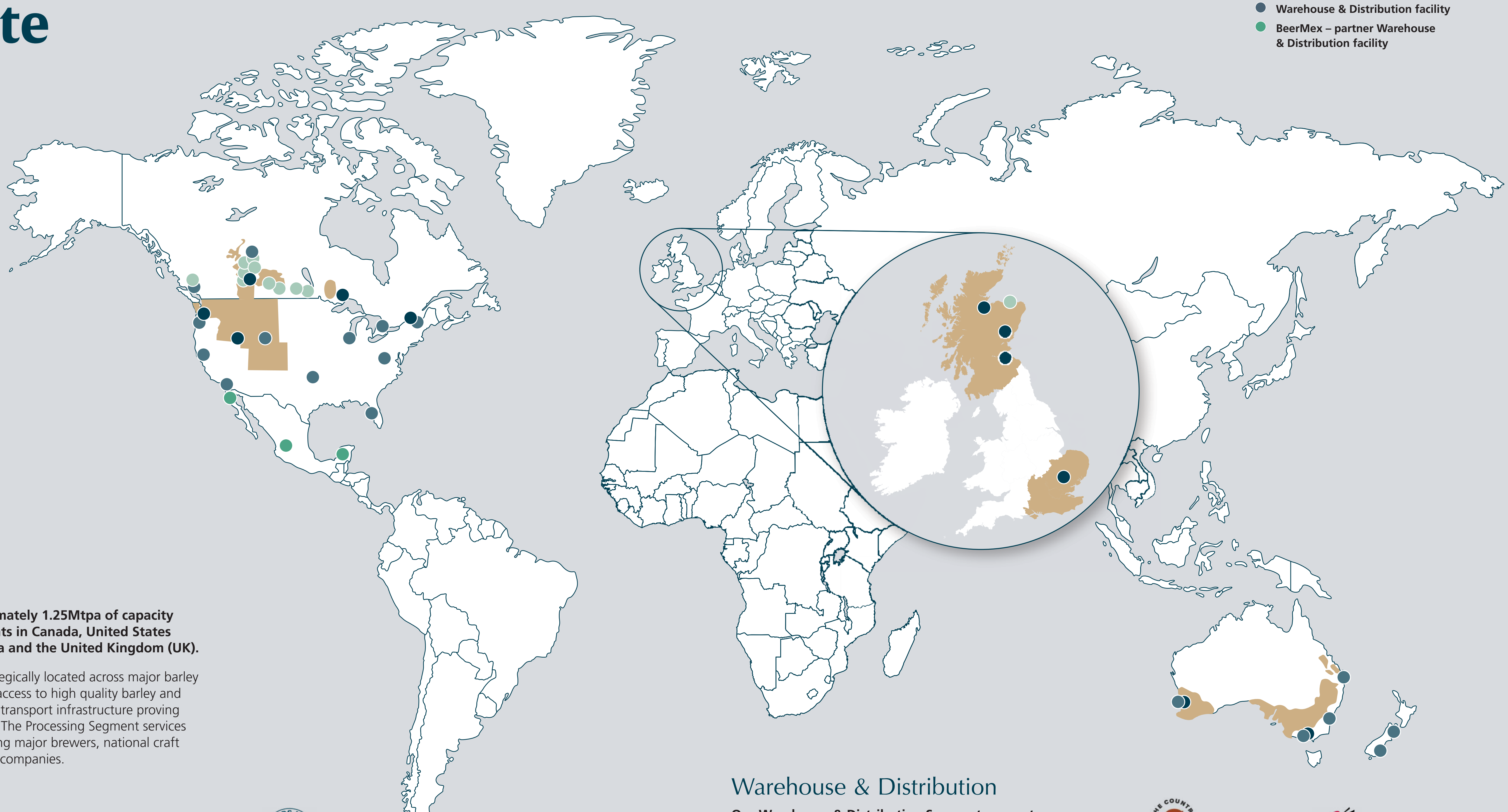
Community

We act as a responsible neighbour in all our interactions with the intent of positive long-term impact.

Supply Chain

We act to deliver better outcomes for all stakeholders, including reducing the environmental impact of business activities, managing risks within supply chains, including human rights, providing visibility and confidence for quality relationships.

Where We Operate



Key
- Key barley growing regions
- Processing facility
- Storage facility
- Warehouse & Distribution facility
- BeerMex – partner Warehouse & Distribution facility

Processing

United Malt has approximately 1.25Mtpa of capacity across 12 processing plants in Canada, United States of America (US), Australia and the United Kingdom (UK).

Our malting assets are strategically located across major barley growing regions providing access to high quality barley and in close proximity to critical transport infrastructure proving better access to customers. The Processing Segment services over 600 customers including major brewers, national craft brewers, distillers and food companies.

North America
Canada Malting Company
Great Western Malting
~750kt of production capacity

Australia
Barrett Burston
~250kt of production capacity

UK
Bairds
~250kt of production capacity

Warehouse & Distribution

Our Warehouse & Distribution Segment generates revenue from the sale and distribution of bagged malt, hops, yeast, adjunctions and related products.

The Company's distribution network is supported by international craft distribution partners focused on regions exhibiting growth in craft. United Malt's competitive advantage is its ability to deliver all ingredients to the brewer on a just-in-time basis.

North America
Country Malt Group
13 Facilities

Australia
Cryer Malt
5 Facilities

Mexico
BeerMex
3 facilities

Our Strategy

1 Optimise the core

Drive penetration in the distilling market

- Capture growth from increasing demand for whisky in emerging markets and higher value, single malt whiskies.

Expand craft distribution business into new geographies

- Expand into the growing craft beer markets in Latin America and Asia by leveraging extensive craft distribution experience.
- Supported by bolt-on acquisitions, start-up opportunities and new distribution partnerships.

Maximise value and returns

- Optimise our business to target ROCE in excess 10%, with a focus on North American operations.

2 Transform for tomorrow

Renew our organisational and technological platforms to create a simplified, more efficient and effective organisation

- Redesign our organisation to simplify our operations to create an organisational design reflecting a standalone malting Company.
- Embrace process changes to improve capabilities by implementing simplified and standard processes, skills and systems.
- Strengthen operational management by harnessing our network of production facilities and warehouse and distribution centres as one global network to deliver better outcomes for customers.

Integrate sustainable actions into everyday operations, embracing our commitment to Zero Harm

- Develop priorities and actions to address climate change and resource scarcity.

3 Create new value

Proactively assess acquisitive growth opportunities

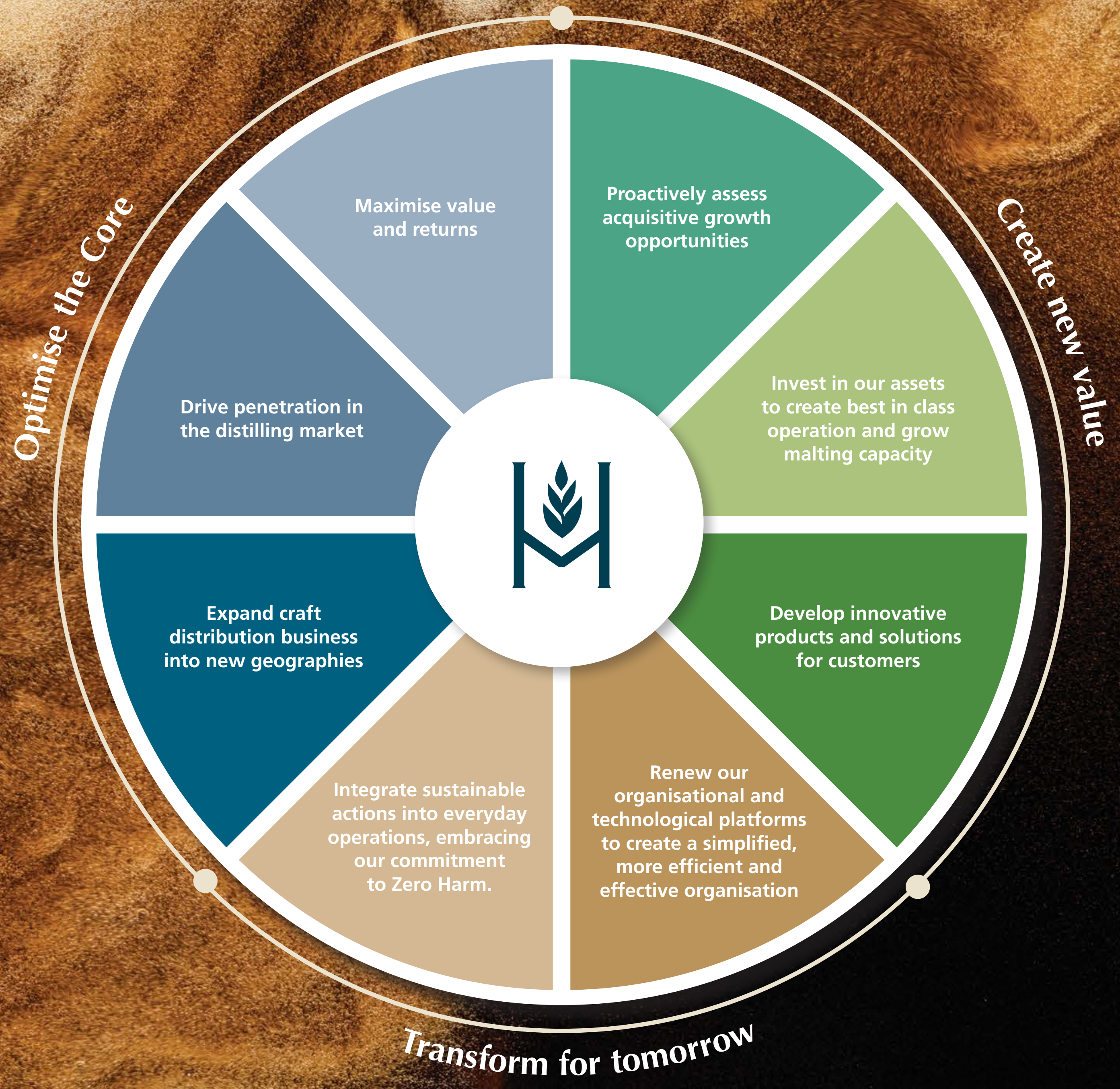
- Take a disciplined approach to evaluating acquisitive growth opportunities to extend our geographic reach, product offering and/or customer base.

Invest in our assets to create best in class operation and grow malting capacity

- Continue to optimise our asset footprint including upgrading capacity to create best in class operation, enhancing customer experience.

Develop innovative products and solutions for customers

- Leverage our rich pedigree and expertise in the brewing, distilling and food ingredients markets to create new and innovative product solutions for our customers.



Strategic Delivery

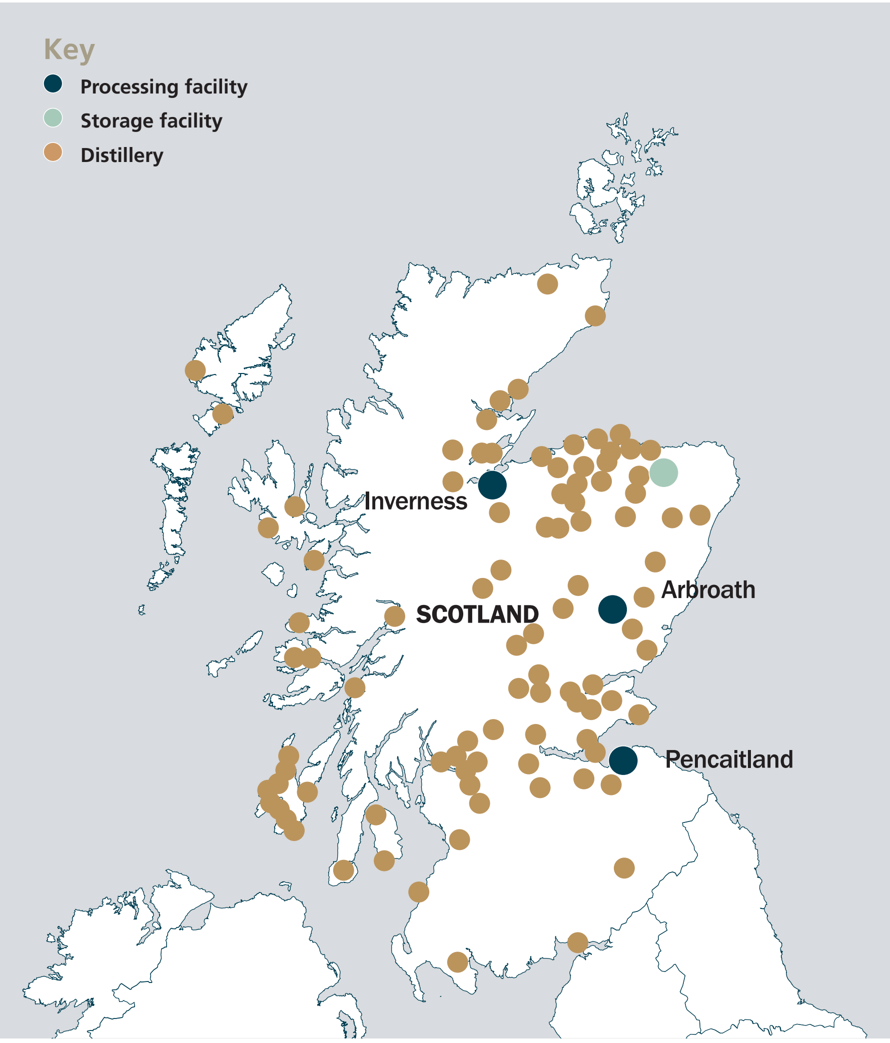
Scottish expansion – Expanding our capacity to serve the growing distilling market

United Malt continues to progress the delivery of its 79,000 tonnes expansion of malt capacity in Scotland.

The first stage of the project was completed in March 2021, with 22,000 tonnes of additional capacity commissioned in Arbroath. The next stage is the 57,000 tonnes capacity expansion at the Inverness facility which is nearing completion and expected to be producing commercial quality malt in the first quarter of calendar year 2023.

The expansion will support the long-term customer demand from Scottish distillers for malt, underpinned by global demand for aged whisky. Our malting facilities are strategically positioned in close proximity to key customers and high quality barley.

Our new capacity is predominantly sold with agreements in place with key distilling customers.



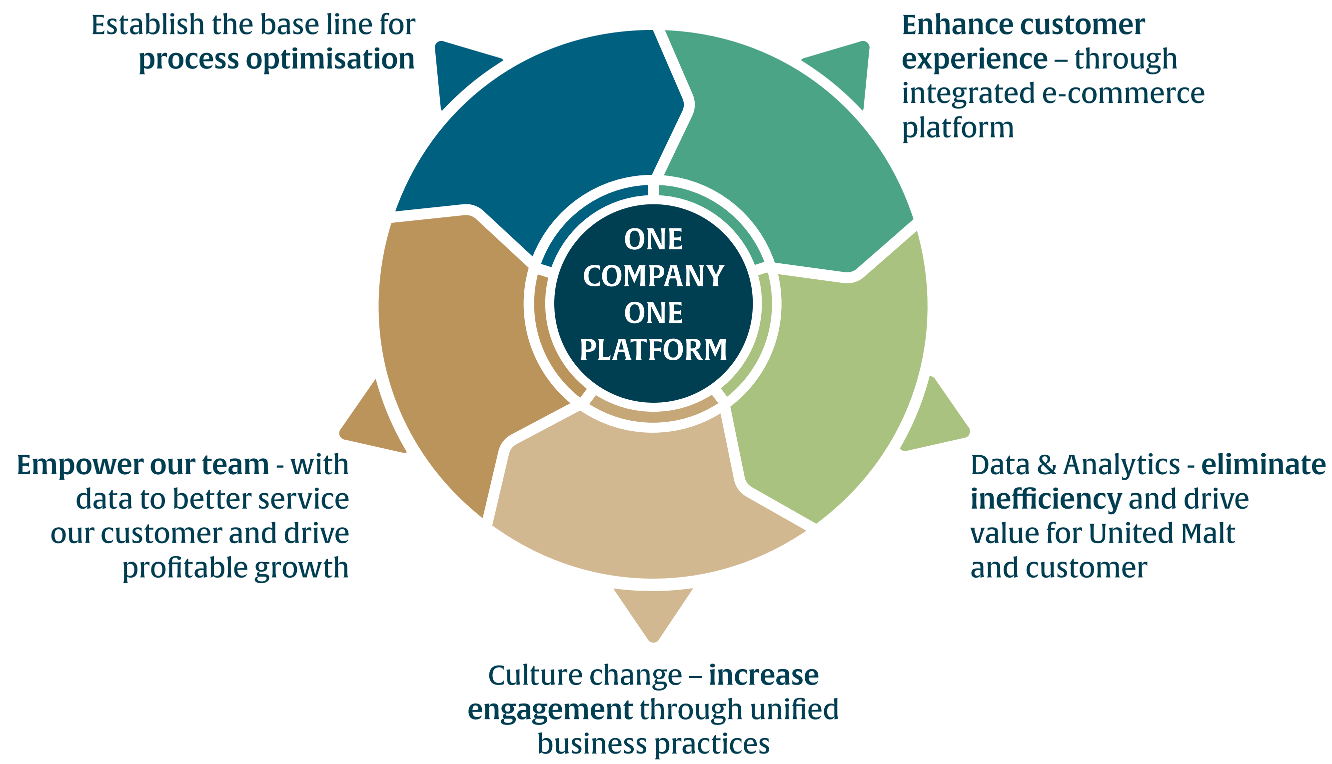
Innovation – Responding to market conditions by creating a North American produced European style pilsner malt

In 2022 in North America we launched a domestically malted European style pilsner to meet the needs of our customers. This was in response to the continued disruption on ocean freight meaning our customers could not easily access a European style malt. Our team spent the time in the lab, to create this product and the very clean, crisp biscuity notes and increased head retention the brewers look for in a European style pilsner malt. The product was successfully released to the market on July 5.

New technology solution

United Malt continues the implementation of its new technology solution. During 2022 the roll out was successfully completed in the Warehouse & Distribution segment, with the Processing segment to be completed during 2023.

The new technology solution will support United Malt to improve operating performance and grow the business, creating value for customers and shareholders.



Sustainability Highlights

Sustainability is a key strategic priority for United Malt. We continue to focus on embedding sustainability within our day to day operations, emphasising safe, efficient and sustainable operations while ensuring the management of our business is consistent with our values and the expectations of our stakeholders and the communities in which we operate.

Our 2022 Sustainability Report provides our stakeholders greater visibility into how we are working to fulfill our Company-wide commitment to operate as a sustainable company and integrate sustainable actions in everyday operations, as we embrace our commitment to Zero Harm.

OPTISTEEP

What is it? The malting process requires the use of water with the highest consumption occurring during the steeping phase. Approximately 15% to 20% of the water used is absorbed during the steeping phase to hydrate and initiate germination. Through the steeping process water-borne effluents are produced; requiring treatment before returning the processing water safely to the water table.

Optisteep technology enables the use of significantly less water in the steeping phase of the malting process. The barley only requires one water immersion as the Optisteep technology continuously conditions and circulates the water during the steeping process. In March 2022, Optisteep was successfully commissioned at United Malt's Pocatello processing facility.

What are the benefits? There are several key benefits realised with the use of Optisteep technology including reductions in water consumption of up to 30%, and a decrease in natural gas and electrical consumption by around 8-10% due to germination at lower moisture levels.

A roll-out programme has been developed to install Optisteep in targeted facilities across the United Malt network.

What did it cost? What are the returns?
Project costs US$2.6 million and is expected to deliver an IRR of >12% (post tax basis).

Sustainability at the forefront of our new malting facility in Scotland

SUSTAINABILITY AT INVERNESS

Our new malting facility at Inverness which will commence production in 2023 has been designed to utilise the best available technology which will reduce our impact on the environment and our local community.

The kilning equipment uses technology to limit gas and electricity consumption whilst the Plant Control System has energy monitoring technology and process control that allow both consistent production quality and data-led analysis of energy consumptions.

To ensure that our water consumption is as sustainable as possible, we have installed Advanced Membrane Bioreactor and Reverse Osmosis Plant (AMBR RO). This AMBR RO technology is capable of digesting maltings effluent, creating clean water for processing with no germination inhibitors.

AMBR RO Plant has the capacity to generate sufficient additional water for our 57,000 tonne expansion without generating any additional effluent volumes from the site. Therefore, our expansion at Inverness will have no additional water or effluent impact to the local Inverness environment.

CARBON IMPACT OF IMPORTATION OF BARLEY INTO CANADA

In 2022, the drought in Canada adversely impacted barley supply in Canada, and as a result United Malt imported 120,000 metric tonnes (MT) of barley from Denmark and Australia to augment our Canadian supply and ensure customers were not impacted. This barley was shipped to Canada in one bulk cargo ship from Denmark and three bulk cargo ships from Australia.

The carbon impact of the alternative transport modes required for the 120,000MT of imported barley was 18% greater than the same amount of barley sourced and transported internally in Canada, despite the distance travelled being over 10 times greater. This was due to the fact that a bulk cargo ship has a lower carbon impact than the alternative of road and rail transport modes.

Building on our commitment to workplace diversity

FY22
Female participation at the combined Executive Leader, Senior Leader and Senior Manager level was 28% compared to 26% for the prior year

In 2022 United Malt became a signatory to the
HESTA 40:40 Vision

CASE STUDY: FIRST NATIONS PEOPLE

During FY22 United Malt commenced a review of our accountability regarding First Nations people. As we determine and develop our approach to First Nations people, as an Australian Company operating across geographies including Canada, the US and New Zealand, we intend to develop approaches suitable to our geographic reach and connect our commitments to First Nations people with our Diversity, Equity and Inclusion commitment and broader Human Rights commitment. It is intended that our activities will form part of a business plan and become embedded in our culture. Activities will be overseen by United Malt's ELT.

CASE STUDY: INDSPIRE

Indspire recognises that First Nations, Inuit and Métis students encounter additional barriers to completing and funding their education. Indspire has established the Building Brighter Futures programme which provides scholarships, bursaries and awards to Indigenous students every year. United Malt via its Canadian operation, Canada Malting, is continuing to support Indspire's scholarship programme for students from Indigenous communities by sponsoring the 'Canada Malting Indigenous Student Award'. In 2022 this award helped support two students from within the Ontario regions who are studying academic programmes in Sciences and Business. Canada Malting has been a proud supporter of this programme since 2018.

Approximately 90% of award recipients graduate from post-secondary institutions

58% of graduates go on to achieve an undergraduate degree

About 60% of employed awards recipients work in fields that impact Indigenous people

Board of Directors

MR GRAHAM BRADLEY AM
Independent Chairman and Non-Executive Director
BA, LLB (Hons. Sydney University), LLM (Harvard)

Appointed to the Board on 13 January 2020.

Skills and experience:
Mr Bradley has over 30 years of business, executive leadership and governance experience at senior executive and board levels across banking and financial services, manufacturing, infrastructure, resources, agribusiness and corporate strategy consulting.

Mr Bradley has previously held the position of Managing Director of Perpetual and senior roles at Blake Dawson and McKinsey & Company.

Mr Bradley is currently Chairman of Virgin Australia International Holdings (since March 2012) and Shine Justice Limited (since May 2020).

Mr Bradley is also the Chairman of Infrastructure NSW (since July 2013), a member of the Advisory Council of the Australian School of Business at UNSW and was made a member of The Order of Australia in 2009.

He is a former Chairman of EnergyAustralia Holdings (June 2012 to April 2022), GrainCorp (March 2017 to March 2020 and HSBC Bank Australia (March 2004 to October 2020). He is also a former Director of Hongkong and Shanghai Banking Corporation (November 2012 to June 2022). Mr Bradley was the President of the Business Council of Australia and the Deputy President of the Takeovers Panel, among other notable roles.

Board Committee memberships:
Member of the Nomination and Remuneration Committee.

MR MARK PALMQUIST
Managing Director and Chief Executive Officer
Bec, GAICD

Appointed to the Board on 13 January 2020.

Skills and experience:
Mr Palmquist has over 40 years experience in food processing and agricultural sectors and has held a number of senior leadership roles prior to commencing his role at United Malt. Mr Palmquist is focused on building a sustainable business aligned to meeting the needs of our customers in each of our markets, whilst ensuring strong governance, risk management and continued innovation.

Prior to his role at United Malt, Mr Palmquist was the Managing Director and CEO of GrainCorp Limited from 2014 until 2020, which demerged its malt business that is now United Malt. Prior to this, he was Executive Vice President and Chief Operating Officer, Ag Business, for CHS Inc., a leading global agribusiness, diversified in energy, grains, and food. He has held a variety of global leadership roles for a broad range of CHS agricultural inputs and marketing areas, retail businesses, and grain based food and food ingredients operations.

Mr Palmquist is a former director of Telesense, Inc (from September 2020 until August 2022) and is a former director of GrainCorp Limited (from October 2014 until March 2020).

MS BARBARA GIBSON
Independent Non-Executive Director
B.Sc MAACB FTSE MAICD

Appointed to the Board on 13 January 2020.

Skills and experience:
Ms Gibson has over 30 years of business experience at senior executive and board levels across the chemicals, health care, agriculture and manufacturing sectors.

Ms Gibson is an experienced executive having spent 20 years with Orica Limited. Prior to this, she held positions in medical diagnostics, pharmaceuticals and fine chemicals.

Ms Gibson is currently a fellow of the Australian Academy of Technology and Engineering. In 2003, Ms Gibson was awarded a Centenary of Federation Medal for services to Australian society in medical technology. She is a Member of the Australian Institute of Company Directors.

She is a former director of GrainCorp Limited (March 2011 until March 2020), and Chair of Warakirri Asset Management Pty Ltd (July 2006 until December 2018).

Board Committee memberships:
Member of the Environment, Health and Safety Committee.

Member of the Audit and Risk Committee.

MR TERRY WILLIAMSON
Independent Non-Executive Director
MBA, BEc, FCANZ, FGIA, FAICD

Appointed to the Board on 23 March 2020.

Skills and experience:
Mr Williamson has an extensive background in financial reporting and risk management with prior roles as senior audit partner of Price Waterhouse, Chief Financial Officer Bankers Trust Australia, Member of the Global Controls Group Bankers Trust New York Group, Chair of Audit and Risk Committee Stockland Property Group, Avant Insurance and Member of the Audit Committee of the Reserve Bank Australia and financial advisor to a number of not-for-profit organisations.

Mr Williamson is a Fellow of The Australian Institute of Company Directors, Fellow Chartered Accountants in Australia and New Zealand, Fellow CPA Australia, Fellow Governance Institute of Australia and Member Australian Computer Society.

Mr Williamson is currently a Director of Apollo Care Operations Pty Ltd and Apollo Care Pty Ltd (since August 2020), Member of the Building Estates Committee of the University of Sydney, and Finance Advisor to the Society of the Divine Word.

Mr Williamson was previously a Director of Stockland Capital Partners and Stockland Direct Retail Trust No. 1 (April 2018 to September 2021).

Mr Williamson has had no other public company directorships in the last three years.

Board Committee memberships:
Chair of the Audit and Risk Committee.

Member of the Environment, Health and Safety Committee.

MS JANE MCALOON
Independent on-Executive Director
BEc (Hons), LLB, GDip CorpGov, FAICD

Appointed to the Board on 13 January 2020.

Skills and experience:
Ms McAloon has over 30 years of business, government and regulatory experience at senior executive and board levels across the natural resources, energy and infrastructure sectors. In particular, she has experience in navigating complex ESG issues across multiple jurisdictions.

Ms McAloon was an executive at BHP Billiton and AGL. Prior to this, she held positions in government in energy, rail and natural resources.

Ms McAloon is currently Chair of EnergyAustralia (since April 2022) and Non-Executive-Director (since December 2021), Home Consortium (since October 2019), Allianz Australia (since July 2020), Newcrest Mining (since July 2021) and BlueScope Steel (since 30 September 2022). Jane is also a board member of the Allens Advisory Board (since September 2019).

She is a former director of Viva Energy (June 2018 to August 2021), Healthscope Limited (February 2016 to June 2019), Cogstate Limited (January 2017 to November 2019), Civil Aviation Safety Authority (December 2017 to December 2019), Port of Melbourne (February 2018 to February 2020) and GrainCorp (December 2019 to March 2020). Ms McAloon was also previously Chair of Defence Reserves Support Council and a Member of the Referendum Council on Constitutional Recognition for Aboriginal and Torres Strait Islander Peoples.

Board Committee memberships:
Chair of the Nomination and Remuneration Committee.

Member of the Audit and Risk Committee.

MR GARY W. MIZE
Independent Non-Executive Director
BA (Marketing and Finance) Michigan State University and Advance Executive Program, Northwestern University

Appointed to the Board on 23 October 2020.

Skills and experience:
Mr Mize has over 36 years of experience managing commodity-based trading and processing businesses at the senior executive and board levels.

He was previously the Global Chief Operating Officer of Noble Group Hong Kong, President of Conagra Foods Grain Processing Group, CEO Conagra Malt and President Cargill Worldwide Juice Group. Mr Mize has lived in Hong Kong, Sao Paulo and Geneva.

Mr Mize is currently Lead Independent Director of Darling Ingredients (a company listed on NYSE) (Since February 2021) and Independent Director since May 2016), an Independent Director of Gevo Inc (a company listed on NASDQ) (since September 2011). He is a former director of Ceres Global (a company listed on TSX) (from September 2013 to December 2021).

Board Committee memberships:
Chair of the Environment, Health and Safety Committee (since 1 September 2022).

Member of the Nomination and Remuneration Committee.

MR PATRICK BOWE
Independent Non-Executive Director
BArtsSc (Political) Stanford University, MA Economics Stanford Food Research Institute

Appointed to the Board on 1 September 2022.

Skills and experience:
Mr Bowe has over 40 years Agribusiness experience in executive leadership roles across food ingredients, corn milling, and commodity trading.

Mr Bowe is currently the President and Chief Executive Officer of The Andersons, Inc. (a company listed on NASDAQ) (since November 2015).

He was previously the Corporate Vice President at Cargill Inc. (January 2007 to September 2015). Prior to this role, Mr Bowe was President of Cargill's corn wet milling in North America.

Mr Bowe is a current Director of Primient (since August 2022), a global food and industrial ingredients, a privately held company. He is a former Chairman (June 2020-June 2022) of the Toledo Alliance for the Performing Arts Board of Trustees and continues to hold a seat on the Board. In addition, he is the current Treasurer and Director of the Toledo Museum of Art (since July 2020).

Board Committee memberships:
Member of the Audit and Risk Committee.

Member of the Environment, Health and Safety Committee.

Executive Leadership Team

MR MARK PALMQUIST
Managing Director and Chief Executive Officer
Bec, GAICD

Skills and experience:
Mr Palmquist has over 40 years experience in food processing and agricultural sectors and has held a number of senior leadership roles prior to commencing his role at United Malt. Mr Palmquist is focused on building a sustainable business aligned to meeting the needs of our customers in each of our markets, whilst ensuring strong governance, risk management and continued innovation.

Prior to his role at United Malt, Mr Palmquist was the Managing Director and CEO of GrainCorp Limited from 2014 until 2020, which demerged its malt business that is now United Malt. Prior to this, he was Executive Vice President and Chief Operating Officer, Ag Business, for CHS Inc., a leading global agribusiness, diversified in energy, grains, and food. He has held a variety of global leadership roles for a broad range of CHS agricultural inputs and marketing areas, retail businesses, and grain based food and food ingredients operations.

Mr Palmquist is a former director of Telesense, Inc (from September 2020 until August 2022) and is a former director of GrainCorp Limited (from October 2014 until March 2020).

MR RYAN DUTCHER
Interim Chief Financial Officer

Qualifications: Master of Business Administration from Cornell University. Bachelor of Arts from University of Colorado.

Appointed: July 2022

Priorities: Ryan is responsible for the Group's finance, treasury, tax, investor relations and risk functions. His priorities are ensuring his team provides accurate, independent and objective analysis to drive decision making, performance and value creation for all stakeholders.

Experience: Ryan has more than 25 years finance experience in both public and private companies in the manufacturing, technology, healthcare, education, construction, and service industries.

MR BRYAN BECHARD
President, Warehouse & Distribution

Qualifications: Bachelor of Applied Science from the Madden School of Business at LeMoyne College.

Appointed: March 2020

Priorities: Bryan is responsible for the Warehouse & Distribution operations of United Malt serving the needs of its craft brewing, distilling and food customers. Providing market leading services, and outcomes for the Group's customers in the craft segment is a primary focus.

His priorities are to ensure the Group's warehouse and distribution business continually provides the one-stop-shop of ingredient solutions of branded and innovative products through its network of distribution facilities and a portfolio of services geared to the needs of its customers.

Experience: Bryan joined GrainCorp in 2009 and was appointed President of the Global Craft business in February 2019.

As one of the co-founders of the North Country Malt Supply business in 1995, which formed the basis of today's North American Country Malt Group, Bryan has been involved in ingredient distribution to the craft brewing industry for over 25 years. He previously held the role of President, Country Malt Group beginning in October 2014.

MS ERIKA MORGAN
Chief People Officer

Qualifications: B.A Bachelor of Arts in International Business & Marketing, (University of Washington)

SHRM – Senior Certified HR Professional

Appointed: July 2021

Priorities: Erika is responsible for the Group's Human Resource strategy and operations globally. Her priorities are to ensure her teams lead and develop programs that engage, equip and empower the highest levels of team performance and business success. Erika's priorities include building and developing a workforce with the capability and capacity to help create value and operate as a more integrated organisation.

Experience: Prior to United Malt, Erika has held various leadership positions within HR for global and multi-national companies in the consumer goods, services and food & beverage industries. She has extensive experience in the assessment and implementation of Global HR Service Delivery Models to support scale and growth. Erika started her career with Nike Inc. where she led HR teams and implemented enterprise wide transformation initiatives across North and Latin America, Europe and Asia Pacific.

MR TIAGO DAROCHA
Chief Operating Officer

Qualifications: B.S. Mechanical Engineering (University of Missouri), M.S. Industrial and Organizational Psychology (Kansas State University), Masters in Business Administration Monmouth University (MBA)

Appointed: July 2021

Priorities: Tiago has comprehensive management responsibility for all elements of the United Malt Group production activities including all malt production, barley procurement, engineering, logistics, continuous improvement, innovation and environment, health & safety.

His focus is centred on delivering operational excellence to ensure customer satisfaction with the highest quality products and service and the development of the company's long-term strategy that will drive continued performance and growth.

Experience: Tiago spent 21 years at Anheuser-Busch InBev, where he started as an intern and held positions of increasing responsibilities including Sr. Brewmaster, Sr. General Manager, Sr. Operations Director and Vice-President of Operations. Tiago's last role prior to transitioning to United Malt was Global Vice-President of Brewing & Quality, with worldwide responsibility for brewing operations and end-to-end quality. Tiago is native of Brazil and has lived in São Paulo and Mexico City.

MS NINA PALLUDAN
Chief Information Officer

Qualifications: Bachelor of Science, Information Systems from the California State University, Long Beach

Appointed: March 2020

Priorities: Nina is responsible for the Group's Information Technology and Project Management functions. Her priorities are driving agility through technology, data and process optimisation.

Experience: Prior to the demerger of United Malt, Nina held the position of CIO of GrainCorp Malt since October 2019. Previously, Nina was the CIO at Hanna Andersson.

Nina has over 30 years' experience as a technology and operational leader. Using technology as the catalyst for change, Nina has been responsible for leading global transformations across the manufacturing, logistics, retail and hospitality industries.

Directors' Report

Directors

The Directors in office at the date of this report are:

Name	Position held	Period as Director during FY22
Graham Bradley AM	Chairman and Independent Non-Executive Director	1 October 2021 – 30 September 2022
Mark Palmquist	Managing Director and Chief Executive Officer	1 October 2021 – 30 September 2022
Jane McAloon	Independent Non-Executive Director	1 October 2021 – 30 September 2022
Patrick E. Bowe[1]	Independent Non-Executive Director	1 September 2022 – 30 September 2022
Barbara Gibson	Independent Non-Executive Director	1 October 2021 – 30 September 2022
Gary W. Mize	Independent Non-Executive Director	1 October 2021 – 30 September 2022
Terry Williamson	Independent Non-Executive Director	1 October 2021 – 30 September 2022

Notes:

[1] Mr Patrick E. Bowe was appointed as a Non-Executive Director on 1 September 2022.

Details of current Directors, including their experience, qualifications, special responsibilities and term of office, are included on pages 20 to 21 of the Annual Report.

Company Secretary

Ms Lisa Jones

Qualifications: LLB, University of Sydney

Lisa was appointed Company Secretary of United Malt at the time of its listing on ASX in March 2020 and is based in Sydney.

Lisa is an experienced corporate lawyer and corporate governance professional with more than 20 years' experience in commercial law and corporate affairs, working with both public and private companies in Australia and in Europe.

She has held executive positions with private and public listed companies in Australia and in Italy and prior to that was a senior associate in the corporate and commercial practice in Allens.

Board and Board Committee Meetings

The number of United Malt Board meetings (including meetings of Committees of Directors) and the number of meetings attended by each of the Directors of the Company to 30 September 2022 are set out below:

Name	Board		Environment, Health and Safety Committee		Audit and Risk Committee		Nominations and Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Graham Bradley AM	13	13					5	5
Mark Palmquist	13	13						
Barbara Gibson	13	13	4	4	4	4		
Gary W. Mize	13	13	4	4			5	5
Jane McAloon	13	13			4	4	5	5
Patrick E. Bowe[1]	1	1	1	1	1	1		
Terry Williamson	13	13	4	4	4	4		

Note 1: Patrick E. Bowe was appointed to the Board on 1 September 2022.

All Directors are sent Board Committee agendas and papers and may attend any meeting. The Chairman of the Board and the CEO attend Board Committee meetings by invitation as a matter of course. The above table excludes the attendance of Directors at Board Committee meetings of which they are not a member.

From time to time, additional Board sub-committees are established, for example to consider material transactions or material issues which may arise, and meetings of those sub-committees are held throughout the year. Those sub-committee meetings are not included in the above table.

Operating and Financial Review

About United Malt

Overview

United Malt is the fourth largest commercial maltster globally, producing ingredients for the brewing, distilling and food markets. United Malt has approximately 1.25Mtpa of capacity across 12 processing plants in Canada, the US, Australia and the UK. United Malt also operates an international warehouse and distribution business, providing a full service offering for craft brewers and distillers, including malt, hops, yeast, adjuncts and related products.

We are one of the leading malt suppliers to the craft brewing sector, supported by a distribution network comprising 21 warehouses (both Company-operated and through third party logistics providers) and international craft distribution partnerships throughout North America, South America, Europe, Asia and Australia.

United Malt generates earnings along the malt supply chain, from barley procurement and handling, malt processing, and sale and distribution of value-added malt and related products. United Malt benefits from having high quality, low operating cost processing assets that are strategically located in premium barley growing regions, allowing it to source high quality barley and access a diverse range of customers.

Our customer base is diversified by product, end-market and geography, and comprises a range of high quality customers including global brewers, craft brewers, distillers and food companies. We sell into both domestic and export markets. Export markets (particularly Asia) are an important source of demand for malt produced in Australia.

United Malt has two operating segments: Processing and Warehouse & Distribution.

Our Business Model

United Malt's business model, strategic positioning and expertise in leveraging key inputs into our business create value for our customers, shareholders and employees.

Our Processing assets are strategically located in premium quality barley growing regions and in close proximity to a diverse range of customers, including global brewers, craft brewers, distillers, and food companies. We benefit from having high quality and low operating cost processing assets.

Our Warehouse & Distribution Segment is one of the leading malt and ingredient suppliers to the craft brewing sector and has a strong market position in our key markets.

United Malt has a highly capable team of ~900 employees across our operating geographies; this, combined with the long and rich history of our operating brands, delivers a business model to capitalise on growth trends to deliver shareholder returns over the medium to longer term.

Our Strategy

Our strategy is focused on keeping our customers at the centre of everything we do, whilst targeting those high value markets where the long-term outlook for growth remains supportive.

Our strategic priorities are centred on three areas, whilst remaining agile in times of uncertainty:

- Optimise the core
- Transform for tomorrow
- Create new value

Focus Area	Strategic Priorities	Strategic Actions
Optimise the core	Drive penetration in the distilling market	Capture growth from increasing demand for whisky in emerging markets and higher value single malt whiskies
	Expand craft distribution business into new geographies	Expand into the growing craft beer market in South America and Asia by leveraging extensive craft distribution experience. Supported by bolt-on acquisitions, start-up opportunities and new distribution partnerships.
	Maximise value and returns	Optimise our business to target ROCE in excess 10%, with a focus on North American operations.
Transform for tomorrow	Renew our organisational and technological platforms to create a simplified, more efficient and effective organisation	Redesign our organisation to simplify our operations to create an organisational design reflecting a standalone malting Company. Embrace process changes to improve capabilities by implementing simplified and standard processes, skills and systems. Strengthen operational management by harnessing our network of production facilities and warehouse & distribution centres as one global network to deliver better outcomes for customers.
	Integrate sustainable actions into everyday operations, embracing our commitment to Zero Harm	Develop priorities and actions to address climate change and resource scarcity.
Create new value	Proactively assess acquisitive growth opportunities	Take a disciplined approach to evaluating acquisitive growth opportunities to extend our geographic reach, product offering and /or customer base.
	Invest in our assets to create best in class operation and grow malting capacity	Continue to optimise our asset footprint including upgrading capacity to create best in class operation, enhancing customer experience.
	Develop innovative products and solutions for customers	Leverage our rich pedigree and expertise in the brewing, distilling and food ingredients markets to create new and innovative product solutions for our customers.

Group Financial Summary

Key Results		2022 $ M	(restated) 2021 $ M	Change %
Revenue		1,406.7	1,235.0	13.9%
EBITDA		91.8	124.0	(26.0)%
EBIT		29.8	63.4	(53.0)%
Net Finance Costs		(11.7)	(9.8)	19.4%
Significant Items		-	(21.1)	NM
Tax Expense		(6.5)	(18.0)	(63.9)%
Net Profit After Tax		**11.6**	**14.5**	**(20.0)%**
Add back Significant Items		-	21.1	NM
Tax recovery on Significant Items		-	(0.9)	NM
Underlying Net Profit After Tax		**11.6**	**34.7**	**(66.6)%**
Shareholder Returns				
Basic earnings per ordinary share	cents	3.9	4.8	(18.8)%
Return on equity	%	1.1%	1.4%	(0.3)pts
Return on capital Employed (ROCE)	%	2.1%	4.9%	(2.8)pts
Dividend per ordinary share	**cents**	**1.5**	**5.5**	**(72.7)%**

Segment Results

Key Results ($M)	2022 Revenue	2022 EBITDA	2021 Revenue	(restated) 2021 EBITDA	% Change Revenue	% Change EBITDA
Processing	1,084.7	60.3	938.1	90.2	15.6%	(33.1)%
Warehouse & Distribution	356.6	40.3	330.1	40.8	8.0%	(1.2)%
Corporate and Eliminations	(34.6)	(8.8)	(33.2)	(7.0)	4.2%	25.7%
Total	**1,406.7**	**91.8**	**1,235.0**	**124.0**	**13.9%**	**(26.0)%**

Reconciliation of EBITDA to Statutory NPAT and Underlying NPAT

Reconciliation ($M)	2022 $ M	(restated) 2021 $ M	Change %
Underlying EBITDA[1]	105.9	137.9	(23.2)%
EBITDA	91.8	124.0	(26.0)%
Net Interest	(11.7)	(9.8)	19.4%
Depreciation and Amortisation	(62.0)	(60.6)	2.3%
Significant Items	-	(21.1)	NM
Profit Before Tax	18.1	32.5	(44.3)%
Income Tax Expense	(6.5)	(18.0)	(63.9)%
Net Profit After Tax	11.6	14.5	(20.0)%
Add back Significant Items	-	21.1	NM
Tax recovery on Significant Items	-	(0.9)	NM
Underlying Net Profit After Tax	**11.6**	**34.7**	(66.6)%

[1] Underlying EBITDA for FY22 excludes SaaS costs of ($13.3m) and the impairment of the Brewers Select assets on sale ($0.8m). For FY21 underlying EBITDA excludes SaaS costs ($6.5m), Grantham site closure costs ($3.1m) and transformation costs ($4.3m).

Financial Analysis and Commentary

United Malt's operating environment experienced significant challenges during the year ending 30 September 2022. The Group's financial results were adversely affected by a number of external events, including the material deterioration of the Canadian barley crop, supply chain disruptions, increased costs of imported barley which could not be fully passed on to customers and general cost inflation.

The severe drought in Canada caused a 35% reduction in the total barley crop from the prior year and significantly reduced the availability of malting quality barley. This reduction in the barley crop resulted in the Company incurring additional logistics costs to import barley into our processing plants in Canada from Denmark and Australia and managing the reduced yields and higher production costs as we continued to provide an uninterrupted supply to our customers.

In addition to the challenges relating to the Canadian barley crop, the business continued to manage ongoing supply chain disruptions, higher freight costs and cost inflation.

The Company's commercial arrangements and forecasting systems did not respond adequately to these previously unforeseen external challenges to protect margins in the Processing business. In response, the Company has implemented a more proactive approach to risk allocation, with improved pricing and commercial terms to better capture the true cost-to-serve our customers. This includes pricing barley with customers only when we have more certainty on crop quality and price and a more disciplined approach to managing customers' volume commitments. Our contracts now also include more frequent freight price re-sets and inflation cost escalation.

These initiatives are designed to ensure a more resilient business which is better equipped to manage external volatility.

Group Financial Results

Revenue increased by 13.9 per cent to $1,406.7 million compared to the prior year (on a constant currency basis, revenue was up 10.5 per cent), primarily reflecting higher barley prices.

Underlying EBITDA was $105.9 million (before SaaS costs and one-off items); down 23.2 per cent on the prior year. Underlying EBITDA excludes $13.3 million related to SaaS costs and $0.8m impairment on the Company's sale of Brewers Select business that has been recorded as a one-off item.

The Company delivered an Underlying Net Profit After Tax of $11.6 million compared to $34.7 million for FY21.

Statutory Net Profit After Tax for the period was $11.6 million compared with $14.5 million for FY21. Earnings per share were 3.9 cents compared to 4.8 cents in the prior year.

Segment Financial Results

In the **Processing Segment**, revenue increased by 15.6 per cent to $1,084.7 million reflecting the higher barley prices compared to the prior year (on a constant currency basis, revenue was up 12.9 per cent). Sales volume was in line with FY21 volume.

Underlying segment EBITDA (before SaaS costs) declined by 30.8 per cent to $70.1 million as a result of adverse external events, including the significant deterioration of the Canadian barley crop which resulted in increased production costs and reduced yields.

The reduced Canadian crop also resulted in the Company incurring additional logistics costs to import barley into processing plants in Canada from Denmark and Australia to ensure uninterrupted supply to customers.

The combined impact of additional barley required to address reduced quality and yield and additional logistics costs for importing barley was $51.7 million for the year.

The Processing segment was also impacted by industry-wide disruption to supply chains including sea, rail and road freight which caused continued delays in customer shipments and higher than anticipated energy costs which were not able to be fully passed through to customers. The impact of these additional costs was $7.3 million for the year.

Including SaaS costs, segment EBITDA was $60.3 million down 33.1 per cent on the prior year.

Revenue in the **Warehouse & Distribution Segment** increased by 8.0 per cent to $356.6 million, benefiting from the business optimisation initiatives implemented over the past two years. On a constant currency basis, revenue increased by 3.4 per cent.

Underlying EBITDA (before one-off items and SaaS costs) increased by 2.5 per cent to $44.6 million. The segment operates on a relatively short cycle and is better able to maintain margins in an inflationary environment, as experienced during the year.

In October 2022 the Brewers Select business in the UK was sold to Loughran Brewing Stores in line with our strategy to streamline our UK operations. An impairment on sale of $0.8 million was recorded as a one-off item. We will continue to supply our malts to the UK craft market via a third-party distribution partner, which will provide us with the most effective access to these craft customers. This decision was part of our continual review of our portfolio of assets and positioning our business and resources to best serve the growing distilling market in the UK.

Including one-off costs and SaaS costs, segment EBITDA was $40.3 million and was 1.2 per cent down on the prior year.

Capital Expenditure

Capital expenditure for the year was $91.2 million compared to $103.3 million for FY21 and represents the peak in the Group's growth capital expenditure. Growth capital expenditure represented 71 per cent of the total capital spend for the year or $64.7 million.

The expansion of capacity in the Company's operations in Scotland is focused on the distilling market and represented the majority of the growth capital spend in the year, at $50.2 million. This project is in its final stages of completion with dry commissioning underway at Inverness. In total this project will add 79,000 tonnes to capacity across two sites; (Arbroath and Inverness) and is expected to generate incremental EBITDA of approximately $18[2] million on a full year run rate basis.

Other growth capital projects included sustainability and efficiency programs such as the new specialty ingredient processing plant in Calgary and the Optisteep water reduction technology installed at the Pocatello plant.

FY22 represented the peak in capital expenditure for the business, with a significant step down in capital spending commitments expected for FY23 and subsequent years. For the next few years, the Company expects base capital expenditure to be in the range of ~$55 to $60 million including stay-in-business and safety-related investment in the range of ~$30 to $35 million, with all capital projects being subject to rigorous approval criteria.

Financial Position and Balance Sheet

Net debt at 30 September 2022 was $453.4 million compared to $427.3 million at 31 March 2022.

This increase is as a result of the short-term impact of the higher barley inventory costs and the additional volume of barley required for the start-up of the Inverness facility in Scotland. The Company's gearing ratio (net debt/EBITDA) at 30 September 2022 was 5.0[3] times and exceeded the Group's target range of 2.0 - 2.5 times.

As announced on 7 September 2022, United Malt received covenant amendments from its banks in respect of 30 September 2022 and 31 March 2023 and increased its inventory funding capacity with its banks to accommodate expanded short-term requirements. The agreement with our banks reflects the strong relationship United Malt maintains with our lenders and their understanding of the short-term impact on our business of higher barley inventory costs and volumes required for the start-up of the Inverness facility in Scotland. At the 30 September 2022 the Company maintained headroom on its amended covenants.

Additionally, in November 2022 the Group entered into a factoring arrangement under which we anticipate factoring up to approximately $90[4] million to provide further short-term financing flexibility.

The expected improvement in earnings, the significantly reduced capital expenditure commitments, availability of a factoring facility and cost and cash conservation disciplines means the Company maintains a clear pathway to its target net debt/EBITDA range of 2.0 – 2.5 times by 30 September 2023.

If required, the Group expects to be able to successfully implement the required actions and meet its covenant obligations.

The Company has no significant near-term refinancing requirements in relation to its long term debt facilities which mature in November 2024 and has completed its customary annual refinancing of inventory and working capital facilities in November 2022.

Dividend

The Board declared a 1.5 cent per share (unfranked) interim dividend in May 2022 in respect of the Company's first half earnings. In light of the Company's second-half profit performance, the Board did not declare a final dividend for FY22. Dividends for FY22 totalled ~40% of Underlying NPAT.

United Malt's dividend policy in future years is to distribute approximately 60 per cent of Underlying Net Profit after tax as dividends to shareholders.

[2] Subject to FX
[3] Based on a 12 month rolling EBITDA excluding the impact of AASB16, significant Items and net debt excluding finance lease commitment. The impact of AASB16 on the 12 month rolling EBITDA is $18.7 million
[4] US$60 million receivables factoring arrangement

Operating Cash Flow

Operating cash flow remained positive during FY22. Additional working capital was required due to the impact of the higher price barley.

Cash conversion was reduced, reflecting the higher short-term working capital draw and interest and tax paid was consistent with the prior year.

Future Business Prospects

United Malt continues to implement its strategy and is stepping up the pace of change to ensure the Company delivers performance and value in 2023 and over the medium term. United Malt has a strong underlying business underpinned by consistent and growing demand for malt products.

United Malt expects to deliver a significant earnings uplift in 2023 driven by improved North American crop conditions, pricing and commercial discipline, completion of the Scottish expansion project and efficiencies gained from the transformation programme and the implementation of a new technology platform.

In addition, new commercial terms and management processes have been put in place to allow the business to respond more quickly and effectively to changing external circumstances and market dynamics through more active management of risk.

The Canadian crop outlook is positive with barley production estimated to increase by 35.5% to 9.4 million[5] tonnes in 2022 from 6.9 million[1] tonnes last year, based on Statistics Canada August field crop estimate. At the time of writing this report, the barley harvest has completed in North America and United Malt is confident in the quality, supply and price secure for its barley requirements in North America for 2023.

In addition, 2023 is expected to benefit from the more disciplined approach to customer pricing and terms, including dynamic barley pricing with customers as we price with more certainty on crop quality and take a more disciplined approach to managing customers' volume commitments. In 2023 we have also incorporated more frequent freight price re-sets and inflation cost escalation in our customer terms to more appropriately reflect our malt processing costs.

These initiatives are designed to ensure a more resilient business which is better equipped to manage external volatility.

In the UK, we remain well positioned to service the Scottish whisky market which requires malt to meet the long-term requirements of distillers to produce aged whisky. We are expanding capacity by 79,000 tonnes across two facilities in Scotland; Arbroath facility which is producing at 22,000 tonnes per annum and the new facility at Inverness which is currently being commissioned will add 57,000 tonnes of capacity per annum. This strategic addition of capacity has been underpinned by expanded contracts with customers with the new capacity already largely contracted. The facility at Inverness is expected to producing commercial quality malt in the first quarter of calendar 2023[6]. We continue to expect incremental EBITDA of approximately $18[7] million on a full year run rate basis from our Scottish expansion project.

Meanwhile, we are in the final stages of completing our new specialty ingredient processing plant in Calgary which is supporting growing demand for new products in craft beer and food applications.

We continue to progress the business transformation programme which is focused on creating a simplified, more efficient and effective organisation. A key pillar of this transformation is the implementation of the new technology platform which is expected to be completed in 2023. The Warehouse & Distribution Segment has been successfully transitioned to the new technology platform. We remain confident and committed to achieving ~$30 million of net transformation benefits in EBITDA by FY24.

We remain well positioned to continue navigating and adapting to the short-term challenges facing our business. The steps we have implemented to better equip the business to manage external volatility including the strategic reset of commercial terms and the improvement in the quality, supply and price of barley in North America in 2023, give us confidence in the material uplift in earning expected in 2023.

Rounding of amounts

The Directors' Report is presented in Australian dollars, with all amounts rounded to the nearest one hundred thousand dollars (unless specifically stated otherwise) under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's Report) instrument 206/191. The is an entity to which this legislative instrument applies.

[5] Statistics Canada, Model-based principal field crop estimates, August 2022
[6] Timing of completion remains subject to final construction and commissioning timing
[7] Subject to FX

Risks

There are various risks associated with owning shares in United Malt. Some of these risks are specific to United Malt and its business, while others are risks of a more general nature that apply to any investment in publicly traded shares. The list of risks set out below is not exhaustive and does not consider the personal circumstances of shareholders. The list of risks set out below is also not arranged in any hierarchical manner. Shareholders should seek professional advice if they are in any doubt about the risks associated with holding shares in United Malt.

The Board and the Audit and Risk Committee are ultimately responsible for Risk Management. The Board approved Risk Appetite Statement and Risk Management Framework are used by the Executive Leadership Team (ELT) and managers to identify and manage risks to the business. The business maintains Operational and Strategic Risk Registers that are reviewed and approved by the Audit and Risk Committee.

Risks affecting United Malt's business

Risks affecting United Malt's business		
Risk	**Risk overview**	**Risk management actions**
Geopolitical Risks	Geopolitical conflict, including war, could disrupt United Malt's normal business operations, impair its logistics or supply chain, further exacerbate energy cost increases, and could also alter the demand for our products – either in the geographies that United Malt is present in, or those that its customers exist in.	The Board and management continually monitor the events in Eastern Europe as well as other areas of geopolitical tension and evaluate the potential impacts to the business that they pose. The processes and behaviours that United Malt established during the COVID-19 pandemic, along with lessons learned from the event, have been repurposed to respond to the changes in economic, business or political environments. A critical input in Malting is natural gas for the kilning process. United Malt maintains long-term contracts with gas suppliers to reduce the financial impact that the geopolitical risks would have on United Malt's input costs.
Inflation Risks	Inflationary trends in the global market could drive up the costs to procure raw materials, process them, and transport them to customers and these trends could adversely affect the achievement of financial performance.	Wherever possible United Malt is entering into long-term contracts with suppliers that provide us with greater certainty on cost inputs over a longer time horizon. United Malt is working with its customers to manage the risks that early pricing contracting can have on United Malt where input costs are ill defined. United Malt has internal processes to ensure that we have back-to-back arrangements in place for barley that provide cost and price certainty; and as long-term contracts with customers renew, we are implementing more robust and clear pass-through mechanisms in contracts. Customers seeking price certainty early in a malting year may be asked to re-price contracts and/or be restricted from pricing during the year, due to cost inflation.
Utility Pricing and Availability Risks	Some of our largest expenditures are power and natural gas utilities costs. These costs could increase due to factors outside of United Malt's control – namely the Ukrainian Conflict as well as governmental policy changes, including the impact of energy transition, in the jurisdictions in which we operate. Insufficient supply of natural gas could lead to production shortages.	United Malt reviews utilities pricing in each geography. We have local expert energy brokers work with us to manage the volatility of these costs. At times, United Malt may hedge these costs to further mitigate this risk. Our CFO and COO work together to understand the consumption needs and costs in each geography and where possible work to lock in long-term supply agreements. Relatedly, consumption reducing technologies are evaluated for each site that provide the opportunity to reduce overall utility need and therefore pricing. As noted in the inflationary risks section, work is also being undertaken with customer contracting language to share the impact of this risk with customers and where it makes sense, re-evaluate our contract pricing. United Malt is reviewing long-term contracts with customers as they renew, and we are implementing more robust and clear pass-through mechanisms in contracts for energy price increases.
Climate and Environme	We are intrinsically linked to the barley crops grown around the globe. Climate Change can imperil the global barley supply which we depend on for our core functions of	Our reporting is guided by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and climate risk is emerging as a consideration in our customer and supplier contracts as well as in our future capital expenditure projects. We are also tracking proposed policy, legal and technological changes that

OPERATING AND FINANCIAL REVIEW

Risks affecting United Malt's business		
Risk	**Risk overview**	**Risk management actions**
	processing and distributing malted products. Climate Change could lead to higher costs, lower margins and potentially increased costs associated with our business functions. It could also lead our farming partners to plant other crops that are more resilient to a changing climate. Relatedly, transition risks such as legislative changes that target emissions reduction or cross border carbon adjustment schemes may impact United Malt's costs.	are on the horizon during the transitional phase of a coordinated global response to Climate Change. Our Corporate Risk Register and Risk Appetite Statement have been updated to include the results of our Climate Risk Assessment and now include transition and physical risks and opportunities. We are evaluating our exposure to yield shortages, particularly in jurisdictions that do not irrigate barley crops; and whether financial instruments to hedge that risk are appropriate. We continue to review and, where possible, reduce our consumption of water and fossil fuels. This includes finding alternative sources to heat our plants or power our kilns, including cogeneration capabilities or investigating geothermal heating opportunities. Future capital expenditures managed by the Project Management Office (PMO) actively review opportunities for reduced consumption. We continue to monitor and understand emerging trends, policy developments, and our emissions profile.
Water Access Risks	Water is an essential component of the malting process. Access to high quality water may be impacted by Climate Change, long-term drought or widespread contamination of local aquifers. This could lead to adverse financial impacts in the form of higher costs or reduction in product quality.	We understand the critical importance of water. United Malt is focused on consumption reduction strategies, recycling, reclamation and effluent management regimes; all to reduce our consumption of water and creation of wastewater. Each of our processing facilities closely monitors and reports their consumption of water. We are committed to evaluating and rating the impact of our future capital expenditure projects' changes to water consumption and effluent treatment. Furthermore, all capital expenditure projects are evaluated for their access to water supplies.
Transportation and Supply Chain Risks	We rely on our supply chain to store and transport barley to our production sites and finished products to our customers. There is a risk that disruption to the supply of raw materials to our processing plants, particularly delays via rail, and/or finished goods through our network, could adversely impact our financial results or increase the costs associated with running the business.	The transportation and logistics function has been streamlined in North America and has been brought into the remit of the COO which has allowed for greater collaboration between Sales, Production and Transportation. The Transportation Management System (TMS) has been rolled out for our Warehouse and Distribution segment regarding timely and safe delivery tracking of our products to our customers.
Capital Requirement Risk	We require significant capital to operate and fund the business. If United Malt is unable to generate sufficient cash flows or raise sufficient external financing, then we may be forced to limit our operations and growth plans and this could adversely affect the achievement of the Company's financial performance.	United Malt strives to ensure strict cash management and maintain cash reserves; and, when appropriate, will continue to build up those reserves. We look to pay down debt when doing so is prudent. Our Risk and Finance team actively seeks to optimise capital management. We select capital projects based on an assessment of business needs and financial benefits. United Malt has rigorous Treasury, Capital Management and Credit controls including strong bank relationships and appropriate, working capital optimisation, inventory management processes, debtor controls and a comprehensive global credit insurance program.
Commodity Pricing and Agricultural Risks	Barley growing and procurement are subject to a variety of agricultural factors beyond our control, such as disease, pests, rainfall and extreme weather conditions. To the extent that any of these factors impact the quality, price and quantity of barley available to United Malt for malting, its operations and financial performance could be adversely affected. Relatedly, there is the risk that farmers will substitute their crops away from barley to other crops, reducing the overall supply of malting barley available.	United Malt seeks to mitigate this risk by maintaining a diversified network of growers, leveraging its strong supplier relationships, importing barley in each jurisdiction in which it operates if necessary, all in an effort to respond to local variations of agricultural yields. We enter forward contracts with multiple growers, co-operatives and grain companies in all geographies where we currently source barley, and we seek to renew these well in advance of expiry. We continually review options to diversify our procurement footprint. We also malt other cereal grains, which further mitigates this risk. As previously noted, we work with customers to help them understand our input costs and during years of shortfall in production share those increased costs with customers. We are very cognisant of crop substitution risks and rely on the strength of long-term supplier relationships and long-term barley production contracting as mitigants.

Risks affecting United Malt's business		
Risk	**Risk overview**	**Risk management actions**
Project Management Risks	There is a risk that a lack of proper oversight or controls, delays to or increased costs of construction projects, or changes to government or regulatory approval regimes could result in future projects failing to achieve their intended benefits.	We created a Project Management Office (PMO) that is tasked with oversight of all critical projects. This office works with stakeholders, senior management and project owners to oversee and report on delivery and budget targets. The PMO has been re-aligned to report to the CIO and has been strengthened with data analysis and reporting software. Moreover, the PMO has developed a multi-tier ranking and risk management process to allow for greater oversight over project management throughout the business.
Cyber Security Risks	United Malt is exposed to Cyber Security risks posed to it by malicious third parties, and by unintended outcomes from actions taken by employees or delivered by existing programmes. Each of these risks has the potential to disrupt our systems, production or distribution capabilities which would damage United Malt's reputation, and impact customers, suppliers and financial performance. These risks could also lead to the accidental release or unauthorised access of privileged or confidential information.	United Malt has a defined cyber security strategy as well as a defined risk appetite against cyber security risks. United Malt is committed to address cyber-risk by employing industry cyber security best practices and in seeking ISO 27001:2013 certification for its Information Security programmes. United Malt deploys many methods to protect its systems, including but not limited to security infrastructures and procedures including multi-factor authentication (MFA), zero-trust access, deployed managed security services provider (MSSP), and has significantly hardened its infrastructure through further deployment of firewalls, virus scanning, data back-up systems, network performance monitoring, improved and geographically dispersed redundancies, an Information Security Management System, Access Control Standards, Global Disaster Recovery and Business Continuity Plans, and a Cyber Incident and Response plan that is actively challenged and practiced. The information technology infrastructure team, along with the operational technology and engineering teams, have been aligned under one information security team, providing reduced risk of misalignment or gaps in cyber security. United Malt maintains strong partnerships with private and governmental vendors for support in this space. Some of those partnership include penetration, resilience and response plan testing. United Malt also provides training to employees and Board members on internet and email best practices to reduce the risk to United Malt of email-based threats. We rely upon Data Classification, Management, Privacy, Security and Governance processes and procedures to identify and protect data across the business. This includes assigned owners of different data types and silos.
Strategy Implementation Risks	Failure to successfully understand, disseminate to the employees and execute the business strategy that United Malt has set out could adversely impact our ability to satisfy customers, suppliers and shareholders and could damage the financial performance of the business.	Members of the Executive Leadership Team and Board are dedicated to enable and drive strategic implementation and a detailed scorecard to measure outcomes of both financial and non-financial metrics. The Project Management Office (PMO) has been strengthened to help drive strategic implementation and the Internal Communications function has been enhanced to bring regular cadence of updates to all employees to understand United Malt's strategy, trajectory and goals.
Market and Substitution Risks	United Malt faces the risk that integration of customers, suppliers or competitors could disadvantage the competitiveness of United Malt relative to its peers. Moreover, innovations in beverage production technologies could lead to substitution of malted products for other carbohydrates in beverages. Each of these risks could result in an adverse impact on our business and financial performance.	United Malt invests in market intelligence to better understand its customers, suppliers and competitors and leverages its international scale to help our customers meet end consumer demands. United Malt's Warehouse and Distribution business provides the unique ability to observe end-consumer preferences and substitutions actions by small innovative craft brands as well as the very large global brands its production facilities service. United Malt operates an innovation lab, the Malt Innovation Centre, which allows for real-time experimentation and analysis of market trends and consumer preferences through small batch brewing.

Risks affecting United Malt's business		
Risk	**Risk overview**	**Risk management actions**
Product and Food Safety Risks	United Malt operates an international network of malting and warehouse facilities and is subject to food and stock handling risks. These include spoilage, contamination, misappropriation, damage to food and stock through insurable and non-insurable risks, incorrect grading, product tampering, product recall, changes to government, industry or destination standards regarding product specification, product liability claims or perceived obsolescence of stock. Any of these occurrences could result in an adverse impact on our business and financial performance.	United Malt utilises product quality policies, procedures and controls that are managed at the Group, and not subsidiary, level. All portions of the business are subject to audit procedures relating to Food Safety and Quality Management (FSQM) standards. Food safety risks have been identified and are covered by Statements of Procedure (SOP) or contract. United Malt continues to move towards using Company managed facilities, instead of 3PLs, to give us greater control of this risk. Third-party audits are performed, focusing on Hazard Analysis and Critical Control Points (HACCP). These audits are shared with the Executive Leadership Team and where appropriate the Audit and Risk Committee. Inventory and stock controls that United Malt has in place include procedures such as inventory reconciliation against third-party logistics, stocktakes/cycle counts, site visits, due diligence conducted for new facilities and audit procedures. When United Malt purchases stock that is held at a third-party location, we secure certificate of ownership or title of the goods. We also purchase appropriate insurances against physical damage to our stock in transit, stored at our sites or stored at third-party sites. United Malt is protected by a global Products Recall Insurance policy and is also moving from subsidiary level Food Safety and Quality Management (FSQM) standards to a global harmonised standard that is managed by the COO.
Position and Credit Risk	We take large holding positions of commodities at various times of the year. In addition to these, United Malt also hedges interest rates and foreign exchange rates. There is a risk that our hedging management strategies might not successfully minimise exposure to these risks. Moreover, there is the risk that an inadequate segregation of duties or inadequate oversight of these positions could lead to an adverse impact on United Malt's business and financial performance.	United Malt has a robust Position and Trading Risk Management Policy (PTRMP) that is overseen by the Company CFO and the Audit and Risk Committee. We continually monitor the positions and associated risks of each geography through daily tracking and weekly meetings of senior leadership. United Malt utilises a Credit Policy to manage exposure from customers in each jurisdiction it operates in. This policy is also overseen by the Company CFO and the Audit and Risk Committee. We have also obtained global trade credit insurance for key customers in both our bulk business and warehouse and distribution business. We also utilise enterprise risk management software programmes to track and hedge these risks. In addition, we have implemented a clear Segregation of Duties protocol between the front, middle and back offices that clearly delineates the authority levels of all decision makers as sanctioned by the Audit and Risk Committee.
Systems, Reporting and Controls Risks	There is a risk that a major system outage to one of the business' core software or system platforms could increase United Malt's costs and could lead to regulatory or government intervention in the form of costs, investigations, penalties or liabilities. We rely on IT systems that, if they fail, could lead to a loss of confidential data, deterioration in reputation and impacts on suppliers or customers. All of these outcomes would have an adverse impact on our business and financial performance.	United Malt deploys many methods to maintain the functionality of its systems, including but not limited to data back-up systems, network performance monitoring, improved and geographically dispersed redundancies, an Information Security Management System, Access Control Standards and Global Disaster Recovery. United Malt catalogues and manages physical and software end-of-life systems and has a plan to phase them out.

OPERATING AND FINANCIAL REVIEW

Risks affecting United Malt's business		
Risk	**Risk overview**	**Risk management actions**
Taxation and Regulatory Change Risks	Changes in taxation laws (or their interpretation) where we have operations could materially affect our financial performance. In addition, governments may review and impose additional or higher excise or other taxes on beer or whisky, which may have an adverse effect on consumer buying patterns and may adversely impact United Malt's financial results.	United Malt works closely with our advisors in all geographies to thoughtfully consider and confirm that we adhere to tax regulations and potential liabilities associated with doing business in each of the countries in which we operate. Our legal counsel provides guidance on compliance and governance matters and consults with us on ramifications of any potential changes in the jurisdictions where we operate. Where appropriate, our obligations and consent registers are maintained and reviewed. Moreover, clearly defined compliance oversight responsibilities are assigned to specific job roles. Lastly, our internal audit programme reviews compliance matters as required.
Consumer Preference Risks	United Malt supplies food and beverage companies, specialising in the production of malted products for brewing and distilling customers. There is a risk that we may not optimally align with consumers, or that beer consumption could fall or that our products could be used less often in customers' end products. These risks could lead to a reduction in market demand which could have an adverse impact on United Malt's business and financial performance.	United Malt is actively involved in industry forums and trade groups that shape and influence consumer trends. In addition, market research and competitor intelligence are incorporated into the Strategic Planning Process. The use of the Net Promotor Score (NPS) tracking methodology gives us early warning systems to see where we could better align with market or consumer trends. Our employees gather and act on customer feedback at all times. This includes formal research (utilising NPS and other research methods), as well as providing training to members of staff in managing customer relationships.
Skills and Capabilities Risks	People capability or capacity could impact the effective execution of United Malt's strategic plans and future operation of the business. Moreover, inflationary pressures, changes in employee working environment expectations, benefits and compensation bring employee retention challenges – these challenges do have an impact on United Malt's costs.	United Malt has enhanced how employees set and achieve their annual goals and is aligning those goals to overall Group level targets, furthering integration in the business. United Malt continues to investigate systems and processes that improve data gathering and reporting on employee productivity, satisfaction and growth. United Malt utilises global benchmarking to make sure it is competitive in attracting and maintaining talent and has implemented a detailed talent management and succession planning process to identify high potential employees and prepare successors for senior executive positions. United Malt is committed to developing leadership and management skills at all levels of the Company and has introduced skills training and development. United Malt has also deployed a hybrid working model.
Employee Safety Risks	United Malt is an international maltster and employs ~900 people globally. There is a risk that insufficient safety protocols or lack of focus could lead to serious injury to employees, contractors, or visitors to our sites.	United Malt's Executive Leadership Team and Board have oversight of employee health and safety and part of their annual performance review is tied to safety metrics. It is a requirement to notify the Board of any significant events that cause injuries or potential injuries (near misses). United Malt's capital expenditure process is designed to prioritise safety-related expenditures.
Foreign Exchange Risks	United Malt and its related entities enter into foreign currency transactions, typically in the purchase of raw materials or in the sale of malt. Additionally, a significant proportion of United Malt's income is denominated in foreign currencies. Therefore, our reported net income in Australian dollars will fluctuate inversely to the Australian dollar's relationship with the other foreign currencies in which we do business.	United Malt leverages a multi-desk foreign exchange processing platform to facilitate entering and sourcing of foreign exchange trades to improve operating efficiency and reduced foreign exchange exposure in purchases or sales. These actions and procedures are reviewed by the Audit and Risk Committee and monitored by internal audit for efficacy and compliance. Translation risk of the earnings of the overseas subsidiaries is mitigated by the fact that the assets and liabilities of those businesses, including external debt, are held in local currencies. Any change in exchange rates will not impact a business unit's ability to repay its debts or suppliers in its local currency.

Risks affecting United Malt's business		
Risk	**Risk overview**	**Risk management actions**
Customer and Supplier Relationship Risks	There is a risk to United Malt that a loss of key customers or suppliers could result in an adverse impact on our financial performance through either a reduction in revenue or an increase in costs associated with running the business.	We enjoy strong partnerships with key customers and suppliers in our production and distribution businesses. Many of these relationships are codified in the form of long-term agreements. They provide us with the stability in the form of forward orders that allows us to control costs and deliver savings to our customers, while also providing our suppliers with certainty. Our senior leaders regularly engage with their counterparts to find innovative ways to improve our commercial relationships. Our Malt Innovation Centre (MIC) is driving product development, improving processes and quality; all with the goal of maintaining key customers.
COVID Impact Risks	The COVID-19 pandemic continues to adversely impact the global economy and our customers, suppliers and employees although its overall effects have reduced over the past year. The impact on global and regional economic conditions could disrupt the supply chain, operations, industries or production capabilities of our customers.	We have taken consistent and measurable steps to keep our employees safe to keep our production facilities open. This includes pre-shift screening, contract tracing, cohort working, partnerships with expert vendors and pre-negotiated testing agreements. We continue to monitor site access to third parties to reduce risks to employees. A standing committee of the ELT who meet regularly to monitor the pandemic and calibrate our response remains in place and we continue to closely monitor customer offtake of products and conditions in their markets to identify potential changes in demand for our goods.

OPERATING AND FINANCIAL REVIEW

General Risks

In addition to the risks specific to United Malt noted above, we also monitor the below risks which are generally associated with any investment in publicly traded shares. These risks are reviewed by the Audit and Risk Committee, as well as the CEO and the Executive Leadership Team. The Director, Group Risk and Insurance also provides guidance on the below matters as part of the annual reporting regime.

Economic Risks

General economic conditions, fluctuations in interest and inflation rates, commodity prices, currency exchange rates, energy costs, changes in government, changes in fiscal, monetary and regulatory policies, the development of new technologies and other changes to the general market conditions may have an adverse effect on United Malt, its future business activities and the value of United Malt shares.

Market Conditions Risks

Share market conditions may affect the value of shares regardless of United Malt's financial or operating performance. Share market conditions can be unpredictable and are affected by many factors including changes in investor sentiment towards market sectors (in particular food and beverage supply) and the domestic and international outlooks.

Significant Events Risks

Significant events may occur in Australia or internationally that could impact the market for United Malt's products and its operations, the share price and the overall economy generally. These events include war, terrorism, civil disturbance, political actions and natural events such as earthquakes, floods and pandemic risks.

Global, Regional and Country Specific Sovereign Risks

As an international maltster, United Malt is vulnerable to geopolitical tensions that may impact global trading patterns and flows. There is a risk that United Malt's financial performance may be impacted when those tensions affect markets or commodities that United Malt purchases.

Subsequent Events

Other than the sale of Brewers Select assets in October for $2.4m and the executed uncommitted factoring arrangement in November 2022, as described in the financial report note 4.6, no matters or circumstances have arisen since 30 September 2022 which have significantly affected or may significantly affect: a) The Group's operations in future financial years; b) The results of those operations in future financial years; or c) The Group's state of affairs in future financial years.

Additional Disclosures

Indemnification and Insurance of officers

Under the Company's constitution, the Company may indemnify, to the extent permitted by law, each director and company secretary of United Malt or its related bodies corporate as the directors determine, for all losses and liabilities incurred by the person as an officer to the extent that such losses and liabilities are not covered by insurance.

The Company has entered Deeds of Access, Indemnity and Insurance with its directors, company secretary and certain executives.

The Company has paid a premium in respect of a contract insuring current and former directors, company secretaries and executives of the Company and its subsidiaries against liability that they may incur as an officer of the Company, including liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with certain exceptions. It is a condition of the insurance contract that no details of the premiums payable or the nature of the liabilities insured are disclosed.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to reimburse its auditor, PricewaterhouseCoopers (PwC) for any liability (including reasonable legal costs) PwC incurs in connection with any claim by a third party arising from the Company's breach of its audit agreement. No payment has been made to reimburse PwC during, or since, the end of the financial year.

No proceedings

No application has been made under section 237 of the Corporations Act 2001 (Cth) in respect of United Malt, and there are no proceedings that a person has brought or intervened in on behalf of United Malt under that section.

Audit services

Audit services during the year have been provided by PricewaterhouseCoopers (PwC), led by partner Scott Walsh. Details of the amounts paid to PwC for audit services are set out in note 4.5 of the financial report.

Non-audit services

The Company may decide to engage the external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid to the external auditor PwC for non-audit services provided during the year are set out in note 4.5 to the financial report.

In accordance with advice received from the Audit & Risk Committee (ARC), the Board is satisfied that the provision of non-audit services by PwC during the year is compatible with the auditor independence requirements of the Corporations Act 2001 (Cth) The Board is satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

- All non-audit services have been reviewed by the ARC to ensure that they do not impact the integrity and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in the APES 110 Code of Ethics for Professional Accountants.

A copy of the external auditor's independence declaration as required by s307C of the Corporations Act 2001 (Cth) is set out on page 101 and forms part of this report.

OPERATING AND FINANCIAL REVIEW

Corporate Governance Statement

During the year ended 30 September 2022, the Company's corporate governance framework was consistent with the 4th edition of the ASX Corporate Governance Council. United Malt's corporate governance statement can be viewed at www.unitedmalt.com//corporate-governance.

Remuneration Report

Introduction

This Report covers the remuneration of Non-Executive Directors, the Managing Director and Chief Executive Officer (MD & CEO) and senior executives who are considered Key Management Personnel (KMP), who have authority for and are accountable for planning, directing and controlling the activities of United Malt consistent with the Australian Accounting Standards Board 124 (Related Party Disclosures ('AASB 124') definition).

This report outlines the remuneration outcomes and structures in place for the financial year ended 30 September 2022 and a high-level overview of proposed changes planned for FY23.

FY22 Overview

a) FY22 Year in Review

As outlined in this Annual Report, the Company's financial performance was extremely disappointing. Our results were adversely affected by a range of external market conditions in particular a severe drought that reduced the Canadian barley crop, supply chain disruptions to ocean freight and rail transportation and rapidly escalating energy costs. Margins were significantly eroded by extra costs including procuring alternative barley supply to meet customer contracts in North America in particular. Our commercial arrangements did not allow for full pass through of costs to our customers. Faced with these challenges our people across the globe made extraordinary efforts to continue to supply quality products to customers.

With this backdrop, the Board and management have been focused on making the organisation more resilient, better manage risk and implement the optimisation measures which will allow United Malt to take advantage of expected better crop conditions and increased production capacity in future years. This includes, for example, ensuring as contracts are due for renewal updated commercial arrangements are put in place. This has been a high priority for the company.

As well as focusing on improving our facilities and processes in a sustainable and efficient manner, the last 12-18 months has also seen new capability added to both management and the Board to address these evolving challenges. Despite the progress that has been made, and the tremendous amount of work and effort put in to look after our customers and employees, the Board is conscious that the executive remuneration outcomes in FY22 must reflect that the Company's financial performance fell well below expectations. Accordingly there have been hard decisions taken which demonstrate the Board's commitment to financial responsibility and ensuring executives are accountable for the challenging FY22 earnings and profit results.

b) Financial Performance

The Company's Underlying Earnings Before Interest Tax Depreciation Amortisation (EBITDA) was $105.9 million for the year, down 23% from $137.9 million in FY21. The Company's Processing Division was most adversely affected by the external factors and was $60.3 million, down 33% from $90.2 million in FY21. By contrast our Warehouse and Distribution's EBITDA was $40.3 million broadly consistent with FY21.

Reported Statutory Net Profit After Tax (NPAT) was $11.6 million, compared to $14.5 million for FY21. Dividends for FY22 totalled 1.5 cents per share, down from 5.5 cents in FY21.

c) FY22 Remuneration Outcomes

The Board is committed to ensuring a strong alignment between the Company's performance and executive remuneration. The disappointing financial results have been reflected in remuneration outcomes for Executive KMP (and across all senior management).

Key points are:

- No FY22 short-term incentive (STI) payments were made, reflecting the unsatisfactory financial performance.
- There were no salary increases to any Executive KMP in FY22, other than for the President, Warehouse and Distribution following a benchmarking review undertaken in FY21.

- The MD & CEO's FY20 long-term incentive (LTI) award lapsed with no vesting because United Malt's return on capital employed (ROCE) and absolute total shareholder return (ATSR) performance did not reach the required thresholds for vesting.

d) Remuneration in FY23

Our remuneration structure will not change significantly in FY23. The key changes are set out below (with further detail in Section 8 of this Report).

- The only Executive KMP who will receive a base salary increase in FY23 is the Interim CFO, who will receive a 6 percent increase due to a contract extension from 2 January 2023 to 30 September 2023 to ensure continuity in this role until after a new CEO is appointed (see Section 8).
- There will be no changes to Non-Executive Director base fees or committee fees in FY23.
- The FY23 STI Plan will remain similar to the FY22 Plan, although the number of measures on the Corporate Scorecard will reduce and the weighting for achieving financial targets will increase from 60 percent to 70 percent to underscore the importance of achieving profit improvement objectives in FY23. Also, the Corporate Scorecard will represent 70 percent of KMPs' STI opportunity, to further reinforce this priority.
- The FY23 LTI Plan will remain broadly consistent with the awards made in FY22, but will be measured against two hurdles only, with equal 50 percent weighting, namely ROCE and ATSR. The specific targets for the ROCE and ATSR hurdles have been significantly increased from those set in FY22.

1. Key Management Personnel (KMP)

KMP are listed in the table below. The Managing Director and Chief Executive Officer (MD & CEO) and other Executives considered KMP are collectively referred to as 'Executive KMP' in this report.

Non-Executive Directors	Role
Graham Bradley AM	Chairman and Non-Executive Director
Patrick E. Bowe	Non-Executive Director (appointed 1 September 2022)
Barbara Gibson	Non-Executive Director
Jane McAloon	Non-Executive Director
Gary W. Mize	Non-Executive Director
Terry Williamson	Non-Executive Director

Executive KMP	Role
Mark Palmquist	Managing Director and Chief Executive Officer
Ryan Dutcher	Chief Financial Officer (appointed as Interim Chief Financial Officer on 6 July 2022)
Bryan Bechard	President, Warehouse and Distribution
Tiago Darocha	Chief Operating Officer
Former Executive KMP	
Amy Spanik	Chief Financial Officer (ceased as KMP on 6 July 2022 and ceased employment on 4 October 2022)

2. FY22 Executive Remuneration Outcomes

FY22 Base Salary

Remuneration for the Executive KMP was set prior to demerger of United Malt from GrainCorp Limited in FY20 after a comprehensive review of relevant benchmarks, both in Australia and in the United States where all the Executive KMP are based. This review looked at both Australian companies of a similar market capitalisation, but also similarly sized roles and companies in the United States. While Australian market practice is a key consideration in assessing base salaries, the Nominations and Remuneration Committee must also ensure that Executive KMP salaries are competitive in the markets in which they operate.

There were no increases to any Executive KMP salaries since demerger other than an increase in base salary for the President, Warehouse and Distribution in FY22. Following a review, his salary increased by approximately 15% to align the remuneration with market benchmarks for this role and his STI opportunity was increased at target from 50 percent to 60 of base salary to align with peer KMP roles.

FY22 Short-term Incentive

The Board reviewed the structure of the STI Plan in FY22 to ensure an appropriate balance between corporate and individual outcomes. This has resulted in changes to better align the STI programme with executive accountabilities. The Corporate Scorecard approach was maintained, with EBIT remaining the largest measure along with safety, environment, and other non-financial measures. The increased emphasis on Environmental, Social and Governance objectives in the Corporate Scorecard includes a new Waste Management and Landfill reduction objective and also revised safety objectives.

In FY22, the Corporate Scorecard was used to assess 60% of the STIP opportunity for those Executive KMP with specific Group-wide responsibilities such as the MD & CEO and CFO. The Chief Operating Officer and President, Warehouse and Distribution have more specific responsibilities for managing specific business units, so the Corporate Scorecard applied to 50 percent of their opportunity, allowing more room for assessment against metrics aligned to their specific business unit. The metrics for the FY22 Corporate Scorecard and an overview of how they were assessed is set out below.

FY22 Executive KMP Short-term Incentive Performance

	Corporate Scorecard (60%/50%)				Individual Scorecard (40%/50%)
Executive KMP*	**Financial measures weighting (%) and performance**	**Process weighting (%) and performance**	**Customer weighting (%) and performance**	**People and Safety weighting (%) and performance**	**Individual Scorecard (%) and performance**
Name Position Title	**EBIT**	**Upgrading product non-conformance tracking and root cause analysis, Transformation process and systems delivery, Waste management and landfill reduction**	**NPS and DIFOT-Q**	**RIFR, EH&S Leadership, Employee Engagement and Action Plans**	**Agreed objectives tailored to the Executive KMP's Team and role.**
Mark Palmquist MD & CEO	(60%) 🔴	(10%) 🟡	(10%) 🔴🟡	(20%) 🔴	🟡
Amy Spanik Chief Financial Officer	(60%) 🔴	(10%) 🟡	(10%) 🔴🟡	(20%) 🔴	N/A
Bryan Bechard President, Warehouse and Distribution	(60%) 🔴	(10%) 🟡	(10%) 🔴🟡	(20%) 🔴	🟢
Tiago Darocha Chief Operating Officer	(60%) 🔴	(10%) 🟡	(10%) 🔴🟡	(20%) 🔴	🟢

🔴 Minimum performance threshold not achieved
🟡 Threshold performance achieved
🟢 Target performance achieved
🔵 Stretch performance achieved

Each Executive KMP has their own individual metrics approved by the Board in an Individual Scorecard which aligns to their respective areas of responsibility. For the MD & CEO, key individual objectives include the metrics aligned to customer retention, growth and profitability, the successful execution of the capital project plan, pursuit of key growth opportunities and the effective leadership of the United Malt executive group. Other Executive KMP have a variety of metrics aligned to their business unit. These include driving the transformation process to support project goals, establishing ESG Goals, improving customer advocacy across key areas of the Group, process and freight optimisation goals, and the achievement of specific financial savings in landed costs via optimisation of planning and processes.

Due to the disappointing financial results during the year, the Board determined that it was not appropriate to award any STI payments to either the MD & CEO or any Executive KMP for FY22, despite several Corporate Scorecard and individual goals being partially achieved and despite the hard work done by our leadership team to meet the challenging market conditions that occurred during the year. This reflects the strong commitment by the Board to ensure that Executive remuneration reflects management's collective accountability for the financial results.

There are a number of reasons for this outcome:

- Environment, Health and Safety performance during FY22 was mixed. In FY22 we committed to reducing waste to landfill by setting goals for recycling of materials in our manufacturing and distribution activities. Our target for fiscal year 2022 was 10 percent and we achieved a reduction of 15 percent. However, our safety performance was not where we wanted to be in FY22.
- Despite challenging market conditions and barley crop shortages, we continued to supply our customers throughout the year, but key measures of our customer satisfaction (Net Promoter Score) and on-time delivery performance fell short of the challenging targets we had set.
- Our two major capital projects during FY22 – the Inverness Expansion project and our new Enterprise Resource Planning (ERP) System project – both ran late and over budget.
- We undertook our first employee engagement survey during FY22 and our employees' ratings did not meet our expectations.

FY22 Executive KMP Short-term Incentive outcomes

The table below sets out the actual STI outcome for each Executive KMP as a percentage of both their target and maximum STI percentage.

Executive KMP[1]	2022 Target/maximum	2021 Target/maximum
Current Executive KMP		
Mark Palmquist	0% / 0%	33% / 22%
Bryan Bechard	0% / 0%	37% / 24%
Tiago Darocha[2]	0% / 0%	37% / 24%
Former Executive KMP		
Amy Spanik	0% / 0%	33% / 22%

[1] Mr Dutcher was not eligible for a FY22 STI.
[2] Mr Darocha's FY21 STI award was pro-rated based on his start date in July 2021.

FY20 One-off Award Outcome

At the time of the Demerger in March 2020 there were no LTI awards due to vest until post FY22. To encourage retention of Executive KMP and to support alignment with United Malt shareholders during the period following the demerger, a One-off Award was granted to the MD & CEO in September 2020. The Chief Financial Officer and the President, Warehouse and Distribution had not been eligible for LTI prior to the offering of the United Malt FY20 LTI, and as such they were not offered participation in the One-off Award.

The performance period for this award commenced on the date United Malt shares commenced trading on the ASX (24 March 2020) and ended on 30 September 2021.

There were two performance hurdles, ROCE and ATSR, each applying to 50 percent of the One-off Award.

ROCE

United Malt's ROCE performance over the period of 24 March 2020 to 30 September 2021 was 5.8% versus a threshold of 8.6% and so no portion of this award vested.

Absolute TSR

United Malt's Absolute TSR performance over the period of 24 March 2020 to 30 September 2021 was 0.77% versus a threshold of 6% and so no portion of this award vested.

3. Executive KMP actual and statutory remuneration outcomes for FY22

The tables below set out both actual remuneration outcomes for Executive KMP in FY22 and also the total remuneration in FY22 and FY21, calculated in accordance with statutory accounting requirements.

FY22 actual remuneration outcomes for Executive KMP

This table outlines the cash remuneration that was received by Executive KMP in FY22 which includes their fixed remuneration and the cash, non-deferred portion of any FY22 STI payments (which are typically payable in November 2022). The table also includes the value of deferred STI rights, the value received for any LTI awards which vested during the year and any termination payments made in respect of service during FY22.

This actual remuneration outcomes table differs from the statutory remuneration table as the latter table was calculated in accordance with statutory rules and the applicable accounting standards.

	Financial Year	Fixed remuneration[i]	Cash STI[ii]	Vested prior year DSTI Rights[iii]	Vested prior year LTI Rights awards[iv]	Termination Benefits	Full Year Total
Current Executive KMP							
Mark Palmquist	2022	$1,271,609	–	$233,588	–	–	$1,505,197
Bryan Bechard	2022	$456,701	–	$30,105	–	–	$486,806
Tiago Darocha	2022	$735,428	–	–	–	–	$735,428
Ryan Dutcher[v]	2022	$151,134	–	–	–	–	$151,134
Former Executive KMP							
Amy Spanik[vi]	2022	$372,295	–	$56,339	–	$249,940	$678,573

Explanatory notes to the Actual Remuneration outcomes table. All Executive KMP reside and work in the United States. Amounts have been converted using the average exchange rate for the period the remuneration is reported. In FY22 the exchange rate used was USD1: AUD1.4034.

i. Fixed remuneration includes any 401K contributions by United Malt and the value of any non-monetary benefits such as health insurance premiums, and Life and Disability insurance. For Mr Darocha, it also includes relocation assistance paid in FY22.
ii. Cash STI is the cash portion of the FY22 STIP payable in November 2022.
iii. Deferred STI Rights values are the value of any Deferred STI Rights which vested in FY22, valued on the date vested in November 2021 (at $4.19).
iv. This is the value of any prior year LTI awards which vested in FY22. The only awards which could have vested in FY22 were the One-off awards to the MD & CEO of which no portion vested as the performance hurdles were not met.
v. Mr Dutcher was appointed Interim CFO on 6 July 2022. His fixed remuneration is shown from that date and includes a sum payable as relocation assistance. As he is on a fixed term contract, he was not entitled to any additional benefits in FY22.
vi. Ms Spanik was an Executive KMP until 6 July 2022. Her fixed remuneration is pro-rated to this date. Ms Spanik received a severance benefit and payment in lieu of six months' medical and dental benefits payable on cessation of her employment on 4 October 2022 and this value is show under Termination Benefits.

FY22 and FY21 statutory remuneration outcomes for Executive KMP

Amount A$		Short-Term Benefits			Post-Employment Benefits		Share-based Payments		
	Financial Year	Base Salary	Cash STI	Non-Monetary benefits[i]	401K	Termination Benefits	Rights – STI deferral[ii]	Rights – LTI awards[ii,iii]	Full Year Total
Current Executive KMP									
Mark Palmquist[iv]	**2022**	$1,242,696	$0	$21,698	$7,215	–	$193,904	–$20,994	$1,444,519
	2021	$1,178,674	$191,535	$16,779	$9,114	–	$292,567	$538,853	$2,227,523
Bryan Bechard	**2022**	$420,354	$0	$27,180	$9,167	–	$28,070	–$628	$484,143
	2021	$393,628	$31,641	$24,752	$7,602	–	$40,408	$56,999	$555,030
Tiago Darocha[v]	**2022**	$699,313	$0	$26,748	$9,368	–	$26,206	$35,279	$796,914
	2021	$185,116	$14,394	$3,919	$2,050	–	$2,015	–	$207,494
Ryan Dutcher[vi]	**2022**	$151,134	–	–	–	–	–	–	$151,134
Former Executive KMP									
Amy Spanik[vii]	**2022**	$343,489	$0	$20,693	$8,114	$249,940	$59,072	$8,452	$689,759
	2021	$432,602	$42,179	$24,273	$11,221	–	$69,003	$71,113	$650,391

Explanatory notes to the Statutory Remuneration outcomes table. All Executive KMP reside and work in the United States. In the above table amounts have been converted into AUD using the average exchange rate for the period the remuneration is reported. In FY22 and FY21 the exchange rates used were USD1: AUD1.4034 and USD1: AUD1.3943 respectively.

i. Non-monetary benefits include the gross value of health insurance, basis life and disability benefits and vehicles (if applicable). All Executive KMP are based in the United States and have no superannuation or long service leave entitlements.

ii. The value of the STI deferral and the LTI awards represents the accounting value rather than the cash value to participants. In 2021, all Executive KMP STI awards were paid 50% in cash and 50% in STI deferral awards. No STI or STI Deferral awards were made in FY22. For Mr Darocha the FY22 STI deferral amount includes the FY22 portion of the amortised value of the Retention award he received in the year.

iii. Where allowed under the applicable accounting standards, LTI award values have been updated to reflect the probability of vesting.

iv. Mr Palmquist's annual base salary remained unchanged at US$885,500.

v. Mr Darocha commenced employment on 12 July 2021 and his FY21 remuneration is shown from that date. The base salary amounts shown include assistance paid to Mr Darocha for his relocation, both in FY21 and FY22. Mr Darocha's FY21 STI payment is also pro-rated based on the portion of the year he was employed.

vi. Mr Dutcher commenced as the Interim CFO from 6 July 2022 and his FY22 remuneration is shown from that date. The amount shown includes assistance paid to Mr Dutcher for his relocation.

vii. Ms Spanik ceased to be an Executive KMP on 6 July 2022 and her base salary, non-monetary benefits and 401K are shown up to this date. Ms Spanik received a severance benefit and payment in lieu of six months' medical and dental benefits payable on cessation of her employment on 4 October 2022 and this value is shown under Termination Benefits. Any remaining value associated with STI deferral and the LTI awards has been accelerated into FY22.

Executive KMP mix of fixed and variable remuneration

The proportion of each Executive KMP's remuneration for FY22 that was fixed, and the portion that was subject to a performance measure, is set out below. The percentages are based on the FY22 statutory remuneration disclosures above (including the STI deferral and LTI awards values which are determined in accordance with accounting standards) and do not correspond to the target remuneration percentages set out below.

Executive KMP[i]	Fixed	Variable (including short-term and long-term incentive payments)[ii]
Executive KMP		
Mark Palmquist	88%	12%
Bryan Bechard	94%	6%
Tiago Darocha	92%	8%
Former Executive KMP		
Amy Spanik	90%	10%

i In FY22 Mr Dutcher received no STI payment or LTI award as he is engaged on a fixed term contract.

ii The lower variable remuneration percentages reflect no STI awards being made in FY22 and reductions in the valuation of outstanding LTI awards to reflect the possibility of vesting (where required by accounting standards).

4. Executive Remuneration Policy

Our Remuneration Policy aims to engage and retain executive talent, while motivating them to deliver business strategy and key performance targets that create value for shareholders. It seeks to provide remuneration that is structured in a manner that also encourages behaviours consistent with United Malt's corporate values.

The Board affirmed its commitment to the following principles underlying the Company's Remuneration Policy:

- Fixed remuneration is determined at a level to attract and retain top talent with a market competitive offering. It is determined regarding the complexity, responsibility, competence, and levels that are competitive with remuneration levels for employees in comparable roles in the relevant market.
- Variable remuneration plans link outcomes to achievement of business and individual goals, as well as to behaviours which are consistent with United Malt's values.
- United Malt aims to position Executive KMP at the median of the relevant market for fixed remuneration with a range up to the 75th percentile of total remuneration for outstanding performance.

Remuneration framework

Remuneration for Executive KMP comprises fixed and variable ('at risk') elements. A significant proportion of the total remuneration for Executive KMP is 'at risk' to create alignment with United Malt's strategic objectives and Shareholder interests.

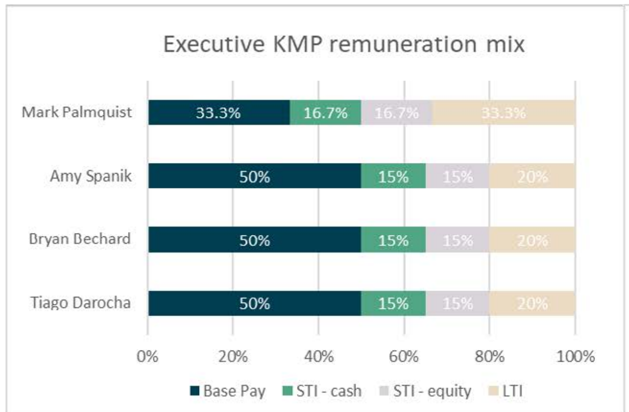
The executive remuneration framework elements and their links to performance are outlined below.

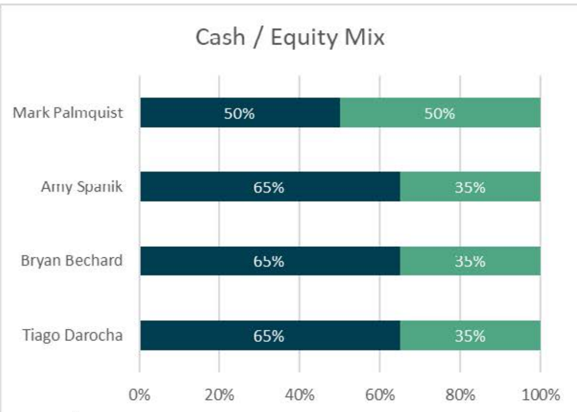
	Base Salary	Variable Remuneration (At Risk)	
Elements	Salary (and benefits as relevant to local conditions).	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Delivery Method	Cash	Cash and Equity (Deferred Rights)	Equity (Performance Rights)
Intent	Attract and retain talent by providing competitive package, recognising job size, complexity, and capability.	Reward for short-term business and personal goals with equity deferral, alignment with sustainable shareholder return performance.	Alignment with long-term business goals and shareholder value creation.
Link to Performance	Suitable and appropriate reward commensurate with the role.	A balanced Corporate Scorecard of key business measures and an Individual Scorecard with measures aligned to core team and individual accountabilities.	Key measures set with three-year targets to focus on cost efficiency and sustainable improvement.
Performance Measures	Position requirements and accountabilities that align to achieving business strategy.	Financial (EBIT), Process – including Waste Reduction, Health and Safety, Customer, People and Individual measures.	• ROCE • ATSR • Strategic measures
How it works	• Set in relation to relevant external market considering experience and performance. • Target median of the market for base salary with range up to 75th percentile of base plus variable for outstanding performance.	• 50% paid in cash. • 50% deferred over 12 and 24 months into equity. • Measured against Scorecards (financial, process, customer, safety, people, team and individual measures).	• Delivered as Rights. • Vest after three years subject to performance conditions of 50% ROCE, 25% ATSR and 25% strategic measures.

Remuneration mix

The tables show the breakdown of total remuneration at target achievement by our three remuneration elements in accordance with our policy. The split of cash and equity is considered important for building alignment with shareholder value creation. The balance of the pay mix, and the cash and equity mix, will continue to be reviewed over time.

Executive KMP remuneration mix at target





5. Variable Remuneration – Short-term Incentive

The United Malt STI Plan rewards achievement against annual business goals. It forms a part of our attraction strategy and provides for both recognition and retention. The terms of the STI plan are outlined below.

Term	Details
Eligibility	All permanent Executive KMP are eligible to participate in the STI. The United Malt Board determines the employees who are eligible to participate in the STI from time to time.
Opportunity	The opportunity is set as a percentage of base salary. Maximum opportunity is 1.5 times target (150%). The CEO has a target opportunity of 100% and a maximum opportunity of 150%. The target opportunity for the remaining Executive KMP is 60%, with a maximum opportunity of 90%.
Form of award	The proportion of the STI award that vests is delivered: • 50% as cash; and • 50% deferred into rights to acquire United Malt shares. Deferred rights do not carry any voting or dividend rights, but dividend equivalent payments (which may be delivered in cash or additional shares) may be made on vesting of the rights.
Deferred STI award and deferral period	The deferred rights will vest in two tranches – 50% of the deferred awards vest after 12 months and 50% after 24 months.
Performance period	Performance was tested over one financial year, 1 October 2021 to 30 September 2022.
Performance measures	The United Malt STI Corporate Scorecard measures four key financial and non-financial segments and each segment within the Corporate Scorecard is weighted the same for the MD & CEO and the other KMP. The Corporate Scorecard is either 60% (MD & CEO, CFO) or 50% (COO, President Warehouse and Distribution) of the Executive KMP's total target opportunity. The remaining 40% or 50% of target opportunity is assessed by team or individual metrics within an Executive KMP's Individual Scorecard. *Corporate Scorecard* 1. Financials/Growth: (EBIT) 60% weighting 2. Process: (Product Non-conformance and tracking, Process and Systems implementation, and Waste Management and Landfill Reduction. 10% weighting 3. Customers (NPS and DIFOT Q) 10% weighting 4. People and Safety: RIFR, EH&S Leadership Engagement, Employee Engagement and successful establishment of OCI action plans 20% weighting
Malus	The United Malt Board in its discretion may determine that some, or all, of an employee's deferred STI should be forfeited for gross misconduct, material misstatement or fraud.
Cessation of employment	Unless the United Malt Board determines otherwise, STI awards will: a. remain on foot to be paid, or be awarded in full, at their normal payment or grant date for cessation of employment due to any other reason (including redundancy, disability, death or retirement); or b. lapse where the participant ceases employment due to resignation or termination for cause.
Change of Control	All deferred STI awards will vest upon a change of control unless the United Malt Board determines otherwise.

6. Variable Remuneration – Long-term Incentive

The LTI Plan awards are granted under the United Malt Employee Incentive Plan Rules and are intended to reward superior long-term performance and encourage retention and alignment with United Malt shareholders.

The terms of the Long-term Incentive Plan are outlined below.

Term	Details
Eligibility	The United Malt Board determines the employees who are eligible to participate. Currently, the LTI is open only to Executive KMP.
Instrument	Performance rights, each being a right to acquire a United Malt share for nil consideration, upon specified performance measures being satisfied over the relevant performance period. Performance rights will not carry voting or dividend rights. The Board retains discretion to settle Vested Rights in cash by making a cash payment equal to the Cash Equivalent Value in lieu of an allocation of Shares.
Opportunity	The number of Performance Rights granted to each participant is determined by dividing the dollar value of a participant's LTI opportunity by the Volume Weighted Average Price (VWAP) of shares over a defined period. For the FY22 LTI the VWAP was the 20 trading days immediately following the date on which the Company's full-year results were released for the financial year ended 30 September 2021. For FY22 the LTI opportunity was as follows: • CEO – 100% of base salary. • All other Executive KMP – 40% of base salary.
Performance period	The FY22 LTI performance period commenced on 1 October 2021 and ends on 30 September 2024.
Performance conditions	Vesting of Performance Rights under the FY22 LTI plan will be subject to the participant's continued employment with United Malt and satisfaction of specified performance conditions. The performance conditions applicable to the FY22 award under the LTI plan are as follows: *a. Return on Capital Employed (ROCE) – 50% of the FY22 LTI grant* Defined as EBIT divided by capital employed. Earnings before interest and taxes (EBIT) divided by capital employed (being the sum of United Malt's total borrowings net of cash assets and average shareholders' equity). An average of the three financial year ROCE outcomes will be calculated to determine the ROCE over the three-year vesting period and then measured against the applicable ROCE targets. *b. Absolute total shareholder return (ATSR) – 25% of the FY22 LTI grant* Defined as the compound annual growth rate (CAGR) of United Malt's TSR over the performance period measured against the applicable ATSR targets *c. Strategic measures – 25% of the FY22 LTI grant* In assessing performance against pre-set Strategic measures, the Board will evaluate how well management has delivered against key projects and goals over the three-year performance period from 1 October 2021 to 30 September 2024. A major focus will be Transformation strategy and the drive to create a more streamlined and efficient organisation and improve capabilities by implementing simplified and standardised processes, skills and systems. In addition, Executive KMP will also be assessed regarding the on-time and on-budget delivery of major capital projects and management's success in identifying and executing growth opportunities, including greenfield business developments in new geographies. The key criteria to be used by the Board are as follows: • Achieving annualised EBITDA benefits (savings or revenues). • Achieving the agreed benefits within the timeframes and financial goals. • Demonstrating teamwork to achieve good customer and stakeholder management. • Adapting to any material changes in circumstances impacting the timeframes and estimated benefits. Performance against these measures including detail regarding the annualised benefits achieved, the status of the capital projects delivered and the progress on the identification and execution of organic growth opportunities will be disclosed in the FY24 Remuneration Report.

Term	Details
FY22 Vesting schedules	a. The proportion of rights that may vest based on ROCE performance is determined by the Board, based on the following vesting schedule. b. The proportion of rights that may vest based on ATSR performance is determined by the Board based on the following vesting schedule. c. The proportion of rights that may vest based on the execution of Strategic measures is determined by the Board based on the following vesting schedule. In determining whether the strategic measures are achieved the Board will primarily examine the performance against the defined financial targets associated with the applicable measures, but also take into consideration qualitative factors such as execution against agreed timeframes.

ROCE	Percentage of ROCE rights to vest
Below threshold ROCE target – 6%	Nil
Equals threshold ROCE target – 6%	25%
Between threshold and maximum ROCE target	Straight-line between 25% and 100%
At or above maximum ROCE target – 10%	100%

Absolute TSR	Percentage of TSR rights to vest
Below threshold ATSR CAGR target – 6%	Nil
Equals threshold ATSR CAGR target – 6%	25%
Within target range of 6% to 10% TSR CAGR	Straight-line between 25% and 100%
At or above maximum ATSR CAGR target – 10%	100%

Strategic measures	Percentage of Strategic rights to vest
Majority of strategic measures not achieved	Nil
Majority of strategic measures partially achieved	25% to 100%
Majority of strategic measures fully achieved	100%

Term	Details
Vesting	Based on performance relative to the performance conditions, the relevant number of performance rights will vest, and each participant will receive a United Malt share in respect of each vested performance right (unless the United Malt Board, in its sole discretion, determines to settle vested performance rights by making a cash equivalent payment in lieu of the allocation of United Malt shares).
Disposal restrictions	In accordance with the Minimum Shareholding Policy (MSP), a participant must seek approval to sell or transfer any Shares allocated on Vesting of the Rights. Approval will be granted if the participant meets or exceeds the minimum holding level set under the MSP (and would continue to satisfy the holding requirements immediately after the disposal). However, a participant may seek approval to dispose of Shares at any time if compliance with the MSR will cause severe financial hardship (including meeting a tax obligation in connection with participation in the Plan) or could prevent a participant from complying with an order from a court of law.
Malus	The United Malt Board in its discretion may vary downwards the number of an employee's shares due to vest, if the Board determines that the performance of the Group, any member of the Group, any business, area or team, and the conduct, capability, or performance of the Participant, justifies the variation.
Cessation of employment	Unless the United Malt Board determines a different treatment, where a participant ceases employment with United Malt: a. as a result of resignation or termination for cause, all unvested performance rights will lapse; or b. for any other reason (including redundancy, disability, death or retirement), a pro-rata number of the participant's unvested performance rights (based on the proportion of the performance period that has elapsed at the time of cessation) will remain on foot and will be eligible to vest on the original vesting date. To the extent the relevant performance hurdles are satisfied the shares will then vest.
Change of Control	In the event of a change of control all unvested performance rights will vest unless the United Malt Board determines otherwise.

Retention award

In FY22, a two-year retention incentive was made to the Chief Operating Officer in consideration of his key role and his recent tenure. This award, worth approximately 60% of base salary, has a value tied to the United Malt share price, and will vest in July 2024, subject to a service condition and the achievement of performance hurdles aligned to the optimisation of United Malt's operations integrated network.

7. Legacy Long-term Incentive awards

As a stand-alone Company from 24 March 2020, there are no United Malt prior year LTI awards able to vest in FY22. The One-off Award to the MD & CEO has a performance period ending on 30 September 2021 and was assessed by the Board in FY22 (although no portion vested). Details regarding this award are set out in Section 2 of this Report.

FY20 Long-term Incentive

The first United Malt LTI (the FY20 LTI) was offered to Executive KMP in September 2020. Due to the timing of the grant and demerger, it has a slightly shortened performance period (2.5 years) commencing on the date United Malt shares commenced trading on the ASX (24 March 2020) and ending on 30 September 2022.

There were two performance hurdles, ROCE and ATSR, each applying to 50% of the FY20 LTI award.

The proportion of rights that may vest based on ROCE performance was determined by the Board based on the following vesting schedule:

ROCE	Percentage of ROCE rights to vest
Below threshold ROCE target – 8.6%	Nil
Equals threshold ROCE target – 8.6%	25%
Between threshold and maximum ROCE target	Straight-line between 25% and 100%
At or above maximum ROCE target – 11.4%	100%

The proportion of rights that may vest based on ATSR performance was determined by the Board based on the following vesting schedule:

Absolute TSR	Percentage of ATSR rights to vest
Below threshold ATSR CAGR target – 6.0%	Nil
Equals threshold ATSR CAGR target – 6.0%	25%
Within target range of 6% to 10% TSR CAGR	Straight-line between 25% and 100%
At or above maximum ATSR CAGR target – 9.0%	100%

All other significant terms and conditions, including the definition of the ROCE and ATSR performance conditions, are as per the FY22 LTI award terms noted above.

FY20 LTI vesting outcomes

ROCE

United Malt's ROCE performance over the period of 24 March 2020 to 30 September 2022 was 4.8% versus a threshold of 8.6%, so no portion of this award will vest.

Absolute TSR

United Malt's ATSR performance over the period of 24 March 2020 to 30 September 2022 was –8.8% versus a threshold of 6%, so no portion of this award will vest.

FY21 Long-Term Incentive

The FY21 LTI was offered to Executive KMP in March 2021, with a performance period commenced on 1 October 2021 and ending on 30 September 2023. Due to the timing of the grant and demerger, it has a slightly shortened performance period (2.5 years) commencing on the date United Malt shares commenced trading on the ASX (24 March 2020) and ending on 30 September 2022.

There were two performance hurdles, ROCE and absolute TSR, each applying to 50 percent of the FY20 LTI award. The performance conditions applicable to the FY21 award under the LTI plan are as follows:

a. Return on Capital Employed (ROCE) – 50% of the FY21 LTI grant

The ROCE performance hurdle and vesting schedule is the same as outlined in the FY22 LTI awards above.

b. Absolute total shareholder return (ATSR) – 25% of the FY21 LTI grant

The ATSR performance hurdle and vesting schedule is the same as outlined in the FY22 LTI awards above.

c. Strategic execution – 25% of the FY21 LTI grant

Realisation of the pre-determined agreed metrics that will demonstrate the achievement of United Malt's Strategic Plan. There are a variety of quantified metrics predominately designed to increase revenue or manage costs in the following key areas:

- Profitability and customer performance – realign and enhance our marketing and decision-making capabilities with a focus on customer efficiencies and increased profitability.
- Operating Model – reposition our operating model to reflect the needs of United Malt as a stand-alone, listed Company involved in Malt and beverage ingredient products.
- Growth – establishing and executing strategic growth opportunities.

The other terms and conditions are substantially the same as outlined for the FY22 LTI awards above.

8. Remuneration in FY23

Base salary

There will be no changes to the base salary for the MD & CEO. The only Executive KMP to receive a salary increase is the Interim CFO, who receives a 6.25 percent increase due to a contract extension from 2 January 2023 to 30 September 2023 to ensure continuity in this role until after a new CEO is appointed.

Short-term incentive

There will be no change to STI quantum for any Executive KMP in FY23. The FY23 STI structure will remain similar to the FY22 Plan, although the weighting on the primary financial measure, EBIT, increases to 70 percent to emphasise the importance of improving the financial performance in FY23. The weighting of the Corporate Scorecard also increases to 70 percent of the Executive KMP total STI opportunity to reinforce the importance of achieving the financial targets, with the remaining STI opportunity (30 percent) in Individual Scorecards tied to objectives aligned with the Executive's direct responsibilities.

Long-term incentive

ROCE is a measure of profitability and the efficient use of capital efficiency. Both are critical to our business. ATSR is a measure of shareholder value. These are considered key drivers for the long-term performance of the Company and its shareholders over the three-year FY23 LTI performance period which commenced on 1 October 2022 and ends 30 September 2025.

An overview of the weightings and definitions for our FY23 LTI measures is set out below.

Measure	Weighting	Definition
ROCE	50%	Earnings before interest and taxes (EBIT) divided by capital employed (being the sum of United Malt's total borrowings net of cash assets and average shareholders' equity). An average of the three financial year ROCE outcomes will be calculated to determine the ROCE over the three-year vesting period. The FY23 LTI ROCE threshold, target and stretch metrics have been increased relative to the FY22 awards and will be 8%, 10% and 12% respectively. This is significantly above the Company's recent ROCE (which have been 7.5%, 4.8% and 2.1% in FY20, FY21 and FY22 respectively) to reflect the improved returns sought by the Board and management due to capital invested and increased efficiencies made in enhanced processes and systems in FY22 and beyond. One-third (33.3%) of the award vests on achieving threshold; two-thirds (66.6%) vests on achieving target; and at stretch performance, 100% of the award vests (with straight-line vesting in between these metrics).
ATSR	50%	The compound annual growth rate of United Malt's TSR over the performance period. The FY23 LTI ATSR threshold, target and stretch metrics have been significantly increased from those used in the FY22 awards to 12%, 16% and 20% CAGR TSR respectively. This will be calculated off a starting price of $3.05 (one-month VWAP of United Malt's share price from the beginning of performance period) and reflects the Board and management's priority to significantly increase United Malt's share price to deliver value to our shareholders. One-third (33.3%) of the award vests on achieving threshold; two-thirds (66.6%) vests on achieving target; and at stretch performance, 100% of the award vests (with straight-line vesting in between these metrics).

As the MD & CEO will retire during FY23 he will not receive a FY23 LTI award.

Non-Executive Director fees

No changes are proposed to any Non-Executive Director fees in FY23.

9. Non-Executive Director fees

Full-year Non-Executive Director fees are set out below. They reflect the approach agreed as a result of the review undertaken in preparation for the demerger. The fees were positioned at market median for base fees, committee chair and membership fees, and aligned with positioning against companies of a similar size.

Fees are paid from the $1,500,000 aggregate annual fee pool. This pool value was set to allow for growth and changes within the structure of the United Malt Board over time. This fee pool was approved as part of the Scheme approved by shareholders in November 2019 and remained unchanged at the 2020 AGM. Total Director fees paid during FY22 was $952,505. These fees represented 64 percent of the fee pool.

No changes to Board fees will be made for FY23, notwithstanding the increase in superannuation contributions.

FY22 Non-Executive Director fees

Function	Role	Fees A$ (including superannuation)
Board	Chairman	$340,000
	Non-Executive Director	$120,000
Board Committees: • Audit and Risk • Nominations and Remuneration • Environment, Health and Safety	Chair	$22,000
	Committee Member	$11,500

Superannuation contributions are made in accordance with Australian superannuation legislation at a rate of 10%, and 10.5% from 1 July 2022. Superannuation is included in the fees presented above.

Committee fees are not paid to the Chairman of the Board.

FY22 and FY21 Non-Executive Director fees (statutory remuneration outcomes)

The following table sets out the audited Non-Executive Director fees in FY22 and FY21 calculated in accordance with statutory accounting requirements, and which reflect the remuneration received during the year. Non-Executive Directors are not eligible to receive any cash-based or equity-based incentives.

	Financial Year	Board and Committee Fees	Superannuation	Other Benefits [i]	Total Fees
Non-Executive Directors					
Graham Bradley AM	2022	$308,741	$31,260	$12,000	$352,001
	2021	$310,149	$29,851	–	$340,000
Patrick E. Bowe[ii]	2022	$10,866	–	–	$10,866
Barbara Gibson	2022	$138,596	$14,031	–	$152,627
	2021	$140,023	$13,477	–	$153,500
Jane McAloon	2022	$149,663	$3,837	–	$153,500
	2021	$153,500	–	–	$153,500
Gary W. Mize[iii]	2022	$142,008	–	–	$142,008
	2021	$133,508	–	–	$133,508
Terry Williamson	2022	$139,387	$14,115	–	$153,502
	2021	$140,023	$13,477	–	$153,500

i. Other benefits include travel allowances paid for international travel for overseas Board meetings.
ii. Mr Bowe was appointed 1 September 2022. His fees are paid in USD. The USD:AUD exchange rate used for the FY22 fees is 1:1.4034.
iii. Mr Mize was appointed 23 October 2020. His fees are paid in USD. The USD:AUD exchange rate used for the FY22 fees is 1:1.4034.

10. Remuneration Governance

The Board has ultimate responsibility for the Company's remuneration policies and takes that responsibility very seriously. Strong governance and oversight processes have been established for remuneration, assisted by the Nominations and Remuneration Committee which comprises three Non-Executive Directors. The Committee assists the Board to satisfy itself that the Company:

- has coherent remuneration and people management policies and practices which are aligned with the Company's purpose, values, strategic objectives and risk appetite and which enable the Company to attract, motivate and retain capable and talented Directors, Executives and employees;
- fairly and responsibly remunerates Directors, Executives and employees having regard to the performance of the Company and best market practices; and
- delivers on its overall people strategy, with regard to the Company's succession planning, talent management, diversity, performance management and employee relations policies.

The Nominations and Remuneration Committee operates under a Charter which was established at the commencement of the Company and will be reviewed every two years. The Charter is available on the Company's website.

Minimum Shareholding Policy

A Minimum Shareholding Policy was approved in July 2020 in recognition of the importance of aligning the interests of United Malt's Non-Executive Directors and Executives with the long-term interests of the Company's shareholders. Non-Executive Directors must have a minimum shareholding equal to one times base fees within five years, Executive KMP must hold one times base salary, and the CEO must hold two times base salary also within five years from commencement of the policy or appointment. Compliance is reviewed by the Nominations and Remuneration Committee following the end of each financial year. Executives are required to retain all shares acquired from participation in the United Malt employee incentive plan (other than shares sold to cover tax obligations) until such time as they meet the minimum shareholding. They are not expected to buy shares on-market to reach the minimum shareholding. A full copy of the Policy is available on the Company website.

Remuneration Advisers

The Board and the Nominations and Remuneration Committee may seek advice from external advisers as required.

In FY22 no remuneration recommendations relating to KMP remuneration were obtained.

Employment Terms

The Executive KMP are employed under employment contracts which are open-ended, aside from Mr Dutcher who is currently engaged on a fixed term contract.

The Non-Executive Directors have a letter of appointment which outlines their duties and their remuneration. Non-Executive Directors are not eligible to receive variable pay, bonuses, or termination payments.

Executive KMP key employment terms

A summary of the key employment terms for the Executive KMP is shown in the table below.

Executive KMP	Notice period Company	Notice period KMP	Termination entitlements
MD & CEO	6 months	6 months	Redundancy – 6 months
Other Executive KMP*	3 months	6 months	Redundancy – 6 months

* This does not include Mr Dutcher who is currently engaged via an interim fixed term contract, which can be terminated by either party by 30 days' written notice.

Amy Spanik – Chief Financial Officer

Ms Spanik resigned from United Malt on 6 July 2022 and ceased to be an Executive KMP from this date. A three-month notice period was agreed to assist the transition of an Interim Chief Financial Officer and her last date of employment was 4 October 2022. The Board agreed a six-month severance payment and a gross payment designed to cover the cost of six months' medical and dental benefit. Ms Spanik's LTI awards will be pro-rated based on the portion of the vesting period remaining for each respective award. Existing Deferred STI awards will be retained and vest on their normal vesting dates. Ms Spanik is not eligible for a FY23 STI or LTI award.

Ryan Dutcher – Interim Chief Financial Officer

Mr Dutcher was appointed as interim Chief Executive Officer on 6 July 2022 on an initial six-month contract which has been extended to 30 September 2023 to ensure continuity in this role until after a new CEO is appointed. Mr Dutcher received relocation assistance and is eligible for a performance bonus if the agreed criteria are met at the end of the initial six-month contracted term.

11. Shareholdings and other mandatory disclosures

Movement of Rights held during the FY22 reporting period

Details of the issue of Performance Rights and Deferred STI Rights in the Company are shown in the table below.

Role	Balance as at 1 October 2021	Granted during the year	Exercised during the year	Forfeited or lapsed during the year	Balance as at 30 September 2022	Vested and exercisable as at 30 September 2022
Current KMP						
Mark Palmquist	956,325	342,289	(55,749)	(280,543)	962,322	–
Ryan Dutcher	–	–	–	–	–	–
Bryan Bechard	82,289	47,785	(7,185)	–	122,889	–
Tiago Darocha	–	62,882	–	–	62,882	–
Former Executive KMP						
Amy Spanik[i]	111,628	53,708	(13,446)	–	151,890	–

[i] Ms Spanik's unvested LTI awards are shown as at the cessation of her time as KMP as at 6 July 2022. On cessation of her employment on 4 October 2022 her various LTI awards were pro-rated based on the period of the respective vesting periods she was employed and 50,633 Performance Rights lapsed.

Number of rights granted, vested and forfeited under the deferred STI and LTI awards

Details of the number of rights granted to Executive KMP, as well as the number of rights that vested or were forfeited during the year are provided below.

	Equity granted						Vested in FY22	
	Plan	Number of rights	Grant date	Fair value at grant	Date on which rights may be exercised i	Maximum value of future years' awards	Vested or (forfeited) in the year	Number of ordinary shares
Executive KMP								
Mark Palmquist	FY22 LTI	295,208	21 Feb 2022	$1,032,490	Dec 1, 2024	$374,262		
	FY21 Deferred STI	47,081	2 Dec 2021	$ 192,561	16 Nov 2022, Nov 2023	$48,048		
	FY21 LTI	268,218	11 Mar 2021	$ 869,697	Nov 2023	$50,728	–	–
	FY20 Deferred STI	111,497	22 Dec 2020	$ 451,563	16 Nov 2022	$14,529	50%	55,749
	FY20 LTI	296,067	1 Sept 2020	$ 789,019	16 Nov 2022	$15,914	–	–
	One-off Award[ii]	280,543	1 Sept 2020	$ 758,869	Not applicable	–	(100%)	–
Bryan Bechard	FY22 LTI	40,008	24 Dec 2021	$ 142,428	Dec 1, 2024	$51,532	–	–
	FY21 Deferred STI	7,777	2 Dec 2021	$ 31,808	16 Nov 2022, Nov 2023	$7,937		
	FY21 LTI	31,562	11 Mar 2021	$ 102,340	Nov 2023	$5,969		
	FY20 Deferred STI	14,369	22 Dec 2020	$ 58,194	16 Nov 2022	$1,872	50%	7,185
	FY20 LTI	36,358	1 Sept 2020	$ 96,894	16 Nov 2022	$1,954	–	–
Tiago Darocha	FY22 LTI	59,344	24 Dec 2021	$ 211,265	Dec 1, 2024	$76,438	–	–
	FY21 Deferred STI	3,538	2 Dec 2021	$ 14,470	16 Nov 2022, Nov 2023	$3,611	–	–
Former Executive KMP								
Amy Spanik[iii]	FY22 LTI	43,340	24 Dec 2021	$ 154,290	Dec 1, 2024	–	–	–
	FY21 Deferred STI	10,368	2 Dec 2021	$ 42,405	16 Nov 2022, Nov 2023	–		
	FY21 LTI	39,377	11 Mar 2021	$ 127,680	Nov 2023	–		
	FY20 Deferred STI	26,891	22 Dec 2020	$ 108,909	16 Nov 2022	–	50%	13,446
	FY20 LTI	45,360	1 Sept 2020	$ 120,884	16 Nov 2022	–	–	–

i. This column reflects the financial year in which the award will vest, rather than the final year of the vesting period.
ii. All awards of the FY20 LTI will lapse in November 2022, as the performance hurdles for the Award have not been met.
iii. None of Ms Spanik's LTI awards lapsed in FY22. A pro-rated portion (50,633 Performance Rights) will lapse in FY23 on her cessation of employment based on the portion of the respective vesting periods she was employed.

Shares held by KMP

The table below details the number of Company shares, in which KMP have a relevant interest, as at the date of this report.

FY22

Role	Balance as at 30 September 2021	Vested	Purchased	Sold	Balance as at 30 September 2022
Executive KMP					
Mark Palmquist	437,473	55,749	50,000	–	543,222
Bryan Bechard	2,898	7,185	–	(2,703)	7,380
Tiago Darocha	–	–	–	–	–
Ryan Dutcher[i]	–	–	–	–	–
Former Executive KMP					
Amy Spanik[ii]	10,347	13,446	–	(3,228)	20,565
Non-Executive Directors					
Graham Bradley AM	101,395	–	110,000	–	211,395
Patrick E. Bowe[iii]	–	–	–	–	–
Barbara Gibson	34,895	–	–	–	34,895
Jane McAloon	22,810	–	–	–	22,810
Gary W. Mize	17,696	–	30,503	–	48,199
Terry Williamson	49,586	–	7,000	–	56,586

FY21

Role	Balance as at 1 October 2020	Vested	Purchased	Sold	Balance as at 30 September 2021
Executive KMP					
Mark Palmquist	427,473	–	10,000	–	437,473
Bryan Bechard	2,898	–	–	–	2,898
Tiago Darocha	–	–	–	–	–
Former Executive KMP					
Amy Spanik	8,183	2,861	–	697	10,347
Non-Executive Directors					
Graham Bradley AM	81,395	–	20,000	–	101,395
Barbara Gibson	29,895	–	5,000	–	34,895
Jane McAloon	12,076	–	10,734	–	22,810
Gary W. Mize[iv]	–	–	17,696	–	17,696
Terry Williamson	34,586	–	15,000	–	49,586

i. Mr Dutcher was appointed Interim CFO on 6 July 2022 and any shareholdings are shown from this date.
ii. Ms Spanik ceased to be an Executive KMP as at 6 July 2022 and her FY22 shareholdings balance is shown as at this date.
iii. Mr Bowe was appointed to the Board effective 1 September 2022 and any commencing balance shareholdings are shown from this date.
iv. Mr Mize was appointed to the Board effective 23 October 2020 and any applicable commencing balance shareholdings are shown from this date.

Link between United Malt financial performance and executive remuneration

Summary of performance over 2022 - 2020 and link to remuneration	2022	2021	2020
EBIT	$29.8M	$62.7M	$92.0M
EBITDA	$91.8M	$123.3M	$156.1M
Dividends (cents per share)	1.5 cents	5.5 cents	3.9 cents
Share price[i]	$3.13	$4.10	$4.12
Share price (three-month average)[ii]	$3.40	$4.38	$4.08
EPS	3.9 cents	4.6 cents	16.8 cents
Average Executive KMP STI payout (relative to target)	0%	35%	45%
LTI vesting outcomes	0%	0%	n/a

I. The share price quoted is the closing price on the last day of trading in the financial year.
II. This is the three-month average closing price to and including the last day of trading in the financial year.

Transactions and Loans to KMP

No transactions or loans involving Directors or Executive KMP, or their related parties, were made.

Signed on behalf of the Board in accordance with a resolution of Directors.

Graham Bradley AM
Chairman
15 November 2022

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Auditor's Independence Declaration

As lead auditor for the audit of United Malt Group Limited for the year ended 30 September 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of United Malt Group Limited and the entities it controlled during the period.

Scott Walsh
Partner
PricewaterhouseCoopers

Sydney
15 November 2022

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Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2022

	Note	2022 $ M	2021 (restated) $ M
Revenue	1.2	1,406.7	1,235.0
Other income / (loss)	1.3	11.9	6.0
Raw materials and consumables used		(1,113.9)	(924.4)
Employee benefits expense	1.3	(118.3)	(116.4)
Finance costs		(14.2)	(10.5)
Depreciation and amortisation	3.2,3.3,3.4	(62.0)	(60.6)
Occupancy costs		(3.9)	(3.0)
Repairs and maintenance		(19.3)	(18.0)
Other expenses	1.3	(68.9)	(75.6)
Profit before income tax		**18.1**	**32.5**
Income tax expense	1.4	(6.5)	(18.0)
Profit for the year attributable to equity holders of parent entity		**11.6**	**14.5**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Remeasurement of retirement benefit obligations	3.6	(0.2)	18.4
Income tax relating to these items	1.4	(1.4)	(5.1)
Items that may be reclassified to profit and loss:			
Changes in fair value of cash flow hedges		(5.5)	7.6
Income tax relating to these items	1.4	4.4	(2.1)
Exchange differences on translation of foreign operations		36.8	19.7
Other comprehensive income for the year, net of tax		**34.1**	**38.5**
Total comprehensive income for the year attributable to the equity holders of the parent entity		**45.7**	**53.0**

	Note	2022	2021 (restated)
Earnings per share			
Basic earnings per share (cents)	1.5	3.9	4.8
Diluted earnings per share (cents)	1.5	3.9	4.8

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 September 2022

	Note	2022 $ M	2021 (restated) $ M
Current assets			
Cash and cash equivalents	2.1	222.9	286.8
Trade and other receivables	3.1	249.7	206.0
Inventories	3.1	475.7	339.9
Derivative financial instruments	2.5	17.0	8.7
Current tax assets		11.5	4.3
Assets held for sale	3.2	4.4	2.5
Total current assets		**981.2**	**848.2**
Non-current assets			
Trade and other receivables		1.7	1.4
Derivative financial instruments	2.5	10.4	2.4
Deferred tax assets	1.4	29.8	24.7
Property, plant and equipment	3.2	754.7	679.6
Intangible assets	3.3	356.3	337.9
Right of use assets	3.4	85.2	77.4
Retirement benefit asset	3.6	16.8	16.8
Total non-current assets		**1,254.9**	**1,140.2**
Total assets		**2,236.1**	**1,988.4**
Current liabilities			
Trade and other payables	3.1	298.6	179.4
Borrowings	2.1	220.2	168.2
Lease liabilities	3.4	13.3	12.2
Derivative financial instruments	2.5	23.3	4.5
Current tax liabilities		0.2	0.2
Provisions	3.5	9.6	12.1
Total current liabilities		**565.2**	**376.6**
Non-current liabilities			
Income received in advance		17.7	18.5
Borrowings	2.1	367.1	349.5
Lease liabilities	3.4	75.7	69.3
Derivative financial instruments	2.5	7.4	3.2
Deferred tax liabilities	1.4	104.5	103.0
Provisions	3.5	5.9	3.0
Retirement benefit obligations	3.6	0.2	3.6
Total non-current liabilities		**578.5**	**550.1**
Total liabilities		**1,143.7**	**926.7**
Net assets		**1,092.4**	**1,061.7**
Equity			
Contributed equity	2.2	166.9	166.9
Reserves		526.1	492.0
Retained earnings		399.4	402.8
Total equity		**1,092.4**	**1,061.7**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 September 2022

	Hedging reserve $ M	Pension reserve $ M	Share option reserve $ M	Common Control reserve $ M	Trans-lation reserve $ M	Total reserves $ M	Cont-ributed equity $ M	Retained earnings $ M	Total equity $ M
At 30 September 2020	**(3.3)**	**(26.1)**	**0.8**	**441.5**	**39.7**	**452.6**	**166.9**	**410.8**	**1,030.3**
Opening retained earnings adjustment [1]	-	-	-	-	-	-	-	(4.8)	(4.8)
Profit for the year	-	-	-	-	-	-	-	14.5	14.5
Other comprehensive income:									
Exchange differences on translation of foreign operations	0.1	(0.6)	-	0.5	19.7	19.7	-	-	19.7
Changes in fair value of cash flow hedges	7.6	-	-	-	-	7.6	-	-	7.6
Remeasurements of retirement benefit obligations (note 3.6)	-	18.4	-	-	-	18.4	-	-	18.4
Tax effect of above items	(2.1)	(5.1)	-	-	-	(7.2)	-	-	(7.2)
Total other comprehensive income	**5.6**	**12.7**	**-**	**0.5**	**19.7**	**38.5**	**-**	**-**	**38.5**
Total comprehensive income for the year	5.6	12.7	-	0.5	19.7	38.5	-	14.5	53.0
Transactions with owners:									
Share-based payments (note 1.3)	-	-	1.0	-	-	1.0	-	-	1.0
Employee shares purchased	-	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Dividends paid (note 2.3)	-	-	-	-	-	-	-	(17.7)	(17.7)
At 30 September 2021	**2.3**	**(13.4)**	**1.7**	**442.0**	**59.4**	**492.0**	**166.9**	**402.8**	**1,061.7**
Profit for the year	-	-	-	-	-	-	-	11.6	11.6
Other comprehensive income:			-						
Exchange differences on translation of foreign operations	-	0.2	-	(1.2)	37.8	36.8	-	-	36.8
Changes in fair value of cash flow hedges	(5.5)	-	-	-	-	(5.5)	-	-	(5.5)
Remeasurements of retirement benefit obligations (note 3.6)	-	(0.2)	-	-	-	(0.2)	-	-	(0.2)
Tax effect of above items	4.4	(1.4)	-	-	-	3.0	-	-	3.0
Total other comprehensive income	**(1.1)**	**(1.4)**	**-**	**(1.2)**	**37.8**	**34.1**	**-**	**-**	**34.1**
Total comprehensive income for the year	(1.1)	(1.4)	-	(1.2)	37.8	34.1	-	11.6	45.7
Transactions with owners:									
Share-based payments (note 1.3)	-	-	0.4	-	-	0.4	-	-	0.4
Employee shares purchased	-	-	(0.4)	-	-	(0.4)	-	-	(0.4)
Dividends paid (note 2.3)	-	-	-	-	-	-	-	(15.0)	(15.0)
At 30 September 2022	**1.2**	**(14.8)**	**1.7**	**440.8**	**97.2**	**526.1**	**166.9**	**399.4**	**1,092.4**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

[1] The opening retained earnings adjustment relates to a correction of prior period inventory valuation. Refer to the Overview section b) in the notes to the financial statements for further details.

Consolidated Statement of Cash Flows

For the year ended 30 September 2022

	Note	2022 $ M	2021 $ M
Cash flows from operating activities			
Receipts from customers		1,426.0	1,326.9
Payments to suppliers and employees		(1,410.2)	(1,202.6)
		15.8	**124.3**
Net proceeds of inventory funding loans		61.5	58.9
Interest received		1.3	0.6
Interest paid		(10.9)	(8.8)
Lease payments (interest component)		(3.0)	(2.7)
Income taxes paid		(18.1)	(18.5)
Net inflow from operating activities	**2.1**	**46.6**	**153.8**
Cash flows from investing activities			
Payments for property, plant and equipment		(90.9)	(102.1)
Payments for computer software		(0.3)	(1.2)
Net outflow from investing activities		**(91.2)**	**(103.3)**
Cash flows from financing activities			
Proceeds from borrowings		88.3	-
Repayment of borrowings		(88.2)	-
Lease payments (principal component)		(11.4)	(11.3)
Dividends paid	2.3	(15.0)	(17.7)
Shares purchased for employee share plan		(0.4)	(0.1)
Net outflow from financing activities		**(26.7)**	**(29.1)**
Net (decrease) / increase in cash and cash equivalents		**(71.3)**	**21.4**
Cash and cash equivalents at the beginning of the year		286.8	262.1
Effects of exchange rate changes on cash and cash equivalents		7.4	3.3
Cash and cash equivalents at the end of the year	**2.1**	**222.9**	**286.8**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2022

Overview

The financial report includes consolidated financial statements for United Malt Group Limited ('United Malt' or the 'Company') and its controlled entities (collectively the 'Group'). United Malt Group Limited is a for-profit company incorporated and domiciled in Australia, limited by shares which are publicly traded on the Australian Securities Exchange. The financial report of United Malt Limited for the period ended 30 September 2022 was authorised for issue in accordance with a resolution of the Directors on 15 November 2022.

a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australia Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

United Malt successfully demerged from GrainCorp Limited on 23 March 2020 to form a stand-alone entity listed on the Australian Securities Exchange.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments measured at fair value and the defined benefit plan assets and liabilities, which are recognised as the net total of the plan assets, plus unrecognised past service costs less the present value of the defined benefit obligation.

The report is presented in Australian dollars, with all amounts rounded to the nearest one hundred thousand dollars (unless specifically stated otherwise) under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's Report) Instrument 2016/191. The Company is an entity to which this legislative instrument applies. Comparative information has been reclassified where necessary to conform to changes in the current year.

The financial statements are prepared on a going concern basis. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances

At 30 September 2022, the Group had a net current asset position of $416.0 million (2021: $471.6 million), and the Group had $222.9 million (2021: $286.8 million) available cash and cash equivalents (refer to note 2.1). The Group's profit after tax for the year ended 30 September 2022 was $11.6 million (2021: $14.5 million).

In August 2022 the Group received covenant amendments from its banks in respect of 30 September 2022 and 31 March 2023 calculation dates, and additional inventory funding capacity to accommodate expanded short-term requirements. This was necessary due to the anticipated negative impact on FY22 profitability from external factors such as the significant deterioration in the North American barley crop, supply chain disruptions, increased costs of imported barley and general cost inflation which could not be fully passed on to customers.

The Group has implemented substantial changes to pricing and commercial terms for its customers. As these renegotiated terms come into effect progressively into calendar 2023 the Group will better capture the true cost to serve customers which takes into account crop quality, barley price and cost inflation and will also be in a position to manage margin risk better.

Since amendments to the covenants were made, the Group's updated budgets and forecasts indicate that additional actions are needed to mitigate any risk of not meeting Net Debt / EBITDA covenant requirements.

a) Basis of preparation (continued)

In preparing these financial statements, therefore, the Directors have considered earnings forecasts reflecting the anticipated trading conditions and funding requirements for a period of at least 12 months from the date of the Directors Report in order to meet covenant compliance obligations.

The Group has a range of available strategies which include:

- implementing cost and cash conservation disciplines
- deferring non-essential operating and capital expenditure
- factoring selected accounts receivable balances under the Group's recent agreement;
- pursuing other debt-reduction strategies

The Directors firmly believe that the Group will be successful in implementing the actions necessary to meet its covenant obligations and have therefore prepared these financial statements on a going concern basis.

However, there is always a degree of execution risk with the strategies outlined and therefore there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

b) Restatement of comparative information

As disclosed in the half year results, comparative information has been adjusted to restate a historic overstatement of inventory on costs. Adjustments have been reflected in retained earnings, inventory, raw materials and consumables used (P&L) and Statement of Changes in Equity as below:

$m	1 October 2020	6 months ended 31 March 2021	6 months ended 30 September 2021	Cumulative impact 30 September 2021
Retained earnings	4.8	-	-	4.8
Inventory	(4.8)	0.4	0.3	(4.1)
Raw materials and consumables used (P&L)	-	(0.4)	(0.3)	(0.7)

c) New and amended standards adopted

The Group has adopted all mandatory amended Accounting Standards issued that are relevant and effective for the current reporting period but does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

d) Key judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

In applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimations which are material to the financial report relate to the following areas:

	Note
Taxation	1.4
Financial instruments and risk management	2.5
Intangible assets	3.3
Right of use assets and lease liabilities	3.4
Provisions	3.5
Retirement benefit obligations	3.6

d) Key judgements and estimates (continued)

CLIMATE CHANGE

The Group makes estimates and assumptions concerning the future, including climate-related matters. There is considerable uncertainty over assumptions under various climate change scenarios and how they may impact the Group's business operations, and the subsequent impact on cash flow projections. The Group regularly assesses its assumptions to reflect the market it operates within, the sustainability targets it sets, and the commitments made to investors and other stakeholders. The estimates and assumptions have been based on the available information and regulations in place as at 30 September 2022, and are aligned with UMG's published 2022 sustainability targets detailed in the 2022 Sustainability Report.

e) Foreign currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the United Malt Group Limited and its Australian subsidiaries. Each entity in the Group determines its own functional currency, reflecting the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates, are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate when the fair value was determined.

The assets and liabilities of foreign subsidiaries are translated into Australian dollars by applying the rate ruling at balance sheet date and revenue and expense items are translated at the average rate calculated for the period. Transactions in equity are translated by applying the rate on the date of the transaction with no subsequent revaluation. Foreign exchange differences resulting from translation are initially recognised in the foreign currency translation reserve and subsequently transferred to profit or loss on disposal of the foreign operation.

1. Group Performance

This section provides information on the performance of the Group, including segment results, line items in the consolidated income statement, earnings per share, and income tax.

1.1 Operating segments

a) Description of segments

The Group is organised into two segments based on operational activity. These segments are consistent with internal reports that are reviewed and used by the Group's chief operating decision maker, the Managing Director & CEO, in assessing performance and determining the allocation of resources.

The operating segments are as follows:

Processing: generates earnings from the production and sale of bulk malt to major brewers, craft brewers, distillers and food companies.

Warehouse & Distribution: generates revenue for the distribution and sale of bagged malt, hops, yeast, adjuncts, and related products to craft brewers, distillers and food companies.

Corporate includes costs associated with the corporate office function for the group. Segment performance is based on a measure of EBITDA.

b) Performance of segments

2022	Processing $ M	Warehouse & Distribution $ M	Reportable segments $ M	Corporate & Eliminations $ M	Total $ M
Reportable segment revenue					
External revenue	1,050.1	356.6	1,406.7	-	1,406.7
Intersegment revenue	34.6	-	34.6	(34.6)	-
Total reportable segment revenue	**1,084.7**	**356.6**	**1,441.3**	**(34.6)**	**1,406.7**
EBITDA	60.3	40.3	100.6	(8.8)	91.8
Net interest	(0.9)	(2.2)	(3.1)	(8.6)	(11.7)
Depreciation and amortisation	(50.0)	(11.9)	(61.9)	(0.1)	(62.0)
Profit / (loss) before income tax	**9.4**	**26.2**	**35.6**	**(17.5)**	**18.1**
Other segment information					
Capital expenditure	89.7	1.5	91.2	-	91.2
Reportable segment assets	1,726.4	305.5	2,031.9	204.2	2,236.1
Reportable segment liabilities	(811.6)	(102.0)	(913.6)	(230.1)	(1,143.7)

1.1 Operating segments (continued)

2021 (restated)	Processing $ M	Warehouse & Distribution $ M	Reportable segments $ M	Corporate & Eliminations $ M	Total $ M
Reportable segment revenue					
External revenue	904.9	330.1	1,235.0	-	1,235.0
Intersegment revenue	33.2	-	33.2	(33.2)	-
Total reportable segment revenue	**938.1**	**330.1**	**1,268.2**	**(33.2)**	**1,235.0**
EBITDA	90.2	40.8	131.0	(7.0)	124.0
Net interest	(0.5)	(1.9)	(2.4)	(7.4)	(9.8)
Depreciation and amortisation	(50.0)	(10.5)	(60.5)	(0.1)	(60.6)
Significant items[1]	(21.1)	-	(21.1)	-	(21.1)
Profit / (loss) before income tax	**18.6**	**28.4**	**47.0**	**(14.5)**	**32.5**
Other segment information					
Capital expenditure	99.7	3.6	103.3	-	103.3
Reportable segment assets	1,408.0	279.7	1,687.7	300.7	1,988.4
Reportable segment liabilities	(309.8)	(87.9)	(397.7)	(529.0)	(926.7)

c) Geographical information

	Revenue by customer location		Non-current assets[2]	
	2022 $ M	2021 $ M	2022 $ M	2021 $ M
North America	842.4	755.5	794.5	718.2
Europe	291.2	234.9	217.8	192.7
Australasia	100.3	94.4	185.5	185.4
Asia	166.3	141.7	-	-
Other	6.5	8.5	-	-
	1,406.7	**1,235.0**	**1,197.9**	**1,096.3**

1.2 Revenue

	2022	2021
Total revenue from external customers	**Total $M**	**Total $M**
Revenue from sale of finished goods	1,384.2	1,217.0
Service and other revenue	22.5	18.0
Revenue from contracts with customers	**1,406.7**	**1,235.0**
Revenue recognised at point in time	1,384.2	1,217.0
Revenue recognised over time	22.5	18.0
Total revenue from external customers	**1,406.7**	**1,235.0**

Revenue from the sale of goods and services is recognised when the control of the goods has transferred to the customer. Sales in the Processing segment consist of bulk malt, and control is transferred to the customer in line with shipping terms. Sales in the Warehouse & Distribution segment consist of bagged malt, hops, yeast, and other brewing-related products, and control is transferred to the customer at point of sale. Service revenue relates to tolling contracts in which the customer provides the barley and UMG process the raw material and is recorded at the time the service is performed. Revenue is recorded at the value of consideration receivable net of discounts and goods and services tax (GST).

[1] The Group defines significant items as those items not in the ordinary course of business, non-recurring and material in nature and amount. The amounts are included in other expense in the consolidated income statement and in 2021 relate to costs incurred to the provision for bad debt of one customer ($16.4m) and the provision related to the inventory held at a grain contactor in administration in the UK ($4.7m).

[2] Excludes derivative financial instruments, retirement benefit assets and deferred tax assets.

1.3 Other income and expenses

a) Other income

	2022 $ M	2021 $ M
Interest income	2.5	0.7
Net gain on foreign currency derivatives	6.4	2.2
Sundry income	3.0	3.1
Total other income	**11.9**	**6.0**

Interest income is recognised as it accrues using the effective interest method. **Gain/loss on foreign currency derivatives** are recognised through the P&L as the derivatives are revalued to fair value. The derivatives are mainly purchased to hedge future sales and purchases in foreign currency. **Sundry income** is comprised of items not in the course of normal operations, such as proceeds from asset sales, government grants, and sublease income.

b) Other expenses

	2022 $ M	2021 $ M
Employee benefits expense		
Defined contribution superannuation and defined benefit superannuation expenses	5.5	7.4
Share-based payment expense	0.4	1.0
Other employee benefits	112.4	108.0
Total employee benefits expense	**118.3**	**116.4**
Other expenses		
Bad debt expense[3]	-	16.8
Consulting	14.1	12.5
Insurance	12.6	11.9
Software implementation costs	13.3	6.5
Communication	6.3	5.7
Grain supplier provision[3]	-	4.7
Legal expenses	2.8	2.3
Impairment[4]	1.1	2.0
Marketing costs	2.0	1.0
Travel	3.0	0.8
Other	13.7	11.4
Total other expenses	**68.9**	**75.6**

[3] Some expense items in these categories in 2021 are included in note 1.1 as Significant Items.
[4] Impairment in 2021 is largely related to the impairment of fixed assets at the Grantham site as a result of the closure of the operations, as announced to the ASX on 8 February 2021. Impairment in 2022 relates to Brewers Select assets write-down ($0.8m) and inventory impairment relating to onerous contracts ($0.3m).

1.3 Other income and expenses (continued)

Employee benefits expense includes salaries and wages, superannuation contributions, share-based payments and other entitlements. The Group's accounting policy for retirement benefit obligation plans is set out in note 3.6.

Share-based payment expense is determined by the grant date. The fair value of equity-settled share-based payments is recognised as an expense proportionally over the vesting period, with a corresponding increase in equity. The fair value of instruments with market-based performance conditions (aTSR) is calculated at the date of grant using the Monte Carlo simulation model, which is a commonly used valuation technique. The probability of achieving market-based performance conditions is incorporated into the determination of the fair value per instrument. The fair value of instruments with non-market-based performance conditions (ROCE and Strategic) and service conditions is calculated using the Black-Scholes option pricing model. The amount recognised as an expense over the vesting period is adjusted to reflect the actual number of instruments that vest. The expense associated with the instruments with market-based performance conditions is recognised in full if the awards do not vest due to market condition not being met.

Share based payment expense has two components, the long-term incentive plan (LTIP) and the deferred equity plan (DEP).

LONG TERM INCENTIVE PLAN

Under the Group's LTIP, senior executives have the opportunity to be rewarded with fully paid ordinary shares, provided the LTIP minimum pre-determined hurdles for aTSR and ROCE covering a three-year period, as set by the Board of Directors, are met. In 2021, a Strategic hurdle was also introduced. These shares are generally purchased on market once the LTIP vests.

The fair value of performance rights is determined as described above using the following inputs:

Grant date	1 Sep 2020 One-off award	1 Sep 2020 LTIP	11 Mar 2021 LTIP	24 Dec 2021 LTIP	21 Feb 2022 LTIP
Fair value at grant date (aTSR)	$1.66	$1.72	$1.72	$1.82	$1.81
Fair value at grant date (ROCE)	$3.75	$3.61	$3.75	$4.14	$4.06
Fair value at grant date (Strategic)	N/A	N/A	$3.75	$4.14	$4.06
Estimated vesting date	Nov 2021	Nov 2022	Nov 2023	Dec 2024	Dec 2024
Share price at grant date	$3.85	$3.85	$4.00	$4.43	$4.33
Volatility	42%	42%	36%	31%	30%
Risk free interest rate	0.23%	0.25%	0.08%	0.88%	1.46%
Dividend yield	2.23%	2.96%	2.39%	2.33%	2.34%

Set out in the table below is a summary of the number of rights granted under the LTIP. The exercise price on outstanding options is zero.

Grant date	Expiry date	Balance at start of year	Granted during year	Exercised during the year	Forfeited during year	Balance at end of year	Exercisable at end of year
1 Sep 2020	Nov 2021	280,543	-	-	(280,543)	-	-
1 Sep 2020	Nov 2022	377,785	-	-	-	377,785	-
11 Mar 2021	Nov 2023	339,157	-	-	-	339,157	-
24 Dec 2021	Dec 2024	-	244,044	-	(40,008)	204,036	-
21 Feb 2022	Mar 2025	-	295,208	-	-	295,208	-
		997,485	**539,252**	**-**	**(320,551)**	**1,216,186**	**-**

DEFERRED EQUITY PLAN

All senior executives are required to have a portion of their short-term incentives deferred and awarded in the form of rights, subject to service conditions. The deferred component is awarded over two years as rights i.e. 50% deferred component vesting at the end of year one and 50% of deferred component vesting at the end of year 2.

For the short-term incentive earned in FY20 by senior executives, 204,003 rights were granted on 22 December 2020. The first tranche (50%) of these rights was exercisable in November 2021. The remaining tranche will be exercisable in November 2022. The fair value used for determining the share-based payment expense is $4.05. 39,579 of the rights lapsed in 2021, 2,964 of the rights lapsed in 2022.

For the short-term incentive earned in FY21 by senior executives, 83,482 were granted on 2 December 2021. The first tranche (50%) of these rights is exercisable in November 2022. The remaining tranche will be exercisable in November 2023. The fair value used for determining the share-based payment expense is $4.09. 7,558 of the rights lapsed in 2022. No short-term incentives are to be granted for FY22.

1.4 Taxation

a) Income tax expense

	2022 $ M	2021 (restated) $ M
Income tax expense recognised in the consolidated income statement		
Current tax	11.6	17.1
Deferred tax	(5.0)	(1.1)
Under / (over) provision in prior years	(0.1)	2.0
	6.5	**18.0**
Reconciliation to effective tax rate		
Profit subject to tax	18.1	32.5
Income tax expense calculated at 30% (2021: 30%)	5.5	9.8
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Non-deductible / non-assessable items	(1.9)	1.4
Tax losses for which no deferred tax asset has been recognised	3.8	5.5
Change in substantially enacted tax rates	-	4.2
Under provision in prior years	(0.1)	1.7
Difference in overseas tax rates	(0.8)	(4.6)
Income tax expense	**6.5**	**18.0**
Effective tax rate [5]	**35.9%**	**55.4%**
Tax (credit) / expense relating to items of other comprehensive income		
Change in fair value of cash flow hedges	(4.4)	2.1
Remeasurement of retirement benefit obligations	1.4	5.1
Total tax (credit)/expense relating to items of other comprehensive income	**(3.0)**	**7.2**
Unused tax losses for which no deferred tax asset has been recognised (not tax effected)	**35.7**	**18.2**

b) Deferred tax assets and liabilities

Deferred tax assets	2022 $ M	2021 $ M
The balance comprises temporary differences attributable to:		
Tax losses	4.0	6.4
Provisions and accruals	4.0	3.5
Inventories	1.3	0.8
Lease liabilities	22.2	15.7
Other	8.3	10.1
Set-off deferred tax liabilities pursuant to set-off provision	(10.0)	(11.8)
Net deferred tax assets	**29.8**	**24.7**
Movements:		
Opening balance at 1 October	24.7	21.7
Recognised in the income statement	5.2	3.3
Recognised in other comprehensive income	(0.1)	(0.3)
Closing balance at 30 September	**29.8**	**24.7**

[5] Effective tax rate is calculated as the income tax expense divided by profit subject to tax. The effective tax rate is impacted in the prior period by the unused tax losses for which no deferred tax asset has been recognised and the change in substantially enacted corporate tax rate in the UK from 19% to 25% effective April 2023 (it is noted that this decision has been reversed in 2022).

1.4 Taxation (continued)

Deferred tax liabilities	2022 $ M	2021 $ M
The balance comprises temporary differences attributable to:		
Property, plant and equipment	88.9	98.4
Right of use assets	20.2	14.5
Intangible assets	1.6	1.3
Retirement benefit obligation	3.8	0.6
Set-off deferred tax liabilities pursuant to set-off provision	(10.0)	(11.8)
Net deferred tax liabilities	**104.5**	**103.0**
Movements:		
Opening balance 1 October	103.0	93.3
Recognised in the income statement	0.2	2.2
Recognised in other comprehensive income	(3.1)	6.9
Exchange differences	4.4	0.6
Closing balance at 30 September	**104.5**	**103.0**

c) Accounting policy

Income tax expense is calculated at the applicable income tax rate for each jurisdiction and recognised in profit for the year, unless it relates to other comprehensive income or transactions recognised directly in equity.

The tax expense comprises both current and deferred tax. Current tax represents the tax expense paid or payable for the current year, using tax rates which are enacted or substantially enacted at the reporting date. Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amount of the assets and liabilities for financial reporting purposes and the amounts for taxation purposes. Temporary differences generally occur when there is a timing difference in recognition between income and expenses as recognised by tax authorities and accounted for in different periods. The amount of deferred tax provided is based on the expected manner of realisation of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets, including those arising from tax losses, are recognised to the extent it is probable that sufficient taxable profits will be available to utilise the related tax assets in the foreseeable future. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilised.

As the Group is subject to income taxes in Australia and jurisdictions where it has foreign operations, management consider the estimation of the worldwide tax provision and recognition of deferred tax balances in the consolidated statement of financial position to be an area of **judgement**. Changes in circumstances will alter expectations, which may impact the amount of provision for income taxes and deferred tax balances recognised.

Tax consolidation

The Company has an income tax group for its 100% Australian resident subsidiaries, with United Malt Group Limited being the head entity. The tax consolidated group uses the group allocation approach whereby the current and deferred tax assets for the group are allocated among each entity within the group.

1.5 Earnings per share

	2022	2021
Basic earnings per share (cents)	3.9	4.8
Diluted earnings per share (cents)	3.9	4.8
Weighted average number of ordinary shares – basic	299,179,135	299,179,135
Add: adjustment for calculation of diluted earnings per share (performance rights)	1,277,479	1,052,111
Weighted average number of ordinary shares – diluted	300,456,614	300,231,246

Basic earnings per share (EPS) is calculated by dividing profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.
Diluted EPS is calculated on the same basis except that it includes the impact of any potential commitments the Group has to issue shares in the future. For the year ended 30 September 2022, these relate to the performance rights granted.

2. Capital and Financial Risk Management

The Group maintains an optimal capital structure so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group's capital consists of net debt and equity. Net debt is calculated as total borrowings and lease liabilities, net of cash assets.

The capital structure of the Group is continuously monitored and can be changed by adjusting the amount of dividends paid to shareholders, returning capital to shareholders or issuing new shares.

2.1 Net debt

	2022 $ M	2021 $ M
Total borrowings (note 2.1(b))	587.3	517.7
Cash and cash equivalents (note 2.1(c))	(222.9)	(286.8)
Net debt	**364.4**	**230.9**
Lease liabilities (note 3.4)	89.0	81.5
Net debt including lease liabilities	**453.4**	**312.4**

a) Net debt reconciliation

	Cash and cash equivalents $M	Inventory funding facilities $M	Borrowing facilities $ M	Lease liabilities $ M	Total $M
Net debt as at 30 September 2020	**(262.1)**	**107.3**	**348.1**	**68.4**	**261.7**
Cash flows	(21.4)	58.9	-	(11.3)	26.2
Net lease additions	-	-	-	24.7	24.7
Foreign exchange movements	(3.3)	2.0	1.4	(0.3)	(0.2)
Net debt as at 30 September 2021	**(286.8)**	**168.2**	**349.5**	**81.5**	**312.4**
Cash flows	71.3	61.5	-	(11.4)	121.4
Net lease additions		-	-	13.5	13.5
Foreign exchange movements	(7.4)	(9.5)	17.6	5.4	6.1
Net debt as at 30 September 2022	**(222.9)**	**220.2**	**367.1**	**89.0**	**453.4**

b) Borrowings

	Facility limits		Drawn amounts	
	2022 $M	2021 $M	2022 $ M	2021 $ M
Current				
Working capital facilities	160.0	160.0	-	-
Commodity inventory funding facilities	293.4	227.6	220.2	168.2
Total current borrowings	**453.4**	**387.6**	**220.2**	**168.2**
Non-current				
Term debt facilities	367.1	349.5	367.1	349.5
Total non-current borrowings	**367.1**	**349.5**	**367.1**	**349.5**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method.

The maturity date of the term debt facilities expires in November 2024. The term facility is an evergreen facility which provides an option to extend maturity dates on the anniversary of the facility. The terms of the debt remain materially unchanged from the previous terms, except for the change in reference rate for the UK based debt from LIBOR to SONIA.

2.1 Net debt (continued)

b) Borrowings (continued)

The commodity inventory funding facilities are secured by the related inventory. The carrying amounts of inventory pledged as security at the reporting date is $220.2 million (2021: $168.2 million).

Loans under term and working capital funding facilities are secured by a negative pledge, and these facilities provide the related entities in the Group, that are party to the pledge, the flexibility in funding their respective liquidity requirements as needed. The facilities impose certain financial covenants on the Group. All covenant ratios have been complied with during the financial year.

As announced on 7 September 2022, the Group received covenant amendments from its banks in respect of 30 September 2022 and 31 March 2023 and additional inventory funding capacity with its banks to accommodate expanded short-term requirements. Please refer to the basis of preparation for further emphasis on forecasts and estimates.

c) Cash and cash equivalents

Cash and cash equivalents on hand at 30 September 2022 was $222.9 million (2021: $286.8 million). Cash and cash equivalents include cash on hand, deposits held at call with banks, and short-term investments with maturities three months or less.

RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

Note	2022 $ M	2021 (restated) $ M
Profit for the year	**11.6**	**14.5**
Non-cash employee benefits expense – share-based payments	0.4	1.0
Depreciation and amortisation	62.0	60.6
Impairment	1.1	2.0
Derivative mark-to-market	(1.4)	0.1
	73.7	**78.2**
Changes in operating assets and liabilities:		
(Increase) / decrease in inventories	(73.3)	38.4
(Increase) / decrease in deferred tax	(2.9)	7.1
Decrease / (increase) in derivatives	6.6	(0.9)
(Increase) / decrease in receivables	(35.1)	40.6
Increase / (decrease) in trade payables	114.0	(0.1)
(Decrease) / increase in other liabilities	(17.5)	12.8
(Decrease) / increase in provision for income tax	(6.6)	0.4
(Decrease) in defined benefit pension plan liability	(5.5)	(24.2)
(Decrease) / increase in provisions	(6.8)	1.5
Net cash inflow from operating activities	**46.6**	**153.8**

2.2 Contributed equity

Consolidated and Company	Ordinary shares	
	Number	$ M
Balance at 30 September 2020	299,179,135	166.9
Balance at 30 September 2021	299,179,135	166.9
Balance at 30 September 2022	**299,179,135**	**166.9**

ORDINARY SHARES

Ordinary shares issued are classified as equity and are fully paid, have no par value, carry one vote per share and the right to dividends.

2.3 Dividends

The Company considers current earnings and future cash flow requirements in determining the amount of dividends to be paid. Dividends are recognised in the Statement of Financial Position in the period in which they are declared by the Board.

Dividends paid and declared	2022 $ M	2021 $ M
Dividends paid		
Prior year final dividend paid at 3.5 cents, 0% franked (2021: 3.9 cents, 0% franked)	10.5	11.7
Current year interim dividend paid at 1.5 cents, 0% franked (2021: 2.0 cents, 0% franked)	4.5	6.0
Total dividends paid	**15.0**	**17.7**
Dividends declared		
Current year final dividend declared is nil (2021: 3.5 cents, 0% franked)	-	**10.5**

There is no liability recorded at 30 September 2022.

FRANKING CREDITS AVAILABLE

Immediately after the Demerger from GrainCorp, the Group's franking account balance was nil. There have been no additions to the franking account balance during the period, therefore the dividend declared above is unfranked.

The Group intends to frank future dividends to the extent practicable, although it is anticipated that there will be limited capacity for franking credits with a substantial proportion of the Group's earnings being derived outside Australia and which therefore may not be subject to Australian income tax.

2.4 Commitments and guarantees

FINANCIAL COMMITMENTS

	2022 $ M	2021 $ M
Capital expenditure commitments		
Total capital expenditure contracted for at the reporting date but not provided for in payables:		
- Not later than one year	20.7	44.6
Total capital expenditure commitments	20.7	**44.6**

The capital expenditure commitments are associated with both stay-in-business and growth projects related to the Company's malt processing and distribution facilities.

FINANCIAL GUARANTEES

Financial guarantees are provided by Group entities as follows:

The Group enters into guarantees as part of the normal course of business. At 30 September 2022, these guarantees amounted to $6.0 million (2021: $7.3 million). The Directors do not believe any claims will arise in respect of these guarantees.

United Malt Limited and the wholly owned Australian entities listed in note 4.1 are parties to a deed of cross guarantee as described in note 4.2. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees, to each creditor, payment in full of any debt in accordance with the deed of cross guarantee. No deficiency of net assets existed for the Group as at 30 September 2022.

No liability was recognised by the Group in relation to these guarantees as the fair value of the guarantees is immaterial.

2.5 Financial instruments and risk management

The Group's Treasury function is responsible for managing the liquidity requirements of the Group and mitigating any financial risks relating to the Group's operations through continuous monitoring and evaluation. The Treasury function is governed by the Board approved Treasury Policy. The Policy requires periodic reporting of financial risks to the Board, and its application is subject to oversight from the Chief Financial Officer and the Chair of the Audit and Risk Committee. Financial risks include:

Market risk (refer to note 2.5(b))

Liquidity risk (refer to note 2.5(c))

Credit risk (refer to note 2.5(d))

a) Classification of financial instruments

United Malt classifies its financial instruments into categories in accordance with AASB 9 *Financial instruments* depending on the purpose for which the financial instruments were acquired, which is determined at initial recognition based on the business model. The following table presents the Group's financial assets and liabilities measured and recognised at fair value.

$M	30 September 2022		30 September 2021	
	Current	Non-current	Current	Non-current
Derivative assets				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	1.9	-	0.5	-
Foreign currency derivatives	10.8	3.1	3.6	0.9
Derivative financial instruments – cash flow hedge				
Foreign currency derivatives	2.5	0.4	4.6	1.5
Interest rate swap contracts	1.8	6.9	-	-
Total derivative assets	**17.0**	**10.4**	**8.7**	**2.4**
Derivative liabilities				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	1.2	-	-	-
Foreign currency derivatives	9.1	2.6	3.6	1.1
Derivative financial instruments – cash flow hedge				
Foreign currency derivatives	13.0	4.8	0.9	1.1
Interest rate swap contracts	-	-	-	1.0
Total derivative liabilities	**23.3**	**7.4**	**4.5**	**3.2**

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered. Subsequently, at each reporting date, the gain or loss on remeasurement to fair value is recognised immediately in the consolidated income statement, unless they qualify for hedge accounting as outlined in AASB 9 *Financial Instruments.*

The Group enters into certain **cash flow hedges** to hedge exposure to variability in cash flows that are attributable to the risk associated with the cashflows of recognised assets or liabilities and highly probably forecast transactions caused by interest rate and foreign currency movements. The Group's cash flow hedges include:

Interest rate swap contracts

Forward foreign exchange contracts

When a derivative financial instrument is designated as a cash flow hedge, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in the cashflow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in consolidated income statement, within other income/loss. Amounts accumulated in equity are reclassified to the consolidated income statement in the periods when the hedged item affects profit or loss.

The Group's derivative instruments are measured at fair value at the end of each reporting period. Derivative instruments are grouped into Levels 1 to 3 based on the degree to which fair value measurement inputs are observable. The fair value of derivative instruments has been determined as follows:

Level 1 financial instruments held by the Group are instruments which are traded on an active market. The fair value of these financial instruments is the quoted market settlement price on the reporting date.

2.5 Financial instruments and risk management (continued)

a) Classification of financial instruments (continued)

Level 2 financial instruments held by the Group are financial instruments that are not traded on an active market. The fair value is determined using valuation techniques which maximise observable market data and rely as little as possible on entity-specific estimates.

Level 3 financial instruments do not have quoted market prices available. If one or more of the significant inputs is not based on observable market data, the instrument is level 3. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. Management considers the valuation of these financial instruments to be an area of judgement.

All derivative financial instruments are considered Level 2 financial instruments.

b) Market risk

The Group's activities expose it to the financial risks of changes in (i) commodity prices, (ii) foreign currency and (iii) interest rates.

COMMODITY PRICE RISK

The Group enters into forward physical purchase and sales contracts, along with commodity derivative contracts, to manage the underlying price risks in the purchase of barley for malt production and the subsequent sale of malt. These contracts are entered into, and continue to be held, for the purpose of delivery of raw materials and subsequent sale of processed malt and are therefore classified as non-derivative and not fair valued.

FOREIGN CURRENCY RISK

The Group has exposure to movement in exchange rates through:

- Purchase of barley and other goods from suppliers in foreign currency;
- Sale of malt in foreign currency; and
- Translation of net investments in foreign subsidiaries denominated in foreign currencies.

To manage exposure to this risk, the Group enters into forward exchange contracts, foreign currency options and swap contracts, with the contracted time to mature when the relevant underlying contracts expire.

Expressed in Australian Dollars, the following table indicates exposure and sensitivity to movements in exchange rates on the profit or loss and equity of the Group, based on the foreign currency exposure of each entity against its functional currency at 30 September. The tables are based upon the Group's financial asset and liability profile at 30 September, which fluctuates over the course of normal operations.

2022	Exposure at reporting date $M	Impact on profit / (loss) after tax $ M		Impacts on other components of equity $ M	
Movement in exchange rate		**+10%**	**-10%**	**+10%**	**-10%**
US Dollar	42.7	(11.8)	11.8	14.8	(14.8)
Canadian Dollar	207.6	11.4	(11.4)	3.2	(3.2)
UK Pound Sterling	65.2	0.7	(0.7)	3.9	(3.9)
New Zealand Dollar	1.2	0.1	(0.1)	-	-
Euro	19.2	1.3	(1.3)	-	-
Yen	(43.5)	(3.0)	3.0	-	-
Total	**292.4**	**(1.3)**	**1.3**	**21.9**	**(21.9)**

2021	Exposure at reporting date $M	Impact on profit / (loss) after tax $ M		Impacts on other components of equity $ M	
Movement in exchange rate		**+10%**	**-10%**	**+10%**	**-10%**
US Dollar	65.1	(8.8)	8.8	13.3	(13.3)
Canadian Dollar	221.3	12.4	(12.4)	3.1	(3.1)
UK Pound Sterling	72.3	0.8	(0.8)	4.2	(4.2)
New Zealand Dollar	2.8	0.2	(0.2)	-	-
Euro	13.1	0.9	(0.9)	-	-
Yen	(34.9)	(2.4)	2.4	-	-
Total	**339.7**	**3.1**	**(3.1)**	**20.6**	**(20.6)**

2.5 Financial instruments and risk management (continued)

INTEREST RATE RISK

The Group has exposure to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by maintaining between 40% and 75% of long-term borrowings at fixed rates through the use of interest rate swap contracts.

Under interest rate swap contracts, the Group is entitled to receive interest at variable rates and is obliged to pay interest at fixed rates. The contracts require settlement of net interest receivable or payable at each reset period. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

At 30 September 2022, after taking into account the effect of interest rate swap contracts, approximately 74% ($271.1 million) of the Group's long-term borrowings are at a fixed rate of interest (2021: 74%, $258.2million).

The Group continuously monitors its interest rate exposure with consideration given to cash flows impacting on rollovers and repayments of debt, alternative hedging instruments and the mix of fixed and variable interest rates.

At balance date, the Group had the following mix of financial liabilities with interest at variable rates:

	2022		2021	
	Weighted average interest rate %	**Balance $ M**	**Weighted average interest rate %**	**Balance $ M**
Current instruments				
Commodity inventory facilities	3.38%	(220.2)	0.95%	(168.2)
Interest rate swaps (notional principal amount)	0.67%	38.9	-	-
Non-current instruments				
Term debt facilities	3.95%	(367.1)	1.53%	(349.5)
Interest rate swaps (notional principal amount)	2.96%	232.2	0.15%	258.2
Net exposure to cash flow interest rate risk	**4.69%**	**(316.2)**	**1.16%**	**(259.5)**

INTEREST RATE SENSITIVITY ANALYSIS

At balance date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

	2022		2021	
	Profit / (loss)	**Increase / (decrease) in equity**	**Profit / (loss)**	**Increase / (decrease) in equity**
	$ M	**$ M**	**$ M**	**$ M**
+ 100 basis points	(3.2)	2.7	(2.6)	2.6
– 100 basis points	3.2	(2.7)	2.6	(2.6)

2.5 Financial instruments and risk management (continued)

c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and committed available credit facilities. The Group manages liquidity risk by regularly monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. At balance date, the Group had approximately $233.2 million of unused credit facilities available for immediate use.

The tables below show the contractual maturities of financial liabilities, including estimated interest payments. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 September 2022	Carrying Value $M	Total $M	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M	Over 5 years $ M
Non-derivatives:						
Borrowings[6]	(587.3)	(601.8)	(220.2)	-	(381.6)	-
Trade and other payables	(298.6)	(298.6)	(298.5)	(0.1)	-	-
Lease liabilities[7]	(89.0)	(111.6)	(13.9)	(13.1)	(39.3)	(45.3)
Derivatives:						
Interest rate swap contracts	-	-	-	-	-	-
Foreign currency derivatives						
(Outflow)	(29.5)	(470.5)	(328.2)	(137.2)	(5.1)	-
Inflow	-	441.0	306.1	130.2	4.7	-
Commodity futures and options						
(Outflow)	(1.2)	(52.7)	(52.7)	-	-	-
Inflow	-	51.5	51.5	-	-	-

30 September 2021	Carrying Value $M	Total $M	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M	Over 5 years $ M
Non-derivatives:						
Borrowings[6]	(517.7)	(521.7)	(168.2)	(353.5)		-
Trade and other payables	(177.5)	(177.5)	(177.2)	(0.3)		-
Lease liabilities[7]	(81.5)	(98.8)	(11.7)	(9.0)	(26.9)	(51.2)
Derivatives:						
Interest rate swap contracts	(1.0)	(1.0)	-	(1.0)	-	-
Foreign currency derivatives						
(Outflow)	(6.7)	(270.4)	(199.7)	(56.0)	(14.7)	-
Inflow	-	263.7	195.2	54.7	13.8	-

[6] The Group's bank borrowings facilities are set out in note 2.1b. Cash outflows associated with bank borrowings are inclusive of principal and interest.
[7] Cash outflows associated with leases are inclusive of principal and interest.

2.5 Financial instruments and risk management (continued)

d) Credit risk

Credit risk is the risk of loss that would be recognised if a counterparty were to default on its contractual obligations. The Group has a Board approved Credit Policy which provides guidelines for the management and diversification of the credit risk to the Group. The Group is exposed to credit risk from its operating activities and financing activities. The Group's maximum exposure for credit risk is the carrying amount of all trade and other receivables, derivative asset balances, and cash assets as set out in the consolidated statement of financial position.

TRADE RECEIVABLES

The credit risk on trade and other receivables which has been recognised on the consolidated statement of financial position is the carrying amount of trade debtors, net of allowances for impairment and further disclosed in note 3.1. The Group minimises credit risk associated with trade and other receivables by performing a credit assessment for all customers who wish to trade on credit terms. Credit limits are determined for each individual customer based on their credit assessment and as per the Credit Policy. The Group does not have any significant credit risk exposure to a single customer or group of customers.

The Group applies the simplified approach to provision for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. Under this method, determination of the loss allowance provision and expected loss rate incorporates past experience, forward-looking information, and market data. In FY22 the Group considered the impact of the COVID pandemic on the forward-looking information and market data when applying these rates.

The aging of the trade receivables at the reporting date was:

	2022		2021	
	Gross $ M	Loss allowance $M	Gross $ M	Loss allowance $M
Current	209.9	(0.1)	180.2	-
More than 30 days past due	11.0	-	2.4	-
More than 60 days past due	2.6	-	1.3	(0.3)
More than 90 days past due	25.0	(18.7)	21.8	(17.5)
Total	**248.5**	**(18.8)**	**205.7**	**(17.8)**

The movement in the allowance for doubtful debts was:

	2022 $M	2021 $M
Balance at 1 October	(17.8)	(1.4)
Provisions made during the year	(0.9)	(17.1)
Loss recognised during the year	0.4	0.4
Provisions reversed during the year	0.1	0.4
Exchange differences	(0.6)	(0.1)
Balance at 30 September	**(18.8)**	(17.8)

FINANCIAL INSTRUMENTS AND CASH DEPOSITS

To minimise the credit exposure to financial institutions that are counterparties to derivative contracts and cash, the Group has a panel of authorised counterparties who are principally large banks and recognised financial intermediaries with acceptable credit ratings determined by a ratings agency. The Group's net exposure and credit assessment of its counterparties are continuously monitored to ensure any risk is minimised.

The Group may also be subject to credit risk for transactions that are not included in the consolidated statement of financial position, such as when a guarantee is provided for another party.

3. Operating Assets and Liabilities

This section shows the assets used to generate the Group's operating performance and liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 2 Capital and Financial Risk Management.

3.1 Working capital

	2022 $ M	2021 (restated) $ M
Trade receivables	249.7	206.0
Inventories	475.7	339.9
Trade and other payables	(298.6)	(179.4)
	426.8	**366.5**

a) Trade and other receivables

	2022 $ M	2021 $ M
Trade receivables	248.5	205.7
Allowance for doubtful receivables	(18.8)	(17.8)
	229.7	187.9
Prepayments	18.3	16.9
Other receivables	1.7	1.2
Total current trade and other receivables	**249.7**	**206.0**

Trade and other receivables are recognised at the face value of amounts due less an allowance for doubtful receivables. Doubtful receivables are determined using an expected credit loss model whereby trade and other receivables that share the same or similar credit risk characteristics and debt ageing are grouped and then assessed for collectability as a whole. Refer to note 2.5 for details of the Group's credit exposures.

b) Inventories

	2022 $ M	2021 (restated) $ M
Raw materials	287.6	196.8
Work in progress	14.8	11.1
Finished goods	173.3	132.0
Total inventories	**475.7**	**339.9**

Inventories are valued at lower of cost and net realisable value, unless stated otherwise. Cost includes direct labour, other direct costs, and production overheads, where applicable. Net realisable value is the estimated selling price less cost of completion and variable selling expenses. Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 September 2022 amounted to $4.0 million (2021: $3.6 million), which is included in raw materials and consumables used in the consolidated income statement.

c) Trade and other payables

Current	2022 $ M	2021 $ M
Trade payables	195.7	109.4
Accrued expenses	99.4	67.8
Income received in advance	3.5	2.2
Total current trade and other payables	**298.6**	**179.4**

Trade and other payables are carried at the amount payable. Accrued expenses are amounts payable in relation to goods received or services rendered which have not been billed at the reporting date.

3.2 Property, plant and equipment

	Land $ M	Buildings and structures $ M	Leasehold improvements $ M	Plant and equipment $ M	Capital works in progress $ M	Total $ M
At 30 September 2020						
Cost	45.3	206.2	23.2	622.1	61.6	958.4
Accumulated depreciation	-	(46.3)	(8.0)	(283.3)	-	(337.6)
Net book value	**45.3**	**159.9**	**15.2**	**338.8**	**61.6**	**620.8**
Movement						
Transfer between asset categories	-	3.6	0.5	22.2	(26.3)	-
Assets transferred to held for sale	(2.5)					(2.5)
Additions	-	-	-	0.1	102.3	102.4
Disposals	-	(0.2)	-	(0.1)	-	(0.3)
Depreciation	-	(7.4)	(1.0)	(35.9)	-	(44.3)
Impairment	-	-	-	(1.9)	-	(1.9)
Exchange differences	1.1	0.2	-	2.2	1.9	5.4
Net book value	**43.9**	**156.1**	**14.7**	**325.4**	**139.5**	**679.6**
At 30 September 2021						
Cost	43.9	210.5	23.7	648.3	139.5	1,065.9
Accumulated depreciation	-	(54.4)	(9.0)	(322.9)	-	(386.3)
Net book value	**43.9**	**156.1**	**14.7**	**325.4**	**139.5**	**679.6**
Movement						
Transfer between asset categories	0.1	2.2	3.9	27.6	(33.0)	0.8
Assets transferred to held for sale	-	(0.6)	-	-	-	(0.6)
Additions	-	-	0.1	5.5	93.7	99.3
Disposals	-	-	-	(0.4)	-	(0.4)
Depreciation	-	(7.8)	(1.5)	(38.8)	-	(48.1)
Exchange differences	(0.7)	10.4	0.9	13.0	0.5	24.1
Net book value	**43.3**	**160.3**	**18.1**	**332.3**	**200.7**	**754.7**
At 30 September 2022						
Cost	43.3	225.1	29.2	697.8	200.7	1,196.1
Accumulated depreciation	-	(64.8)	(11.1)	(365.5)	-	(441.4)
Net book value	**43.3**	**160.3**	**18.1**	**332.3**	**200.7**	**754.7**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Subsequent costs are capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Group.

Property, plant and equipment assets, other than land, are depreciated on a straight-line basis over the useful lives of the assets. Useful lives are reviewed on an annual basis and have been assessed as follows:

Buildings and structures: 30-50 years
Leasehold improvements: 5-40 years
Plant and equipment: 5-15 years

Tests for **impairment** on items of property, plant and equipment are conducted in accordance with the policy for impairment of non-financial assets. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

In 2021, the Group announced the closure of its Grantham site in the UK. This site is classified as an **asset held for sale** on the statement of financial position. The asset is valued at the lower of cost or fair value less cost to sell at $2.3 million (2021: $2.5 million).

In October 2022, post year end, the assets of Brewers Select were sold. These assets are classified as **held for sale** on the statement of financial position. The asset is valued at the lower of cost or fair value less cost to sell at $2.1 million (2021: nil).

3.3 Intangible assets

	Computer software $ M	Trade name $ M	Customer relationship $ M	Goodwill $ M	Capital works in progress $M	Total $ M
At 30 September 2020						
Cost	26.6	1.5	118.7	324.3	7.1	478.2
Accumulated amortisation	(21.2)	(0.7)	(118.7)	-	-	(140.6)
Net book value	**5.4**	**0.8**	**-**	**324.3**	**7.1**	**337.6**
Movement						
Transfer between asset categories	7.4	-	-	-	(7.4)	-
Additions	-	-	-	-	1.4	1.4
Amortisation charge	(4.0)	(0.1)	-	-	-	(4.1)
SaaS adjustment[8]	(0.1)				(0.9)	(1.0)
Exchange differences	0.1	-	-	4.1	(0.2)	4.0
Net book value	**8.8**	**0.7**	**-**	**328.4**	**-**	**337.9**
At 30 September 2021						
Cost	34.5	1.5	120.2	328.4	-	484.6
Accumulated amortisation	(25.7)	(0.8)	(120.2)	-	-	(146.7)
Net book value	**8.8**	**0.7**	**-**	**328.4**	**-**	**337.9**
Movement						
Transfer between asset categories	-	-	-	-	-	-
Additions	-	-	-	-	0.4	0.4
Amortisation charge	(2.9)	(0.1)	-	-	-	(3.0)
Exchange differences	0.3	-	-	20.7		21.0
Net book value	**6.2**	**0.6**	**-**	**349.1**	**0.4**	**356.3**
At 30 September 2022						
Cost	35.2	1.5	122.7	349.1	0.4	508.9
Accumulated amortisation	(29.0)	(0.9)	(122.7)	-	-	(152.6)
Net book value	**6.2**	**0.6**	**-**	**349.1**	**0.4**	**356.3**

Intangible assets include definite life and indefinite life intangibles. The accounting treatment for each of the asset categories is:

- **Computer software** is costs capitalised in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits. Amortisation is calculated on a straight-line basis over an estimated useful life of 3 to 7 years. Capitalised costs exclude software as a service (SaaS) arrangements, where the fee for use of the application software is expensed over the life of the service contract. Customisation costs related to SaaS are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significant customise the product for the Group, in which case they are recorded as a prepayment for services and amortised over the expected term of the service contract.

- **Trade names** are acquired as part of a business combination and recognised separately from goodwill. Trade names are carried at fair value at the date of acquisition less accumulated amortisation, which is calculated on a straight-line basis over an estimated useful life of 3 to 9 years.

- **Customer relationships** are acquired as part of a business combination and recognised separately from goodwill. They are carried at the fair value at the acquisition date less accumulated amortisation. Amortisation is calculated on a straight-line basis over an estimated useful life of 5 to ten years.

- **Goodwill** is measured on acquisition as part of a business combination as the difference between the consideration paid and the fair value of the net assets acquired. Goodwill is tested for impairment as described in note 3.3 a).

[8] SaaS adjustment relates to software as a service costs that were previously capitalised that would have been expensed in the prior period under the IFRIC pronouncement.

3.3 Intangible assets (continued)

a) Impairment test for goodwill

For purposes of impairment testing, goodwill acquired through business combination is allocated to cash-generating units (CGUs):

	2022 $ M	2021 $ M
Processing	239.4	228.3
Warehousing & Distribution	109.7	100.1
Total goodwill	**349.1**	**328.4**

Goodwill and intangible assets with indefinite lives are tested for **impairment** annually or more frequently if circumstances indicate that an asset may be impaired. In assessing impairment, the recoverable amount of assets is estimated to determine the extent of the impairment loss. The recoverable amount for goodwill is assessed at each of the CGU levels and is based on value in use (VIU) calculations. Management uses **judgement** in determining the recoverable amount of assets including expected future cash flows, long term growth rates and discount rates.

In assessing VIU, estimated future cash flows are based on the Group's most recent estimates covering a period of five years. Projected cash flows are based on past performance and management's future expectations, taking into account the Group's production capacity, long-term customer agreements, and market information in key geographies. Cash flows beyond the five-year period are extrapolated using an estimated growth rate. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate.

Assumptions made within the Company's modelling, which are not considered certain, include:

- The gross margin of each CGU is sensitive to future assumptions in Barley commodity prices and quality of crop. The forecast assumes a trend towards more historical, pre-Covid averages for margins from FY24 and a good quality crop.
- The Group has applied pre-tax discount rates to the forecasted future cashflows; 10.98% (2021: 8.96%) for the Processing CGU and 11.45% (2021: 9.10%) for the Warehousing & Distribution CGU. These discount rates reflect the current market assessment of the time value of money and risks specific to the relative segment, as well as an additional Asset Risk Premium to reflect risks in the cashflows such as uncertainty over potential increases in the cost of inputs and the Group's ability to pass them on to customers.
- A long-term nominal growth rate of 1.97% (2021: 2.01%) for the Processing CGU and 2.03% (2021: 2.04%) for the Warehousing & Distribution CGU.

Based on the impairment testing performed at 30 September 2022, the recoverable amount of the respective CGU exceeds its carrying amount by $43m in the Processing CGU, and $80m in the Warehousing & Distribution CGU. The Directors and Management have considered and assessed reasonably possible changes in key assumptions.

The recoverable amount of the Processing CGU would equal its carrying amount if the key assumptions were to change as follows:

- An increase in the pre-tax discount rate by 0.25%
- A decrease in underlying EBITDA of 2.31%
- A decrease in terminal growth rate of 0.24%

The recoverable amount of the W&D CGU would equal its carrying amount if the key assumptions were to change as follows:

- An increase in the pre-tax discount rate by 2.62%
- A decrease in underlying EBITDA of 18.18%
- A decrease in terminal growth rate of 2.64%

3.4 Leases

a) Right of use assets

	Property leases $M	Equipment leases $M	Motor vehicle leases $M	Total $M
At 30 September 2020				
Cost	7.7	57.1	13.5	78.3
Accumulated depreciation	(1.0)	(6.4)	(4.5)	(11.9)
Net book value	**6.7**	**50.7**	**9.0**	**66.4**
Movement				
Additions to right of use asset	7.6	18.5	-	26.1
Disposals	-	(2.4)	-	(2.4)
Depreciation expense	(0.9)	(6.8)	(4.5)	(12.2)
Exchange rate differences	0.1	(0.6)	-	(0.5)
Net book value	**13.5**	**59.4**	**4.5**	**77.4**
At 30 September 2021				
Cost	15.4	71.3	13.8	100.5
Accumulated depreciation	(1.9)	(11.9)	(9.3)	(23.1)
Net book value	**13.5**	**59.4**	**4.5**	**77.4**
Movement				
Additions to right of use asset	0.4	4.9	15.0	20.3
Disposals	-	(3.9)	-	(3.9)
Depreciation expense	(1.4)	(7.9)	(4.1)	(13.4)
Exchange rate differences	0.3	4.3	0.2	4.8
Net book value	**12.8**	**56.8**	**15.6**	**85.2**
At 30 September 2022				
Cost	16.4	77.0	29.4	122.8
Accumulated depreciation	(3.6)	(20.2)	(13.8)	(37.6)
Net book value	**12.8**	**56.8**	**15.6**	**85.2**

b) Lease liabilities

	Total $M
Lease liabilities at 30 September 2020	**68.4**
Interest expense	2.7
Additions	27.1
Repayments	(14.0)
Disposals	(2.4)
Exchange rate differences	(0.3)
Lease liabilities at 30 September 2021	**81.5**
Interest expense	3.0
Additions	17.1
Repayments	(15.8)
Disposals	(2.2)
Exchange rate differences	5.4
Lease liabilities at 30 September 2022	**89.0**
Current	13.3
Non-current	75.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.4 Leases (continued)

The Group enters into non-cancellable **leases** as a lessee on properties, motor vehicles, railcars, and other plant and equipment. There are leases in all of the Group's operating geographies.

For a qualifying lease, there is a right of use asset and a lease liability recorded based on the present value of the future lease payments, excluding variable payments. Fixed lease payments are discounted using the Group's incremental borrowing rate, which is the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to purchases an asset of similar value to the right of use asset in a similar economic environment. The incremental borrowing rate has been used when the rate implicit in the lease is not readily determinable. The weighted average incremental borrowing rate applied to the lease liabilities at 30 September 2022 is 3.8% (2021: 3.6%).

Right of use assets are depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. Payments associated with low value assets or short-term leases with a term of 12 months or less are recognised on a straight-line basis as an expense.

3.5 Provisions

	Employee benefits $ M	Onerous $M	Other $M	Total $M
At 1 October 2021	**11.3**	**1.2**	**2.6**	**15.1**
Additional provisions	10.6	1.4	3.3	15.3
Amounts used	(9.8)	(0.3)	(0.7)	(10.8)
Unused amounts reversed	(3.6)	(0.8)	(0.3)	(4.7)
Exchange differences	0.3	0.1	-	0.4
At 30 September 2022	**8.8**	**1.6**	**4.9**	**15.5**
Current	6.9	1.6	0.9	9.6
Non-current	1.9	-	4.0	5.9

Provisions are:

Recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that cash will be required to settle the obligation, and the amount can be reliably estimated.
Measured at the present value of the estimated cash outflow required to settle the obligation. For non-current provisions, the nominal amount is discounted, and the financing impact is recognised in the Consolidated Income Statement.

An onerous provision is recognised where there is a contract in which there are unavoidable costs of meeting the obligations under the contract which exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

3.6 Retirement benefit obligations

The Group operates pension plans for some employees in US, Canada, UK and Australia. The plans are closed to new members. The plan is funded through contributions to the defined benefit plan as determined by annual actuarial valuations. A defined benefit plan is a pension plan that defines the amount of pension benefit an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

a) Retirement benefit liability recognised in the consolidated statement of financial position

	2022 $ M	2021 $ M
Present value of the defined benefit obligations	(121.4)	(182.6)
Fair value of defined benefit plans assets	140.0	195.8
Effect of asset ceiling/onerous liability	(2.0)	-
Net defined benefit asset	**16.6**	**13.2**
Recognised in the consolidated statement of financial position as:		
Retirement benefit asset	16.8	16.8
Retirement benefit obligation	(0.2)	(3.6)
Net defined benefit asset	**16.6**	**13.2**

b) Categories of plan assets

	2022 %	2021 %
The major categories of plan assets are as follows:		
Cash	1%	3%
Equity instruments	28%	28%
Debt instruments	67%	65%
Other assets	4%	4%
Total	**100%**	**100%**

c) Reconciliations

	2022 $ M	2021 $ M
Reconciliation of the present value of the defined benefit obligations:		
At 1 October	182.6	201.6
Current service cost	1.0	1.3
Interest cost	3.8	4.0
Scheme participants contributions	0.1	0.1
Remeasurements	(43.7)	(14.9)
Benefits paid	(9.9)	(16.8)
Past service cost	-	0.4
Exchange differences	(12.5)	6.9
At 30 September	**121.4**	**182.6**
Reconciliation of fair value of plan assets:		
At 1 October	195.8	190.5
Interest income	4.1	3.8
Remeasurements	(41.8)	3.5
Contributions by Group companies	5.1	8.3
Scheme participants contributions	0.1	0.1
Actual plan administration expense	(0.5)	(0.4)
Benefits paid	(9.9)	(16.8)
Exchange differences	(12.9)	6.8
At 30 September	**140.0**	**195.8**

3.6 Retirement benefit obligations (continued)

d) Amounts recognised in the consolidated income statement

	2022 $ M	2021 $ M
The amounts recognised in the income statement are as follows:		
Current service cost	1.0	1.3
Net interest expense	(0.3)	0.2
Effect of asset ceiling/onerous liability	0.4	0.4
Total expense included in employee benefits expense	1.1	**1.9**

e) Amounts recognised in other comprehensive income

	2022 $ M	2021 $ M
Remeasurements of retirement benefit obligations	(0.2)	18.4
Cumulative remeasurements recognised	(13.1)	(12.9)

f) Principal actuarial assumptions

2022	**North America**	**UK**	**Australia**
Principal actuarial assumptions used (expressed as weighted averages):			
Discount rate	4.8%	5.4%	4.8%
Future salary increases	3.0%	3.6%	2.5%

2021	**North America**	**UK**	**Australia**
Principal actuarial assumptions used (expressed as weighted averages):			
Discount rate	3.17%	2.00%	1.50%
Future salary increases	2.50%	3.30%	3.00%

g) Sensitivity analysis

Changes in the following principal actuarial assumptions would have the following effect on the defined benefit pension obligation:

	2022 $ M Increase/(decrease)	2021 $ M Increase/(decrease)
Discount rate:		
0.25% increase	(3.1)	(6.6)
0.25% decrease	3.3	6.8
Inflation:		
0.25% increase	1.1	2.3
0.25% decrease	(1.6)	(2.3)

The sensitivity information has been derived for all plans using projected cash flows valued using the relevant assumptions and membership profiles as at 30 September 2022. Extrapolation of these results beyond the sensitivity figures shown may not be appropriate.

3.6 Retirement benefit obligations (continued)

h) Employer contributions

Based on the recommendations of the plans' actuaries, total employer contributions expected to be paid by the Group for the year ended 30 September 2023 are $3.0 million (2022: $6.0 million).

i) Accounting treatment

The asset or liability recognised in the consolidated statement of financial position in respect of defined plan benefits is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets. The present value of the pension liability is determined by discounting the estimated future cash flows using interest rates of high quality corporate or government bonds that:

Are denominated in the currency in which the benefits will be paid; and

Have terms to maturity approximating the terms of the related pension liability.

The defined benefit obligation is calculated at least annually by independent actuaries using the projected unit credit method, which in simple terms, proportions the benefit based on years of service provided. Management considers the valuation of defined benefit plans to be an area of **judgement** as a number of key assumptions must be adopted to determine the fair value.

Actuarial gains and losses arise when there is a difference between previous estimates and actual experience or a change to assumptions in relation to demographic and financial trends. Gains and losses are recognised directly in other comprehensive income as remeasurements in the period in which they occur.

The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate at the beginning of the period to the net defined benefit liability, considering any changes during the period because of contributions and benefit payments. Net interest expense (income), service cost and other expenses related to defined benefit plans are recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Group Structure & Other

This section provides information on how the Group structure affects the financial position and performance of the Group. The disclosures detail the types of entities and transactions included in the consolidation and those which are excluded.

4.1 Subsidiaries

The Company, which is the ultimate parent of the Group, is incorporated in Australia. Subsidiaries are consolidated from the date of acquisition, being the date the Company obtains control, and continue to be consolidated until the date control ceases. Control exists where the Company has power to govern the financial and operating policies of the entity in order to obtain benefits from its activities. Below are the subsidiaries within the Group.

Controlled entities are fully consolidated from the date control is obtained until the date that control ceases. All subsidiaries incorporated in Australia, along with the United Malt Group Limited, form part of the Closed Group (note 4.2). All entities were wholly owned at 30 September 2022 unless otherwise stated.

SUBSIDIARIES CONTROLLED AT 30 SEPTEMBER

Name of entity	Country of incorporation	% controlled 2022	% controlled 2021
Australia Malt Finco Pty Limited	Australia	100	100
Australia Malt Holdco Pty Limited	Australia	100	100
Barrett Burston Malting Co. Pty. Limited	Australia	100	100
Barrett Burston Malting Company WA Pty Limited	Australia	100	100
Malt Real Property Pty Limited	Australia	100	100
Security Superannuation Fund Pty Limited	Australia	100	100
United Malt Australia Pty Limited	Australia	100	100
Canada Malting Co. Limited	Canada	100	100
Barrett Burston Malting Co (NZ) Limited	New Zealand	100	100
Bairds Malt Limited	UK	100	100
Bairds Malt (Pension Trustees) Limited	UK	99	99
Brewers Select Limited	UK	100	100
Malt UK Holdco Limited	UK	100	100
Maltco 3 Limited	UK	100	100
Mark Lawrence (Grain) Limited	UK	100	100
Moray Firth Maltings Limited	UK	100	100
Norton Organic Grain Limited	UK	100	100
Scotgrain Agriculture Limited	UK	100	100
Ulgrave Limited	UK	100	100
United Malt (Canada) Holdings UK Limited	UK	100	100
United Malt UK Limited	UK	100	100
Great Western Malting Co	USA	100	100
Malt US Holdco Inc	USA	100	100
Metropolitan Insurance Group	USA	100	100
United Malt Holdings USA	USA	100	100
United Malt USA	USA	100	100

4.2 Deed of cross guarantee

The Company and the Australian subsidiaries, as disclosed in note 4.1, have entered a Deed of Cross Guarantee on 9 April 2020 under which each of the companies guarantees the debts of the other and are relieved from the requirement to prepare financial statements under ASIC Class Order No. 2016/785. These are collectively known as the Closed Group.

A Statement of Comprehensive Income and Retained Earnings, and a Statement of Financial Position, comprising the Company and controlled entities which are party to the Deed, after eliminating all transactions between the parties to the Deed, are set out below.

Statement of Comprehensive Income and Retained Earnings (Closed Group)	2022 $ M	2021 (restated) $ M
Revenue	191.5	183.2
Other income	20.9	2.1
Raw materials and consumables used	(154.0)	(153.8)
Employee benefits expense	(16.3)	(17.1)
Depreciation and amortisation	(11.7)	(11.3)
Finance costs	(4.0)	(2.4)
Repairs and maintenance	(3.7)	(3.8)
Other expenses	(16.6)	(31.5)
Profit before income tax	6.1	(34.6)
Income tax (expense) / benefit	(0.4)	1.9
Profit/(loss) for the year	**5.7**	**(32.7)**
Other comprehensive income:		
Changes in the fair value of cash flow hedges	10.2	1.8
Remeasurements of retirement benefit obligations	-	0.1
Income tax benefit / (expense) relating to components of other comprehensive income	(0.2)	(0.4)
Other comprehensive income for the year, net of tax	10.0	1.5
Total comprehensive income/(expense) for the year	**15.7**	**(31.2)**
Summary of movements in consolidated retained earnings		
Retained losses at the beginning of the financial year	(75.4)	(25.7)
Income for the year	5.7	(32.0)
Dividends paid	(15.0)	(17.7)
Retained losses at the end of the financial year	**(84.7)**	**(75.4)**

4.2 Deed of cross guarantee (continued)

Set out below is the consolidated statement of financial position of the Closed Group as at 30 September.

Consolidated Statement of Financial Position (Closed Group)	2022 $ M	2021 (restated) $ M
Current assets		
Cash and cash equivalents	15.7	34.5
Trade and other receivables	44.8	37.5
Inventories	48.0	42.8
Derivative financial instruments	9.4	3.4
Current tax assets	0.1	0.1
Total current assets	**118.0**	**118.3**
Non-current assets		
Trade and other receivables	44.1	338.6
Investment in subsidiaries	309.1	309.1
Property, plant and equipment	151.5	148.6
Intangible assets	23.5	23.9
Lease assets	10.4	12.9
Derivative financial instruments	7.2	0.2
Total non-current assets	**545.8**	**833.3**
Total assets	**663.8**	**951.6**
Current liabilities		
Trade and other payables	30.4	23.5
Borrowings	36.4	39.2
Derivative financial instruments	0.7	1.1
Lease liabilities	5.2	1.1
Provisions	2.6	3.0
Total current liabilities	**75.3**	**67.9**
Non-current liabilities		
Borrowings	55.0	349.5
Lease liabilities	10.2	11.9
Derivative financial instruments	1.3	1.4
Provisions	1.9	1.7
Deferred tax liabilities	0.3	0.2
Total non-current liabilities	**68.7**	**364.7**
Total liabilities	**144.0**	**432.6**
Net assets	**519.8**	**519.0**
Equity		
Contributed equity	166.9	166.9
Reserves	437.6	427.5
Retained losses	(84.7)	(75.4)
Total equity	**519.8**	**519.0**

4.3 Parent entity financial information

Summary financial information for the Company is set out below:

	2022 $ M	2021 $ M
Non-current assets	518.0	513.0
Total assets	**518.0**	**513.0**
Non-current liabilities	-	-
Total liabilities	-	-
Shareholders' equity		
Contributed equity	166.9	166.9
Reserves	393.0	393.0
Retained earnings in 2020 and subsequent periods	115.0	110.0
Retained losses in prior periods	(156.9)	(156.9)
Total shareholders' equity	**518.0**	**513.0**
(Loss)/Profit for the year	**19.8**	**(16.4)**
Total comprehensive (loss) / income	**19.8**	**(16.4)**

The parent entity is party to the Deed of Cross Guarantee and is subject to the terms of the deed as described in note 4.2. At 30 September 2022, the parent entity did not provide any other guarantees (2021: nil), contingent liabilities (2021: nil) or capital commitments (2021: nil).

4.4 Related party transactions

KMP compensation

Disclosures relating to KMP are provided in the Remuneration Report. There were no other transactions with KMP during the period.

	2022 $'000	2021 $'000
Short-term employee benefits	3,855	3,471
Post-employment benefits	347	92
Share-based payments	329	1,071
Total KMP compensation	**4,531**	**4,634**

4.5 Remuneration of auditor

	2022 $'000	2021 $'000
PricewaterhouseCoopers Australia		
Audit and review of financial reports	426	450
Other non-audit services (specified agreed upon procedures)	11	10
Total remuneration of PricewaterhouseCoopers Australia	**437**	**460**
Overseas PricewaterhouseCoopers firms		
Audit and review of financial reports	895	797
Other non-audit services (company secretarial services)	19	9
Total remuneration of overseas PricewaterhouseCoopers	**914**	**806**
Total auditors' remuneration	**1,351**	**1,266**

4.6 Events subsequent to reporting date

In October 2022, the assets of Brewers Select were sold for $2.4m. An asset write down of $0.8m was recognised at year end and the asset was held for sale as at 30 September 2022.

In November 2022, the Group executed agreements for an uncommitted factoring arrangement which provides for the sale of certain accounts receivables to provide short term financing flexibility. The Group has not yet presented invoices for acceptance under the facility.

No other significant events subsequent to the balance date have occurred.

Directors' Declaration

In the Directors' opinion:

a) The financial statements and notes set out on pages 65 to 99 are in accordance with the *Corporations Act 2001*, including:

   i. Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. Giving a true and fair view of the consolidated entity's financial position as at 30 September 2022 and of its performance for the financial year ended on that date; 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; and

c) At the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 4.2 will be able to meet any obligation or liabilities to which they are, or may become, subject to by virtue of a deed of cross guarantee described in note 4.2.

The Basis of Preparation note as disclosed on page 69 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Graham Bradley

Graham Bradley AM
Chairman

Sydney
15 November 2022

pwc

Independent auditor's report

To the members of United Malt Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of United Malt Group Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 September 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 September 2022
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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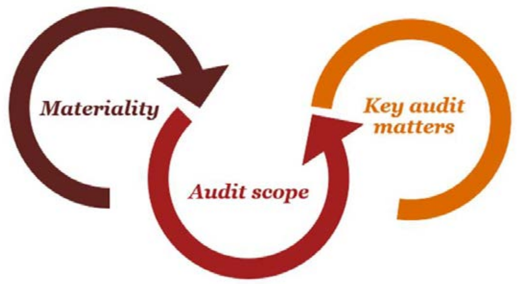
Material uncertainty related to going concern

We draw attention to the Basis of preparation in the financial report, which indicates that the Group must implement a number of actions to meet covenant compliance obligations across the next twelve months. The Group's ability to continue as a going concern is dependent on the Group being successful in undertaking these actions. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $1.7 million, which represents approximately 5% of the Group's three year weighted average profit before tax from continuing operations.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. Due to fluctuations in profit and loss from year to year, we used a three year average.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

INDEPENDENT AUDITOR'S REPORT

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment *(Refer to note 3.3 in the financial report) [$349.1m]* The Group holds goodwill totalling $349.1m as at 30 September 2022, across its Processing, and Warehousing & Distribution cash generating units (CGUs). Under Australian Accounting Standards, the Group is required to assess goodwill for impairment at least annually. The Group performed the annual impairment assessment on the carrying value of the Processing and Warehousing & Distribution CGUs at 30 September 2022. This was performed by calculating the value in use for each CGU using discounted cash flow models (the models). The models estimated cash flows for each CGU for 5 years, with a terminal value applied. These cash flows were then discounted to net present value using a CGU specific discount rate. This was a key audit matter due to the financial size of the goodwill balances and the significant judgements involved with key assumptions including: ● Estimated future gross margins ● Discount rates ● Long term average growth rates	We performed the following procedures, amongst others, in respect of the Processing and Warehousing & Distribution CGUs: ● Assessed whether the allocation of assets and liabilities to CGUs was consistent with our understanding of the Group's operations and internal Group reporting. ● Considered whether the methodology applied in the models was consistent with the basis required by Australian Accounting Standards. ● Tested the mathematical accuracy of the calculations in the models used to assess impairment. ● Assessed whether the forecast cash flows in the impairment assessments were appropriate by performing the following procedures, amongst others: ○ Compared the 2023 forecasted cash flows used in the models with the latest forecast approved by the Board. ○ Evaluated the historical accuracy of the Group's forecasts by comparing the forecasts used in prior year models to the actual performance. ○ Assessed the forecast growth assumptions used in the models by reference to our understanding of the key drivers for future growth, including reference to third party information including economic and

Key audit matter	How our audit addressed the key audit matter
	industry forecasts, and historical results. ○ With the assistance of PwC valuation experts, assessed whether the discount rates used in the models were appropriate with reference to market data, comparable companies and industry research. ○ Evaluated the appropriateness of the long term average growth rate in the models by comparison to the long term average growth rates of the countries that the Group operates in. ● Evaluated the reasonableness of the disclosures made in note 3.3, including key assumptions, in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 43 to 62 of the directors' report for the year ended 30 September 2022.

In our opinion, the remuneration report of United Malt Group Limited for the year ended 30 September 2022 complies with section 300A of the *Corporations Act 2001*.

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 responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Scott Walsh
Partner

Sydney
15 November 2022

Shareholder Information

Listing Information

United Malt is listed, and our issued shares are quoted, on the Australian Securities Exchange (ASX) under the code: UMG.

Unless otherwise stated all information set out below is current as of 28 October 2022. The Company has on issue 299,179,135 ordinary fully paid shares and a total of 15,166 shareholders.

Substantial Shareholders

The following organisations have a substantial shareholding in United Malt Group Limited based on substantial holding notices lodged on or before 28 October 2022.

Name	Notice date	Shares held	Issued capital %
Tanarra Capital Australia Pty Ltd	3-Aug-22	32,349,769	10.81%
GrainCorp Limited	29-Jun-20	25,428,404	8.50%
Aware Super Pty Ltd ATF Aware Super	9-Sep-22	21,954,547	7.34%
Ethical Partners Funds Management Pty Ltd	5-Oct-22	20,570,994	6.88%
Host-Plus Pty Ltd as Trustee of the HostPlus Pooled Superannuation Trust	30-Aug-22	20,151,550	6.74%
Australian Retirement Trust Pty Ltd	2-Sep-22	18,584,922	6.21%
State Street Corporation	16-Sep-22	15,312, 187	5.12%

Twenty largest ordinary fully paid Shareholders as at 28 October 2022

Rank	Name	Shares held	Issued capital %
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	83,526,417	27.92
2	CITICORP NOMINEES PTY LIMITED	61,877,058	20.68
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	32,333,258	10.81
4	GRAINCORP LIMITED	25,428,404	8.50
5	NATIONAL NOMINEES LIMITED	11,976,672	4.00
6	BNP PARIBAS NOMS PTY LTD	7,631,373	2.55
7	CITICORP NOMINEES PTY LIMITED	4,931,766	1.65
8	FIRST SAMUEL LTD ACN 086243567	3,005,393	1.00
9	UBS NOMINEES PTY LTD	2,711,923	0.91
10	BNP PARIBAS NOMINEES PTY LTD	2,285,177	0.76
11	JARJUMS HOLDINGS PTY LIMITED	1,700,000	0.57
12	MRS INGRID KAISER	1,133,976	0.38
13	WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	1,041,811	0.35
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	724,454	0.24
15	MR. MARK L. PALMQUIST	543,222	0.18
16	SANDHURST TRUSTEES LTD	534,158	0.18
17	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	396,563	0.13
18	BNP PARIBAS NOMINEES PTY LTD	368,437	0.12
19	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	350,698	0.12
20	AUSTRALIAN PIONEER PTY LTD	255,167	0.09
Total for top 20 shareholders		**242,755,927**	**81.14**

Holding distribution as at 28 October 2022

Range	Securities	%	No. of Holders	%
100,001 and Over	247,786,648	82.82	53	0.35
10,001 to 100,000	24,669,347	8.25	1,114	7.35
5,001 to 10,000	10,827,568	3.62	1,484	9.79
1,001 to 5,000	13,050,782	4.36	5,291	34.89
1 to 1,000	2,844,790	0.95	7,224	47.63
Total	**299,179,135**	**100**	**15,166**	**100.00**

There were 1,855 shareholders holding less than a marketable parcel of shares.

Voting rights

In accordance with Recommendation 6.4 set out in the fourth edition of the ASX Corporate Governance Principles and Recommendations, all substantive resolutions at United Malt Shareholder meetings are decided by a poll. Upon each poll each fully paid ordinary share carries one vote per share.

Unquoted Equity Securities

The Company has a total of 1,320,723 unquoted rights issued pursuant to the Company's Long-Term Incentive Offers, One-off Award offer and Deferred STI Awards as further described the Remuneration Report. There was a total of seven holders of the unquoted rights.

Corporate Governance Statement

United Malt has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2022 corporate governance statement was approved by the Board on 14 November 2022 and reflects the corporate governance practices in place for year ending 30 September 2022. United Malt's 2022 corporate governance statement and key governance documents such as charters, policies and United Malt's Appendix 4G Key to Disclosures under the Corporate Governance Principles and Recommendations can be viewed at www.unitedmalt.com/corporate-goverance.

Glossary

Term	Description
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
ACN	Australian Company Number
AGM	Annual General Meeting
AM	Member of the Order of Australia
AMBR RO	Advanced Membrane and Reverse Osmosis
ARC	Audit and Risk Committee
ASX	Australian Securities Exchange
ASIC	Australian Securities and Investments Commission
aTSR	Absolute total shareholder return
AUD	Australian Dollar
Board	The Board of Directors of United Malt Group Limited, details of which are on pages 20 to 21.
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CFO	Chief Financial Officer
COO	Chief Operating Officer
Constant currency	Prior period results translated into Australian dollars at the actual monthly exchange rates applicable in the current period, so as to show relative performance between the two periods.
COVID-19	An acute respiratory illness in humans caused by a coronavirus, capable of producing severe symptoms and in some cases death, especially in older people and those with underlying health conditions. It became pandemic in 2020.
Cth	Commonwealth
DEP	Deferred equity plan
D&O	Directors and Officers
EBIT	Earnings before interest, tax, and excluding significant items.
EBITDA	A non-IFRS measure representing earnings before net interest, tax, depreciation and amortisation, and excluding significant items.
EH&S	Environment, Health and Safety
EIP	Employee Incentive Plan
ELT	Executive Leadership Team
EPS	Earnings per share
ERP	Enterprise Resource Planning System
ESG	Environmental, Social and Governance
Executive KMP	CEO and other executives considered KMP
FSQM	Food safety quality management
FY21	2021 financial year
FY22	2022 financial year
GRI	Global Reporting Initiative
Group	United Malt Group Limited
HACCP	Hazard Analysis and Critical Control Points
HY	Half-year
IFRS	International Financial Reporting Standards
IRR	Investment Return Rate
IP	Institutional Placement
ITGC	Information Technology General Controls
KMP	Key Management Personnel
Kt	Thousand kiloton
Ltd	Limited
LTI	Long-term incentive
LTIFR	Lost Time Injury Frequency Rate
LTIP	Long-term incentive plan

Term	Description
MD & CEO	Managing Director and Chief Executive Officer
Mtpa	Million Tonnes Per Annum
MT	Metric Tonnes
Net finance costs	Interest expense net of interest income
NPAT	Net Profit After Tax
NPS	Net Promoter Score
NRC	Nominations and Remuneration Committee
Non-Executive Directors	Directors of the Board who are not Executives
PMO	Project Management Office
PTY	Proprietary
PTRMP	Position and Trading Risk Management Policy
PWC	PricewaterhouseCoopers
RIFR	Recordable Injury Frequency Rate, calculated as the number of injuries per 200,000 hours worked.
ROCE	Return on capital employed
Significant Items	Significant items such as those items not in the ordinary course of business, non-recurring and material in nature and amount.
SDG	United Nations Sustainable Development Goals
SPP	Share Purchase Plan
STI	Short-term incentive
TCFD	Task Force on Climate-Related Disclosures
the Company	United Malt Group Limited
TMS	Transportation Management System
TSR	Total Shareholder Return
UK	United Kingdom
UMG	United Malt Group Limited
Underlying NPAT	Net profit after tax excluding Significant Items
United Malt	United Malt Group Limited
US	United States of America
USD	United States Dollar
VP HR	Vice President, Human Resources
VWAP	Volume Weighted Average Price
2H	Second Half of financial year ending 30 September
1H	First Half of financial year ending 31 March

Corporate Directory

Board of Directors

Graham J. Bradley AM
(Chairman)

Mark L. Palmquist
(Managing Director and CEO)

Patrick E. Bowe
(Non-Executive Director)

Barbara J. Gibson
(Non-Executive Director)

Jane McAloon
(Non-Executive Director)

Gary W. Mize
(Non-Executive Director)

Terry Williamson
(Non-Executive Director)

Lisa Jones
(Company Secretary)

Registered Office

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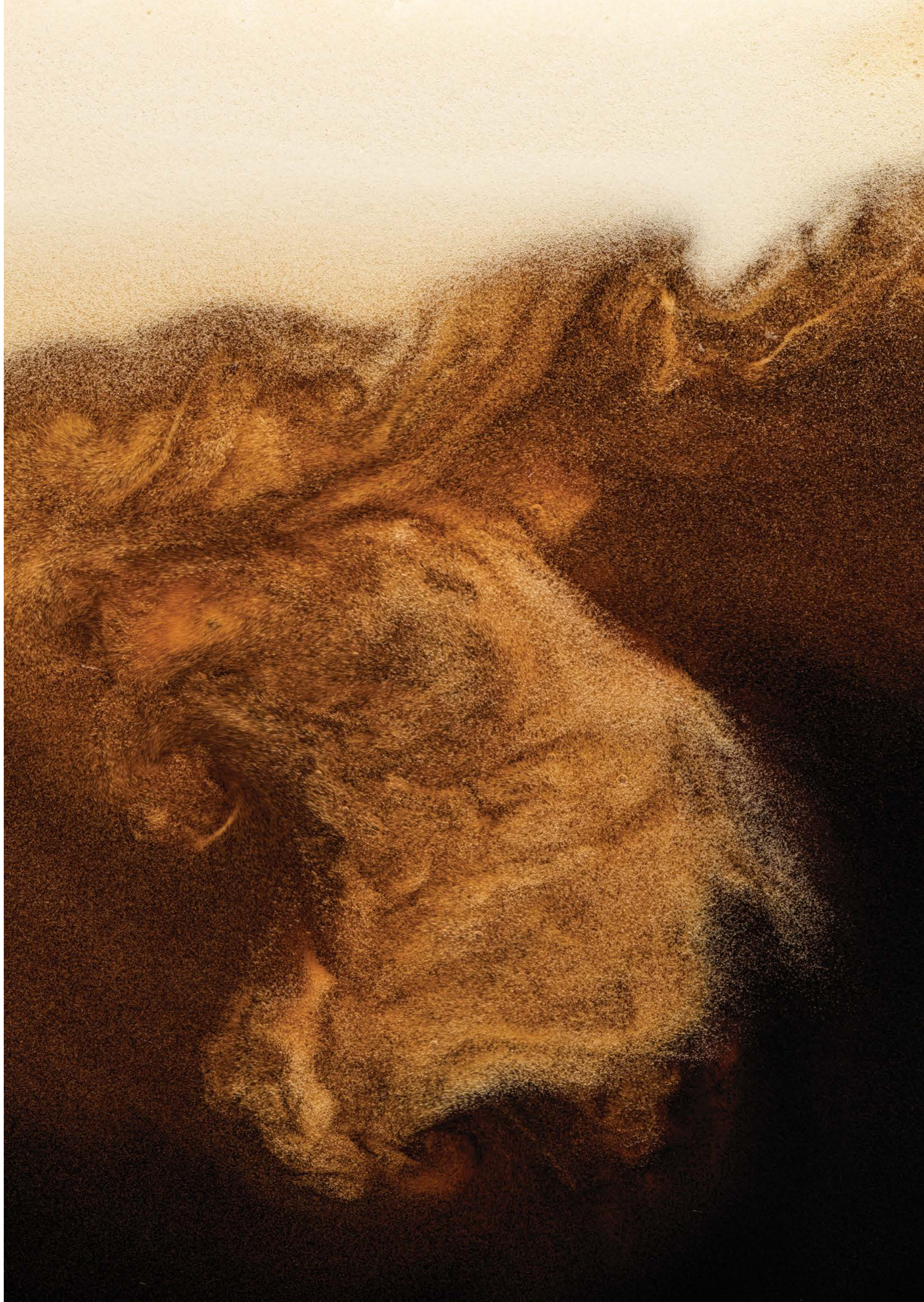
Tel: + 61 2 8073 3160
Company website
www.unitedmalt.com

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Tel: +61 1300 554 47



UNITED MALT

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