



7 September 2023

Proposed acquisition of United Malt by Malteries Soufflet – Scheme Booklet registered by ASIC

United Malt Group Limited (ASX:UMG) (**United Malt**) refers to its announcement to the ASX earlier today in relation to the proposed acquisition of all of the ordinary shares in United Malt by Malteries Soufflet SAS (**Malteries Soufflet**) by way of a scheme of arrangement (**First Court Hearing Announcement**),¹ and the orders made by the Federal Court of Australia that United Malt convene and hold the Scheme Meeting and approving the distribution of the Scheme Booklet (which provides information about the Scheme and includes the notice of Scheme Meeting) to United Malt Shareholders.

Scheme Booklet

United Malt advises that ASIC has registered the Scheme Booklet for the purpose of section 412(6) of the Corporations Act. A copy of the Scheme Booklet is attached to this ASX announcement and will also be made available on United Malt's website (www.unitedmalt.com/scheme-overview/).

As advised in the First Court Hearing Announcement, United Malt Shareholders who have previously elected to receive communications from United Malt electronically (and have nominated an email address for that purpose) will receive an email containing a link to where they can download the Scheme Booklet and a personalised proxy form in respect of the Scheme Meeting. United Malt Shareholders who have previously elected to receive communications from United Malt in hard copy will be sent the Scheme Booklet (enclosing a personalised proxy form in respect of the Scheme Meeting) in hard copy. United Malt Shareholders who have not specifically elected to receive communications from United Malt electronically or in hard copy will be sent a letter containing details of how they can view and download the Scheme Booklet, together with a personalised proxy form in respect of the Scheme Meeting, in hard copy (by post). These materials are expected to be despatched to United Malt Shareholders on or before Tuesday, 12 September 2023.

United Malt Shareholders who wish to receive a hard copy of the Scheme Booklet after that date may request one by calling the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time).

United Malt Shareholders should read the Scheme Booklet carefully and in its entirety before making a decision as to whether or not to vote in favour of the Scheme at the Scheme Meeting.

Independent Expert's Report

A copy of the Independent Expert's Report prepared by the Independent Expert, Kroll Australia Pty Ltd, is attached to the Scheme Booklet.

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal.

The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

United Malt Board's recommendation

The United Malt Directors continue to unanimously recommend that United Malt Shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

¹ Capitalised terms used, but not defined, in this announcement have the meanings given to them in the First Court Hearing Announcement (or, if not defined in the First Court Hearing Announcement, the Transaction Announcement or the SID (as applicable)).

Subject to the same qualifications, each United Malt Director who holds or controls United Malt Shares intends to vote, or cause to be voted, all United Malt Shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting.²

Scheme Meeting

As advised in the First Court Hearing Announcement, the Scheme Meeting, at which United Malt Shareholders will vote on the Scheme, will be held as a hybrid meeting at **10:00am (Sydney time) on Thursday, 12 October 2023**.

United Malt Shareholders and duly appointed proxies, attorneys and corporate representatives of United Malt Shareholders can attend, participate in and vote at the Scheme Meeting either:

- in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000; or
- alternatively, through the Online Scheme Meeting Platform by using a web browser at <https://meetings.linkgroup.com/UMGSM23> on their smartphone, tablet or computer – United Malt Shareholders and duly appointed proxies, attorneys and corporate representatives of United Malt Shareholders will be able to listen to, and vote and ask questions at, the Scheme Meeting online through the Online Scheme Meeting Platform.

All registered United Malt Shareholders at 10:00am (Sydney time) on Tuesday, 10 October 2023, will be eligible to vote at the Scheme Meeting. Further information about how to participate in and vote at the Scheme Meeting is set out in the Scheme Booklet.

United Malt Shareholders should read the Scheme Booklet carefully and in its entirety before making any decision in relation to the Scheme. United Malt Shareholders are encouraged to seek independent financial, legal and taxation advice before making any voting or investment decision in relation to their United Malt Shares.

Indicative Scheme timetable

If the requisite majorities of United Malt Shareholders approve the Scheme at the Scheme Meeting, and all other Conditions to implementation of the Scheme (other than the Conditions relating to final Court approval and the lodgement of the Court's orders with ASIC) are satisfied (or, if applicable, waived), United Malt will apply to the Court for orders approving the Scheme.

The key events and the expected timing in relation to the approval and implementation of the Scheme are set out in the table below.

<u>Event</u>	<u>Expected date</u>
Despatch of Scheme Booklet to United Malt Shareholders	Tuesday, 12 September 2023
Scheme Meeting	10:00am (Sydney time) on Thursday, 12 October 2023
Second Court Hearing Orders sought to approve the Scheme	10:15am (Sydney time) on Monday, 16 October 2023
Effective Date United Malt lodges Court orders with ASIC and Scheme becomes Effective Last day of trading in United Malt Shares on ASX	Tuesday, 17 October 2023
Record Date Date for determining entitlements to Scheme Consideration	7:00pm (Sydney time) on Thursday, 19 October 2023
Implementation Date All United Malt Shares are transferred to Malteries Soufflet, and the Scheme Consideration is paid to Scheme Shareholders	Wednesday, 15 November 2023

All dates in the timetable above are indicative only and are subject to the Court approval process and the satisfaction (or, where applicable, waiver) of the Conditions to the implementation of the Scheme. In particular, implementation of

² As at the date of this announcement: Mr Graham Bradley holds or controls 241,395 United Malt Shares (representing 0.08% of the United Malt Shares on issue), Mr Mark Palmquist holds or controls 622,511 United Malt Shares (representing 0.21% of the United Malt Shares on issue), Mr Gary W Mize holds or controls 48,200 United Malt Shares (representing 0.02% of the United Malt Shares on issue), Mr Terry Williamson holds or controls 56,586 United Malt Shares (representing 0.02% of the United Malt shares on issue), and Mr Patrick E. Bowe, Ms Christine Feldmanis and Ms Mary Clarke do not hold or control any United Malt Shares.

the Scheme is subject to the satisfaction of certain Conditions relating to the receipt of required regulatory approvals in respect of the Scheme (as described in detail in the Scheme Booklet), and the timing of the receipt of those regulatory approvals and satisfaction of those Conditions may cause the indicative dates in the timetable above to change.

United Malt will announce any changes to the above timetable to the ASX as required.

Further information

United Malt Shareholders can obtain further information in relation to the Scheme Booklet, the Scheme and/or the Scheme Meeting by visiting www.unitedmalt.com/scheme-overview/ or by calling the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time).

ENDS

This announcement was authorised by the United Malt Board.

For further information regarding this announcement, please contact:

Investors

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About United Malt Group

United Malt is the fourth largest commercial maltster globally, with approximately 1.3Mtpa of capacity across 12 processing plants in Canada, United States of America, Australia and the United Kingdom. We also operate an international distribution business, which provides a full service offering for craft brewers and distillers, including malt, hops, yeast, adjuncts and related products.

SCHEME BOOKLET



For a scheme of arrangement in
relation to the proposed acquisition by
Malteries Soufflet of all United Malt Shares

VOTE IN FAVOUR

The United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders

The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a Superior Proposal

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

You should read this document carefully and in its entirety before deciding whether or not to vote in favour of the Scheme Resolution. If you are in doubt as to what you should do, you should consult your legal, financial, taxation or other professional adviser.

If, after reading this Scheme Booklet, you have any questions about the Scheme or the number of United Malt Shares you hold or how to vote on the Scheme Resolution, please call the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia) Monday to Friday between 9:00am and 5:00pm (Sydney time).

If you have recently sold all of your United Malt Shares, please disregard this document.

Financial Adviser



Legal Adviser



IMPORTANT NOTICES

General

United Malt Shareholders are encouraged to read this Scheme Booklet in its entirety before making a decision as to how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

Interpretation

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the Glossary in Section 12 (**Glossary**) of this Scheme Booklet. The documents reproduced in the Attachments to this Scheme Booklet may have their own defined terms, which are sometimes different from those in the Glossary.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Scheme Booklet. All numbers are rounded unless otherwise indicated.

Unless otherwise specified, all references to \$, A\$, AUD and Australian cents are references to Australian currency.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be implemented (if approved), to provide certain information required by law and to provide all other information (other than information previously disclosed to United Malt Shareholders) that is known to United Malt which is material to the decision of United Malt Shareholders whether or not to vote in favour of the Scheme Resolution to be considered at the Scheme Meeting.

This Scheme Booklet includes the explanatory statement required to be sent to United Malt Shareholders under Part 5.1 of the Corporations Act in relation to the Scheme.

United Malt Shareholders should read this Scheme Booklet in its entirety before deciding how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

Responsibility for information in this Scheme Booklet

- (a) Except as described in paragraphs (b) to (d) below, the information in this Scheme Booklet has been prepared by, and is the responsibility of, United Malt. No Malteries Soufflet Group Member or any of its directors, officers or advisers assumes any responsibility for the accuracy or completeness of any such United Malt information.
- (b) Malteries Soufflet has provided and is responsible for the Malteries Soufflet Information. No United Malt Group Member or any of its directors, officers or advisers assumes any responsibility for the accuracy or completeness of the Malteries Soufflet Information.
- (c) KPMG has prepared and provided the information contained in Section 10 (**Taxation implications for Scheme Shareholders**) and the 'What are the taxation implications of the Scheme for Scheme Shareholders?' subsection of Section 5 (**Frequently asked questions**) of this Scheme Booklet (**Tax Information**). KPMG is responsible for the Tax Information, other than any statements in the Tax Information that are expressed to be made by, or which state a determination made by or view of, the United Malt Directors.

Neither the United Malt Group nor any Malteries Soufflet Group Member assumes any responsibility for the accuracy or completeness of the Tax Information (other than, in the case of United Malt, any statements in the Tax Information that are expressed to be made by or view of, or which state a determination made by, the United Malt Directors). KPMG does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than the Tax Information (which, as noted in Section 10 (**Taxation implications for Scheme Shareholders**), is general in nature).

The Independent Expert, Kroll, has prepared, and is responsible for the information contained in, the Independent Expert's Report set out in Attachment A to this Scheme Booklet. The United Malt Group does not assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except in relation to information given by a United Malt Group Member to the Independent Expert. The Malteries Soufflet Group does not assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet, other than that contained in the Independent Expert's Report.

- (d) Link has had no involvement in the preparation of any part of this Scheme Booklet, other than being named as the United Malt Share Registry. Link has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

Investment decisions

The information in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet has been prepared without reference to the investment objectives, financial situation or particular needs of any United Malt Shareholder or any other person. This Scheme Booklet should not be relied on as the sole basis for any investment decision.

The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. Independent legal, financial and taxation advice should be sought before making any investment decision in relation to your United Malt Shares. You should consider, with or without the assistance of a financial adviser, whether the information in this Scheme Booklet is appropriate for you, having regard to your particular investment needs, objectives and financial circumstances and consult your legal, financial or other professional adviser before making any investment decision. The United Malt Directors encourage you to seek independent financial and tax advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme Resolution to be considered at the Scheme Meeting. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in Section 9 (**Risks**) of this Scheme Booklet, and the views of the Independent Expert set out in the Independent Expert's Report contained in Attachment A. If you are in doubt as to the course you should follow, you should consult your legal, financial, tax or other professional adviser.

ASIC and ASX involvement

A copy of this Scheme Booklet was provided to ASIC under section 411(2) of the Corporations Act and registered by ASIC under section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting (being this Scheme Booklet) does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how United Malt Shareholders should vote (on this matter United Malt Shareholders must reach their own decision); or
- has prepared, or is responsible for the contents of, this Scheme Booklet.

An order of the Court under section 411(1) of the Corporations Act is not an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Attachment D.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme.

Each United Malt Shareholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Hearing.

If you wish to oppose the approval of the Scheme at the Second Court Hearing, you may do so by filing with the Court and serving on United Malt a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the Second Court Hearing. With leave of the Court, you may also oppose the approval of the Scheme at the Second Court Hearing by appearing at the Second Court Hearing and raising any objections you may have at that hearing. United Malt should be notified in advance of an intention to object. The Second Court Hearing is currently scheduled to be held at the Federal Court of Australia, Law Courts Building, 184 Phillip Street, Sydney NSW 2000, at 10:15am (Sydney time) on Monday, 16 October 2023, although an earlier date for the Second Court Hearing may be sought. Any change to this date will be announced on the ASX company announcements platform.

Disclosure regarding forward-looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be forward-looking statements. Forward-looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward-looking statements generally may be identified by the use of forward-looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of United Malt or a Malteries Soufflet Group Member are or may be forward-looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to United Malt or the Malteries Soufflet Group Member and/or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and deviations are both normal and to be expected. None of United Malt or the Malteries Soufflet Group Members or any of their respective affiliates, officers, directors, employees or advisers or any person named in this Scheme Booklet or involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the ASX Listing Rules and/or the Corporations Act, United Malt and each Malteries Soufflet Group Member and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward-looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

Privacy and personal information

United Malt and the United Malt Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, contact details and security holdings of United Malt Shareholders and the names of persons appointed by United Malt Shareholders as proxies, attorneys or corporate representatives at the Scheme Meeting. The collection of some of this personal information is required or authorised by the Corporations Act.

IMPORTANT NOTICES continued

The primary purposes of collecting this personal information are to assist United Malt to conduct the Scheme Meeting and implement the Scheme. The personal information of the type described above may be disclosed to the United Malt Share Registry, print and mail service providers, third parties otherwise involved in the conduct of the Scheme Meeting, United Malt Group Companies, Government Agencies, authorised securities brokers, professional advisers, and any other service provider or adviser engaged by United Malt or the United Malt Share Registry in connection with the Scheme, and also where disclosure is otherwise required or permitted by law. Some of these recipients may be located in overseas countries.

If the information outlined above is not collected, United Malt may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

United Malt Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals who wish to exercise these rights should contact the United Malt Share Registry Privacy Officer by email at privacy.officer@linkgroup.com or by mail to the address below:

Attn: Privacy Officer
Link Group
Locked Bag A14
Sydney South NSW 1235

United Malt Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of the matters outlined above.

Notice to persons outside Australia

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

This Scheme Booklet and the Scheme do not constitute an offer of securities in any place which, or to any person whom, it would not be lawful to make such an offer.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, actual calculations may differ from amounts set out in this Scheme Booklet.

Times and dates

Unless otherwise stated, all times referred to in this Scheme Booklet are times in Sydney, New South Wales, Australia. All dates following the date of the Scheme Meeting are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of the conditions precedent to the implementation of the Scheme (see Section 6.3 of this Scheme Booklet).

Supplementary information

United Malt has established the United Malt Shareholder Information Line, which you should call if you have any questions or require further information about this Scheme Booklet or the Scheme. The telephone number is 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time). United Malt Shareholders should consult their legal, financial or other professional adviser before making any decision regarding the Scheme.

In certain circumstances, United Malt may provide additional disclosure to United Malt Shareholders in relation to the Scheme after the date of this Scheme Booklet. To the extent applicable, United Malt Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Scheme. Refer to Section 11.17 for information about the steps that United Malt will take if any such additional disclosure is required.

Date

This Scheme Booklet is dated 7 September 2023.

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CHAIRMAN'S LETTER



Dear United Malt Shareholder,
On behalf of the United Malt Board,
I am pleased to provide you with
this Scheme Booklet, which contains
information in relation to the
proposed acquisition of the United
Malt Group by Malteries Soufflet.

This Scheme Booklet will assist you in making an informed decision about how to vote on the Scheme at the Scheme Meeting and contains important information, including the key reasons to vote in favour of, or against, the Scheme (refer to Section 4 (**United Malt Directors' recommendation and matters relevant to your vote on the Scheme**)) and certain risks related to holding United Malt Shares and the Scheme (refer to Section 9 (**Risks**)).

The United Malt Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

Background

On Tuesday, 28 March 2023, United Malt announced to the ASX that it had entered into a process and exclusivity deed with Malteries Soufflet (**Process and Exclusivity Deed**) following Malteries Soufflet submitting a conditional, non-binding and indicative proposal to acquire all of the United Malt Shares (**Indicative Proposal**).

The Indicative Proposal followed an unsolicited approach to United Malt from Malteries Soufflet and its major shareholder, InVivo Shareholder, regarding a potential combination of United Malt and Malteries Soufflet. After a period of preliminary engagement with United Malt, Malteries Soufflet submitted several confidential, non-binding and indicative proposals to acquire all of the United Malt Shares: on 16 December 2022, for \$4.15 in cash per United Malt Share; on 6 February 2023, for \$4.50 in cash per United Malt Share; on 8 March 2023, for \$4.90 in cash per United Malt Share; and, on 14 March 2023, Malteries Soufflet submitted the Indicative Proposal at \$5.00 in cash per United Malt Share. Under the Process and Exclusivity Deed, United Malt granted Malteries Soufflet the opportunity to conduct due diligence on United Malt on an exclusive basis.

On 3 July 2023, following the completion of Malteries Soufflet's due diligence (as contemplated by the Process and Exclusivity Deed), United Malt announced to the ASX that it had entered into the Scheme Implementation Deed, under which Malteries Soufflet has agreed to acquire all of the United Malt Shares by way of the Scheme for Scheme Consideration of \$5.00 in cash per United Malt Share if the Scheme becomes Effective.

Scheme Consideration

The terms of the proposed Scheme provide that United Malt Shareholders will receive from Malteries Soufflet \$5.00 in cash per United Malt Share.

The Scheme Consideration represents:

- an equity value for United Malt Group of \$1,501 million¹ and an implied enterprise value of \$2,141 million²;
- a 45.3% premium to the closing United Malt Share price of \$3.44 on 24 March 2023, being the last day on which United Malt Shares traded on the ASX before United Malt announced that it had received the Indicative Proposal from, and had entered into the Process and Exclusivity Deed with, Malteries Soufflet (**the Last Undisturbed Trading Date**); and
- a 48.6% premium to the one-month VWAP of United Malt Shares (up to and including the Last Undisturbed Trading Date) of \$3.37 per United Malt Share.

The Scheme Consideration will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme (see Section 6.2(a) for more information). As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.

Independent Expert's conclusion

United Malt appointed Kroll as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of United Malt Shareholders, in the absence of a superior proposal. In arriving at this opinion, the Independent Expert has assessed the Scheme to be fair and reasonable.

The Independent Expert has assessed the value of United Malt Shares (on a 100% controlling interest basis) to be in the range of \$4.28 and \$5.17 per United Malt Share. The Scheme Consideration of \$5.00 per United Malt Share is within this range.

A complete copy of the Independent Expert's Report is included as Attachment A to this Scheme Booklet.

1 Based on 300,279,406 fully diluted United Malt Shares on issue (being all of the United Malt Shares and United Malt Performance Rights on issue as at the date of this Scheme Booklet).

2 Based on 300,279,406 fully diluted United Malt Shares on issue (being all of the United Malt Shares and United Malt Performance Rights on issue as at the date of this Scheme Booklet) and net debt as at 31 March 2023 of \$639.2 million (inclusive of AASB 16 lease liabilities).

United Malt Directors' recommendation

The United Malt Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders. Subject to the same qualifications, each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all United Malt Shares that he or she holds or Controls in favour of the Scheme Resolution.

The key reasons for the United Malt Directors' recommendation (together with possible reasons to vote against, and other matters that may be relevant to a United Malt Shareholder's vote on, the Scheme) are set out in Section 4 (**United Malt Directors' recommendation and matters relevant to your vote on the Scheme**). Certain risks related to holding United Malt Shares, and the Scheme, are also set out in Section 9 (**Risks**).

As described in Section 4.2, in their assessment of the Scheme, the United Malt Directors considered potential control transactions in respect of United Malt with third parties other than Malteries Soufflet and alternative options for United Malt's business to deliver value to United Malt Shareholders, including continuing to implement United Malt's strategy (as summarised in Section 7.1(d)) and deliver on growth opportunities as a stand-alone, ASX-listed company.

Following consideration of these alternatives, the United Malt Directors unanimously concluded that the Scheme is the most attractive option for United Malt Shareholders, the benefits of the Scheme outweigh its potential disadvantages and risks, and the Scheme Consideration adequately recognises the value of both United Malt's existing business, asset base and expected near-term earnings recovery and its future growth opportunities.

The Relevant Interests of the United Malt Directors in United Malt Shares, and the interests of the United Malt Directors (including Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt) in the Scheme, are disclosed in Section 11 (**Additional information**). United Malt Shareholders should have regard to these interests when considering the United Malt Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.³

How to vote at the Scheme Meeting

In order for the Scheme to proceed, it must be approved by the Requisite Majorities of United Malt Shareholders at a meeting of United Malt Shareholders, being the Scheme Meeting, and then by the Court. Implementation of the Scheme is also subject to the satisfaction of certain Conditions Precedent relating to the receipt of required regulatory approvals and clearances in respect of the Transaction (see Section 11.10 for more information about these regulatory approvals and clearances and the status of the relevant Conditions Precedent) and the satisfaction or, if applicable, waiver of certain other Conditions Precedent (including the No Material Adverse Change Condition Precedent), which are described in Section 6.3.

³ As at the date of this Scheme Booklet, Mr Graham Bradley holds or controls 241,395 United Malt Shares (representing 0.08% of the United Malt Shares on issue), Mr Mark Palmquist holds or controls 622,511 United Malt Shares (representing 0.21% of the United Malt Shares on issue), Mr Gary W Mize holds or controls 48,200 United Malt Shares (representing 0.02% of the United Malt Shares on issue), Mr Terry Williamson holds or controls 56,586 United Malt Shares (representing 0.02% of the United Malt shares on issue), and Mr Patrick E. Bowe, Ms Christine Feldmanis and Ms Mary Clarke do not hold or control any United Malt Shares.

In addition:

- (a) as at the date of this Scheme Booklet, Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt, holds 586,966 United Malt Performance Rights. If the Scheme becomes Effective, all of Mr Palmquist's United Malt Performance Rights (other than any United Malt Performance Rights that Mr Palmquist holds as at the date of this Scheme Booklet but which vest and convert into United Malt Shares, or lapse, in the ordinary course before the Scheme becomes Effective – see Section 11.6(b)(ii) for more information) will vest and convert into United Malt Shares, and those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) under the Scheme (see Section 11.3 for more information); and
- (b) the treatment of Mr Palmquist's FY23 STI Award and FY24 STI Award in connection with the Scheme (and the extent to which those incentive awards are affected by the Scheme) is summarised in detail in Section 11.6(b).

The other United Malt Directors consider that, despite these arrangements and interests, it is important and appropriate for Mr Palmquist to make a recommendation to United Malt Shareholders in respect of the Scheme, given: (i) the importance of the Scheme and Mr Palmquist's role as a United Malt Director; (ii) Mr Palmquist's knowledge of United Malt and the industry in which it operates; and (iii) that, in their view, United Malt Shareholders would likely want to know Mr Palmquist's recommendation in respect of the Scheme. Mr Palmquist also considers that, despite these arrangements and interests described above, it is appropriate for him to make a recommendation to United Malt Shareholders in respect of the Scheme given the importance of the Scheme and his knowledge of United Malt and the industry in which it operates.

Your vote is important in determining whether or not the Scheme proceeds, and I encourage you to vote on the Scheme Resolution at the Scheme Meeting.

The Scheme Meeting is scheduled to be held at 10:00am (Sydney time) on Thursday, 12 October 2023. United Malt Shareholders can attend, participate in and vote at the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 or, alternatively, through the Online Scheme Meeting Platform. You can also vote on the Scheme by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend and vote on your behalf. If you do not wish to, or are unable to, attend the Scheme Meeting (whether in person or through the Online Scheme Meeting Platform), I encourage you to vote by appointing a proxy by completing the Scheme Meeting Proxy Form and lodging it in one of the ways described in Section 3 (**How to vote on the Scheme Resolution**) by 10:00am (Sydney time) on Tuesday, 10 October 2023. Even if you plan to attend the Scheme Meeting, you are encouraged to submit a directed proxy in advance of the Scheme Meeting so that your vote on the Scheme Resolution can still be counted if you encounter any issues in attending the Scheme Meeting.

The Scheme will only become Effective and be implemented if it is approved by the Requisite Majorities of United Malt Shareholders at the Scheme Meeting.

If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme at the Scheme Meeting.

Further information

As noted above, this Scheme Booklet sets out important information regarding the Scheme, including the reasons for the United Malt Directors' recommendation in respect of the Scheme, the Independent Expert's Report and the Notice of Scheme Meeting. It also sets out reasons why you may wish to vote against the Scheme.

Please read this Scheme Booklet carefully and in its entirety as it will assist you in making an informed decision on how to vote on the Scheme Resolution. I also encourage you to seek independent financial, legal and taxation advice before making any investment decision in relation to your United Malt Shares.

If you require any further information, please call the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time).

On behalf of the United Malt Board, I would like to take this opportunity to thank you for your ongoing support. I look forward to your participation in the Scheme Meeting and encourage you to vote in favour of the Scheme, which your United Malt Directors believe is in the best interests of United Malt Shareholders, and which the Independent Expert has concluded is in the best interests of United Malt Shareholders.

Yours sincerely,



Graham Bradley AM

**Independent Chairman and
Non-executive Director**

United Malt Group Limited

KEY DATES RELATING TO THE SCHEME

Key dates relating to the Scheme Meeting	Date
Scheme Meeting Proxy Form deadline Last time and date by which the Scheme Meeting Proxy Form (including Scheme Meeting Proxy Forms lodged online), powers of attorney and certificates of appointment of body corporate representatives for the Scheme Meeting must be received by the United Malt Share Registry	10:00am (Sydney time) on Tuesday, 10 October 2023
Scheme Meeting Record Date Time and date for determining eligibility to vote at the Scheme Meeting	10:00am (Sydney time) on Tuesday, 10 October 2023
Scheme Meeting The Scheme Meeting will be held as a hybrid meeting. United Malt Shareholders and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders can attend, participate in and vote at the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 or through the Online Scheme Meeting Platform. Full details of how to vote at the Scheme Meeting (including through the Online Scheme Meeting Platform) are set out in Section 3 (How to vote on the Scheme Resolution) and the Scheme Meeting Online Guide at Attachment F.	10:00am (Sydney time) on Thursday, 12 October 2023
Key dates for implementation of the Scheme (if United Malt Shareholders approve the Scheme by the Requisite Majorities at the Scheme Meeting)	Date
Second Court Hearing To approve the Scheme	10:15am (Sydney time) on Monday, 16 October 2023
Effective Date This is the date on which the Court order approving the Scheme is lodged with ASIC and the Scheme becomes Effective and binding on United Malt Shareholders. United Malt Shares will be suspended from trading at the close of trading on the ASX on the Effective Date. If the Scheme proceeds, this will be the last day that United Malt Shares will trade on the ASX	Tuesday, 17 October 2023
Scheme Record Date Time and date for determining entitlements to the Scheme Consideration	7:00pm (Sydney time) on Thursday, 19 October 2023
Scheme Implementation Date Scheme Shareholders will be sent the Scheme Consideration to which they are entitled on the Scheme Implementation Date	Wednesday, 15 November 2023

All dates and times after the date of the Scheme Meeting are indicative only and are subject to the Court approval process and the satisfaction or, where applicable, waiver of the Conditions Precedent to the implementation of the Scheme (see Section 6.3 for more information). All dates and times, unless otherwise indicated, refer to the date and time in Sydney, Australia. Any changes to the above timetable will be announced to the ASX and notified on United Malt's website at www.unitedmalt.com.

1

Purpose of this Scheme Booklet

1 PURPOSE OF THIS SCHEME BOOKLET

What is the Scheme?

On 3 July 2023, United Malt announced that it had entered into the Scheme Implementation Deed with Malteries Soufflet and that the United Malt Directors unanimously recommended that United Malt Shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interests of United Malt Shareholders. Under the Scheme, Malteries Soufflet will acquire all of the United Malt Shares for \$5.00¹ in cash per United Malt Share. Each United Malt Director continues to recommend that United Malt Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

The Relevant Interests of the United Malt Directors in United Malt Shares, and the interests of the United Malt Directors (including Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt) in the Scheme, are disclosed in Section 11 (**Additional information**). United Malt Shareholders should have regard to these interests when considering the United Malt Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.²

The Scheme is a scheme of arrangement between United Malt and the Scheme Shareholders, under which, if the Conditions Precedent are satisfied (or, if applicable, waived) and the Scheme becomes Effective, all of the Scheme Shares will be transferred to Malteries Soufflet. If the Scheme is implemented:

- Malteries Soufflet will acquire all of the United Malt Shares; and
- each Scheme Shareholder will be entitled to receive the Scheme Consideration from Malteries Soufflet, being \$5.00 in cash for each United Malt Share held by that Scheme Shareholder as at the Scheme Record Date.

The Scheme Consideration will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme. Under the Scheme Implementation Deed, the maximum aggregate amount (in respect of all United Malt Shares) of all such cash dividends and other distributions that United Malt may pay before implementation of the Scheme is \$7,000,000, and the payment of any such dividend or other distribution is subject to other conditions and requirements set out in the Scheme Implementation Deed. As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend or other distribution.

- 1 The Scheme Consideration of \$5.00 in cash per United Malt Share will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme (see Section 6.2(a) for more information). As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.
- 2 As at the date of this Scheme Booklet, Mr Graham Bradley holds or controls 241,395 United Malt Shares (representing 0.08% of the United Malt Shares on issue), Mr Mark Palmquist holds or controls 622,511 United Malt Shares (representing 0.21% of the United Malt Shares on issue), Mr Gary W Mize holds or controls 48,200 United Malt Shares (representing 0.02% of the United Malt Shares on issue), Mr Terry Williamson holds or controls 56,586 United Malt Shares (representing 0.02% of the United Malt shares on issue), and Mr Patrick E. Bowe, Ms Christine Feldmanis and Ms Mary Clarke do not hold or control any United Malt Shares.

In addition:

- (a) as at the date of this Scheme Booklet, Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt, holds 586,966 United Malt Performance Rights. If the Scheme becomes Effective, all of Mr Palmquist's United Malt Performance Rights (other than any United Malt Performance Rights that Mr Palmquist holds as at the date of this Scheme Booklet but which vest and convert into United Malt Shares, or lapse, in the ordinary course before the Scheme becomes Effective – see Section 11.6(b)(ii) for more information) will vest and convert into United Malt Shares, and those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) under the Scheme (see Section 11.3 for more information); and
- (b) the treatment of Mr Palmquist's FY23 STI Award and FY24 STI Award in connection with the Scheme (and the extent to which those incentive awards are affected by the Scheme) is summarised in detail in Section 11.6(b).

The other United Malt Directors consider that, despite these arrangements and interests, it is important and appropriate for Mr Palmquist to make a recommendation to United Malt Shareholders in respect of the Scheme, given: (i) the importance of the Scheme and Mr Palmquist's role as a United Malt Director; (ii) Mr Palmquist's knowledge of United Malt and the industry in which it operates; and (iii) that, in their view, United Malt Shareholders would likely want to know Mr Palmquist's recommendation in respect of the Scheme. Mr Palmquist also considers that, despite these arrangements and interests described above, it is appropriate for him to make a recommendation to United Malt Shareholders in respect of the Scheme given the importance of the Scheme and his knowledge of United Malt and the industry in which it operates.

What is the purpose of this Scheme Booklet?

The purpose of this Scheme Booklet is to explain the terms of the proposed Scheme and provide you with information on the Scheme to assist you in your decision whether or not to vote in favour of the Scheme.

Voting on the Scheme will take place at the Scheme Meeting, which will be held at 10:00am (Sydney time) on Thursday, 12 October 2023. The Scheme Meeting will be held as a hybrid meeting. This means that United Malt Shareholders and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders will be able to attend the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 or through the Online Scheme Meeting Platform. United Malt Shareholders (and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders) who participate in the Scheme Meeting through the Online Scheme Meeting Platform will be able to listen to the Scheme Meeting and cast a vote and ask questions online through the Online Scheme Meeting Platform.

You should read this Scheme Booklet in full before deciding how to vote. The Scheme has a number of advantages, disadvantages and risks which may affect United Malt Shareholders in different ways depending on their individual circumstances. United Malt Shareholders should seek professional advice on their particular circumstances, as appropriate.

1 PURPOSE OF THIS SCHEME BOOKLET

Reasons to vote in favour of the Scheme

✓	The United Malt Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders
✓	The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal
✓	The Scheme Consideration of \$5.00 per United Malt Share represents a significant premium to trading prices of United Malt Shares before United Malt's announcement of the receipt of the Indicative Proposal
✓	The all-cash Scheme Consideration provides United Malt Shareholders with certainty and immediate value for their United Malt Shares
✓	No Superior Proposal has emerged as at the date of this Scheme Booklet and, as at the date of this Scheme Booklet, the United Malt Directors are not aware of any Superior Proposal that is likely to emerge
✓	If the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal emerges, the United Malt Share price may fall to a price that is below the Scheme Consideration (including, potentially, to a price that is close to or below the United Malt Share price on the Last Undisturbed Trading Date)
✓	If the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, United Malt Shareholders will continue to be exposed to the risks associated with United Malt's business, including those outlined in Sections 9.2 and 9.3
✓	No brokerage or stamp duty will be payable by you on the transfer of your United Malt Shares to Malteries Soufflet under the Scheme

For more information about the reasons to vote in favour of the Scheme, please see Section 4.2 of this Scheme Booklet, which United Malt Shareholders should read carefully and in its entirety.

Reasons United Malt Shareholders may consider voting against the Scheme

✗	You may disagree with the United Malt Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests
✗	You may prefer to retain your United Malt Shares and have the opportunity to participate in the future financial performance of United Malt as a standalone, ASX-listed company
✗	You may wish to maintain an investment in a publicly listed company with the specific characteristics of your investment in United Malt
✗	The tax consequences of the Scheme may not suit your current circumstances
✗	You may believe that there is the potential for a Superior Proposal to be made in the foreseeable future (however, as at the date of this Scheme Booklet, no Superior Proposal has emerged)

For more information about the reasons to vote against the Scheme, please see Section 4.3 of this Scheme Booklet, which United Malt Shareholders should read carefully and in its entirety.

2

Next steps and key actions for United Malt Shareholders

2 NEXT STEPS AND KEY ACTIONS FOR UNITED MALT SHAREHOLDERS

2.1 Carefully read this Scheme Booklet

This Scheme Booklet is an important document and you should read it carefully and in its entirety (including the advantages, disadvantages and risks of the Scheme described in Section 4 (**United Malt Directors' recommendation and matters relevant to your vote on the Scheme**), the risks related to holding United Malt Shares and the Scheme outlined in Section 9 (**Risks**) and the Notice of Scheme Meeting at Attachment D) before making a decision on how to vote at the Scheme Meeting.

2.2 Vote on the Scheme

If you are a United Malt Shareholder, you are entitled to vote on whether the Scheme should proceed at the Scheme Meeting.

Please refer to Section 3 (**How to vote on the Scheme Resolution**) of this Scheme Booklet, the Notice of Scheme Meeting at Attachment D and the Scheme Meeting Online Guide at Attachment F for details on how to vote at the Scheme Meeting.

2.3 Seek further information

If you have any questions in relation to the Scheme, the number of United Malt Shares you hold, or how to vote on the Scheme, please call the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia) Monday to Friday between 9:00am and 5:00pm (Sydney time).

Please note that the United Malt Shareholder Information Line cannot provide any financial, taxation or investment advice and cannot give an opinion on the merits of the Scheme. If you have any questions about your individual financial or taxation circumstances, please contact your financial, legal, taxation or other professional advisers.

2.4 Why you should vote on the Scheme

As a United Malt Shareholder, you have a say in whether Malteries Soufflet will acquire all of the United Malt Shares. This is your opportunity to play a role in deciding the future of United Malt.

3

How to vote on the Scheme Resolution

3 HOW TO VOTE ON THE SCHEME RESOLUTION

Who is entitled to vote at the Scheme Meeting?

If you are registered on the United Malt Share Register as a United Malt Shareholder at 10:00am (Sydney time) on Tuesday, 10 October 2023, then you will be entitled to vote on the Scheme Resolution at the Scheme Meeting.

Registrable transmission applications or transfers registered after this time will be disregarded for the purpose of determining entitlements to vote at the Scheme Meeting.

Voting is not compulsory.

Jointly held United Malt Shares

If United Malt Shares are jointly held, only one of the joint United Malt Shareholders is entitled to vote at the Scheme Meeting. If more than one joint United Malt Shareholder votes, only the vote of the United Malt Shareholder whose name appears first on the United Malt Register will be counted.

Location and details of Scheme Meeting

The Scheme Meeting will be held as a hybrid meeting at 10:00am (Sydney time) on Thursday, 12 October 2023.

United Malt Shareholders and duly appointed proxies, attorneys and corporate representatives of United Malt Shareholders can attend, participate in and vote at the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 or through the Online Scheme Meeting Platform (details of which are set out below). United Malt Shareholders (and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders) who participate in the Scheme Meeting through the Online Scheme Meeting Platform will be able to listen to the Scheme Meeting and cast a vote and ask questions online through the Online Scheme Meeting Platform.

Notice of Scheme Meeting

A copy of the Notice of Scheme Meeting is set out in Attachment D to this Scheme Booklet.

Section 6.4(c) provides details of the Scheme Resolution and the Requisite Majorities that are required for the Scheme Resolution to be passed.

Voting at the Scheme Meeting

If you are a United Malt Shareholder entitled to vote at the Scheme Meeting, you may vote at the Scheme Meeting in any of the following ways:

- (a) by attending the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000;
- (b) by attending the Scheme Meeting through the Online Scheme Meeting Platform (details of which are set out below); or
- (c) by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend and vote at the Scheme Meeting on your behalf (whether in person or through the Online Scheme Meeting Platform).

Please see below, the Notice of Scheme Meeting at set out in Attachment D, and the Scheme Meeting Online Guide (a copy of which is attached at Attachment F) for more information about how to participate in, and vote at, the Scheme Meeting.

Participation in, and voting at, the Scheme Meeting in person

United Malt Shareholders and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders who are attending the Scheme Meeting in person may vote at the Scheme Meeting by either:

- (a) bringing their own mobile device and using this device to log in to the Online Scheme Meeting Platform on their mobile device; or
- (b) using a paper polling card, which will be made available to United Malt Shareholders and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders at the Scheme Meeting.

If you attend the Scheme Meeting in person and vote in your capacity as a United Malt Shareholder, any votes cast by your proxy or attorney (if any) will not be counted.

Participation in, and voting at, the Scheme Meeting through the Online Scheme Meeting Platform

You will be able to attend and vote at the Scheme Meeting through an online platform by using a web browser at <https://meetings.linkgroup.com/UMGSM23>, on your smartphone, tablet or computer (Online Scheme Meeting Platform).

To access the Online Scheme Meeting Platform, United Malt Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of their holding statement or Scheme Meeting Proxy Form), and their postcode (or country code, if outside Australia). The United Malt Share Registry will email proxyholders their login details 24 hours before the Scheme Meeting. Attorneys and corporate representatives can log in to the Online Scheme Meeting Platform using the SRN/HIN of the United Malt Shareholder that appointed them.

The Scheme Meeting Online Guide (a copy of which is attached to this Scheme Booklet at Attachment F) contains further details about the Online Scheme Meeting Platform. The Scheme Meeting Online Guide provides details about how to ensure that your browser is compatible with the Online Scheme Meeting Platform, as well as a step-by-step guide to successfully log in and navigate the Online Scheme Meeting Platform.

The Online Scheme Meeting Platform will allow United Malt Shareholders and their duly appointed proxies, attorneys and corporate representatives to listen to the Scheme Meeting, cast an online vote and ask questions online.

Online voting will be open between the start of the Scheme Meeting and the closing of voting (as announced by the Chairman during the Scheme Meeting).

If you attend the Scheme Meeting through the Online Scheme Meeting Platform and vote in your capacity as a United Malt Shareholder, any votes cast by your proxy or attorney (if any) will not be counted.

Voting by proxy

A United Malt Shareholder entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting (either in person or through the Online Scheme Meeting Platform) as their proxy. If you are unable to attend the Scheme Meeting, you are encouraged to appoint a proxy to attend the Scheme Meeting (either in person or through the Online Scheme Meeting Platform) and vote on your behalf.

You can direct your proxy to vote by following the instructions on the Scheme Meeting Proxy Form. You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the United Malt Shares the subject of the proxy appointment will not be counted in computing the Requisite Majorities.

If the Chairman of the Scheme Meeting is appointed as your proxy (or is appointed as your proxy by default), he can be directed how to vote by ticking the relevant boxes next to the Scheme Resolution on the Scheme Meeting Proxy Form (i.e. 'for', 'against' or 'abstain'). The Chairman of the Scheme Meeting is required to cast all votes as directed. The Chairman of the Scheme Meeting intends to vote all undirected and other available proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

Any directed proxies that are not voted on a poll at the Scheme Meeting by a United Malt Shareholder's appointed proxy will automatically default to the Chairman of the Scheme Meeting, who is required to vote proxies as directed on a poll.

3 HOW TO VOTE ON THE SCHEME RESOLUTION

Completed Scheme Meeting Proxy Forms must be received by United Malt or the United Malt Share Registry by 10:00am (Sydney time) on Tuesday, 10 October 2023 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the scheduled resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting). The completed Scheme Meeting Proxy Form may be submitted:

- (a) online to the United Malt Share Registry by:
 - (i) visiting the website, <https://investorcentre.linkgroup.com/>. You will need your Holder Identifier (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) and your postcode (or country code, if outside Australia). You will be taken to have signed the Scheme Meeting Proxy Form if you lodge in accordance with the instructions on the website; or
 - (ii) by mobile device: If you have a smart phone, you can lodge your Scheme Meeting Proxy Form online by scanning the QR code on the Scheme Meeting Proxy Form. To scan the QR code, you will need a QR code reader application which can be downloaded for free on your mobile device. Log in using the SRN/HIN and postcode (or country code, if outside Australia) for your shareholding. You will be taken to have signed the Scheme Meeting Proxy Form if you lodge in accordance with the instructions on the website;
- (b) in respect of hard copy Scheme Meeting Proxy Forms, by mail (using the reply paid envelope provided by the United Malt Share Registry) to:
United Malt Group Limited
c/ Link Market Services Limited
Lock Bag A14
Sydney South NSW 1235 Australia;
- (c) in respect of hard copy Scheme Meeting Proxy Forms, by email to vote@linkmarketservices.com.au or by fax to the United Malt Share Registry on +61 2 9287 0309 (within or from outside Australia); or
- (d) in respect of hard copy Scheme Meeting Proxy Forms, by hand by delivering it to the United Malt Share Registry at Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 during business hours (Monday to Friday, 9:00am to 5:00pm (Sydney time)).

Further information about how you may vote by proxy and lodge a Scheme Meeting Proxy Form is contained in the Notice of Scheme Meeting set out in Attachment D to this Scheme Booklet.

Voting by corporate representative

A body corporate that is a United Malt Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its representative at the Scheme Meeting. If you are a body corporate, you can appoint a corporate representative to attend and vote at the Scheme Meeting on your behalf. The appointment must comply with sections 250D and 253B of the Corporations Act.

To vote by corporate representative, a corporate representative must provide written evidence of their appointment by obtaining and completing an 'Appointment of Corporate Representative' form from the United Malt Share Registry's website at <https://www.linkmarketservices.com.au/>. Corporate representative forms must be provided to the United Malt Share Registry by no later than 10:00am (Sydney time) on Tuesday, 10 October 2023. A corporate representative form may be submitted in the same manner as a completed Scheme Meeting Proxy Form, as described above, except that an appointment of corporate representative form cannot be lodged online or by mobile device.

If a certificate is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the United Malt Share Registry.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting will require the name and SRN/HIN of the body corporate that appointed it in order to access the Online Scheme Meeting Platform.

Voting by attorney

You may appoint an attorney to participate in and vote at the Scheme Meeting on your behalf. Your attorney need not be another United Malt Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (that is, United Malt), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

Certified copies of powers of attorney must be received by the United Malt Share Registry by no later than 10:00am (Sydney time) on Tuesday, 10 October 2023. A certified copy of a power of attorney may be submitted in the same manner as a completed Scheme Meeting Proxy Form, as described above, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device or fax.

A validly appointed attorney wishing to attend and vote at the Scheme Meeting will require the name and SRN/HIN of the United Malt Shareholder that appointed it in order to access the Online Scheme Meeting Platform.

Questions about voting at the Scheme Meeting

United Malt Shareholders should contact the United Malt Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474, Monday to Friday, between 8:30am and 5:00pm (Sydney time), by email at registrars@linkmarketservices.com.au or by fax on +61 2 9287 0309 with any queries regarding the number of United Malt Shares held, how to vote at the Scheme Meeting, or how to vote by proxy.

Changes to the current arrangement

United Malt may be required to make changes to the arrangements for the Scheme Meeting. If there are any updates, United Malt will ensure that United Malt Shareholders are given as much notice as possible and will make an announcement to the ASX (as necessary). Further information will also be made available at www.unitedmalt.com.

4

United Malt Directors' recommendation and matters relevant to your vote on the Scheme

4 UNITED MALT DIRECTORS' RECOMMENDATION AND MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

The Scheme has a number of advantages and disadvantages that may affect United Malt Shareholders in different ways depending on their individual circumstances. Each United Malt Shareholder should consult their legal, financial or other professional adviser and consider their individual circumstances before deciding whether or not to vote in favour of the Scheme (or making any investment decision in relation to United Malt).

Section 4.2 below sets out the reasons why the United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders. Section 4.2 should be read in conjunction with Section 4.3, which sets out reasons why United Malt Shareholders may wish to vote against the Scheme Resolution.

You should read this Scheme Booklet in its entirety, including the Independent Expert's Report, before deciding how to vote at the Scheme Meeting.

4.1 United Malt Directors' recommendation and voting intentions in respect of the Scheme

The United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

Subject to the same qualifications, each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all the United Malt Shares that he or she holds or Controls in favour of the Scheme at the Scheme Meeting.

The Relevant Interests of the United Malt Directors in United Malt Shares, and the interests of the United Malt Directors (including Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt) in the Scheme, are disclosed in Section 11 (**Additional information**). United Malt Shareholders should have regard to these interests when considering the United Malt Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.¹

4.2 Reasons for the United Malt Directors' recommendation and advantages of the Scheme

The key reasons for the United Malt Directors' recommendation in respect of the Scheme are:

- (a) The United Malt Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders**

In reaching their unanimous recommendation, the United Malt Directors have assessed the Scheme, having regard to the reasons to vote in favour of, or against, the Scheme, as set out in this Section 4 below.

¹ As at the date of this Scheme Booklet, Mr Graham Bradley holds or controls 241,395 United Malt Shares (representing 0.08% of the United Malt Shares on issue), Mr Mark Palmquist holds or controls 622,511 United Malt Shares (representing 0.21% of the United Malt Shares on issue), Mr Gary W Mize holds or controls 48,200 United Malt Shares (representing 0.02% of the United Malt Shares on issue), Mr Terry Williamson holds or controls 56,586 United Malt Shares (representing 0.02% of the United Malt shares on issue), and Mr Patrick E. Bowe, Ms Christine Feldmanis and Ms Mary Clarke do not hold or control any United Malt Shares.

In addition:

- (a) as at the date of this Scheme Booklet, Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt, holds 586,966 United Malt Performance Rights. If the Scheme becomes Effective, all of Mr Palmquist's United Malt Performance Rights (other than any United Malt Performance Rights that Mr Palmquist holds as at the date of this Scheme Booklet but which vest and convert into United Malt Shares, or lapse, in the ordinary course before the Scheme becomes Effective – see Section 11.6(b)(ii) for more information) will vest and convert into United Malt Shares, and those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) under the Scheme (see Section 11.3 for more information); and
- (b) the treatment of Mr Palmquist's FY23 STI Award and FY24 STI Award in connection with the Scheme (and the extent to which those incentive awards are affected by the Scheme) is summarised in detail in Section 11.6(b).

The other United Malt Directors consider that, despite these arrangements and interests, it is important and appropriate for Mr Palmquist to make a recommendation to United Malt Shareholders in respect of the Scheme, given: (i) the importance of the Scheme and Mr Palmquist's role as a United Malt Director; (ii) Mr Palmquist's knowledge of United Malt and the industry in which it operates; and (iii) that, in their view, United Malt Shareholders would likely want to know Mr Palmquist's recommendation in respect of the Scheme. Mr Palmquist also considers that, despite these arrangements and interests described above, it is appropriate for him to make a recommendation to United Malt Shareholders in respect of the Scheme given the importance of the Scheme and his knowledge of United Malt and the industry in which it operates.

4 UNITED MALT DIRECTORS' RECOMMENDATION AND MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

4.2 Reasons for the United Malt Directors' recommendation and advantages of the Scheme continued

In addition, in their assessment of the Scheme, the United Malt Directors considered alternative options for United Malt's business to deliver value to United Malt Shareholders, including:

- potential control transactions in respect of United Malt with third parties other than Malteries Soufflet; and
- alternative options for United Malt's business to deliver value to United Malt Shareholders, including continuing to implement United Malt's strategy (as summarised in Section 7.1(d)) and deliver on growth opportunities as a stand-alone, ASX-listed company.

Following consideration of these alternatives, the United Malt Directors unanimously concluded that the Scheme is the most attractive option for United Malt Shareholders. The United Malt Directors believe that the Scheme Consideration is attractive and adequately recognises the value of both United Malt's existing business, asset base and expected near-term earnings recovery and its future growth opportunities.

In addition, the Scheme, if implemented, provides United Malt Shareholders with certain cash proceeds in the near term, which may not be achieved if the Scheme does not proceed.

Accordingly, the United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders. Subject to the same qualifications, each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all United Malt Shares that he or she holds or Controls in favour of the Scheme at the Scheme Meeting.

(b) The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal

The United Malt Board appointed the Independent Expert, Kroll, to prepare the Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of United Malt Shareholders. The Independent Expert concluded in the Independent Expert's Report that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal.

The basis for this conclusion is that the Scheme Consideration of \$5.00² per United Malt Share is within the valuation range (as assessed by the Independent Expert) of \$4.28 to \$5.17 per United Malt Share on a 100% controlling interest basis.

A complete copy of the Independent Expert's Report is included in Attachment A to this Scheme Booklet and the United Malt Directors encourage you to read this report in its entirety.

(c) The Scheme Consideration of \$5.00 per United Malt Share represents a significant premium to trading prices of United Malt Shares before United Malt's announcement of the receipt of the Indicative Proposal

The Scheme Consideration of \$5.00² per United Malt Share represents a significant premium to trading prices of United Malt Shares before United Malt's announcement of the receipt of the Indicative Proposal, including:

- a 45.3% premium to the closing United Malt Share price of \$3.44 on the Last Undisturbed Trading Date;
- a 48.6% premium to the one-month VWAP of United Malt Shares (up to (and including) the Last Undisturbed Trading Date) of \$3.37 per United Malt Share;
- a 42.0% premium to the three-month VWAP of United Malt Shares (up to (and including) the Last Undisturbed Trading Date) of \$3.52; and
- a 51.3% premium to the six-month VWAP of United Malt Shares (up to (and including) the Last Undisturbed Trading Date) of \$3.30.

² The Scheme Consideration of \$5.00 per United Malt Share will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme (see Section 6.2(a) for more information). As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.

(d) The all-cash Scheme Consideration provides United Malt Shareholders with certainty and immediate value for their United Malt Shares

The Scheme Consideration that Scheme Shareholders will receive if the Scheme is implemented provides the certainty of 100% cash consideration for their entire holding of United Malt Shares.

If the Scheme is implemented, Scheme Shareholders will receive \$5.00³ in cash for each United Malt Share held by them at the Scheme Record Date (currently expected to be Thursday, 19 October 2023), to be paid on the Scheme Implementation Date, which is currently expected to be Wednesday, 15 November 2023.

In contrast, if the Scheme does not proceed, the amount that United Malt Shareholders will be able to realise for their investment in United Malt Shares will necessarily be uncertain. If the Scheme becomes Effective, the Scheme removes this uncertainty for United Malt Shareholders. For details of risks relating to remaining a United Malt Shareholder if the Scheme is not implemented, see Section 9 (Risks).

(e) No Superior Proposal has emerged as at the date of this Scheme Booklet

Since the announcement of the entry by United Malt and Malteries Soufflet into the Scheme Implementation Deed, no Superior Proposal has emerged and, as at the date of this Scheme Booklet, the United Malt Directors are not aware of any Superior Proposal that is likely to emerge.

(f) If the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal emerges, the United Malt Share price may fall to a price that is below the Scheme Consideration (including, potentially, to a price that is close to or below the United Malt Share price on the Last Undisturbed Trading Date)

If the Scheme is not implemented, United Malt Shares will continue to remain Officially Quoted on the ASX and the price at which United Malt Shares trade will continue to be subject to market volatility (including general stock market movements, the impact of general economic conditions and the demand for listed securities) and United Malt Shareholders will continue to be exposed to the risks associated with United Malt's business (see Section 9 (Risks) below for a summary of these key risks). As such, if the Scheme is not implemented, the price at which United Malt Shares trade may fall to a price that is below the Scheme Consideration of \$5.00 per United Malt Share (including, potentially, to a price that is close to or below the United Malt Share price on the Last Undisturbed Trading Date), at least in the near term.

Since the close of trading in United Malt Shares on the ASX on 24 March 2023 (being the last trading day before United Malt's announcement of the receipt of the Indicative Proposal), the United Malt Share price has increased 43.3% to a closing price of \$4.93 on the Last Practicable Trading Date.

(g) If the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, United Malt Shareholders will continue to be exposed to the risks associated with United Malt's business

If the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, United Malt Shareholders will continue to be exposed to risks associated with United Malt's business, including, but not limited to, economic and commodity risks and other macroeconomic risk factors (including interest rate and foreign exchange rate risks), and the other risks outlined in Sections 9.2 and 9.3.

The Scheme, if implemented, removes these risks for Scheme Shareholders and allows Scheme Shareholders to realise their investment in United Malt.

(h) No brokerage or stamp duty will be payable by you on the transfer of your United Malt Shares to Malteries Soufflet under the Scheme

You will not incur any brokerage or stamp duty on the transfer of your United Malt Shares to Malteries Soufflet under the Scheme.

³ The Scheme Consideration of \$5.00 per United Malt Share will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme (see Section 6.2(a) for more information). As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.

4 UNITED MALT DIRECTORS' RECOMMENDATION AND MATTERS RELEVANT TO YOUR VOTE ON THE SCHEME

4.3 Reasons why United Malt Shareholders may consider voting against the Scheme, and disadvantages of the Scheme

Although the United Malt Directors unanimously recommend that you vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders, reasons why you may consider voting against the Scheme include:

(a) You may disagree with the United Malt Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests

Despite the recommendation of the United Malt Board, and the conclusion of the Independent Expert that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal, you may believe that the Scheme is not in your best interests or that of other United Malt Shareholders.

(b) You may prefer to retain your United Malt Shares and have the opportunity to participate in the future financial performance of United Malt as a standalone, ASX-listed company

You may consider that, despite the risk factors outlined in Sections 9.2 and 9.3, United Malt will achieve its expected near-term earnings recovery and has long-term growth potential that the Scheme Consideration does not fully reflect. You may, therefore, prefer to retain your United Malt Shares and have the opportunity to realise the value of your United Malt Shares over the longer term.

(c) You may wish to maintain an investment in a publicly listed company with the specific characteristics of your investment in United Malt

You may wish to maintain your investment in United Malt in order to have an investment in a publicly listed company with the specific characteristics of United Malt (for example, in terms of industry, operational profile, size and capital structure).

Implementation of the Scheme will prevent you from continuing to hold United Malt Shares. United Malt Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of United Malt and they may incur transaction costs in undertaking any new investment.

(d) The tax consequences of the Scheme may not suit your current circumstances

Implementation of the Scheme may trigger taxation consequences for Scheme Shareholders, and these consequences may not be favourable to you. A general guide to the taxation implications of the Scheme for Scheme Shareholders is set out in Section 10 (**Taxation implications for Scheme Shareholders**). This guide is expressed in general terms only and United Malt Shareholders should seek professional taxation advice regarding the tax consequences applicable to their own circumstances.

(e) You may believe that there is the potential for a Superior Proposal to be made in the foreseeable future

You may believe that there is the potential for a Superior Proposal to be made in the foreseeable future, in which case you may wish to retain your United Malt Shares.

However, as at the date of this Scheme Booklet, no Superior Proposal has been received by the United Malt Board (or has otherwise emerged) and the United Malt Directors are not aware of any Superior Proposal that is likely to emerge.

4.4 Other considerations relevant to a United Malt Shareholder's vote

In addition to the factors that the United Malt Directors have taken into account in recommending the Scheme to United Malt Shareholders or which may lead United Malt Shareholders to vote against the Scheme, as described above, the other key considerations that the United Malt Board considers may be relevant to a United Malt Shareholder's decision on how to vote on the Scheme Resolution are summarised below.

(a) The Scheme may be implemented even if you vote against it

Even if you do not vote on, or vote against, the Scheme Resolution at the Scheme Meeting, the Scheme may still be implemented if the Scheme Resolution is approved by the Requisite Majorities of United Malt Shareholders and, subsequently, the Court.

(b) Conditions Precedent

The Scheme is subject to a number of Conditions Precedent, which are summarised in Section 6.3. If these Conditions Precedent are not satisfied (or, if applicable, waived), the Scheme will not proceed, even if it is approved by the Requisite Majorities of United Malt Shareholders at the Scheme Meeting.

(c) Risks

If the Scheme becomes Effective, United Malt Shareholders will receive the Scheme Consideration, cease to be a United Malt Shareholder, and will also no longer be exposed to the existing risks relating to United Malt's business and an investment in United Malt Shares summarised in Section 9 (**Risks**) (and other risks to which United Malt may be exposed). However, if the Scheme does not proceed, United Malt will continue to operate as a stand-alone entity listed on the ASX, and United Malt Shareholders will continue to hold their United Malt Shares and be exposed to these risks and any opportunities associated with that investment.

In making your decision on how to vote on the Scheme Resolution, you should read this Scheme Booklet carefully and in its entirety. You should carefully consider the risks outlined in Section 9 (**Risks**) and your individual circumstances (however, United Malt notes that Section 9 (**Risks**) is general in nature only and does not take into account your individual objectives, financial situation, taxation position or particular needs).

While the United Malt Board unanimously recommends that United Malt Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders, United Malt Shareholders are encouraged to make their own, independent assessment as to whether to vote in favour of the Scheme.

5

Frequently asked questions

5 FREQUENTLY ASKED QUESTIONS

This Section answers some frequently asked questions about the Scheme. It is not intended to address all relevant issues for United Malt Shareholders. This Section should be read together with all other parts of this Scheme Booklet.

Question	Answer	Relevant Section(s) of this Scheme Booklet
BACKGROUND TO, AND OVERVIEW OF, THE SCHEME AND THE SCHEME CONSIDERATION		
Why have I received this Scheme Booklet?	<p>This Scheme Booklet has been sent to you because you are a United Malt Shareholder and United Malt Shareholders are being asked to vote on the Scheme which, if approved and implemented, will result in Malteries Soufflet acquiring all United Malt Shares for \$5.00¹ cash per United Malt Share.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution, which needs to be approved by the Requisite Majorities at the Scheme Meeting to allow the Scheme to proceed.</p>	Section 1
What is the Scheme?	<p>The Scheme is a scheme of arrangement between United Malt and Scheme Shareholders under which, if the Scheme Resolution is approved by the Requisite Majorities at the Scheme Meeting and all other Conditions Precedent to the Scheme becoming Effective are satisfied (or, if applicable, waived), will result in:</p> <ul style="list-style-type: none"> • Malteries Soufflet acquiring all of the United Malt Shares; and • each Scheme Shareholder receiving the Scheme Consideration from Malteries Soufflet, being \$5.00¹ for each United Malt Share held by that Scheme Shareholder as at the Scheme Record Date. <p>A scheme of arrangement is a statutory procedure that is commonly used in transactions which may result in a change of ownership or control of a public, ASX-listed company.</p>	Section 6
What is the Scheme Consideration?	<p>If the Scheme is implemented, United Malt Shareholders will receive the Scheme Consideration from Malteries Soufflet, being \$5.00 for each United Malt Share held by that United Malt Shareholder as at the Scheme Record Date.</p> <p>The Scheme Consideration will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme. As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.</p>	Section 6.2

1 The Scheme Consideration of \$5.00 per United Malt Share will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme (see Section 6.2(a) for more information). As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
BACKGROUND TO, AND OVERVIEW OF, THE SCHEME AND THE SCHEME CONSIDERATION continued		
What premium does the Scheme Consideration represent?	<p>The Scheme Consideration of \$5.00 per United Malt Share represents a significant premium to trading prices of United Malt Shares before United Malt's announcement of the receipt of the Indicative Proposal, including:</p> <ul style="list-style-type: none"> • a 45.3% premium to the closing United Malt Share price of \$3.44 on the Last Undisturbed Trading Date; • a 48.6% premium to the one-month VWAP of United Malt Shares (up to and including the Last Undisturbed Trading Date) of \$3.37 per United Malt Share; • a 42.0% premium to the three-month VWAP of United Malt Shares (up to (and including) the Last Undisturbed Trading Date) of \$3.52; and • a 51.3% premium to the six-month VWAP of United Malt Shares (up to (and including) the Last Undisturbed Trading Date) of \$3.30. 	Section 4.2(c)
How is Malteries Soufflet funding the Scheme Consideration?	<p>Malteries Soufflet intends to fund payment of the Scheme Consideration through equity subscriptions. Malteries Soufflet has received legally binding equity commitment letters from:</p> <ul style="list-style-type: none"> • InVivo Shareholder; • KKR Funds; • Bpifrance Participations Shareholder; and • Crédit Agricole Shareholder. <p>For further information on Malteries Soufflet and its funding arrangements in relation to the Scheme, see Section 8 (Information on Malteries Soufflet).</p>	Section 8.2
When will I receive the Scheme Consideration?	<p>If all Conditions Precedent to the Scheme are satisfied (or, if applicable, waived), United Malt Shareholders registered on the United Malt Share Register as at the Scheme Record Date will be sent the Scheme Consideration on the Scheme Implementation Date, which, as at the date of this Scheme Booklet, is expected to be Wednesday, 15 November 2023.</p>	Section 6.4(h)
VOTING RECOMMENDATIONS AND CONSIDERATIONS RELEVANT TO A UNITED MALT SHAREHOLDER'S VOTE		
What is the recommendation of the United Malt Directors in relation to the Scheme?	<p>The United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.</p>	Section 4.1

Question	Answer	Relevant Section(s) of this Scheme Booklet
VOTING RECOMMENDATIONS AND CONSIDERATIONS RELEVANT TO A UNITED MALT SHAREHOLDER'S VOTE continued		
	<p>The Relevant Interests of the United Malt Directors in United Malt Shares, and the interests of the United Malt Directors (including Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt) in the Scheme, are disclosed in Section 11 (Additional information). United Malt Shareholders should have regard to these interests when considering the United Malt Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.²</p> <p>In considering whether to vote in favour of the Scheme, the United Malt Directors encourage you to:</p> <ul style="list-style-type: none"> carefully read this Scheme Booklet (including the Independent Expert's Report) in its entirety; have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and obtain advice from your legal, financial, tax or other professional advisers on the effect of the Scheme becoming Effective. 	
How do the United Malt Directors intend to vote?	<p>Each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all United Malt Shares that he or she holds or Controls in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.</p> <p>The number of United Malt Shares in which each United Malt Director has a Relevant Interest as at the date of this Scheme Booklet is set out in Section 11.1.</p>	Section 4.1

- 2 As at the date of this Scheme Booklet, Mr Graham Bradley holds or controls 241,395 United Malt Shares (representing 0.08% of the United Malt Shares on issue), Mr Mark Palmquist holds or controls 622,511 United Malt Shares (representing 0.21% of the United Malt Shares on issue), Mr Gary W Mize holds or controls 48,200 United Malt Shares (representing 0.02% of the United Malt Shares on issue), Mr Terry Williamson holds or controls 56,586 United Malt Shares (representing 0.02% of the United Malt shares on issue), and Mr Patrick E. Bowe, Ms Christine Feldmanis and Ms Mary Clarke do not hold or control any United Malt Shares.

In addition:

- (a) as at the date of this Scheme Booklet, Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt, holds 586,966 United Malt Performance Rights. If the Scheme becomes Effective, all of Mr Palmquist's United Malt Performance Rights (other than any United Malt Performance Rights that Mr Palmquist holds as at the date of this Scheme Booklet but which vest and convert into United Malt Shares, or lapse, in the ordinary course before the Scheme becomes Effective – see Section 11.6(b)(ii) for more information) will vest and convert into United Malt Shares, and those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) under the Scheme (see Section 11.3 for more information); and
- (b) the treatment of Mr Palmquist's FY23 STI Award and FY24 STI Award in connection with the Scheme (and the extent to which those incentive awards are affected by the Scheme) is summarised in detail in Section 11.6(b).

The other United Malt Directors consider that, despite these arrangements and interests, it is important and appropriate for Mr Palmquist to make a recommendation to United Malt Shareholders in respect of the Scheme, given: (i) the importance of the Scheme and Mr Palmquist's role as a United Malt Director; (ii) Mr Palmquist's knowledge of United Malt and the industry in which it operates; and (iii) that, in their view, United Malt Shareholders would likely want to know Mr Palmquist's recommendation in respect of the Scheme. Mr Palmquist also considers that, despite these arrangements and interests described above, it is appropriate for him to make a recommendation to United Malt Shareholders in respect of the Scheme given the importance of the Scheme and his knowledge of United Malt and the industry in which it operates.

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
VOTING RECOMMENDATIONS AND CONSIDERATIONS RELEVANT TO A UNITED MALT SHAREHOLDER'S VOTE continued		
What is the Independent Expert's opinion of the Scheme?	<p>The Independent Expert concluded in the Independent Expert's Report that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal.</p> <p>The Independent Expert has assessed the value of United Malt Shares (on a 100% controlling interest basis) to be in the range of \$4.28 to \$5.17 per United Malt Share.</p> <p>The United Malt Directors recommend that you read the Independent Expert's Report (or any update or variation to that report) carefully and in its entirety. A copy of the Independent Expert's Report is set out at Attachment A to this Scheme Booklet.</p>	<p>Section 4.2(b)</p> <p>Independent Expert's Report at Attachment A</p>
What if the Independent Expert changes its conclusion in respect of the Scheme?	<p>If the Independent Expert changes its conclusion in respect of the Scheme, this will be announced to the ASX and the United Malt Directors will carefully consider the Independent Expert's revised conclusion and advise United Malt Shareholders of their recommendation in respect of the Scheme.</p> <p>As noted in Section 6.3, it is a Condition Precedent to the Scheme becoming Effective that the Independent Expert does not adversely change or qualify its conclusion that the Scheme is in the best interests of United Malt Shareholders or withdraw the Independent Expert's Report (or any update or variation of that report). This Condition Precedent is for the benefit of United Malt only and, if it were to not be satisfied (and United Malt did not waive it), unless United Malt and Malteries Soufflet agreed on an alternative course of action during a prescribed consultation period, United Malt would be entitled to terminate the Scheme Implementation Deed (in which case, the Scheme would not proceed and the Break Fee would not be payable to Malteries Soufflet by United Malt).</p>	Section 6.3
What are the key reasons to vote in favour of the Scheme?	<p>The key reasons why you may consider voting in favour of the Scheme include:</p> <ul style="list-style-type: none"> the United Malt Board unanimously recommends that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders; the Independent Expert has concluded in the Independent Expert's Report that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal; 	Section 4.2

Question	Answer	Relevant Section(s) of this Scheme Booklet
VOTING RECOMMENDATIONS AND CONSIDERATIONS RELEVANT TO A UNITED MALT SHAREHOLDER'S VOTE continued		
	<ul style="list-style-type: none"> the Scheme Consideration of \$5.00 per United Malt Share represents a significant premium to trading prices of United Malt Shares before United Malt's announcement of the receipt of the Indicative Proposal; the all-cash Scheme Consideration provides United Malt Shareholders certainty and immediate value for their United Malt Shares; no Superior Proposal has emerged as at the date of this Scheme Booklet and, as at the date of this Scheme Booklet, the United Malt Directors are not aware of any Superior Proposal that is likely to emerge; if the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal emerges, the United Malt Share price may fall to a price that is below the Scheme Consideration (including, potentially, to a price that is close to or below the United Malt Share price on the Last Undisturbed Trading Date); if the Scheme does not proceed, and no alternative or competing proposal (including a Superior Proposal) is implemented, United Malt Shareholders will continue to be exposed to risks associated with United Malt's business, including those outlined in Sections 9.2 and 9.3; and no brokerage or stamp duty will be payable by you on the transfer of your United Malt Shares to Malteries Soufflet under the Scheme. <p>These reasons are described in more detail in Section 4.2.</p>	
What are the key reasons to vote against the Scheme?	<p>The key reasons why you may consider voting against the Scheme include:</p> <ul style="list-style-type: none"> you may disagree with the United Malt Directors' unanimous recommendation, and the Independent Expert's conclusion in the Independent Expert's Report that the Scheme is fair and reasonable and in the best interests of United Malt Shareholders, in the absence of a superior proposal, and believe that the Scheme is not in your best interests; you may prefer to retain your United Malt Shares and have the opportunity to participate in the future financial performance of United Malt as a standalone, ASX-listed company; you may wish to maintain an investment in a publicly listed company with the specific characteristics of your investment in United Malt; 	Section 4.3

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
VOTING RECOMMENDATIONS AND CONSIDERATIONS RELEVANT TO A UNITED MALT SHAREHOLDER'S VOTE continued		
	<ul style="list-style-type: none"> the tax consequences of the Scheme may not suit your current circumstances; and you may believe that there is potential for a Superior Proposal to be made in the foreseeable future (however, as at the date of this Scheme Booklet, no Superior Proposal has emerged and, as at the date of this Scheme Booklet, the United Malt Directors are not aware of any Superior Proposal that is likely to emerge). <p>These reasons are described in more detail in Section 4.3.</p>	
Are there any other considerations relevant to my vote on the Scheme?	<p>In addition to the factors that the United Malt Directors have taken into account in recommending the Scheme to United Malt Shareholders or which may lead United Malt Shareholders to vote against the Scheme, as described above, the other key considerations that the United Malt Board considers may be relevant to a United Malt Shareholder's decision on how to vote on the Scheme Resolution are:</p> <ul style="list-style-type: none"> even if you do not vote on, or vote against, the Scheme Resolution at the Scheme Meeting, the Scheme may still be implemented if the Scheme Resolution is approved by the Requisite Majorities of United Malt Shareholders and, subsequently, the Court; the Scheme is subject to a number of Conditions Precedent. If these Conditions Precedent are not satisfied (or, if applicable, waived), the Scheme will not proceed, even if it is approved by the Requisite Majorities of United Malt Shareholders at the Scheme Meeting; and there are risks for United Malt Shareholders if the Scheme becomes, or does not become, Effective (see Section 9 (Risks)). 	Section 4.4
SCHEME IMPLEMENTATION AND PROCESS		
What are the key steps required to implement the Scheme?	<p>The key remaining steps to implement the Scheme are:</p> <ul style="list-style-type: none"> approval of the Scheme Resolution by the Requisite Majorities of United Malt Shareholders at the Scheme Meeting; the satisfaction (or, if applicable, waiver) of the remaining Conditions Precedent (as described below); Court approval of the Scheme at the Second Court Hearing; and 	Section 6.4

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME IMPLEMENTATION AND PROCESS continued		
	<ul style="list-style-type: none"> • lodgement of the Court order with ASIC, which will cause the Scheme to become Effective. <p>Following lodgement of the Court order with ASIC, the Scheme will become Effective and will be implemented. If the Scheme is implemented:</p> <ul style="list-style-type: none"> • United Malt Shareholders will receive the Scheme Consideration of \$5.00³ in cash for each United Malt Share held by those United Malt Shareholders as at the Scheme Record Date; and • all United Malt Shares held by Scheme Shareholders will be transferred to Malteries Soufflet. <p>Section 6 (Overview of the Scheme) contains further details of the Scheme, including a description of the Requisite Majorities required for the Scheme Resolution to be passed and other Conditions Precedent that must be satisfied (or, if applicable, waived) for the Scheme to proceed.</p>	
Is the Scheme subject to any conditions?	<p>Yes. For the Scheme to become Effective and implemented, a number of Conditions Precedent must be satisfied (or, if applicable, waived). These Conditions Precedent are summarised in Section 6.3 and are set out in full in clause 3.1 of the Scheme Implementation Deed.</p> <p>The Scheme will not proceed unless all the Conditions Precedent are satisfied (or, if applicable, waived) in accordance with the Scheme and the Scheme Implementation Deed.</p> <p>As at the date of this Scheme Booklet, the United Malt Directors are not aware of any circumstances which would cause any Condition Precedent not to be satisfied.</p>	Section 6.3
Is the Scheme subject to a 'material adverse change' condition?	<p>Yes. As described in Section 6.3(i), for the Scheme to become Effective and implemented, the No Material Adverse Change Condition Precedent must be satisfied (or waived by Malteries Soufflet). The definition of 'Material Adverse Change' in Section 12 (Glossary) sets out what will constitute a Material Adverse Change. As at the date of this Scheme Booklet, the United Malt Directors are not aware of any circumstances which would cause the No Material Adverse Change Condition Precedent not to be satisfied.</p>	Sections 6.3(i) and 12

³ The Scheme Consideration of \$5.00 per United Malt Share will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme (see Section 6.2(a) for more information). As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME IMPLEMENTATION AND PROCESS continued		
Are there any remaining regulatory approvals or clearances required for the Scheme to become Effective?	<p>Yes. The Scheme is subject to the following Regulatory Approval Conditions Precedent, which are Conditions Precedent to the Scheme becoming Effective and have, at the date of this Scheme Booklet, not yet been satisfied or waived in accordance with the terms of the Scheme Implementation Deed:</p> <ul style="list-style-type: none"> • FIRB Condition Precedent: Malteries Soufflet receiving written notice by or on behalf of the Treasurer advising that the Commonwealth Government has no objections to the Scheme (or the Treasurer ceasing to become entitled to make an order prohibiting the implementation of the Scheme under the FATA); • ACCC Condition Precedent: the written notice received by Malteries Soufflet from the ACCC, pursuant to which the ACCC confirmed that it did not intend to conduct a public review of the Transaction pursuant to section 50 of the <i>Competition and Consumer Act 2010</i> (Cth) (discussed further at Section 11.10(b)), has not been withdrawn, revoked or adversely amended; • CCA Condition Precedent: the Canadian Commissioner of Competition's Notice received by United Malt and Malteries Soufflet not being rescinded or amended; • CMA Condition Precedent: the position of the UK Competition and Markets Authority (CMA) in respect of the Transaction notified to Malteries Soufflet, being that the CMA has no further questions in respect of the Transaction (discussed further at Section 11.10(c)(ii)), not being revised and the CMA not otherwise taking any of the other actions described at Section 11.10(c)(ii)(A) (which relate to the CMA commencing a further, formal investigation of the Transaction); and • Equity Financing Approval Condition Precedent: the foreign direct investment and competition/antitrust-related approvals and clearances from the applicable French and Ukrainian regulatory authorities (and other relevant events, as applicable) required to give effect to the relevant part of the Equity Financing (as defined in the Scheme Implementation Deed) – that is, the relevant part of the Equity Funding described in Section 8.2(b) – by KKR Shareholder 1 and KKR Shareholder 2 (as described in detail in Section 11.10(d)) have been received or have occurred (to the extent not already received or occurred at the date of this Scheme Booklet). 	Sections 6.3 and 11.10

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME IMPLEMENTATION AND PROCESS continued		
	<p>The status of each Regulatory Approval Condition Precedent (and the regulatory approvals and clearances the subject of them) as at the date of this Scheme Booklet is summarised in Section 11.10.</p> <p>While, as at the date of this Scheme Booklet, United Malt is not aware of any circumstances which would cause any outstanding Regulatory Approval Condition Precedent to not be satisfied, it is possible that the requirements for satisfaction of the Regulatory Approval Conditions Precedent may be delayed and that this may result in a delay to the date of the Scheme Meeting and/or implementation of the Scheme.</p>	
Can the Scheme Implementation Deed or the Scheme be terminated?	<p>The Scheme Implementation Deed may be terminated in certain circumstances, details of which are summarised in Section 11.9(h). If the Scheme Implementation Deed is terminated, the Scheme will not proceed.</p>	<p>Section 11.9(h)</p>
What happens if the Conditions Precedent are not satisfied or the Scheme Implementation Deed is terminated?	<p>If the Conditions Precedent are not satisfied or, if applicable, waived, or the Scheme Implementation Deed is terminated, then the Scheme will not be implemented and, as set out in Section 9.4(a):</p> <ul style="list-style-type: none"> • each United Malt Shareholder will retain their United Malt Shares and none of the United Malt Shares will be acquired by Malteries Soufflet under the Scheme; • you will not receive the Scheme Consideration; • United Malt will, if an alternative or competing proposal (including a Superior Proposal) is not implemented, continue to operate as a stand-alone, ASX-listed company and, as such, United Malt Shareholders will be exposed to the risks relating to United Malt's business, including those outlined in Sections 9.2 and 9.3; and • if the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal is received by the United Malt Board (or otherwise emerges), then the United Malt Share price may fall or trade at a price below the Scheme Consideration of \$5.00 per United Malt Share (including, potentially, to a price that is close to or below the United Malt Share price on the Last Undisturbed Trading Date), at least in the near term. 	<p>Section 9.4(a)</p>

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME IMPLEMENTATION AND PROCESS continued		
Which United Malt Shareholders are eligible to participate in the Scheme and what will they receive if the Scheme is implemented?	<p>All United Malt Shareholders registered on the United Malt Share Register as the holders of United Malt Shares at the Scheme Record Date will be Scheme Shareholders and, therefore, will participate in the Scheme and receive the Scheme Consideration of \$5.00 for each United Malt Share held on the Scheme Record Date.</p> <p>The Scheme Consideration will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme. Under the Scheme Implementation Deed, the maximum aggregate amount (in respect of all United Malt Shares) of all such cash dividends and other distributions that United Malt may pay before implementation of the Scheme is \$7,000,000, and the payment of any such dividend or other distribution is subject to other conditions and requirements set out in the Scheme Implementation Deed. As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend or other distribution.</p>	Section 6.4(g)
When and how will I receive my Scheme Consideration?	<p>If the Scheme becomes Effective, Scheme Shareholders will be sent the Scheme Consideration payable by Malteries Soufflet on the Implementation Date.</p> <p>See Section 6.4(h)(iii) for more information on how the Scheme Consideration will be paid to you.</p>	Section 6.4(h)(iii)
Will I have to pay brokerage fees or stamp duty?	No brokerage fees or stamp duty will be payable by Scheme Shareholders on the transfer of United Malt Shares to Malteries Soufflet under the Scheme.	Section 4.2(h)
When will the Scheme become Effective?	The Scheme will become Effective on the date on which the Court order approving the Scheme is lodged with ASIC. The Scheme is currently expected to become Effective on Tuesday, 17 October 2023.	Section 6.4(e)

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME IMPLEMENTATION AND PROCESS continued		
What happens on the Scheme Implementation Date?	<p>If the Scheme becomes Effective, on the Scheme Implementation Date:</p> <ul style="list-style-type: none"> United Malt Shareholders will be sent the Scheme Consideration of \$5.00⁴ in cash for each United Malt Share held by a United Malt Shareholder as at the Scheme Record Date (see Section 6.4(h) for more information about how those payments will be made); and all United Malt Shares will be transferred to Malteries Soufflet. <p>The Scheme Implementation Date is currently expected to be Wednesday, 15 November 2023.</p>	Section 6.4(h)
Do I have to give any warranties in relation to my Scheme Shares?	<p>Yes. If the Scheme becomes Effective, each Scheme Shareholder will be taken to have warranted to United Malt and Malteries Soufflet (by operation of the Scheme and without the need for any further act by that Scheme Shareholder) that:</p> <ul style="list-style-type: none"> all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to Malteries Soufflet under the Scheme will, at the time of transfer to Malteries Soufflet under the Scheme, be fully paid and free from all Encumbrances; they have full power and capacity to transfer their Scheme Shares to Malteries Soufflet (together with any rights and entitlements attaching to those Scheme Shares); and they have no existing right to be issued any other Scheme Shares, United Malt Performance Rights or any other equity securities in United Malt (other than as provided for or contemplated in the Scheme Implementation Deed). 	Section 6.8

⁴ The Scheme Consideration of \$5.00 per United Malt Share will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme (see Section 6.2(a) for more information). As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend.

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME IMPLEMENTATION AND PROCESS continued		
If the Scheme is implemented, can I keep my United Malt Shares?	No. If the Scheme is implemented, any United Malt Shares that you held on the Scheme Record Date will be transferred to Malteries Soufflet and you will receive the Scheme Consideration in respect of those United Malt Shares (even if you did not vote on, or you voted against, the Scheme Resolution at the Scheme Meeting).	Sections 6 and 9.4(d)
What will happen if a Competing Proposal emerges?	<p>If a Competing Proposal is received, the United Malt Board will carefully consider it.</p> <p>United Malt Shareholders should note that United Malt has agreed to certain exclusivity restrictions in favour of Malteries Soufflet under the Scheme Implementation Deed, which apply to, among other things, Competing Proposals – these restrictions are summarised in Section 11.9(e). Under the Scheme Implementation Deed, United Malt must notify Malteries Soufflet within 48 hours after United Malt is approached in relation to any Competing Proposal (see Section 11.9(e)(iv) for more information) and, in certain circumstances, the matching right process in favour of Malteries Soufflet summarised in Section 11.9(e)(vi) will apply.</p>	Section 11.9(e)
Is there a break fee payable by United Malt under the Scheme Implementation Deed?	Under the Scheme Implementation Deed, United Malt must pay to Malteries Soufflet the Break Fee (which is an amount equal to \$15 million) if certain events occur. These events (and other key terms of the Break Fee provisions in the Scheme Implementation Deed) are summarised in Section 11.9(f)(i).	Section 11.9(f)(i)
Is there a reverse break fee payable by Malteries Soufflet under the Scheme Implementation Deed?	Under the Scheme Implementation Deed, Malteries Soufflet must pay to United Malt the Reverse Break Fee (which is an amount equal to \$15 million) if certain events occur. These events (and other key terms of the Reverse Break Fee provisions in the Scheme Implementation Deed) are summarised in Section 11.9(f)(ii).	Section 11.9(f)(ii)

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME MEETING AND VOTING ON THE SCHEME		
When and where will the Scheme Meeting be held?	<p>The Scheme Meeting will be held as a hybrid meeting at 10:00am on Thursday, 12 October 2023.</p> <p>United Malt Shareholders and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders can attend, participate in and vote at the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 or through the Online Scheme Meeting Platform.</p> <p>United Malt Shareholders who participate in the Scheme Meeting through the Online Scheme Meeting Platform will be able to listen to the Scheme Meeting and cast a vote and ask questions online through the Online Scheme Meeting Platform.</p> <p>Full details of how to vote at the Scheme Meeting (including through the Online Scheme Meeting Platform) are set out in Section 3 (How to vote on the Scheme Resolution) and the Scheme Meeting Online Guide at Attachment F.</p>	<p>Sections 3 and 6.4(c)</p> <p>Notice of Scheme Meeting at Attachment D</p>
What am I being asked to vote on at the Scheme Meeting?	<p>United Malt Shareholders will be asked at the Scheme Meeting to vote on the Scheme Resolution to approve the Scheme.</p> <p>The Scheme Resolution is set out in the Notice of Scheme Meeting in Attachment D.</p>	<p>Section 6.4(c)</p> <p>Notice of Scheme Meeting at Attachment D</p>
What are the voting thresholds required to approve the Scheme?	<p>For the Scheme to proceed, votes 'in favour of' the Scheme Resolution at the Scheme Meeting must be received from the Requisite Majorities of United Malt Shareholders. The Requisite Majorities for the Scheme Resolution are the resolution being passed by:</p> <ul style="list-style-type: none"> a majority in number (more than 50%) of eligible United Malt Shareholders who are present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative), unless the Court orders otherwise; and at least 75% of the total number of votes cast on the Scheme Resolution by eligible United Malt Shareholders. 	<p>Section 6.4(c)(i)</p> <p>Notice of Scheme Meeting at Attachment D</p>

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME MEETING AND VOTING ON THE SCHEME continued		
Who can vote at the Scheme Meeting?	United Malt Shareholders who are registered on the United Malt Share Register at 10:00am (Sydney time) on Tuesday, 10 October 2023 are entitled to vote at the Scheme Meeting.	Sections 3 and 6.4(c) Notice of Scheme Meeting at Attachment D
How do I vote at the Scheme Meeting?	<p>If you are a United Malt Shareholder entitled to vote at the Scheme Meeting, you may vote at the Scheme Meeting in any of the following ways:</p> <ul style="list-style-type: none"> • by attending the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000; • by attending the Scheme Meeting through the Online Scheme Meeting Platform; or • by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend and vote at the Scheme Meeting on your behalf (whether in person or through the Online Scheme Meeting Platform). <p>Full details of how to vote at the Scheme Meeting (whether in person, through the Online Scheme Meeting Platform or by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend and vote at the Scheme Meeting on your behalf), the Online Scheme Meeting Platform (and how to access it) and how to lodge a Scheme Meeting Proxy Form, corporate representative appointment or power of attorney are set out in Section 3 (How to vote on the Scheme Resolution), the Notice of Scheme Meeting at Attachment D, and (in respect of the Online Scheme Meeting Platform) the Scheme Meeting Online Guide at Attachment F.</p>	Section 3 Notice of Scheme Meeting at Attachment D
Is voting at the Scheme Meeting compulsory?	No. Voting is not compulsory. However, the Scheme will only be successful if the Scheme Resolution is approved by the Requisite Majorities of United Malt Shareholders, so voting is important, and the United Malt Directors encourage you to vote.	Sections 6.3 and 6.4(c)

Question	Answer	Relevant Section(s) of this Scheme Booklet
SCHEME MEETING AND VOTING ON THE SCHEME continued		
What if I do not vote at the Scheme Meeting or do not vote in favour of the Scheme Resolution?	<p>If United Malt Shareholders who support the Scheme do not vote at the Scheme Meeting, there is a risk that the Scheme Resolution will not be approved by the Requisite Majorities of United Malt Shareholders and, therefore, will not be implemented.</p> <p>If you do not vote on, or you vote against, the Scheme Resolution, but the Scheme Resolution is nonetheless approved by the Requisite Majorities of United Malt Shareholders, then, subject to the other Conditions Precedent to the Scheme (including Court approval at the Second Court Hearing) being satisfied (or, if applicable, waived):</p> <ul style="list-style-type: none"> the Scheme will be implemented and binding on all United Malt Shareholders (who are Scheme Shareholders), including any such United Malt Shareholders who did not vote on, or voted against, the Scheme Resolution; and any United Malt Shares held by United Malt Shareholders who did not vote on, or voted against, the Scheme Resolution on the Scheme Record Date will be transferred to Malteries Soufflet and those United Malt Shareholders will be sent the Scheme Consideration (together with all other United Malt Shareholders). 	Section 4.4(a)
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX once available.	Section 6.4(c)(iii)

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
INFORMATION ABOUT MALTERIES SOUFFLET		
Who is Malteries Soufflet?	Malteries Soufflet is a privately owned, limited liability company incorporated in accordance with the laws of France. Malteries Soufflet is an international malt company, operating 29 malt houses in Europe, Asia, Africa and South America. Malteries Soufflet has a portfolio of assets valued at €1,494.4 million (\$2,529 million) ⁵ as at 31 December 2022 (based on the consolidated accounts of Malteries Soufflet).	Section 8.1
What are Malteries Soufflet's intentions for United Malt if the Scheme is implemented?	<p>If the Scheme is implemented, Malteries Soufflet intends to undertake a detailed review of United Malt's assets and operations, including to evaluate their performance, prospects and strategic relevance. Malteries Soufflet will only make final decisions following the completion of this review and based on the facts and circumstances at the relevant time.</p> <p>Malteries Soufflet's present intentions include to:</p> <ul style="list-style-type: none"> • remove United Malt from the ASX; • reconstitute the United Malt Board; • retain the employment of the vast majority of United Malt's employees and seek to minimise job losses; and • continue the strategic direction and operations of United Malt, including actively pursuing growth opportunities available to United Malt. 	Section 8.3

⁵ Converted at the RBA exchange rate of €1: \$0.5910 published for 16 August 2023.

Question	Answer	Relevant Section(s) of this Scheme Booklet
RISKS		
What are the risks associated with the Scheme?	<p>The key risks relating to the Scheme are:</p> <ul style="list-style-type: none"> • if the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration and, if no comparable proposal to the Scheme or Superior Proposal is received by the United Malt Board (or otherwise emerges), United Malt will continue to operate as a standalone, ASX-listed entity. Unless United Malt Shareholders choose to sell their United Malt Shares on the ASX, United Malt Shareholders will continue to hold United Malt Shares and will be exposed to both risks (including those set out in Section 9.2) and potential future benefits in retaining exposure to United Malt's business and assets; • each of United Malt and Malteries Soufflet has the right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. If, for any reason, any of the Conditions Precedent are not satisfied (or, if applicable, waived) and the Scheme does not proceed, or if the Scheme Implementation Deed is otherwise terminated, unless United Malt Shareholders choose to sell their United Malt Shares on the ASX, United Malt Shareholders will continue to hold United Malt Shares; • if the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders, which may include tax being payable. For further information regarding general Australian tax consequences of the Scheme for United Malt Shareholders, refer to Section 10 (Taxation implications for Scheme Shareholders) of this Scheme Booklet; and • if the Scheme is implemented, you will no longer be a United Malt Shareholder and will forgo any future benefits that may result from being a United Malt Shareholder. In particular, if the Scheme is implemented, you will not be able to participate in the future financial and share price performance of United Malt, retain any exposure to United Malt's business or assets or have the opportunity to share in any value that could be generated by United Malt in the future. 	Section 9.4

5 FREQUENTLY ASKED QUESTIONS

Question	Answer	Relevant Section(s) of this Scheme Booklet
RISKS continued		
What are the risks of an ongoing investment in United Malt if the Scheme is not implemented?	<p>There are a number of general risks, as well as risks specific to United Malt and/or the industries in which it operates, which could materially adversely affect the future operating and financial performance of United Malt, as well as the value of United Malt and the potential for any future dividends to be declared and paid by United Malt. Section 9 (Risks) outlines:</p> <ul style="list-style-type: none"> • general investment risks (refer to Section 9.2); and • specific risks associated with your current investment in United Malt (refer to Section 9.3). <p>However, Section 9 (Risks) is a summary only. There may be additional risks and uncertainties not currently known to United Malt which may also have a material adverse effect on United Malt's financial and operational performance now or in the future.</p>	Section 9
TAXATION IMPLICATIONS		
What are the taxation implications of the Scheme for Scheme Shareholders?	<p>The taxation implications of the Scheme will depend on your personal circumstances, including whether or not you are a resident of Australia for income tax purposes.</p> <p>A general summary of the Australian taxation implications for Scheme Shareholders arising as a result of the implementation of the Scheme is set out in Section 10 of this Scheme Booklet.</p> <p>As the summary in Section 10 of this Scheme Booklet is general in nature, you should obtain from your own tax adviser(s) detailed tax advice regarding the Australian and, if applicable, foreign taxation implications of the Scheme in light of the particular circumstances which apply to you before making a decision as to how to vote on the Scheme at the Scheme Meeting.</p>	Section 10

Question	Answer	Relevant Section(s) of this Scheme Booklet
OTHER QUESTIONS		
Can I sell my United Malt Shares now?	Yes. You can sell your United Malt Shares on-market at any time before the close of trading on the ASX on the Effective Date (assuming the Scheme is approved by United Malt Shareholders at the Scheme Meeting) at the prevailing market price at that time (which may vary from the Scheme Consideration). If you do so, you will not receive the Scheme Consideration and you may incur brokerage costs.	Section 6.4(f)
FURTHER INFORMATION		
Who can I contact if I have further questions about this Scheme Booklet or the Scheme?	If you have any further questions about this Scheme Booklet or the Scheme, please call the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia) Monday to Friday between 9:00am and 5:00pm (Sydney time). Please note that the United Malt Shareholder Information Line cannot provide any financial, taxation or investment advice and cannot give an opinion on the merits of the Scheme. If you have any questions about your individual financial or taxation circumstances, please contact your financial, legal, taxation or other professional advisers.	None

6

Overview of the Scheme

6 OVERVIEW OF THE SCHEME

6.1 Background

(a) Scheme Implementation Deed

On 1 July 2023, United Malt entered into the Scheme Implementation Deed with Malteries Soufflet, under which:

- (i) United Malt agreed to propose the Scheme to United Malt Shareholders; and
- (ii) Malteries Soufflet agreed to acquire all of the United Malt Shares on issue as at the Scheme Record Date by way of the Scheme for the Scheme Consideration,

subject to the terms and conditions of the Scheme Implementation Deed and the Scheme.

A summary of the key terms of the Scheme Implementation Deed is set out in Section 11.9 of this Scheme Booklet. A copy of the Scheme Implementation Deed was released to the ASX by United Malt on 3 July 2023 and is also available on United Malt's website (www.unitedmalt.com).

(b) Deed Poll

Malteries Soufflet has executed the Deed Poll, pursuant to which Malteries Soufflet has covenanted and undertaken in favour of each Scheme Shareholder to:

- (i) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (ii) perform all other actions and obligations attributed to and/or contemplated or required of Malteries Soufflet, and give each acknowledgement, representation and warranty (if any) given by (or otherwise attributed to or required of) Malteries Soufflet, under the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

A copy of the Deed Poll is set out in Attachment C to this Scheme Booklet.

(c) Overview of the Scheme

This Section 6 (Overview of the Scheme) contains an overview of the Scheme. If the Scheme becomes Effective and is implemented, United Malt will be delisted from the ASX and become a wholly-owned subsidiary of Malteries Soufflet.

6.2 What United Malt Shareholders will receive – an overview of the Scheme Consideration

(a) Scheme Consideration

If the Scheme is implemented, each United Malt Shareholder will receive the Scheme Consideration of \$5.00 for each United Malt Share held by that United Malt Shareholder as at the Scheme Record Date.

The Scheme Consideration will be reduced by the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) before the implementation of the Scheme. Under the Scheme Implementation Deed, the maximum aggregate amount (in respect of all United Malt Shares) of all such cash dividends and other distributions that United Malt may pay before implementation of the Scheme is \$7,000,000, and the payment of any such dividend or other distribution is subject to other conditions and requirements set out in the Scheme Implementation Deed. As at the date of this Scheme Booklet, the United Malt Board has not determined to pay any such cash dividend or other distribution.

(b) Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent (after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares), the fractional entitlement will be rounded down to the nearest whole cent. The details regarding fractional entitlements are set out in full in clause 4.7 of the Scheme (a copy of which is attached as Attachment B).

6 OVERVIEW OF THE SCHEME

6.3 Conditions Precedent

The Scheme becoming Effective is subject to the satisfaction (or, if applicable, waiver) of a number of Conditions Precedent. The following Conditions Precedent are outstanding as at the date of this Scheme Booklet:

- (a) **FIRB:** before 5:00pm on the Business Day before the Second Court Date, any of the following happening:
 - (i) the Treasurer (or their delegate) provides written notice under the FATA stating that, or to the effect that, the Commonwealth Government has no objection to the Transaction either on an unconditional basis or subject only to 'standard' tax conditions and such other conditions or undertakings required or requested by FIRB which are acceptable to Malteries Soufflet (acting reasonably and in good faith);
 - (ii) the Treasurer becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the Transaction, and the 10-day period referred to in section 82(2)(a) of the FATA has ended or the period referred to in section 82(2)(b) of the FATA has ended (whichever is applicable); or
 - (iii) where an interim order is made under section 68 of the FATA in respect of the Transaction, the subsequent period for making an order or decision under Part 3 of the FATA elapses without the Treasurer making such an order or decision;
- (b) **Competition approvals and clearances:** before 5:00pm on the Business Day before the Second Court Date:
 - (i) **ACCC Condition Precedent:** the written notice received by Malteries Soufflet from the ACCC pursuant to which the ACCC confirmed that it did not intend to conduct a public review of the Transaction pursuant to section 50 of the *Competition and Consumer Act 2010* (Cth) (discussed further at Section 11.10(b)) has not been withdrawn, revoked or adversely amended;
 - (ii) **CCA Condition Precedent:** the Canadian Commissioner of Competition's Notice received by United Malt and Malteries Soufflet not being rescinded or amended; and
 - (iii) **CMA Condition Precedent:** the position of the CMA in respect of the Transaction notified to Malteries Soufflet, being that the CMA has no further questions in respect of the Transaction (discussed further at Section 11.10(c)(ii)), not being revised and the CMA not otherwise taking any of the other actions described at Section 11.10(c)(ii)(A) which relate to the CMA commencing a further, formal investigation of the Transaction;
- (c) **Independent Expert's Report:** the Independent Expert not adversely changing or qualifying its conclusion or withdrawing the Independent Expert's Report in writing prior to 8:00am on the Second Court Date;
- (d) **United Malt Shareholder approval of the Scheme:** the Scheme Resolution being passed by the Requisite Majorities of United Malt Shareholders at the Scheme Meeting;
- (e) **Court approval of the Scheme:** the Court approving the Scheme at the Second Court Hearing (either unconditionally and without modification, or with modifications or conditions consented to by United Malt and Malteries Soufflet (such consent not to be unreasonably withheld or delayed);
- (f) **Court order lodged with ASIC:** an office copy of the Court order approving the Scheme given by the Court at the Second Court Hearing being lodged with ASIC;
- (g) **No restraints:** no judgement, order, decree, ordinance, rule or other permanent or temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Government Agency of competent jurisdiction, nor any statute, law or regulation, prohibiting, materially restricting, making illegal or restraining the completion of the Transaction and remaining in effect as at 8:00am on the Second Court Date;
- (h) **No Target Regulated Event:** no 'Target Regulated Event' (as such term is defined in the Scheme Implementation Deed) occurring before 8:00am on the Second Court Date;

- (i) **No Material Adverse Change Condition Precedent:** no Material Adverse Change occurring before 8:00am on the Second Court Date;
- (j) **United Malt Performance Rights:** by 8:00am on the Second Court Date, United Malt having taken all steps required to ensure that all United Malt Performance Rights, options, warrants or other securities convertible into, or rights to receive, United Malt Shares, are vested, lapsed or cancelled in accordance with the terms of the Scheme Implementation Deed (other than any step or action that is conditional on the Scheme becoming Effective) before the Scheme Record Date; and
- (k) **Equity Financing Approvals:** each Equity Financing Approval (as such term is defined in the Scheme Implementation Deed) having been received or having occurred (or otherwise being satisfied) before 5:00pm on the Business Day before the Second Court Date, namely the following regulatory approvals required to give effect to, or as a result of the implementation of, the Equity Financing (as defined in the Scheme Implementation Deed) by the Applicable Bidder Group Member(s) (as defined in the Scheme Implementation Deed):
 - (i) **France:** either (A) a declaration in writing from the French Economy Minister that the applicable Equity Financing is not subject to the prior authorisation pursuant to article L. 151-3 of the French Code; or (B) an authorisation in writing from the French Economy Minister of the applicable Equity Financing pursuant to articles L. 151-3 et seq. and R. 151-1 et seq. of the French Code, in each case, including with conditions or undertakings;
 - (ii) **Ukraine:** either approval or clearance from the AMCU (**AMCU Approval or Clearance**) or all of the following occurring:
 - (A) the AMCU suspends its merger clearance processes such that it is not possible to obtain the AMCU Approval or Clearance for a period of at least 60 days;
 - (B) the AMCU introduces a special procedure on the same, or materially or substantially the same, terms as it introduced in its Guidelines dated 30 March 2022, which allows the relevant parties to submit a simplified notification (**Simplified Notification**) and close a transaction without obtaining formal approval or clearance from the AMCU, subject to the payment of a fine of an amount not exceeding US\$50,000 (**Applicable Fine**); and
 - (C) Malteries Soufflet or one or more of the Applicable Bidder Group Member(s) makes the Simplified Notification and either (i) pays the Applicable Fine, or (ii) agrees to pay any Applicable Fine subsequently issued by the AMCU; and
 - (iii) **Other Equity Financing Approvals:** any other regulatory approvals identified by Malteries Soufflet (or notified to Malteries Soufflet) after the date of the Scheme Implementation Deed on the basis of written legal advice from the external legal adviser of the Applicable Bidder Group Member who requires that regulatory approval, that is required to give effect to, or as a result of the implementation of, the Equity Financing and which is notified to United Malt in writing. As at the date of the Scheme Booklet, United Malt has not been notified by Malteries Soufflet of any other Equity Financing Approval being required, and Malteries Soufflet has advised United Malt that it is not aware of any other Equity Financing Approval being required.

The Conditions Precedent set out in paragraphs 6.3(a) (the FIRB Condition Precedent), 6.3(d) (the Shareholder Approval Condition Precedent), 6.3(e) (the Court Approval Condition Precedent) and 6.3(f) (the Court Orders Condition Precedent) above cannot be waived.

The Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Deed. The Scheme will not proceed unless all the Conditions Precedent are satisfied (or, if applicable, waived) in accordance with the Scheme and the Scheme Implementation Deed.

As at the date of this Scheme Booklet, the United Malt Directors are not aware of any circumstances which would cause any Condition Precedent to not be satisfied.

6 OVERVIEW OF THE SCHEME

6.4 Steps for implementing the Scheme

(a) Remaining requirements for the Scheme to become Effective and be implemented

The Scheme will only become Effective and be implemented if:

- (i) the Scheme Resolution is approved by the Requisite Majorities of United Malt Shareholders at the Scheme Meeting;
- (ii) the Scheme is approved by the Court at the Second Court Hearing; and
- (iii) the other Conditions Precedent (which are summarised in Section 6.3 above) are satisfied (or, if applicable, waived).

(b) Summary of the Scheme Resolution to be considered at the Scheme Meeting

United Malt Shareholders will be asked to consider and, if thought fit, pass the Scheme Resolution at the Scheme Meeting, which is a resolution under section 411(4)(a)(ii) of the Corporations Act to approve the Scheme.

(c) The Scheme Meeting

(i) Scheme Meeting

In accordance with an order of the Court dated 7 September 2023, United Malt has convened the Scheme Meeting, to be held as a hybrid meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 and through the Online Scheme Meeting Platform at 10:00am (Sydney time) on Thursday, 12 October 2023 (see Section 3 (**How to vote on the Scheme Resolution**)) for more information about how to participate in the Scheme Meeting (including through the Online Scheme Meeting Platform) and vote on the Scheme Resolution).

At the Scheme Meeting, United Malt Shareholders will be asked to approve the Scheme by voting in favour of the Scheme Resolution. The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Scheme Meeting set out in Attachment D. The fact that the Court has ordered that the Scheme Meeting be convened is no indication that the Court has a view as to the merits of the Scheme or as to how United Malt Shareholders should vote on the Scheme Resolution. On these matters, United Malt Shareholders must reach their own decision.

For the Scheme to proceed, votes 'in favour of' the Scheme Resolution at the Scheme Meeting must be received from the Requisite Majorities of United Malt Shareholders. The Requisite Majorities for the Scheme Resolution are:

- (A) a majority in number (more than 50%) of eligible United Malt Shareholders who are present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative), unless the Court orders otherwise; and
- (B) at least 75% of the total number of votes cast on the Scheme Resolution by eligible United Malt Shareholders.

Voting at the Scheme Meeting will be conducted by poll. United Malt Shareholders who are registered on the United Malt Share Register at 10:00am (Sydney time) on Tuesday, 10 October 2023 will be entitled to vote at the Scheme Meeting. Instructions on how to vote at the Scheme Meeting are set out in Section 3 (**How to vote on the Scheme Resolution**), the Notice of Scheme Meeting at Attachment D and the Scheme Meeting Online Guide at Attachment F.

(ii) United Malt Directors' recommendation and voting intentions

The United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders. Subject to the same qualifications, each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all United Malt Shares that he or she holds or Controls in favour of the Scheme Resolution.

The Relevant Interests of the United Malt Directors in United Malt Shares, and the interests of the United Malt Directors (including Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt) in the Scheme, are disclosed in Section 11 (**Additional information**). United Malt Shareholders should have regard to these interests when considering the United Malt Directors' unanimous recommendation in respect of the Scheme, which appears throughout this Scheme Booklet.¹

In considering whether to vote in favour of the Scheme, the United Malt Directors encourage you to:

- (A) carefully read this Scheme Booklet in its entirety (including the Independent Expert's Report);
- (B) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- (C) obtain advice from your legal, financial, tax or other professional advisers on the effect of the Scheme becoming Effective.

(iii) Results of the Scheme Meeting

The results of the Scheme Meeting will be available as soon as practicable after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) once available.

(d) Second Court Hearing

In the event that:

- (i) the Scheme Resolution is approved by the Requisite Majorities of United Malt Shareholders at the Scheme Meeting; and
- (ii) all other Conditions Precedent (other than the Court Approval Condition Precedent and the Court Orders Condition Precedent) have been satisfied (or, if applicable, waived),

then United Malt will apply to the Court for orders approving the Scheme at the Second Court Hearing, which is expected to be held on or around Monday, 16 October 2023.

(e) Effective Date

If the Court makes orders approving the Scheme, United Malt will lodge with ASIC an office copy of the Court orders given under section 411(4)(b) of the Corporations Act approving the Scheme and the Scheme will then become Effective. Once the Scheme becomes Effective:

- (i) Malteries Soufflet will become bound to pay the Scheme Consideration (in the manner described in Section 6.4(h) below) to the Scheme Shareholders on the Scheme Implementation Date; and
- (ii) subject to the payment of the aggregate Scheme Consideration by Malteries Soufflet (as described in Section 6.4(h)(i) below), United Malt will become bound to take the steps required for Malteries Soufflet to become the holder of all United Malt Shares.

1 As at the date of this Scheme Booklet, Mr Graham Bradley holds or controls 241,395 United Malt Shares (representing 0.08% of the United Malt Shares on issue, Mr Mark Palmquist holds or controls 622,511 United Malt Shares (representing 0.21% of the United Malt Shares on issue), Mr Gary W Mize holds or controls 48,200 United Malt Shares (representing 0.02% of the United Malt Shares on issue), Mr Terry Williamson holds or controls 56,586 United Malt Shares (representing 0.02% of the United Malt shares on issue), and Mr Patrick E. Bowe, Ms Christine Feldmanis and Ms Mary Clarke do not hold or control any United Malt Shares.

In addition:

- (a) as at the date of this Scheme Booklet, Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt, holds 586,966 United Malt Performance Rights. If the Scheme becomes Effective, all of Mr Palmquist's United Malt Performance Rights (other than any United Malt Performance Rights that Mr Palmquist holds as at the date of this Scheme Booklet but which vest and convert into United Malt Shares, or lapse, in the ordinary course before the Scheme becomes Effective – see Section 11.6(b)(ii) for more information) will vest and convert into United Malt Shares, and those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) under the Scheme (see Section 11.3 for more information); and
- (b) the treatment of Mr Palmquist's FY23 STI Award and FY24 STI Award in connection with the Scheme (and the extent to which those incentive awards are affected by the Scheme) is summarised in detail in Section 11.6(b).

The other United Malt Directors consider that, despite these arrangements and interests, it is important and appropriate for Mr Palmquist to make a recommendation to United Malt Shareholders in respect of the Scheme, given: (i) the importance of the Scheme and Mr Palmquist's role as a United Malt Director; (ii) Mr Palmquist's knowledge of United Malt and the industry in which it operates; and (iii) that, in their view, United Malt Shareholders would likely want to know Mr Palmquist's recommendation in respect of the Scheme. Mr Palmquist also considers that, despite these arrangements and interests described above, it is appropriate for him to make a recommendation to United Malt Shareholders in respect of the Scheme given the importance of the Scheme and his knowledge of United Malt and the industry in which it operates.

6 OVERVIEW OF THE SCHEME

6.4 Steps for implementing the Scheme *continued*

(f) Suspension from trading in United Malt Shares on the ASX

If the Scheme becomes Effective, United Malt intends to apply to the ASX for United Malt Shares to be suspended from trading on the ASX from the close of trading on the Effective Date.

(g) Scheme Record Date and entitlement to Scheme Consideration

Those United Malt Shareholders on the United Malt Share Register on the Scheme Record Date (which is currently expected to be 7:00pm (Sydney time) on Thursday, 19 October 2023) will be Scheme Shareholders and will be entitled to receive the Scheme Consideration in respect of the United Malt Shares that they hold at that time (being Scheme Shares).

(i) Dealings on or prior to the Scheme Record Date

For the purpose of determining and establishing the identity of the persons who are Scheme Shareholders, dealings in United Malt Shares will only be recognised by United Malt if:

- (A) in the case of dealings of the type to be effected by CHESS, the transferee is registered on the United Malt Share Register as a holder of the relevant United Malt Shares as at the Scheme Record Date; and
- (B) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the place where the United Malt Share Register is kept by 7:00pm (Sydney time) on the Scheme Record Date (in which case, United Malt must register such transfers or transmission applications before 7:00pm (Sydney time) on the Scheme Record Date).

United Malt will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders, any transmission application or transfer in respect of United Malt Shares received after such time or received prior to that time but not in actionable or registrable form.

(ii) Dealings after the Scheme Record Date

For the purposes of determining entitlements to Scheme Consideration, United Malt will, until the Scheme Consideration has been paid to Scheme Shareholders and the name and address of Malteries Soufflet have been entered in the United Malt Share Register as the holder of all the United Malt Shares, maintain the United Malt Share Register in accordance with the terms of the Scheme, and the United Malt Share Register in this form (and the terms of the Scheme) will solely determine entitlements to the Scheme Consideration.

As from 7:00pm (Sydney time) on the Scheme Record Date, each entry on the United Malt Share Register relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.

As from the time that the Scheme Consideration is provided to Scheme Shareholders in accordance with the Scheme, all share certificates and holding statements in respect of Scheme Shares will cease to have any effect as documents of title in respect of those Scheme Shares.

(h) Implementation of the Scheme – payment of Scheme Consideration and transfer of United Malt Shares

On the Scheme Implementation Date (which is currently expected to be Wednesday, 15 November 2023, the Scheme will be implemented by United Malt and Malteries Soufflet undertaking the following steps.

(i) Deposit of aggregate Scheme Consideration by Malteries Soufflet

On the date that is one Business Day before the Scheme Implementation Date, Malteries Soufflet will deposit (or will procure the deposit of) the aggregate Scheme Consideration payable to all Scheme Shareholders in cleared funds into an account nominated by United Malt to be held on trust by United Malt for Scheme Shareholders.

(ii) Transfer of all Scheme Shares to Malteries Soufflet

Subject to the payment of the aggregate Scheme Consideration by Malteries Soufflet as referred to in paragraph (i) above, all of the Scheme Shares (together with all rights and entitlements attaching to the Scheme Shares as at the Scheme Implementation Date) will be transferred to Malteries Soufflet by United Malt, without the need for any further act by any Scheme Shareholder (other than acts performed by United Malt or any of its directors or officers as attorney and agent for Scheme Shareholders under the Scheme, or otherwise) and United Malt will enter (or procure the entry of) the name and address of Malteries Soufflet in the United Malt Share Register as the holder of all Scheme Shares.

(iii) Payment of Scheme Consideration

The Scheme Consideration will be paid by United Malt (at its discretion) by:

- (A) if a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the United Malt Share Registry to receive dividend payments from United Malt by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
- (B) if a Scheme Shareholder has otherwise nominated a bank account for the purpose of receiving the Scheme Consideration by an appropriate authority from the Scheme Shareholder to United Malt, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to that bank account; or
- (C) otherwise, whether or not the Scheme Shareholder has made an election referred to under sub-paragraph (A) or valid nomination referred to in subparagraph (B), dispatching, or procuring the dispatch of, a cheque for the Scheme Consideration that the Scheme Shareholder is entitled to receive (in Australian currency) by prepaid post to that Scheme Shareholder's registered address (at the Scheme Record Date) shown in the United Malt Share Register as at the Scheme Record Date.

If you have not previously notified the United Malt Share Registry of your nominated bank account or you would like to change your existing nominated bank account, you should contact the United Malt Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) Monday to Friday between 8:30am and 5:00pm (Sydney time) before the Scheme Record Date.

If a Scheme Shareholder has not nominated a bank account, a deposit into such an account is rejected or refunded, or a cheque issued has been cancelled in accordance with the terms of the Scheme, and the applicable Scheme Shareholder does not have a registered address shown in the United Malt Share Register as at the Scheme Record Date (or United Malt believes that the applicable Scheme Shareholder is not known at the Scheme Shareholder's registered address shown in the United Malt Share Register), the Scheme Consideration will be paid into a separate bank account and held by United Malt until claimed or applied under laws dealing with unclaimed money. If you wish to confirm your current address details with the United Malt Share Registry, you may do so using the contact details above.

6 OVERVIEW OF THE SCHEME

6.5 Delisting of United Malt

If the Scheme becomes Effective, on or after the Scheme Implementation Date (to be determined by Malteries Soufflet), United Malt will apply for termination of the Official Quotation of United Malt Shares on the ASX, and to be removed from the Official List of the ASX.

6.6 End Date

If the Scheme has not become Effective on or before the End Date, either United Malt or Malteries Soufflet is able to terminate the Scheme Implementation Deed. If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

6.7 Copy of the United Malt Share Register

Under section 173 of the Corporations Act, any United Malt Shareholder has a right to inspect, and to ask for a copy of, the United Malt Share Register, which contains details of the registered name and address of each United Malt Shareholder. United Malt may require a United Malt Shareholder to provide reasons for their request prior to providing a copy of the United Malt Share Register, and a United Malt Shareholder must not use any information obtained for an improper purpose. A copy of the United Malt Share Register will be given to any United Malt Shareholder upon request and payment of the prescribed fee under the Corporations Act where United Malt is satisfied that the details provided are not likely to be used for an improper purpose.

6.8 Warranties given by Scheme Shareholders under the Scheme

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to United Malt and Malteries Soufflet on the Scheme Implementation Date, and appointed and authorised United Malt as its attorney and agent to warrant to Malteries Soufflet, that:

- (a) all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to Malteries Soufflet under the Scheme will, at the time of transfer, be fully paid and free from all Encumbrances;
- (b) they have full power and capacity to transfer their Scheme Shares to Malteries Soufflet, together with any rights and entitlements attaching to those Scheme Shares; and
- (c) except as otherwise provided for or contemplated in the Scheme Implementation Deed, they have no existing right to be issued any other Scheme Shares, United Malt Performance Rights or any other equity securities in United Malt.

Under the terms of the Scheme, United Malt undertakes in favour of each Scheme Shareholder that it will provide each warranty above to Malteries Soufflet on the Scheme Implementation Date on behalf of each Scheme Shareholder.

6.9 Indicative timetable

An indicative timetable for the Scheme appears on page 8 of this Scheme Booklet. All dates and times after the date of the Scheme Meeting are indicative only and, among other things, are subject to the Court approval process and satisfaction or, where applicable, waiver of the Conditions Precedent. Any changes to the timetable (which may include an earlier or later date for the Scheme Meeting or Second Court Hearing) will be announced on the ASX and notified on United Malt's website (www.unitedmalt.com).

7

Information about United Malt

7 INFORMATION ABOUT UNITED MALT







7.1 Overview of United Malt

(a) Introduction

United Malt is an Australian, ASX-listed company (ASX: UMG), focused on global production and distribution of malt. United Malt is the fourth largest commercial maltster globally, with approximately 1.3Mtpa of capacity across 12 global processing plants located in Canada, the US, Australia and the UK.

United Malt generates earnings along the malt supply chain, from barley procurement and handling, malt processing, and sale and distribution of value-added malt products. United Malt benefits from having high quality processing assets that are located in premium barley growing regions, allowing it to source high quality barley and access a diverse range of customers, including global brewers, craft brewers, distillers and food companies.

Figure 1: Overview of United Malt

	North America	ANZ	United Kingdom	
Maltster	<div></div> <div>3 facilities Maltster selling bulk malt direct and bagged malt through CMG</div>	<div></div> <div>2 facilities Maltster selling bulk malt direct and bagged malt through CMG</div>	<div></div> <div>3 facilities Maltster selling bulk malt direct and bagged malt through Cryer Malt</div>	<div></div> <div>4 facilities Maltster selling bulk malt direct and bagged malt</div>
Craft distribution	<div></div> <div>13 facilities (+3 Beermex)</div>	<div></div> <div>5 facilities</div>		
Key Customers	Craft, big brewers and Asian exports	Asian exports, national beers and craft	Scottish distilling	
FY22 Sales Volume (% of total) ¹	762kt (62%)	237kt (19%)	223kt (18%)	

Note: 1. Gross volumes.

In addition to operating 12 processing plants, United Malt also has a distribution network comprising 21 warehouses (both United Malt-operated and through third party logistics providers) and international craft distribution partnerships throughout North America, Asia and Australia.

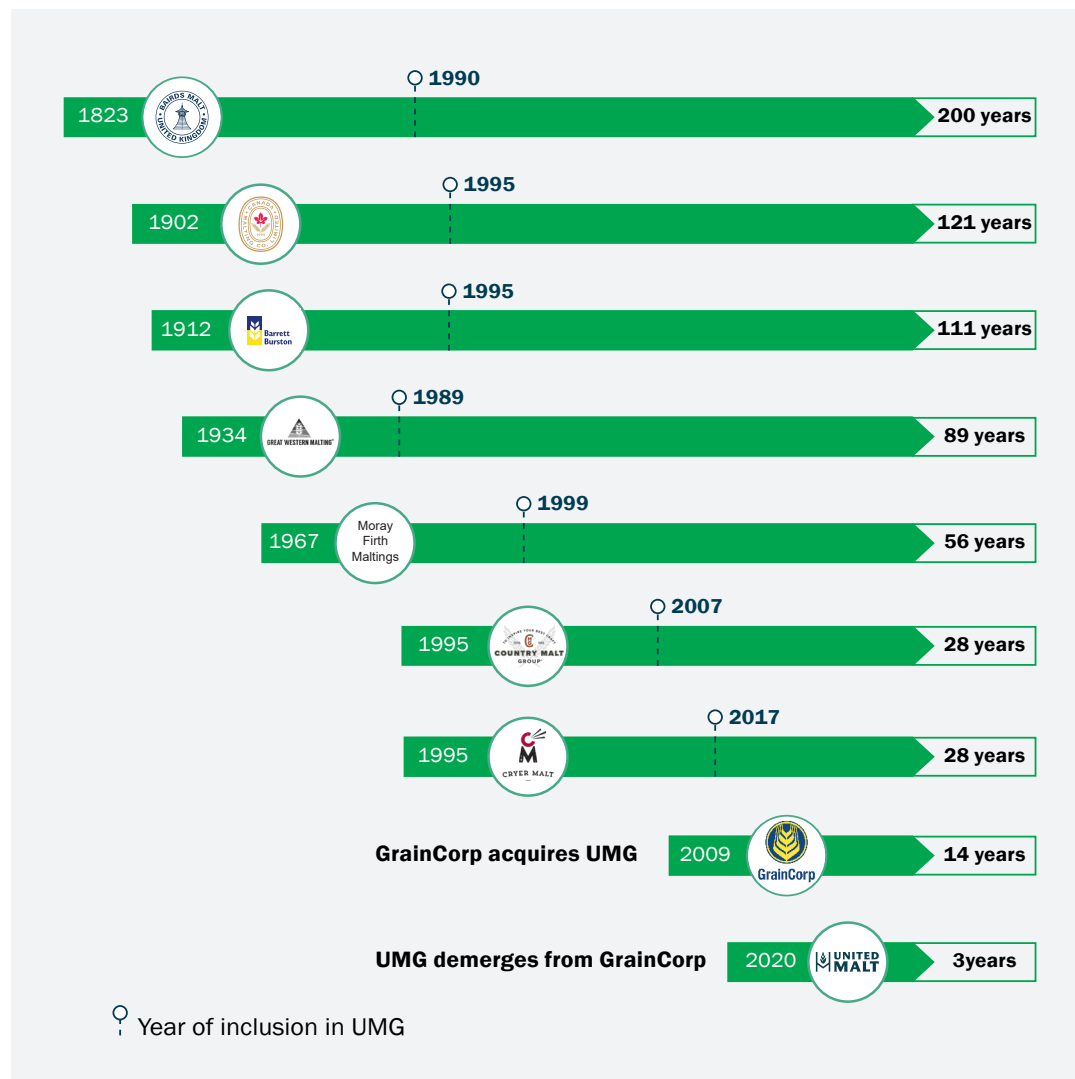
(b) History

United Malt has a long history, with origins dating back to 1823 with Bairds Malt in the United Kingdom. Through successful consolidation of established brands and organic growth, the business has expanded its capacity, customer base and geographical presence, evolving into the global business that United Malt operates as at the date of this Scheme Booklet.

United Malt was acquired by GrainCorp in 2009 and was subsequently demerged on 1 April 2020 into a separate, ASX-listed company.

The below timeline provides a summary of the key corporate transactions undertaken by United Malt.

Figure 2: United Malt's long history of established brands



Since listing on the ASX in 2020, United Malt experienced a range of external challenges, including:

- significant fluctuations in beer demand as governments across the world imposed COVID-19 pandemic related restrictions, contributing to fluctuating demand for malt;
- challenges to global supply chains, disrupting access to suppliers and the business' distribution network;
- a poor Canadian barley crop, where the poor quality and low volume of barley as a result of drought conditions increased input costs and reduced yields; and
- significantly increased energy costs as a result of the Ukraine/Russia conflict.

7 INFORMATION ABOUT UNITED MALT


7.1 Overview of United Malt continued

(c) Business overview


United Malt generates earnings from the production and sale of malt to major brewers, craft brewers, distillers and food companies. United Malt operates 12 malting plants throughout Canada, the US, the UK and Australia, with approximately 1.3Mtpa of capacity.

United Malt has strong end-to-end supply chains in each of its geographies, from barley origination to domestic and export malt supply. United Malt's malting assets are strategically located across major barley growing regions (providing access to high quality barley) and in close proximity to critical transport infrastructure (providing better access to customers). United Malt's global network also enables it to offer a broader offering to global brewers, distillers and food customers, providing a significant competitive advantage.


United Malt has established barley origination processes in each of its operating countries and strong, long-standing relationships with important barley growers. United Malt has a dedicated procurement team in each of its operating countries, specialising in sourcing malting barley for use in the malt manufacturing process. This is supported by company-owned or contracted barley storage facilities in key barley growing areas.

Canada		
Brand	Malting capacity	Plant locations
	430ktpa	Calgary Montreal Thunder Bay


All three plants have the ability to transport via container, rail, and truck, and access to bulk export facilities. Canada Malting Company also owns its barley storage infrastructure, with a network of nine country elevators located in Canada's key barley growing regions.

United States		
Brand	Malting capacity	Plant locations
	335ktpa	Vancouver, Washington Pocatello, Idaho

Great Western Malt is the oldest commercial malting company in the western region of the United States. In FY17, Great Western Malt completed the expansion of its malt plant in Pocatello, adding an additional 120kt of malting capacity, to support continued growth in craft brewing.

Australia		
Brand	Malting capacity	Plant locations
	250ktpa	Perth Geelong Brisbane

Australia is a strategically important region and is well placed to service key and high-growth Asian markets due to the volume and quality of barley produced, its geographically dispersed growing regions and relative pricing advantages.

United Kingdom		
Brand	Malting capacity	Plant locations
	287kpta	Arbroath Inverness Pencaitland Witham

Bairds Malt is one of the largest malt producers in the UK. With the completion of the expansion of two sites (Inverness and Arbroath) in March 2023, which added 79ktpa incremental capacity, Bairds Malt is now a critical supplier to the Scottish distilling industry, providing multi-site delivery options and security of supply for its customer base. Bairds Malt's speciality malt capabilities include peated malts at Inverness and a roasting facility at Witham.

United Malt generates revenue from the sale and distribution of bagged malt, hops, yeast, adjuncts and related products. United Malt operates a network of 21 warehouses across Canada, the United States, Mexico, Australia and New Zealand. The business' distribution network is complemented by international craft distribution partnerships throughout North and South America, Europe, Asia and Australia.

United Malt provides craft producers with a full-service offering with multiple brands and product varieties, including third party products. United Malt provides customised milling to customer specifications, dedicated delivery fleets and expert advice to customers. The end-to-end product and service offering aims to create loyalty among craft customers.

North America	
Brand	Warehouses
	13 warehouses 3 partner warehouse and distribution facilities in Mexico

Country Malt Group's warehouse and distribution network is strategically positioned throughout North America to service key craft brewers.

Australia and New Zealand	
Brand	Warehouses
	5 warehouses

Cryer Malt is one of the largest distributors of craft brewing ingredients in Australia and New Zealand, servicing a growing craft sector in the region.

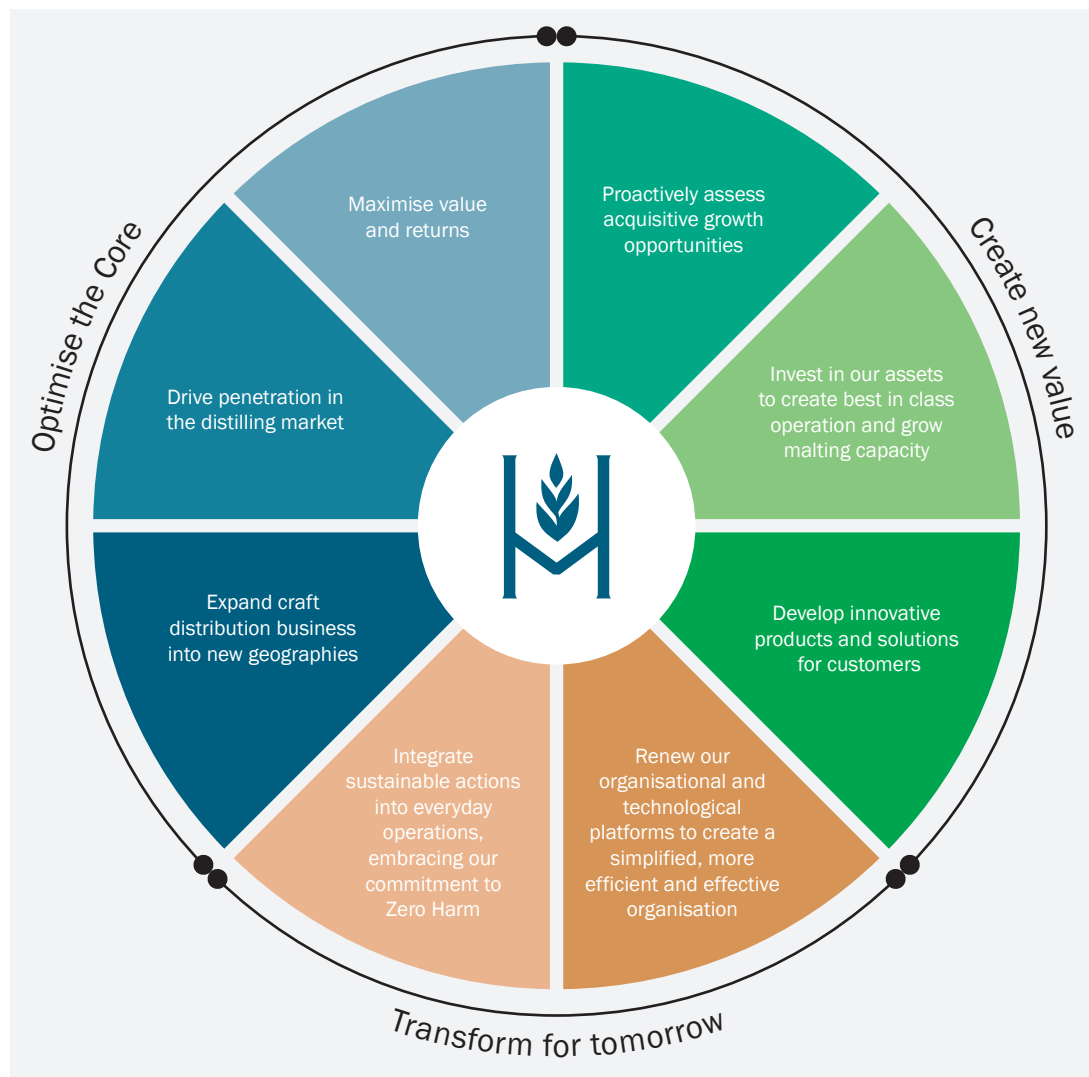
7 INFORMATION ABOUT UNITED MALT

7.1 Overview of United Malt continued

(d) Strategy

United Malt focuses on providing high quality products to customers by leveraging its multi-sourcing capability within the business' value-added supply chain. United Malt's objective is to maintain its position in North America, the United Kingdom and Australia whilst targeting those markets where the long-term outlook for growth remains positive.

United Malt's strategic priorities are summarised below.



Strategic Priorities

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	<p>Expand into the growing craft beer market in South America and Asia by leveraging extensive craft distribution experience.</p> <p>Expansion supported by other bolt-on acquisitions, start-up opportunities and new distribution partnerships.</p>
Maximise value and returns	<p>Optimise our business to target return on capital employed in excess of 10%.</p> <p>With a focus on North American operations.</p>

2 Transform for tomorrow

Renew our organisational and technological platforms to create a simplified, more efficient and effective organisation	<p>Redesign our organisation to simplify our operations to create an organisational design reflecting a standalone malting company.</p> <p>Embrace process changes to improve capabilities by implementing simplified and standard processes, skills and systems.</p> <p>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.</p>
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, creating value.
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.

7 INFORMATION ABOUT UNITED MALT

7.1 Overview of United Malt continued

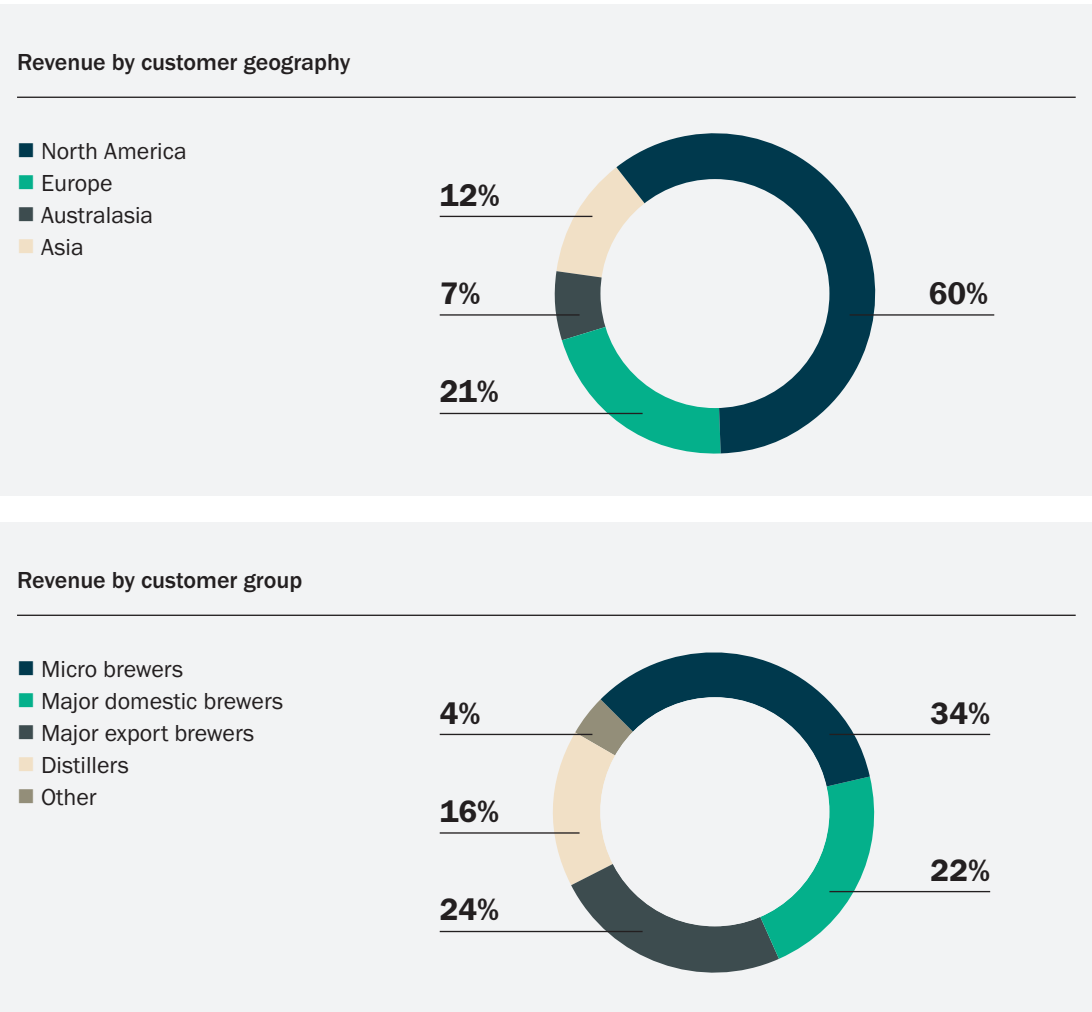
(e) Customers

United Malt has a highly diversified customer base, servicing around 600 customers from its processing business and over 8,000 customers from its warehouse and distribution business.

United Malt’s products are sold in domestic and export markets in Canada, the US, the UK, Australia and New Zealand. United Malt also sells its products through export markets across Asia, South America, Europe and Africa.

United Malt’s customer groups include micro brewers, major domestic brewers, major export brewers and distillers.

Figure 3: FY22 revenue by geography and by customer group



(f) Employees

As of 31 March 2023, United Malt had approximately 918 employees globally.

7.2 United Malt Directors and senior management

(a) United Malt Board

As at the date of this Scheme Booklet, the United Malt Board comprises the following United Malt Directors:

United Malt Director	Skills and experience
MR GRAHAM BRADLEY AM Independent Chairman and Non-Executive Director BA, LLB (Hons. Sydney University), LLM (Harvard) Appointed to the United Malt Board on 13 January 2020.	<p>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.</p> <p>Mr Bradley has previously held the position of Managing Director of Perpetual and senior roles at Blake Dawson and McKinsey & Company.</p> <p>Mr Bradley is currently Chairman of Virgin Australia International Holdings (since March 2012), Shine Justice Limited (since May 2020), Waveconn Group Holdings Management Pty Ltd and Lighthouse Industries Holdings Pty Ltd (since May 2023).</p> <p>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 the University of New South Wales and was made a member of The Order of Australia in 2009.</p> <p>He is a former Chairman of Volt Corporation Ltd and Volt Bank Limited (June 2021 to October 2022), EnergyAustralia Holdings (June 2012 to April 2022), GrainCorp Limited (March 2017 to March 2020), 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), and was the President of the Business Council of Australia and the Deputy President of the Takeovers Panel, among other notable roles.</p> <p>United Malt Board Committee memberships:</p> <p>Member of the Nominations and Remuneration Committee.</p>
MR MARK PALMQUIST Managing Director and Chief Executive Officer Bec, GAICD Appointed to the United Malt Board on 13 January 2020.	<p>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.</p> <p>Prior to his role at United Malt, Mr Palmquist was the Managing Director and CEO of GrainCorp Limited from October 2014 until April 2019 (when he resigned as Managing Director of GrainCorp in connection with GrainCorp's announcement of its intention to pursue demerger of the United Malt business) and March 2020 (when he ceased to be CEO of GrainCorp on the demerger occurring) United Malt's demerger from GrainCorp. 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.</p> <p>Mr Palmquist is also a former director of Telesense, Inc (from September 2020 until August 2022).</p>

7 INFORMATION ABOUT UNITED MALT

7.2 United Malt Directors and senior management continued

United Malt Director	Skills and experience
MR TERRY WILLIAMSON Independent Non-Executive Director MBA, BEc, FCANZ, FGIA, FAICD Appointed to the United Malt Board on 23 March 2020.	<p>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 of the Bankers Trust Australia, member of the Global Controls Group of the Bankers Trust New York Group, Chair of the Audit and Risk Committee of Stockland Property Group and Avant Insurance, member of the Audit Committee of the Reserve Bank Australia and financial adviser to a number of not-for-profit organisations.</p> <p>Mr Williamson is a Fellow of The Australian Institute of Company Directors, Fellow of Chartered Accountants in Australia and New Zealand, Fellow of CPA Australia, Fellow of the Governance Institute of Australia and member of the Australian Computer Society.</p> <p>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 adviser to the Society of the Divine Word.</p> <p>Mr Williamson was previously a director of Stockland Capital Partners and Stockland Direct Retail Trust No. 1 (April 2018 to September 2021).</p> <p>United Malt Board Committee memberships:</p> <p>Member of the Audit and Risk Committee.</p> <p>Member of the Environment, Health and Safety Committee.</p>
MR GARY W. MIZE Independent Non-Executive Director BA (Marketing and Finance) Michigan State University and Advance Executive Program, Northwestern University Appointed to the United Malt Board on 23 October 2020.	<p>Mr Mize has over 36 years of experience managing commodity-based trading and processing businesses at the senior executive and board levels.</p> <p>He was previously the Global Chief Operating Officer of Noble Group Hong Kong, President of Conagra Foods Grain Processing Group, CEO of Conagra Malt and President of Cargill Worldwide Juice Group.</p> <p>Mr Mize is currently Lead Independent Director of Darling Ingredients (a company listed on the New York Stock Exchange) (since February 2021 and Independent Director since May 2016) and an Independent Director of Gevo Inc (a company listed on NASDAQ) (since September 2011). He is a former director of Ceres Global (a company listed on the Toronto Stock Exchange) (from September 2013 to December 2021).</p> <p>United Malt Board Committee memberships:</p> <p>Chair of the Environment, Health and Safety Committee (since 1 September 2022).</p> <p>Member of the Nominations and Remuneration Committee.</p>

United Malt Director	Skills and experience
MR PATRICK E. BOWE Independent Non-Executive Director BAartsSc (Political) Stanford University MA Economics Stanford Food Research Institute Appointed to the United Malt Board on 1 September 2022.	<p>Mr Bowe has over 40 years of agribusiness experience in executive leadership roles across food ingredients, corn milling and commodity trading.</p> <p>Mr Bowe is currently the President and Chief Executive Officer of The Andersons, Inc. (a company listed on NASDAQ) (since November 2015).</p> <p>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.</p> <p>Mr Bowe is a current director of Primient (since August 2022), a privately held global food and industrial ingredients company. He is former Chairman of the Toledo Alliance for the Performing Arts Board of Trustees (June 2020 to June 2022) 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).</p> <p>United Malt Board Committee memberships:</p> <p>Member of the Audit and Risk Committee.</p> <p>Member of the Environment, Health and Safety Committee.</p>
MS CHRISTINE FELDMANIS Independent Non-Executive Director Qualifications: Bachelor of Commerce, Master of Applied Finance Appointed to the United Malt Board on 1 January 2023.	<p>Ms Feldmanis has more than 30 years of experience in the financial arena, in both government and private sectors. She has extensive experience in business operations, investment management, finance, accounting and risk management, governance and business building in both listed and private markets.</p> <p>Currently, Ms Feldmanis is a director of Omni Bridgeway Ltd., Bell Financial Group Ltd., Rabobank Australia Ltd. and Utilities of Australia Trust. During her executive career, Ms Feldmanis held the role of Chief Executive Officer of Treasury Group Investment Services Limited and, prior to that, Chief Financial Officer of NSW Treasury Corporation.</p> <p>Ms Feldmanis is a Fellow of the Australian Institute of the Association of Superannuation Funds of Australia, a Senior Fellow of the Financial Services Institute of Australasia and a Certified Practising Accountant.</p> <p>United Malt Board Committee memberships:</p> <p>Member of the Audit and Risk Committee.</p> <p>Member of the Environment, Health and Safety Committee.</p>

7 INFORMATION ABOUT UNITED MALT

7.2 United Malt Directors and senior management continued

United Malt Director	Skills and experience
MS MARY T. CLARKE Independent Non-Executive Director Qualifications: BE Chemical Engineering, Cooper Union MBA (executive program, finance concentration), University of Delaware Appointed to the United Malt Board on 1 March 2023	<p>Ms Clarke has over 30 years of experience in senior leadership roles across regulated consumer markets, including the food and beverage, nutrition and personal care sectors. Her successive experience includes roles in process engineering, innovation, marketing and sales, strategic planning and general management.</p> <p>Ms Clarke is currently Senior Vice President at dsm-firmenich. She was previously head of the North American business of Naturex. Ms Clarke's prior background includes executive roles at industry leading firms, including General Manager, Food Ingredients for FMC Corporation and General Manager, Global Food and Pharmaceutical, for Lubrizol.</p> <p>Ms Clarke was appointed as independent director of Shiru, a precision fermentation food tech company, in November 2020.</p> <p>United Malt Board Committee memberships:</p> <p>Member of the Nominations and Remuneration Committee.</p>

(b) United Malt KMP

As at the date of this Scheme Booklet, United Malt's key management personnel (as that term is defined in the Corporations Act) (**KMP**) are each of the following individuals:

Name	Current position
Mr Mark Palmquist	Chief Executive Officer
Mr Ryan Dutcher	Interim Chief Financial Officer
Mr Tiago Darocha	Chief Operating Officer
Mr Bryan Bechard	Executive Director Business Development and Innovation

Biographies of the United Malt key management personnel are available at <https://www.unitedmalt.com/About-Us/>.

7.3 Equity capital structure and market capitalisation

As at the date of this Scheme Booklet, United Malt has:

- (a) 299,179,135 United Malt Shares on issue; and
- (b) 1,100,271 United Malt Performance Rights on issue.

See Section 11.3 for further information about the treatment of the United Malt Performance Rights in connection with the Scheme.

As at the Last Practicable Trading Date, United Malt had a market capitalisation of approximately \$1,474.95 million (based on a closing price of \$4.93 per United Malt Share and 299,179,135 United Malt Shares on issue¹).

7.4 Substantial holders of United Malt Shares

The substantial holders of United Malt Shares as at the Last Practicable Trading Date are:

Substantial holder	Number of United Malt Shares ²	Percentage of United Malt Shares on issue
GrainCorp Limited	25,428,404	8.50%
Tanarra Capital Australia Pty Ltd	16,933,929	5.66%
The Goldman Sachs Group, Inc. and its subsidiaries, and Goldman Sachs Holdings ANZ Pty Limited and its subsidiaries	18,740,696	6.26%
UBS Group AG and its related bodies corporate	17,881,964	5.98%
Dimensional Entities	14,969,043	5.00%

The holdings of United Malt Shares in this Section 7.4 are as disclosed to United Malt by the relevant United Malt Shareholders in substantial holding notices on or before the Last Practicable Trading Date. Information in respect of substantial holdings arising, changing or ceasing after this time, or in respect of which the relevant announcement containing such information is not available on the ASX's website (www.asx.com.au), is not included above.

1 This excludes the United Malt Performance Rights on issue as at the Last Practicable Trading Date.

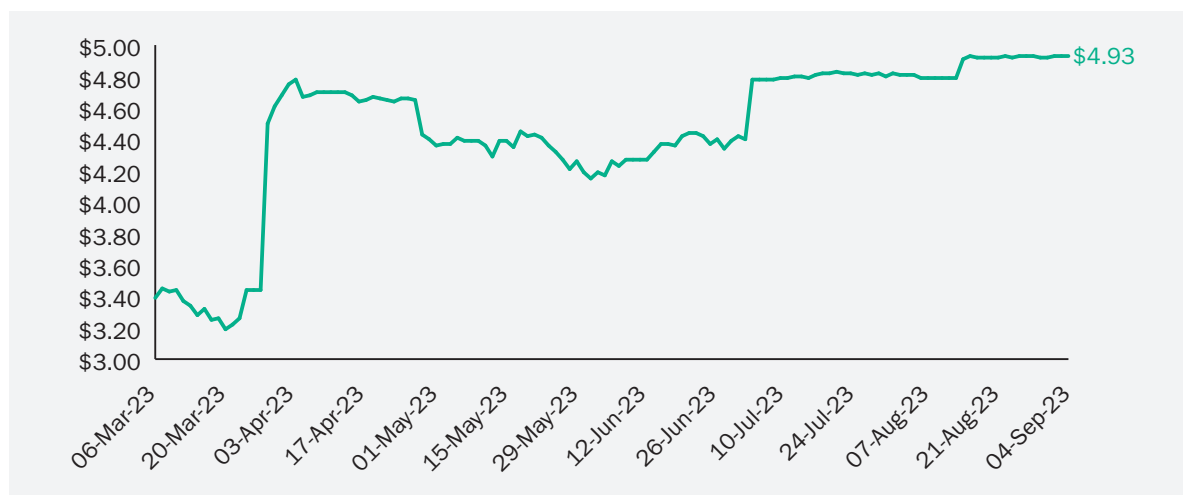
2 This refers to the number of United Malt Shares in which the person or entity and its Associates have Voting Power, as stated in the relevant substantial holder notice disclosed to United Malt.

7 INFORMATION ABOUT UNITED MALT

7.5 Recent United Malt Share price performance

United Malt Shares are Officially Quoted on the ASX under the ticker code 'UMG'.

The graph below shows the closing United Malt Share price during the six-month period that ended on the Last Practicable Trading Date.



The closing United Malt Share price on:

- (a) the Last Undisturbed Trading Date (24 March 2023) was \$3.44 per United Malt Share;
- (b) 30 June 2023, being the last day on which United Malt Shares traded on the ASX before United Malt announced that it had entered into the Scheme Implementation Deed with Malteries Soufflet (**Last Pre-Transaction Announcement Trading Date**), was \$4.40; and
- (c) the Last Practicable Trading Date (being 4 September 2023) was \$4.93 per United Malt Share.

Up to and including the Last Undisturbed Trading Date:

- the one-month VWAP of United Malt Shares was \$3.37 per United Malt Share;
- the three-month VWAP of United Malt Shares was \$3.52 per United Malt Share;
- the six-month VWAP of United Malt Shares was \$3.30 per United Malt Share; and
- the lowest and highest United Malt Share price during the preceding six months were \$2.81 and \$3.78 per United Malt Share, respectively.

In addition, the VWAP for:

- the period commencing on the date on which United Malt announced that it had received the Indicative Proposal from, and had entered into the Process and Exclusivity Deed with, Malteries Soufflet (28 March 2023) and ending on the Last Pre-Transaction Announcement Trading Date (30 June 2023) was \$4.49 per United Malt Share; and
- the period commencing on the date on which United Malt announced that it had entered into the Scheme Implementation Deed with Malteries Soufflet (3 July 2023) and the Last Practicable Trading Date (4 September 2023) was \$4.83 per United Malt Share.

The United Malt Directors are unable to predict the price at which United Malt Shares will trade in the future but consider that, if the Scheme is not implemented and no comparable proposal to the Scheme or Superior Proposal is received by the United Malt Board or otherwise emerges, the United Malt Share price may fall or trade at a price below the Scheme Consideration of \$5.00 per United Malt Share (including, potentially, to a price that is close to or below the United Malt Share price on the Last Undisturbed Trading Date), at least in the near term.

7.6 Historical financial information relating to United Malt

This Section 7.6 contains historical financial information relating to United Malt for the financial year ended 30 September 2022 and the financial half year ended 31 March 2023. The historical financial information in this Section 7.6 is a summary only and has been prepared and extracted for the purposes of this Scheme Booklet only.

The historical financial information of United Malt presented in this Section 7.6 is in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. United Malt considers that, for the purposes of this Scheme Booklet, the historical financial information presented in this Section 7.6 is more appropriate. The historical financial information of United Malt presented in this Scheme Booklet has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards and is presented on a stand-alone basis, and accordingly, does not reflect any impact of the implementation of the Scheme (or the transactions contemplated by it).

Further information about United Malt's historical financial performance and position can be found in United Malt's financial statements for the financial year ended 30 September 2022 (which are included in the Annual Report in respect of that financial year, which United Malt released to the ASX on 15 November 2022) and financial half year ended 31 March 2023 (which are included in the financial report in respect of that financial half year, which United Malt released to the ASX on 17 May 2023). Copies of these documents can be obtained, free of charge, from the ASX website (www.asx.com.au) or from the United Malt website (www.unitedmalt.com) or by calling the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time).

(a) Historical consolidated income statement

	Six months ended 31 March 2023 \$M	12 months ended 30 September 2022 \$M
Revenue	756.6	1,406.7
Other (loss) / income	(1.5)	11.9
Raw materials and consumables used	(598.4)	(1,113.9)
Employee benefits expense	(67.0)	(118.3)
Finance costs	(18.6)	(14.2)
Depreciation and amortisation	(32.5)	(62.0)
Occupancy costs	(1.7)	(3.9)
Repairs and maintenance	(11.1)	(19.3)
Other expenses	(39.4)	(68.9)
(Loss) / profit before income tax	(13.6)	18.1
Income tax expense	(0.2)	(6.5)
(Loss) / profit attributable to equity holders of parent entity	(13.8)	11.6
Other comprehensive loss		
<i>Items that will not be reclassified to profit and loss:</i>		
Remeasurement of retirement benefit obligations	2.5	(0.2)
Income tax relating to these items	(1.2)	(1.4)
<i>Items that may be reclassified to profit and loss:</i>		
Changes in fair value of cash flow hedges	1.1	(5.5)
Income tax relating to these items	(1.6)	4.4
Exchange differences on translation of foreign operations	(8.8)	36.8
Other comprehensive loss for the period, net of tax	(8.0)	34.1
Total comprehensive loss attributable to the equity holders of the parent entity	(21.8)	45.7

7 INFORMATION ABOUT UNITED MALT

7.6 Historical financial information relating to United Malt continued

(b) Historical consolidated balance sheet

	31 March 2023	30 September 2022
	\$M	\$M
Current assets		
Cash and cash equivalents	159.1	222.9
Trade and other receivables	245.2	249.7
Inventories	506.7	475.7
Derivative financial instruments	9.6	17.0
Current tax assets	8.8	11.5
Assets held for sale	2.4	4.4
Total current assets	931.8	981.2
Non-current assets		
Trade and other receivables	1.8	1.7
Derivative financial instruments	8.8	10.4
Deferred tax assets	30.2	29.8
Property, plant and equipment	754.7	754.7
Intangible assets	349.4	356.3
Right-of-use assets	77.2	85.2
Retirement benefit asset	23.2	16.8
Total non-current assets	1,245.3	1,254.9
Total assets	2,177.1	2,236.1
Current liabilities		
Trade and other payables	152.7	298.6
Borrowings	353.8	220.2
Lease liabilities	11.7	13.3
Derivative financial instruments	15.6	24.7
Current tax liabilities	0.5	0.2
Provisions	10.6	9.6
Total current liabilities	544.9	566.6
Non-current liabilities		
Income received in advance	17.6	17.7
Borrowings	363.0	367.1
Lease liabilities	69.8	75.7
Derivative financial instruments	1.2	7.6
Deferred tax liabilities	103.9	104.5
Provisions	5.8	5.9
Retirement benefit obligations	1.4	0.2
Total non-current liabilities	562.7	578.7
Total liabilities	1,107.6	1,145.3
Net assets	1,069.5	1,090.8
Equity		
Contributed equity	166.9	166.9
Reserves	518.6	526.1
Retained earnings	384.0	397.8
Total equity	1,069.5	1,090.8

(c) **Historical consolidated cash flow statement**

	Six months ended 31 March 2023	12 months ended 30 September 2022
	\$M	\$M
Cash flows from operating activities		
Receipts from customers	736.0	1,426.0
Payments to suppliers and employees	(925.8)	(1,410.2)
	(189.8)	15.8
Proceeds from draw down of inventory funding loans	15.0	61.5
Proceeds from factoring receivables	62.8	-
Interest received	3.9	1.3
Interest paid	(16.4)	(10.9)
Lease payments (interest component)	(1.6)	(3.0)
Income taxes paid	(0.1)	(18.1)
Net (outflow) / inflow from operating activities	(126.2)	46.6
Cash flows from investing activities		
Payments for property, plant and equipment	(39.7)	(90.9)
Payments for computer software	(0.2)	(0.3)
Net outflow from investing activities	(39.9)	(91.2)
Cash flows from financing activities		
Proceeds from borrowings	148.4	88.3
Repayment of borrowings	(36.8)	(88.2)
Lease payments (principal component)	(6.9)	(11.4)
Dividends paid	-	(15.0)
Shares purchased for employee share plan	(0.4)	(0.4)
Net inflow / (outflow) from financing activities	104.3	(26.7)
Net (decrease) in cash and cash equivalents	(61.8)	(71.3)
Cash and cash equivalents at the beginning of the period	222.9	286.8
Effects of exchange rate changes on cash and cash equivalents	(2.0)	7.4
Cash and cash equivalents at the end of the period	159.1	222.9

7 INFORMATION ABOUT UNITED MALT

7.7 Material changes to the financial position of United Malt since 31 March 2023

Other than:

- (a) the accumulation of earnings in the ordinary course of trading; and
- (b) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by United Malt,

within the knowledge of the United Malt Directors, the financial position of United Malt has not materially changed since 31 March 2023, being the date of United Malt's financial statements for the financial half year ended 31 March 2023 (which United Malt released to the ASX on 17 May 2023).

United Malt Shareholders may obtain a copy of United Malt's financial report for the half year ended 31 March 2023 (which was released to ASX by United Malt on 17 May 2023 and contains United Malt's consolidated financial statements for the financial half year ended 31 March 2023) from the ASX website (www.asx.com.au) or from the United Malt website (www.unitedmalt.com), or by calling the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time).

7.8 United Malt Directors' intentions for United Malt's business

The Corporations Act requires a statement by the United Malt Directors of their intentions regarding the United Malt Group's business to be included in this Scheme Booklet. If the Scheme is implemented, Malteries Soufflet presently intends to reconstitute the United Malt Board such that some or all of the United Malt Directors may be replaced (see Section 8.3(c)). Accordingly, it is not possible for the United Malt Directors to provide a statement of their intentions regarding:

- (a) the continuation of the business of the United Malt Group or how the United Malt Group's existing business will be conducted;
- (b) any major changes, if any, to be made to the business of the United Malt Group; or
- (c) any future employment of the present employees of the United Malt Group,

in respect of the period after implementation of the Scheme.

If the Scheme is implemented, Malteries Soufflet will own and control all of the United Malt Shares. The intentions of Malteries Soufflet with respect to the matters listed above if the Scheme is implemented are set out in Section 8.3.

If the Scheme is not implemented, as at the date of this Scheme Booklet, the United Malt Directors intend that:

- United Malt will continue its current strategic plans, which are focused on three core areas, namely optimising the core, transforming for tomorrow and creating new value, as outlined in Section 7.1(d); and
- United Malt will re-commence searches for a new Managing Director and CEO (to replace Mark Palmquist who has indicated his intention to retire – see United Malt's ASX announcement on 6 October 2022) and a permanent Chief Financial Officer (with Ryan Dutcher currently appointed on an interim basis).

United Malt will continue to operate on a standalone basis and remain listed on the ASX if the Scheme is not implemented.

7.9 Risks relating to United Malt's business

There are existing risks relating to United Malt's business and an investment in United Malt Shares which will continue to be relevant to United Malt Shareholders if the Scheme does not become Effective. A summary of the key risks relating to United Malt's business and an investment in United Malt is set out in Section 9 (Risks).

7.10 Publicly available information about United Malt

United Malt is an ASX-listed disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as a company listed on the ASX, United Malt is subject to the ASX Listing Rules, which require (subject to some exceptions) continuous disclosure of any information United Malt has that a reasonable person would expect to have a material effect on the price or value of United Malt Shares.

The ASX maintains files containing publicly disclosed information about all companies listed on the ASX. Information disclosed to ASX by United Malt is available on the ASX's website at www.asx.com.au.

In addition, United Malt is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by United Malt may be obtained from ASIC.

A copy of United Malt's financial report for the half year ended 31 March 2023 may be obtained by United Malt Shareholders free of charge, in the manner set out in Section 7.7. In addition, United Malt Shareholders may obtain a copy of United Malt's Annual Report for the financial year ended 30 September 2022 (which was released to ASX by United Malt on 15 November 2022) from the ASX website (www.asx.com.au) or from the United Malt website (www.unitedmalt.com).

The announcements made by United Malt to the ASX from the time that United Malt announced that it and Malteries Soufflet had entered into the Scheme Implementation Deed on 1 July 2023 to the Last Practicable Trading Date are listed in the table below.³

Title of announcement	Date
ACCC Clearance of Proposed Transaction	3 August 2023
Canadian Competition Clearance of Proposed Transaction	7 August 2023
Proposed Transaction – UK competition clearance process	14 August 2023
Update on US HSR Anti-Trust Filing	18 August 2023
Indicative Timetable for Implementation of Transaction	24 August 2023

Further, a substantial amount of information about United Malt, including financial information and releases to ASX, is available in electronic form on United Malt's website at www.unitedmalt.com.

8

Information on Malteries Soufflet

8 INFORMATION ON MALTERIES SOUFFLET

8.1 Overview of Malteries Soufflet

(a) Malteries Soufflet

Malteries Soufflet is a privately owned, limited liability company incorporated in accordance with the laws of France. Malteries Soufflet is an international malt company, operating 29 malt houses in Europe, Asia, Africa and South America. Malteries Soufflet has a portfolio of assets valued at €1,494.4 million (\$2,529 million)¹ as at 31 December 2022 (based on the consolidated accounts of Malteries Soufflet).

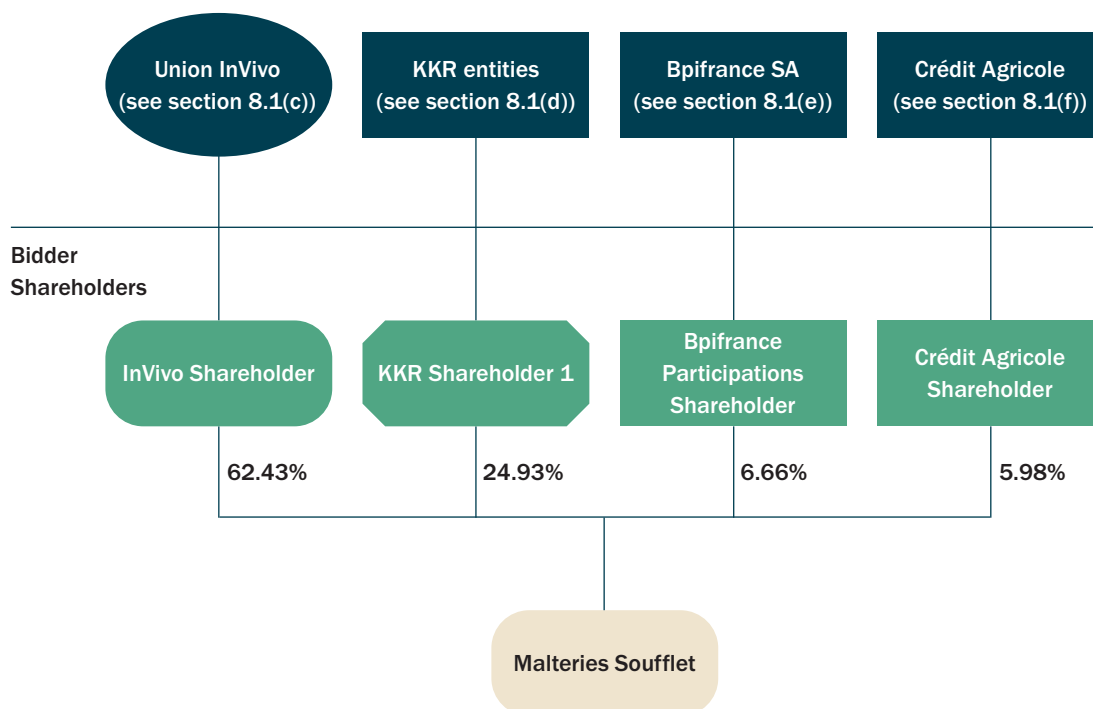
If the Scheme becomes Effective, and subject to Malteries Soufflet having paid the Scheme Consideration, Malteries Soufflet will acquire all Scheme Shares on the Scheme Implementation Date.

(b) Overview of ownership structure

As at the date of this Scheme Booklet, Malteries Soufflet is owned by the following shareholders in the following proportions:

- (i) InVivo Shareholder – 62.43%;
- (ii) KKR Shareholder 1 – 24.93%;
- (iii) Bpifrance Participations Shareholder – 6.66%; and
- (iv) Crédit Agricole Shareholder – 5.98%.

The ownership structure of Malteries Soufflet as at the date of this Scheme Booklet is illustrated below.



¹ Converted at the RBA exchange rate of €1: \$0.5910 published for 16 August 2023.

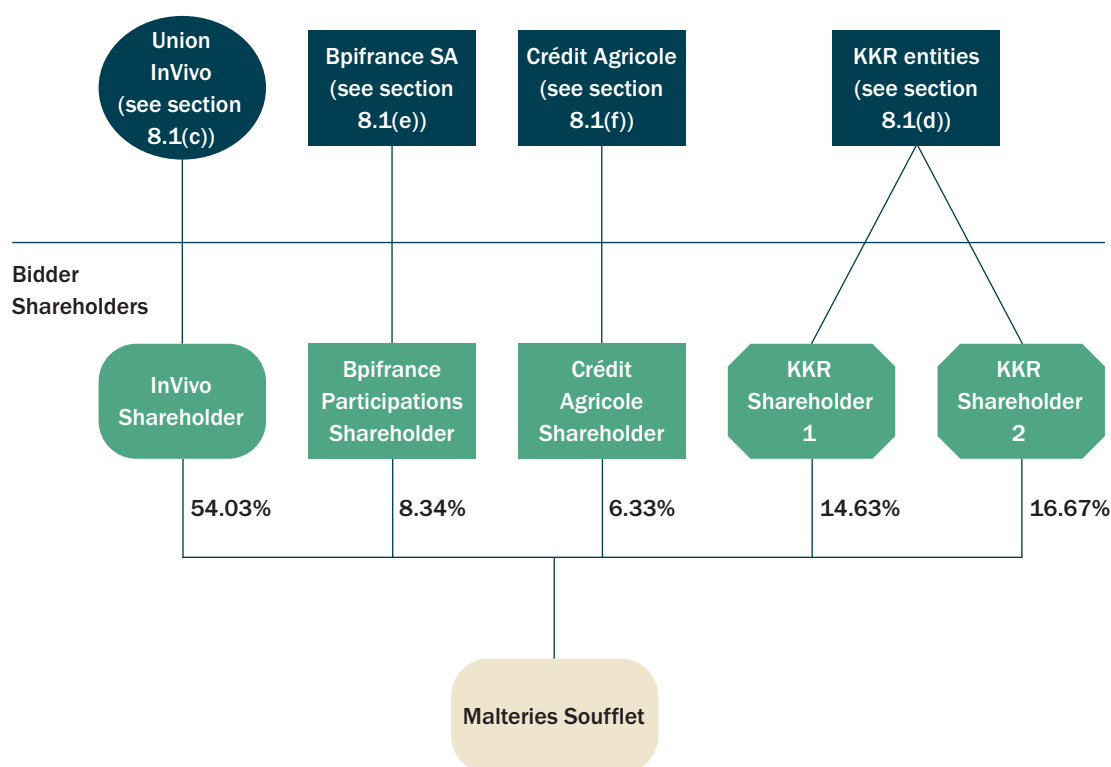
8 INFORMATION ON MALTERIES SOUFFLET

8.1 Overview of Malteries Soufflet continued

Before the Scheme Implementation Date, InVivo Shareholder, Bpifrance Participations Shareholder, Crédit Agricole Shareholder and KKR Shareholder 2 will grant shareholder loans to Malteries Soufflet. These shareholder loans will be incorporated in the share capital of Malteries Soufflet one Business Day after the Scheme Implementation Date. As a result of these subscriptions, Malteries Soufflet will be owned by the following shareholders in the following proportions:

- (i) InVivo Shareholder – 54.03%;
- (ii) KKR Shareholder 1 – 14.63%;
- (iii) Bpifrance Participations Shareholder – 8.34%;
- (iv) Crédit Agricole Shareholder – 6.33%; and
- (v) KKR Shareholder 2 – 16.67%.

The ownership structure of Malteries Soufflet after the Scheme Implementation Date is illustrated below.



(c) InVivo Shareholder

InVivo Shareholder is a company incorporated in France and provides, through its subsidiaries, agricultural products to international customers.

As at the date of this Scheme Booklet, InVivo Shareholder is indirectly wholly-owned by Union InVivo, a French union of agricultural cooperatives. Union InVivo, directly and indirectly through its subsidiaries, operates in the agriculture and food transition sector through four main business lines:

- (i) agriculture (Union InVivo directly and through its subsidiaries Bioline Group and Soufflet Agriculture);
- (ii) grains (international trade through its subsidiary Soufflet Négoce by InVivo);
- (iii) agri-food (including a malt sector with Malteries Soufflet, wheat sector and wine sector); and
- (iv) retail (including garden centres, pet care, food retail and fast-food sandwich restaurants).

Union InVivo operates across Europe (notably Belgium, France, Germany, Hungary, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland and the United Kingdom), South Africa, the Americas (Brazil, Canada and the United States) and Asia (China, Japan, Singapore and South Korea).

As at 31 December 2022, Union InVivo had a portfolio of assets valued at €7,069.8 million.

InVivo is a holding company, which owns most of the operational subsidiaries of Union InVivo. InVivo is majority owned and controlled by Union InVivo.

Further information on Union InVivo and InVivo is available from their website at <https://www.invivo-group.com/en>.

(d) KKR entities

KKR is a global investment firm that offers alternative asset management, and capital markets and insurance solutions. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group. As at 31 March 2023, KKR had approximately US\$510 billion of assets under management.

KKR Shareholder 1 and KKR Shareholder 2 are partnerships limited by shares, established in Luxembourg and controlled by their general partner, KKR Shareholder GP. KKR Shareholder GP is indirectly wholly owned by funds and investment vehicles managed and/or advised by KKR. The limited partnership interests in KKR Shareholder 1 and KKR Shareholder 2 are owned by funds, co-investment funds and investment vehicles that are managed and/or advised by KKR.

For additional information about KKR, please visit KKR's website at www.kkr.com.

(e) Bpifrance Participations Shareholder

Bpifrance Participations Shareholder is a limited company (*société anonyme*) organised under the laws of France. Bpifrance Participations Shareholder is a prudent investor (*investisseur avisé*), which invests mainly in France through minority stakes in:

- (i) the equity financing of growth technological and industrial small, medium, intermediate and large enterprises; and
- (ii) private equity investment in small and medium sized enterprises.

As at the date of this Scheme Booklet, Bpifrance Participations Shareholder is wholly owned by Bpifrance SA. Bpifrance SA is the holding company of the Bpifrance group. It is also a credit institution, with three main business lines:

- (i) innovation support and financing for innovative projects;
- (ii) investment and operational cycle financing alongside banking institutions; and
- (iii) bank financing guarantees.

As at 31 December 2022, the investment portfolio value (based on the consolidated accounts of Bpifrance Participations Shareholder) is approximately €23.8 billion.

Further information on Bpifrance SA is available from its website at <https://www.bpifrance.com>.

(f) Crédit Agricole Shareholder

Crédit Agricole Shareholder is a limited joint stock company (*société par actions simplifiée*) duly organised under the laws of France. It was established to hold its interest in Malteries Soufflet, and its only asset is its interest in Malteries Soufflet.

As at the date of this Scheme Booklet, Crédit Agricole Shareholder is indirectly majority owned by Crédit Agricole S.A., a listed company on the Euronext Paris Market. Crédit Agricole S.A. is a French international banking group and the world's largest cooperative financial institution. As at 31 December 2022, Crédit Agricole SA had approximately €1,900 billion of assets under management in Europe.

Further information on Crédit Agricole S.A. is available from its website at <https://www.credit-agricole.com/en>.

8 INFORMATION ON MALTERIES SOUFFLET

8.1 Overview of Malteries Soufflet *continued*

(g) Malteries Soufflet's Supervisory Board

As at the date of this Scheme Booklet, Malteries Soufflet's governance structure includes a CEO (*Président*), a Managing Director and a Supervisory Board:

- (i) The CEO and Managing Director are vested with the widest powers to act for and on behalf of Malteries Soufflet within the limits of Malteries Soufflet's corporate purpose and any applicable law. The Managing Director manages Malteries Soufflet on a day-to-day basis. The powers of the CEO and the Managing Director are subject to the powers specifically granted to the Supervisory Board or the shareholders.
- (ii) The Supervisory Board has oversight and control over the CEO and Managing Director.

As at the date of this Scheme Booklet, the members of Malteries Soufflet's Supervisory Board are:

- (1) Thierry Blandinières;
- (2) InVivo, represented by Maha Fournier;
- (3) InVivo Shareholder, represented by Christophe Passelande;
- (4) Jérôme Calteau;
- (5) Thierry Lafaye;
- (6) Jean-François Naudi;
- (7) Daniele Candela;
- (8) Jérôme Nommé;
- (9) Bpifrance Investissement SASU, represented by Louis Molis; and
- (10) Idia SAS, represented by Cédric Fontaine.

8.2 Funding arrangements

(a) Overview

If the Scheme becomes Effective, Scheme Shareholders will receive the Scheme Consideration for each Scheme Share held by them as at the Scheme Record Date. Based on the number of United Malt Shares and United Malt Performance Rights on issue as at the date of this Scheme Booklet, the maximum aggregate amount of cash payable on implementation of the Scheme by Malteries Soufflet to Scheme Shareholders as Scheme Consideration will be \$1,501,397,030.

Malteries Soufflet intends to fund payment of the Scheme Consideration through equity subscriptions. These funding arrangements are described in Section 8.2(b) of this Scheme Booklet.

(b) Funding

Malteries Soufflet has received legally binding equity commitment letters from:

- (i) InVivo Shareholder for €400,000,585.17;
- (ii) KKR Funds for €406,000,076.75;
- (iii) Bpifrance Participations Shareholder for €108,000,470.72; and
- (iv) Crédit Agricole Shareholder for €64,998,501.40,

(each an **Equity Commitment Party**) each letter dated 30 June 2023 (together, the **Equity Commitment Letters**) under which the relevant Equity Commitment Party commits, on a several basis, to provide their respective cash amount to Malteries Soufflet, totalling €978,999,634.04 (together, the **Equity Funding**) for the purpose of funding the Scheme Consideration payable by Malteries Soufflet under the Scheme.

The Equity Funding has been adjusted downwards to €950,491,223.97 as a result of the signed Hedging Confirmations (as defined below) which cover the conversion of \$1,501,397,030 into Euros and are described below. The adjusted Equity Funding is allocated as follows:

- (i) InVivo Shareholder for €400,000,585.17 (unchanged);
- (ii) KKR Funds for €383,479,130.41;
- (iii) Bpifrance Participations Shareholder for €102,013,006.99; and
- (iv) Crédit Agricole Shareholder for €64,998,501.40 (unchanged),

(together, the **Adjusted Equity Funding**). The Adjusted Equity Funding is equal to the amount in Euros required under the Hedging Confirmations to cover exactly \$1,501,397,030 plus an additional amount to cover transaction costs. The Adjusted Equity Funding will be paid to Malteries Soufflet no later than three Business Days before the Scheme Implementation Date, by way of shareholder loans, which will be incorporated in Malteries Soufflet's share capital one Business Day after the Scheme Implementation Date. Each Equity Commitment Party has represented and warranted to Malteries Soufflet and United Malt that it has (and will, when required to fund its portion of the Adjusted Equity Funding under the terms of its respective Equity Commitment Letter, have) committed funds or sufficient resources to fund its portion of the Adjusted Equity Funding.

The respective Adjusted Equity Funding of each Equity Commitment Party is subject to the Scheme becoming Effective. The Adjusted Equity Funding is otherwise unconditional.

InVivo has legally binding confirmations from:

- (i) Crédit Agricole Corporate and Investment Bank;
- (ii) BNP Paribas; and
- (iii) Goldman Sachs Bank Europe SE,

(the **Hedging Counterparties**) which will be novated to Malteries Soufflet no later than three Business Days before the Scheme Implementation Date (together, the **Hedging Confirmations**). Under the Hedging Confirmations, the Hedging Counterparties commit to buy a certain amount in Euros from Malteries Soufflet (depending on the applicable contingent forward rate) in exchange for Australian dollars (**Hedging Payments**), totalling \$1,501,397,030 for the purpose of securing sufficient Australian dollars to fund the Scheme Consideration payable by Malteries Soufflet under the Scheme. Under the terms of the Hedging Confirmations, the Hedging Payments will be paid to Malteries Soufflet on the earlier to occur of:

- (iv) the End Date; and
- (v) a date no more than five Business Days before the Scheme Implementation Date.

The respective Hedging Confirmation of each Hedging Counterparty is subject to the Scheme Implementation Date occurring prior to the End Date. The Hedging Payments are otherwise unconditional.

(c) Provision of Scheme Consideration

On the basis of the arrangements described above, Malteries Soufflet is of the opinion that it has a reasonable basis for holding the view, and holds the view, that it will be able to satisfy its obligations to pay (or procure the payment of) the aggregate Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed, the Scheme and the Deed Poll.

8 INFORMATION ON MALTERIES SOUFFLET

8.3 Malteries Soufflet's intentions

(a) Introduction

If the Scheme is implemented, Malteries Soufflet will become the holder of all Scheme Shares and, accordingly, United Malt will become a wholly-owned subsidiary of Malteries Soufflet.

This Section 8.3 sets out Malteries Soufflet's present intention only and is based on the information concerning United Malt (including certain non-public information made available by United Malt to Malteries Soufflet prior to the entry into the Scheme Implementation Deed) and the general business environment which is known to Malteries Soufflet at the date of this Scheme Booklet. Malteries Soufflet does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, taxation and financial implications of its present intentions.

If the Scheme is implemented, Malteries Soufflet intends to undertake a detailed review of United Malt's assets and operations, including to evaluate their performance, prospects and strategic relevance. Malteries Soufflet will only make final decisions following the completion of this review and based on the facts and circumstances at the relevant time.

Accordingly, the statements set out in this Section 8.3 are statements of present intention and may change as new information becomes available or as circumstances change.

(b) Removal from ASX

Following the implementation of the Scheme, Malteries Soufflet will arrange for United Malt to apply for the termination of the Official Quotation of United Malt Shares on the ASX and for United Malt to be removed from the Official List with effect on or around the Business Day immediately following the Scheme Implementation Date.

(c) Board of directors

If the Scheme is implemented, the United Malt Board will be reconstituted, such that some or all of the United Malt Directors may be replaced, with effect on and from the Scheme Implementation Date. At the date of this Scheme Booklet, the new directors have not been identified.

(d) Employees

As at the date of this Scheme Booklet, Malteries Soufflet, together with some of its advisors, is conducting a due diligence review which will last until implementation of the Scheme. Following implementation of the Scheme, Malteries Soufflet will finalise its review of United Malt's business operations and organisation structure to ensure United Malt has the relevant mix and level of employees and skills that is appropriate for an un-listed entity to enhance the business going forward and to enable the business to pursue growth opportunities. Following the conclusion of that review, it is possible that Malteries Soufflet will determine that certain operational functions may become redundant as a result of workforce duplications, synergies that may be available following implementation or following an efficient integration of Malteries Soufflet and United Malt's respective organisational structures. As at the date of this Scheme Booklet, Malteries Soufflet has not identified any specific redundancies or any significant employment issues and therefore intends to retain the employment of the vast majority of United Malt's employees. In any event, Malteries Soufflet will seek to minimise job losses. Should any redundancies or other changes to an employee's arrangements occur, the relevant employees will be treated in accordance with their contractual and other legal entitlements.

(e) Business, operations and assets

Subject to the findings of the post-acquisition review referred to in this Section 8.3, Malteries Soufflet's current intention is to continue the strategic direction and operations of United Malt, including actively pursuing growth opportunities available to United Malt.

8.4 Additional information

(a) Interests in United Malt Shares

Malteries Soufflet is not the registered holder of, nor does it have the power to control voting rights attached to, or the power to dispose of, any United Malt Shares.

(b) Voting Power in United Malt

As at the date of this Scheme Booklet, Malteries Soufflet has no Voting Power in United Malt.

(c) Dealing in United Malt Shares in previous four months

Neither Malteries Soufflet nor any of its Associates has provided or agreed to provide any consideration for any United Malt Shares under any transaction or agreement during the period of four months before the date of this Scheme Booklet, except for the Scheme Consideration which Malteries Soufflet has agreed to provide under the Scheme Implementation Deed, the Scheme and the Deed Poll.

(d) Benefits to United Malt Shareholders

During the four months before the date of this Scheme Booklet, neither Malteries Soufflet nor any of its Associates has given, or offered to give or agreed to give, a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- (i) vote in favour of the Scheme; or
- (ii) dispose of United Malt Shares,

where the benefit was not offered to all United Malt Shareholders.

(e) Benefits to current United Malt officers

Neither Malteries Soufflet nor any of its Associates will be making any payment or giving any benefit to any current officers of United Malt or any United Malt subsidiaries as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices dependent on the Scheme being implemented.

(f) Disclosure of interests in United Malt

As at the date of this Scheme Booklet, in relation to Malteries Soufflet, neither the CEO, the Managing Director nor any member of the Supervisory Board has a Relevant Interest in any United Malt Shares.

(g) Other material information

Except as otherwise disclosed in this Scheme Booklet, there is no other information relating to Malteries Soufflet, the Malteries Soufflet Shareholders and Malteries Soufflet's intentions if the Scheme is implemented that is material to the making of a decision in relation to the Scheme that is within the knowledge of Malteries Soufflet's CEO, Managing Director or any member of the Supervisory Board as at the date of this Scheme Booklet, which has not previously been disclosed to United Malt Shareholders.

9

Risks



9 RISKS

9.1 Introduction

The United Malt Board considers that it is appropriate for United Malt Shareholders, in considering the Scheme, to be aware that there are a number of general risks, as well as risks specific to United Malt and/or the industries in which United Malt operates, which could materially adversely affect the future operating and financial performance of United Malt, as well as the value of United Malt and the potential for any future dividends to be declared and paid by United Malt.

This Section outlines:

- (a) general investment risks (refer to Section 9.2);
- (b) specific risks associated with your current investment in United Malt (refer to Section 9.3); and
- (c) specific risks relating to the Scheme (refer to Section 9.4).

This Section 9 (**Risks**) is a summary only. There may be additional risks and uncertainties not currently known to United Malt which may also have a material adverse effect on United Malt's financial and operational performance now or in the future.

If the Scheme becomes Effective, United Malt Shareholders that are Scheme Shareholders will receive the Scheme Consideration, cease to be United Malt Shareholders, and will also no longer be exposed to the risks set out below (and other risks to which United Malt may be exposed).

However, if the Scheme does not proceed, and no comparable proposal to the Scheme or Superior Proposal is received by the United Malt Board (or otherwise emerges) and is ultimately completed, United Malt will continue to operate as a stand-alone entity listed on the ASX and United Malt Shareholders will continue to hold their United Malt Shares and be exposed to risks and opportunities associated with that investment.

In making your decision on how to vote on the Scheme Resolution, you should read this Scheme Booklet carefully and in its entirety. You should carefully consider the risks outlined below and your individual circumstances. This Section 9 (**Risks**) is general in nature only and does not take into account your individual objectives, financial situation, taxation position or particular needs.

While the United Malt Board unanimously recommends that United Malt Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders, United Malt Shareholders are encouraged to make their own independent assessment as to whether to vote in favour of the Scheme.

9.2 General investment risks

Like many listed companies, United Malt is exposed to general risks that could materially adversely affect its assets and liabilities, the future operating and financial position, profits, prospects of United Malt, the potential to make distributions to United Malt Shareholders, and the price and/or value of United Malt Shares. General risks that may impact on United Malt or the market for United Malt Shares include:

- (a) changes in general business, industry cycles and economic conditions including inflation, interest rates, exchange rates, commodity prices and consumer demand and preferences;
- (b) regulatory risks and changes to government policy (including fiscal, monetary, taxation, employment and environmental policies), legislation or regulation (including accounting and reporting standards);
- (c) the nature of competition in the markets in which United Malt operates;
- (d) weather conditions, natural disasters or catastrophes, pandemics and other global health events generally, and other general operational and business risks;
- (e) variations in United Malt's operating results; and
- (f) the overall performance of the Australian and international stock markets, changes in investor sentiment, recommendations by securities analysts, the operating and trading price performance of other comparable listed entities or inclusion or removal from major market indices.

While there is a possibility of future benefits to United Malt Shareholders that arise from some of these risks, equally, some of these factors could affect United Malt's share price regardless of United Malt's underlying operating performance.

9 RISKS

9.3 Risks associated with your current investment in United Malt Shares

There is a range of business-specific risks associated with your current investment in United Malt Shares, as set out below. You will only continue to be exposed to these risks if the Scheme does not proceed, in which case, in the absence of a comparable proposal to the Scheme or Superior Proposal which is ultimately consummated, United Malt will continue to operate as a stand-alone entity listed on the ASX. The risks set out in this Section 9.3 may materially adversely affect the operating or financial performance of United Malt and the investment returns or value of United Malt Shares. Some of these risks may be mitigated by appropriate controls, systems and other actions, but others will be outside the control of United Malt.

(a) Competition risk

United Malt operates in a competitive business environment in Australia and internationally. Each of the markets in which United Malt operates is characterised by competition on the basis of quality, price and customer service. Consequently, United Malt's financial performance, revenues and market share may be adversely affected by the actions of its competitors, such as price discounting, and the effectiveness of United Malt's response to such actions.

(b) Risk of decline in beer consumption having an adverse impact on United Malt's financial performance

United Malt primarily supplies to, and services, brewing customers. Beer consumption (both mainstream and craft) may be affected by changing consumer preferences, for example demand for beverage premiumisation and increasing health awareness. A decline in beer consumption (as was seen during the COVID-19 pandemic) has the potential to have a significant effect on United Malt's future financial performance. In addition, there is the risk that global brewers become increasingly self-sufficient for malt, which would further impact United Malt's financial performance. United Malt's focus on the craft brewing and Scottish distilling markets as well as other distilling markets (as described in Section 7.1) may mitigate some of these risks.

(c) Risk of change in the amount of malt used in beer production having an adverse impact on United Malt's financial performance

United Malt primarily supplies to brewing customers. The amount of malt used in beer production varies considerably by brewery, region and style of beer produced. A range of factors may reduce the amount of malt used in beer production, including changing consumer preferences, increased production yields and efficiency and increased substitution of malt with lower cost, unmalted grains or other products (e.g. sugar, corn or rice). United Malt's diversification, including exposure to the craft brewing and Scottish distilling markets (as described in Section 7.1) as well as other distilling markets, may mitigate some of these risks.

(d) Substitution risk for alternative beverage products may lead to lower Malt usage, having an adverse impact on United Malt's financial performance

As new beverage products are created to adapt to changing consumer preferences, producers may use lower amounts of malt or substitute malt for alternative products altogether (e.g. sugar, corn or rice). If consumers substitute beer for these products, this could ultimately result in lower overall demand for malt, which could have a significant impact on the outlook for United Malt's financial performance. United Malt's diversification including exposure to the craft brewing and Scottish distilling markets (as described in Section 7.1) as well as other distilling markets may mitigate some of these risks.

(e) A significant product or food safety event may affect United Malt

As a producer of a food and beverage input products, United Malt's products are susceptible to contamination or damage throughout the production, supply and storage processes. These food safety events could ultimately result in food poisoning or other illness in end consumers. A significant food safety event may result in United Malt's products becoming unsafe or being perceived to be unsafe.

If United Malt or a competitor's products were to become unsafe or were perceived to be unsafe for any reason, this could result in reduced demand for United Malt's products which could have a material adverse effect on United Malt's financial and operating performance. Additionally, in the case of a food safety event, United Malt may incur significant product recall costs, other operational costs in order to address any issues, compensation payments and penalties or product liability claims, each of which may negatively impact United Malt's financial performance. All of United Malt's sites are subject to audit procedures relating to food safety standards. Key food safety risks have been identified by United Malt and are covered by appropriate procedures and, where applicable, contracts with third parties.

(f) Disruptions to United Malt's supply chain may adversely impact its financial performance

United Malt is dependent on the price and available quantity of quality barley and malt to meet the expectations of its customers. The supply of barley and malt could be disrupted by many factors, including the failure by United Malt to develop and maintain effective supplier relationships, climate events or natural disasters, quality management issues in United Malt's supply chain, and transport or shipping delay/issues, which may adversely impact United Malt's financial performance. United Malt seeks to mitigate this risk by maintaining a diversified network of growers and regions for barley supply.

United Malt leases warehouses to store and distribute brewing ingredients. Damage to or destruction of these facilities could result in the loss of significant inventory and impact the ability to fulfil sales orders for customers, which would adversely impact United Malt's financial results. United Malt seeks to mitigate these risks by implementing and maintaining rigorous occupational health and safety programs.

In certain markets, United Malt utilises third parties to distribute its products. Whilst this has been an effective way to expand the distribution of United Malt's products, United Malt does not have full control over the supply chain of these third parties. As a result, there is a risk that these third parties may provide a lower standard of service than United Malt would provide if it distributed its products directly in the relevant markets. United Malt seeks to minimise these risks by maintaining long-term relationships with trusted distributors.

All warehouses are subject to audit procedures relating to food safety standards. Food safety risks have been identified and are covered by Statements of Procedure (SOP) or contract. 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.

(g) United Malt is vulnerable to increases in barley prices which have the potential to negatively impact its profitability

United Malt has operations that are directly exposed to volatility in barley prices, which has the potential to impact its operations and margins. It is United Malt's policy to manage the impact of volatility in barley prices and effectively secure conversion margins by entering into fixed price barley supply agreements shortly after contracting malt sales. Most of United Malt's contracts with customers are structured such that the cost of barley is effectively passed through to those customers. However, pricing under these contracts is conducted periodically and barley procurement may not align with the timing of customer contract pricing. Further, United Malt has extensive experience in grain trading, enabling it to purchase barley at optimal prices through the cycle.

9 RISKS

9.3 Risks associated with your current investment in United Malt Shares *continued*

(h) United Malt is subject to increases in utility prices and access to reliable water supply

Natural gas is the key input in the malt heating germination and kilning process and is a substantial variable utility cost component of United Malt's malt processing operations. As such, increases in gas prices may adversely impact United Malt's financial performance.

Water and electricity are also key inputs in the malting process. There is a risk that access to high quality reliable water may be impacted by climate variability, catastrophic drought or wide-spread contamination, and access to affordable and reliable electricity may be impacted by a supply/demand imbalance, which may adversely impact United Malt's financial performance.

(i) United Malt is subject to agricultural risks which have the potential to negatively impact its financial performance

Barley growing and procurement are subject to a variety of agricultural factors beyond United Malt's control, such as disease, pests, rainfall, and extreme weather conditions. To the extent that any of these factors impact the quality and quantity of barley available to United Malt for malting, its operations could be adversely affected. United Malt seeks to mitigate this risk by maintaining a diversified network of growers and leveraging its strong supplier relationships, allowing it to import barley when necessary. In addition, in Canada, United Malt has entered into a one-year derivative contract to manage the risk in variability of the barley crop yield for the 2023 harvest season. The purpose of this contract is to provide additional financial risk mitigation for United Malt's operations in Canada should significantly reduced barley crop yields be experienced in FY24.

(j) Debt facility risk

United Malt has in place a number of unsecured debt facilities, each of which include covenants (including financial covenants). A breach of these covenants, unless remedied within any 'cure period', would provide the lenders with rights to take action under the facilities, including the right to accelerate repayment of the debt if an event of default occurs. In recent periods, United Malt has required lenders to vary its covenants to avoid such a breach.

(k) Inability to execute United Malt's business strategy may adversely impact its financial performance

United Malt may fail to implement its business strategy and/or achieve its strategic objectives due to a range of factors, including changes to the competitive environment that result in a change to the underlying assumptions of the strategy, poor cost management, loss of key management personnel, failure to effectively execute a project, or adverse economic shocks and uncertainty.

A failure by United Malt to execute its strategy may result in a failure to maintain or increase operating margins and market share, which could potentially adversely affect United Malt's financial performance. As part of its strategy, United Malt may undertake acquisitions or divestments from time to time, acquire or develop new malting plants or invest capital in new projects or initiatives. While United Malt is focused on maintaining discipline in its capital expenditure, such actions could result in a variability of earnings over time, may give rise to liabilities or may distract management from business-as-usual operations, which could potentially adversely affect United Malt's financial performance.

United Malt's results of operations and financial condition could be adversely affected if United Malt encounters difficulties in effectively managing the budgeting, forecasting and other process control issues in the pursuit of future growth. To manage this, United Malt undertakes a detailed budgeting process to minimise the likelihood of cost overruns on planned projects that further United Malt's strategic objectives.

(l) Risk of failing to manage strategic projects may adversely impact United Malt's financial performance

As part of its broader business strategy, United Malt undertakes projects such as entering new markets, acquiring or developing new businesses, improving its operational efficiency, upgrading manufacturing plants and developing new plants.

These projects require the management of capital and personnel, as well as the commissioning of equipment. A failure by United Malt to adequately manage these projects may result in operational distractions or adverse financial impacts if unplanned capital expenditures or costs overruns occur. In addition, business transformation initiatives may not generate the financial benefits anticipated.

United Malt undertakes detailed budgeting, forecasting and planning procedures to minimise this project management risk.

(m) Risk of losing key personnel

United Malt's profitability depends on the talent and experience of its senior management and staff. New management and staff do not have the institutional knowledge and experience with United Malt's business available to existing employees. Therefore, to manage and operate its business effectively, United Malt aims to retain its high performing and experienced staff.

United Malt also faces the challenge of maintaining a reputation as an attractive place to work and to enable talented individuals to be developed and promoted within United Malt. To do so, United Malt must ensure that it has a remuneration structure that meets market expectations, quality human resources and training systems and opportunities for advancement. If United Malt fails to attract, develop and retain high performing key personnel, it may not manage its business effectively and may not be able to meet its growth objectives.

If the Scheme does not proceed, United Malt will be required to re-commence searches for a new Managing Director and CEO (to replace Mark Palmquist who has indicated his intention to retire – see United Malt's ASX announcement on 6 October 2022) and Chief Financial Officer (with Ryan Dutcher currently appointed on an interim basis).

(n) There is a risk that industrial disputes have adverse reputational, legal or financial impacts on United Malt

A failure to successfully manage industrial relations or ensure proper design, processes, security and culture at plants and warehouses could result in industrial disputes that cause adverse reputational, financial, legal, productivity or morale impacts. United Malt seeks to mitigate these risks with a targeted industrial relations strategy. For example, the roll-off profile of enterprise agreements is typically staggered to minimise disruption to United Malt's operations.

(o) Risk of failure of United Malt's information technology systems

United Malt relies on third-party information technology infrastructure and systems for its day-to-day operations. Any failure of, or disruption to, information technology infrastructure or systems could impede the processing of transactions or limit United Malt's ability to carry out its operations. Similarly, the unauthorised disclosure of confidential company, customer, team member or third-party information, or a malicious attack on United Malt's infrastructure, could impact United Malt's reputation or competitive strength or result in litigation and/or regulatory enforcement. United Malt seeks to mitigate these risks by regularly testing and reviewing its information technology infrastructure and systems, and continually seeking to strengthen its data and cyber security posture and defences. United Malt is currently engaged in an enterprise resource planning system implementation process. There is a risk that this project is not implemented according to the current schedule or budget, or that the new system does not meet United Malt's needs or has other adverse impacts on United Malt's operations.

9 RISKS

9.3 Risks associated with your current investment in United Malt Shares *continued*

(p) United Malt is exposed to movements in foreign exchange rates which may impact its financial performance

United Malt, through its international operations and exports, is exposed to the effect of foreign exchange rate fluctuations. Movements in exchange rates have both transaction and translation consequences which may impact United Malt's earnings.

United Malt seeks to minimise these risks with hedge instruments for contracts in currencies different to functional currency. However, there is a risk that these hedging arrangements do not adequately protect United Malt from being adversely impacted by foreign exchange rate fluctuations.

(q) Credit risk

United Malt is exposed to the risk that contractual counterparties (including customers and financial institutions) do not fulfill their obligations to pay United Malt.

United Malt has a credit policy which provides guidelines for the management of credit risk. The guidelines provide for the manner in which the credit risk of customers is assessed and the use of credit ratings and other information in order to set appropriate account limits. Management, and in some instances, officer and/or director review and approval is required for substantial increases in credit exposure. Customers that do not meet minimum credit criteria are required to pay upfront. Customers who fail to meet their account terms are reviewed for continuing creditworthiness. Credit risk exposure is partially mitigated through trade credit insurance arrangements and cross-company or parental guarantees.

(r) United Malt's financial performance may be impacted by changes in taxation treatment / laws

Changes in taxation laws (or their interpretation) in the US, Canada, Australia, the UK and other countries where United Malt has operations could materially affect United Malt's financial performance and impact on its ability to obtain the benefit of existing tax losses and claim other beneficial tax attributes. 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.

Further, the determination of the taxation treatment of investments, activities or transactions requires an interpretation of the relevant taxation laws and significant judgement in circumstances where there may be differing but reasonable interpretations which may be adopted. Consistent with other companies of the size and diversity of United Malt, United Malt may be the subject of periodic information requests, investigations and audit activities by tax authorities in the jurisdictions in which the companies operate.

(s) United Malt's insurance policies may not be sufficient to cover a future loss

United Malt has placed insurance policies that it believes are at an appropriate level of retained risk and coverage for the business activities of United Malt. However, adequate insurance coverage for potential losses and liabilities may not be available in the future on commercially reasonable terms. If United Malt experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties. This may adversely impact United Malt's financial and operating performance. There is also a risk that United Malt's insurance costs may be higher than anticipated due to supply and demand factors, such as (but not limited to) underwriter risk appetite, the trend of insurance claims in a given market or industry, or United Malt's individual claims performance.

(t) Occupational health and safety risk

United Malt is exposed to risks associated with the occupational health and safety of its employees and contractors. Injuries to employees and contractors may result in significant lost time for the employee and contractor and costs and impacts on United Malt's business beyond what is covered under workers compensation schemes. United Malt takes out insurance (see above) to cover these risks within certain parameters, however it is possible for injuries and/or incidents to occur which may result in expenses in excess of the amount insured or provided for with a resultant impact on United Malt's financial performance.

While United Malt has established a comprehensive set of workplace health and safety procedures and protocols, it is still exposed to the risk of serious injury or death of its employees and contractors, which may result in significant impacts to United Malt's reputation and result in regulatory/enforcement actions which may ultimately impact on United Malt's ability to carry out its business activities.

(u) Operational regulatory compliance risk

United Malt's business operations are governed by a range of legislative and regulatory requirements. These include environmental, planning, employee relations, work, health and safety, competition, financial services and energy market rules, regulations and legislation. United Malt is exposed to the risk of changes in government policy, and changes to, or in the interpretation of, applicable rules, regulations and legislation. Compliance with such rules, regulations and legislation could increase compliance responsibilities and costs. A failure to comply with such rules, regulations and legislation may impact United Malt's ability to operate and could adversely affect United Malt's revenues, future financial performance and reputation.

(v) Environmental risk

The operations and activities of United Malt are subject to the environmental laws and regulations in Australia and other jurisdictions in which United Malt operates. United Malt is unable to predict the effect of new environmental laws and regulations which may come into force in the future, including whether any such laws or regulations would materially increase United Malt's cost of conducting its business or affect its operations. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not require United Malt to incur significant expenses and undertake significant investments which could have a material adverse effect on United Malt's business, financial condition and/or performance.

(w) United Malt is at risk of litigation by various stakeholders

Exposure to litigation brought by third parties such as customers, regulators, employees or business associates could negatively impact United Malt's financial performance through increased costs, payments for damages and reputational damage.

(x) Changes to accounting standards may adversely impact United Malt's financial performance

Changes in accounting or financial reporting standards may adversely impact the financial performance of United Malt. In addition, United Malt's financial performance may be impacted by changes to accounting policies after the date of this Scheme Booklet or differences in interpretations of accounting standards.

9 RISKS

9.3 Risks associated with your current investment in United Malt Shares *continued*

(y) Changes or additions to existing regulations may adversely affect United Malt's operations and financial performance

United Malt's operations are regulated by environmental, competition and anti-trust, industrial / employment, anti-bribery and corruption, chain of responsibility, international and local trading, privacy, health and safety and other laws, instruments and regulations in the countries where it operates. These regulations govern parts of their operations, including the manufacturing, marketing, advertising, distribution and sales of their products. The alcohol industry in a particular market could be subject to changes or additions to existing regulations (e.g. tariffs and duties) which could increase the cost of goods and, as a result, lead to a decline in the consumption of beer and/or whisky. United Malt may be subject to costs, investigations, penalties, liabilities, loss of reputation, and other adverse effects as a result of failure to comply with these laws and regulations.

The impact of the regulatory environment could also result in new or more stringent forms of regulatory oversight of both United Malt and the industries in which it operates. This may lead to increased levels of expenditure on compliance, monitoring, controls, access regimes and arrangements and land use restrictions, affecting United Malt or its suppliers, and other conditions that could materially adversely affect its business, financial condition and results of operations.

(z) Risk of loss of customer contracts or supply agreements

United Malt enters into agreements with customers and suppliers which support United Malt's current operating model and investment horizon. There is a risk that:

- (i) customers do not renew their agreements with United Malt;
- (ii) customers reduce the quantity of malt purchased from United Malt; and
- (iii) when United Malt's current supply agreements expire, United Malt is unable to renew those agreements on similar or more favourable commercial terms,

which could negatively impact United Malt's financial and operational performance.

(aa) United Malt is exposed to seasonal fluctuations in working capital

United Malt faces variations throughout the year in its draw on working capital, relating to customer purchasing behaviour and payment terms and commodity prices.

Historically, United Malt's working capital levels have peaked each year around 31 March and reduced in the second half to 30 September. Working capital levels year on year may vary from historical levels due to changes in commodity prices and customer mix.

Due to the high prevailing barley prices as at the date of this Scheme Booklet, United Malt has a higher than typical level of working capital as at the date of this Scheme Booklet, although this is expected to moderate in the future.

(bb) Other operating risks

Other risks that may arise in relation to United Malt's operations include, but are not limited to:

- (i) business continuity and interruption related risks, such as:
 - (A) impacts on United Malt's operations and locations from natural events, such as earthquakes, floods, fires or droughts;
 - (B) interruptions at United Malt's workplaces arising from industrial disputes and work stoppages and accidents; and
 - (C) information technology related service outages and failures, including cyber-incidents; and
- (ii) risks related to compliance with laws and regulations relevant to United Malt's operations in areas including, but not limited to:
 - (A) occupational health and safety;
 - (B) operating licences and permits;
 - (C) competition and fair trading;
 - (D) tax; and
 - (E) environmental standards.

(cc) United Malt is vulnerable to global and regional geopolitical and sovereign risk and is subject to global and regional economic downturns and risks relating to turmoil in global financial and commodity markets

As an international maltster and warehouse and distribution business, United Malt is vulnerable to geopolitical tensions which may impact global trade flows. There is a risk that United Malt's financial performance may be impacted when those tensions affect markets or commodities that United Malt participates in.

United Malt is also vulnerable to sovereign risk, such as the imposition of tariff barriers, foreign exchange restrictions, and nationalisation of assets, which could adversely impact United Malt's financial performance.

The level of demand for United Malt's services and products is also affected by global and regional demographic and macroeconomic factors, including population growth rates, changes in standards of living, and the occurrence of global health events.

(dd) Uncertainty associated with COVID-19 pandemic (and pandemics generally)

There is continuing uncertainty as to the ongoing impacts of the COVID-19 pandemic. Given this uncertainty, it is currently not possible for United Malt to fully assess the impact that the COVID-19 pandemic will (or any other pandemic that emerges would) have on its operations and financial performance. However, the COVID-19 pandemic has to date negatively impacted (or is expected to negatively impact) the business in the following ways:

- (i) adverse fluctuations in United Malt's share price, including as a consequence of volatility in financial markets;
- (ii) risks of increased bad debt due to customers experiencing financial distress as a result of the pandemic;
- (iii) a decline in revenue due to customers being subject to forced business closures; or
- (iv) increased costs and/or supply chain constraints.

The market volatility and economic uncertainty that remains could adversely impact United Malt's business and its ability to drive shareholder value. These risks may also apply to any future pandemic or other global health event.

9 RISKS

9.3 Risks associated with your current investment in United Malt Shares *continued*

(ee) Unknown risks

Additional risks and uncertainties not currently known to United Malt may also have a material adverse effect on United Malt's financial and operational performance. The information set out in this Section 9 (Risks) does not purport to be, nor should it be construed as, an exhaustive overview of the risks which may affect United Malt.

9.4 Risks relating to the Scheme

(a) Implications for United Malt and United Malt Shareholders if the Scheme is not implemented

If the Scheme is not implemented, Scheme Shareholders will not receive the Scheme Consideration and, if no comparable proposal to the Scheme or Superior Proposal is received by the United Malt Board (or otherwise emerges) that is ultimately completed, United Malt will continue to operate as a standalone ASX-listed entity. Unless United Malt Shareholders choose to sell their United Malt Shares on the ASX, United Malt Shareholders will continue to hold United Malt Shares and will be exposed to both risks (including those set out Section 9.2) and potential future benefits in retaining exposure to United Malt's business and assets. The United Malt Share price will also remain subject to market volatility and, if no comparable proposal to the Scheme or Superior Proposal is received by the United Malt Board (or otherwise emerges), the United Malt Share price may fall or trade at a price below the Scheme Consideration (including, potentially, to a price that is close to or below the United Malt Share price on the Last Undisturbed Trading Date), at least in the near term (see Section 4.2(f)).

If the Scheme is not implemented, the United Malt Directors intend that United Malt will continue its current strategic plans and operate on a stand-alone basis and will remain listed on the ASX. See Section 7.8 for further information on the strategy and intentions of United Malt if the Scheme does not proceed.

While it is not possible to predict the future performance of United Malt or the United Malt share price, in deciding whether or not to vote in favour of the Scheme, you should have regard to the prospects of United Malt on a stand-alone basis (that is, if the Scheme is not approved and implemented).

In addition, if the Scheme is not implemented:

- (i) the advantages of the Scheme described in Section 4.2 of this Scheme Booklet will not be realised and the relevant potential disadvantages and risks of the Scheme described in Sections 4.3 and 9.4(d) of this Scheme Booklet will not arise; and
- (ii) as described in Section 11.11, United Malt expects to pay an aggregate of approximately \$10.9 million (excluding GST) in transaction costs in connection with the Scheme, being costs that have already been incurred as at the date of this Scheme Booklet or are expected to be incurred even if the Scheme is not implemented (but excluding any Break Fee that may be payable by United Malt – see Section 11.9(f)(i) for information on the circumstances in which a Break Fee may be payable by United Malt).

(b) The Scheme Implementation Deed may be terminated by United Malt or Malteries Soufflet in certain circumstances and the Scheme is also subject to certain Conditions Precedent

Each of United Malt and Malteries Soufflet has the right to terminate the Scheme Implementation Deed in certain circumstances, in which case the Scheme will not proceed. These termination rights are summarised in Section 11.9(h) of this Scheme Booklet.

The Scheme is also subject to certain Conditions Precedent that must be satisfied (or, if applicable, waived) for the Scheme to become Effective. These Conditions Precedent are summarised in Section 6.3. The failure of a Condition Precedent to be satisfied (or, if applicable, waived) may also give rise to a right for either United Malt or Malteries Soufflet to terminate the Scheme Implementation Deed.

As at the date of this Scheme Booklet, the United Malt Board is not aware of any circumstances which would cause any outstanding Condition Precedent not to be satisfied. Despite this, there is a possibility that one or more of the Conditions Precedent will not be satisfied (or, if applicable, waived) and that the Scheme will not proceed. There are a number of Conditions Precedent which are outside the control of United Malt, including, but not limited to, approval of the Scheme by the Requisite Majorities and the Court and certain of the Regulatory Approval Conditions Precedent. In this regard, there is also a risk that some or all of the steps in relation to the United Malt Shareholder and/or Court approval process required for the Scheme to proceed may be delayed.

If, for any reason, all of the Conditions Precedent are not satisfied (or, if applicable, waived) and the Scheme does not proceed, or if the Scheme Implementation Deed is otherwise terminated, the United Malt Share price will continue to be subject to market volatility and, if no comparable proposal to the Scheme or Superior Proposal is received by the United Malt Board (or otherwise emerges), may fall (see Section 4.2(f)).

(c) Tax consequences for Scheme Shareholders

If the Scheme becomes Effective, there will be tax consequences for Scheme Shareholders, which may include tax being payable. For further information regarding general Australian tax consequences of the Scheme for Scheme Shareholders, see Section 10 (**Taxation implications for Scheme Shareholders**) of this Scheme Booklet. The taxation consequences of the Scheme for Scheme Shareholders may vary depending on the nature and characteristics of Scheme Shareholders and their specific circumstances. Accordingly, you should seek professional tax advice in relation to your circumstances.

(d) Risks if the Scheme is implemented

If the Scheme is implemented, you will no longer be a United Malt Shareholder and will forgo any future benefits that may result from being a United Malt Shareholder. In particular, if the Scheme is implemented, you will not be able to participate in the future financial and share price performance of United Malt, retain any exposure to United Malt's business or assets or have the opportunity to share in any value that could be generated by United Malt in the future. However, there is no guarantee as to United Malt's future performance, or its future share price and financial performance, as is the case with all investments in shares of ASX-listed companies. United Malt Shareholders may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of United Malt, or may incur transaction costs in undertaking any new investment.

10

Taxation implications for Scheme Shareholders

10 TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS

10.1 Introduction

This Section 10 is a general summary of the Australian income tax, GST and stamp duty implications for Scheme Shareholders arising as a result of the implementation of the Scheme. This Section 10 does not consider any foreign taxes (i.e., non-Australian taxes) or any Australian taxes other than income tax, GST and stamp duty.

The summary in this Section 10 should not be relied on by Scheme Shareholders as taxation advice. The taxation implications of the Scheme will vary depending upon each Scheme Shareholder's particular circumstances. Accordingly, each United Malt Shareholder should seek professional advice from their own taxation or financial adviser when determining the particular taxation implications that will apply to them as a Scheme Shareholder.

The information provided in this Section 10 below is not applicable to all Scheme Shareholders and does not consider the taxation consequences of the Scheme for United Malt Shareholders who:

- (a) hold their United Malt Shares on revenue account or as trading stock for Australian income tax purposes or who have acquired their United Malt Shares for the purposes of disposing of them at a profit;
- (b) are subject to the Taxation of Financial Arrangements (**TOFA**) rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**ITAA 1997**) in relation to gains and losses on their United Malt Shares;
- (c) acquired their United Malt Shares pursuant to an employee equity, option or rights plan;
- (d) were deemed to have acquired their United Malt Shares prior to 20 September 1985;
- (e) are temporary residents for Australian income tax purposes; or
- (f) may be subject to special tax rules. For example, insurance companies, partnerships, tax exempt entities or entities subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in respect of their United Malt Shares.

The summary in this Section 10 is general in nature and is not intended to be an authoritative or a complete statement of the applicable tax law. It is based on Australian tax legislation, case law and relevant administrative practice in force as at the date of this Scheme Booklet. The Australian income tax, GST and stamp duty implications of the Scheme outlined in this Section 10 may differ if there is a change in Australian taxation law or judicial or administrative interpretations of Australian taxation law after the date of this Scheme Booklet.

The summary in this Section 10 does not consider any financial objectives, tax positions or investment needs of any Scheme Shareholders and should not be construed as being investment, legal or tax advice to any particular Scheme Shareholder. It is strongly recommended that each Scheme Shareholder seeks their own independent, professional tax or financial advice in respect of the taxation implications of the Scheme for that Scheme Shareholder, which will depend on their individual and particular circumstances.

10.2 Disposal of United Malt Shares

The tax implications arising from the disposal of United Malt Shares by a Scheme Shareholder under the Scheme will depend on whether the Scheme Shareholder is a resident or non-resident for Australian tax purposes.

The disposal of United Malt Shares under the Scheme will give rise to a disposal event for income tax purposes pursuant to the capital gains tax (**CGT**) provisions at the time that a Scheme Shareholder disposes of their United Malt Shares to Malteries Soufflet, which will occur on the Scheme Implementation Date.

A Scheme Shareholder will make a capital gain on the disposal of their Scheme Shares to Malteries Soufflet under the Scheme to the extent that the respective capital proceeds received from the disposal of those Scheme Shares exceeds their respective cost base of those Scheme Shares. Conversely, a Scheme Shareholder will make a capital loss on the disposal of their Scheme Shares to Malteries Soufflet under the Scheme if their respective capital proceeds received from the disposal of those Scheme Shares are less than their respective cost base of those Scheme Shares.

Under the terms of the Scheme, a Scheme Shareholder's capital proceeds from the disposal of their Scheme Shares will be \$5.00 per Scheme Share, less the cash amount (per Scheme Share) of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) and to which United Malt Shareholders become entitled on or before the Scheme Implementation Date.

10 TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS

10.2 Disposal of United Malt Shares *continued*

A Scheme Shareholder's cost base of their Scheme Shares generally equals the amount paid to acquire the Scheme Shares, plus other costs incurred to hold and dispose of those Scheme Shares (e.g. broker commission, legal fees and certain advisor fees, as relevant).

GrainCorp Limited (ASX: GNC) (**GrainCorp**) obtained Class Ruling 2020/24 from the ATO (CR 2020/24) on behalf of the GrainCorp shareholders regarding the income tax consequences of the demerger of United Malt from GrainCorp (which was implemented on 1 April 2020). For Scheme Shareholders who acquired their United Malt Shares as a consequence of the demerger of United Malt from GrainCorp, the tax cost base for each United Malt Share should be calculated in line with CR 2020/24.

(a) Resident Scheme Shareholders

For Scheme Shareholders who are residents of Australia for income tax purposes, if a capital gain is realised upon the disposal of their Scheme Shares to Malteries Soufflet under the Scheme, individuals, trusts, or complying superannuation entities who have held their Scheme Shares for at least 12 months before the Scheme Implementation Date may be eligible for a capital gains discount. This discount is applicable after accounting for any current year or carry forward capital losses. The discount rate is 50% for individuals and trustees, while complying superannuation funds receive a 33.3% discount. Companies are not entitled to any capital gains discount.

If a Scheme Shareholder incurs a capital loss upon disposing of their Scheme Shares to Malteries Soufflet under the Scheme, they can use this loss to offset any capital gains they have derived in the current year. Alternatively, they can carry forward the capital loss to offset against any capital gains arising in future income years. Certain specific loss recoupment rules may be applicable, and which may limit the utilisation of capital losses in certain circumstances. For this reason, it is recommended that Scheme Shareholders seek their own tax advice regarding the application of these rules and the availability of any losses.

(b) Non-resident Scheme Shareholders

Scheme Shareholders that are not residents of Australia for tax purposes should be able to disregard any capital gain or capital loss that would otherwise arise from the disposal of their Scheme Shares to Malteries Soufflet under the Scheme, unless their Scheme Shares constitute 'Taxable Australian Property' (**TAP**), as defined under Australian tax law.

Specifically, a Scheme Shareholder's Scheme Shares would constitute 'TAP' if both of the following tests are met:

- (i) *non-portfolio interest test*: where a Scheme Shareholder, together with its associates, held 10% or more of the issued share capital of United Malt, either at the time of disposal of the Scheme Shares to Malteries Soufflet on the Scheme Implementation Date or for a continuous 12-month period that began no earlier than 24 months before the Scheme Implementation Date and ending no later than the Scheme Implementation Date; and
- (ii) *principal asset test*: where the sum of the market value of United Malt's assets that are taxable Australian real property (broadly, direct and indirect interests in Australian real property, including Australian land and leases of Australian land and fixtures) exceeds the sum of the market value of United Malt's assets that are not taxable Australian real property.

If both of the above tests are satisfied, non-resident Scheme Shareholders may be subject to Australian income tax on any gains arising from the disposal of their United Malt Shares to Malteries Soufflet under the Scheme and may be required to lodge an Australian tax return.

The United Malt Directors' view is that:

- as at the date of this Scheme Booklet, the sum of the market value of United Malt's assets that are taxable Australian real property does not exceed the sum of the market value of United Malt's assets that are not taxable Australian real property; and
- as at the date of this Scheme Booklet, the United Malt Directors expect that this will remain the case on the Scheme Implementation Date.

To the extent that, on the Scheme Implementation Date, the sum of the market value of United Malt's assets that are taxable Australian real property does not exceed the sum of the market value of United Malt's assets that are not taxable Australian real property, then the Scheme Shares should not constitute TAP. Consequently, no Australian CGT should apply on the disposal of Scheme Shares to Malteries Soufflet by any non-resident Scheme Shareholder under the Scheme.

Non-resident Scheme Shareholders that are subject to Australian CGT on the disposal of their Scheme Shares under the Scheme could have part of their Scheme Consideration withheld and remitted to the ATO under the 'foreign resident capital gains withholding' rules (see Section 10.3(b) below for further information).

A non-resident individual Scheme Shareholder who has previously been an Australian tax resident and elects to disregard a capital gain or loss in respect of their United Malt Shares from CGT event I1 upon ceasing to be an Australian tax resident may be subject to Australian CGT consequences on disposal of their Scheme Shares to Malteries Soufflet under the Scheme.

Non-resident Scheme Shareholders are not entitled to any discount on capital gains. We recommend that Scheme Shareholders who are not residents of Australia for income tax purposes seek independent tax advice as to the tax implications of the Scheme, including the tax implications in their relevant country of residence.

10.3 Foreign resident capital gains withholding

Malteries Soufflet may be required to withhold an amount equal to 12.5% of the Scheme Consideration for each Scheme Share held by certain Scheme Shareholders and remit that amount to the ATO under the foreign resident capital gains withholding regime under section 14-200 of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (TAA) in certain circumstances, as described below.

(a) Scheme Shareholder – relevant foreign resident

Generally, the foreign resident capital gains withholding regime applies in respect of a Scheme Shareholder where the Scheme Shares acquired by Malteries Soufflet under the Scheme are considered an 'indirect Australian real property interest' (i.e. if the 'non-portfolio interest' test and the 'principal asset' test discussed in Sections 10.2(b)(i) and (ii) above are satisfied) and Malteries Soufflet:

- (i) knows or reasonably believes that the Scheme Shareholder is a foreign resident; or
- (ii) does not reasonably believe that the Scheme Shareholder is an Australian resident, and either:
 - (A) the Scheme Shareholder has an address outside Australia (according to records in Malteries Soufflet's possession); or
 - (B) the Scheme Shareholder was authorised to provide a financial benefit to a place located outside Australia (whether to Malteries Soufflet or anyone else).

In determining whether it considers or reasonably believes a Scheme Shareholder is a 'relevant foreign resident', a number of factors may be considered by Malteries Soufflet, including whether that individual Scheme Shareholder:

- (i) identifies as a non-resident in the United Malt Share Register;
- (ii) is not incorporated in Australia;
- (iii) has a registered address outside of Australia; or
- (iv) is a corporate shareholder and otherwise has a registered name which leads Malteries Soufflet to reasonably believe that the Scheme Shareholder is not an Australian resident entity.

(b) Declaration form

Malteries Soufflet may seek a declaration from certain Scheme Shareholders that the Scheme Shareholder is and will be an Australian tax resident (**Residency Declaration**) at the time of disposal of their Scheme Shares to Malteries Soufflet under the Scheme or that the United Malt Shares held by the Scheme Shareholder are membership interests in United Malt but not 'indirect Australian real property interests' (**Interest Declaration**).

10 TAXATION IMPLICATIONS FOR SCHEME SHAREHOLDERS

10.3 Foreign resident capital gains withholding continued

(c) Withholding payment

Malteries Soufflet is not required to withhold any amount from the Scheme Consideration to which a Scheme Shareholder is entitled under the Scheme under the foreign resident capital gains withholding tax regime if a valid Residency Declaration or Interest Declaration is received by Malteries Soufflet from that Scheme Shareholder (after Malteries Soufflet sought such a declaration from that Scheme Shareholder) by the required time, being within six months prior to the Scheme Implementation Date.

However, if a valid Residency Declaration or Interest Declaration is not received from the relevant Scheme Shareholder (after Malteries Soufflet sought such a declaration from that Scheme Shareholder) by the required time (being within six months prior to the Scheme Implementation Date), under section 14-200 of Schedule 1 of the TAA:

- (i) Malteries Soufflet can withhold an amount equal to 12.5% (or the amount approved by the ATO) of the Scheme Consideration payable to that Scheme Shareholder;
- (ii) Malteries Soufflet will remit to the ATO any such amounts withheld from the Scheme Consideration; and
- (iii) the amount payable to the Scheme Shareholder will not be increased to reflect the withholding and the amount payable to the Scheme Shareholders will be taken to be in full and final satisfaction of the amounts owing to the Scheme Shareholder.

Scheme Shareholders who have an amount withheld under section 14-200 of Schedule 1 of the TAA should generally be able to claim a credit in their Australian income tax return.

As stated above, the United Malt Directors' view is that, as at the date of this Scheme Booklet, the sum of the market value of United Malt's assets that are taxable Australian real property does not exceed the sum of the market value of United Malt's assets that are not taxable Australian real property and, as at the date of this Scheme Booklet, the United Malt Directors expect that this will remain the case on the Scheme Implementation Date. If this is the case on the Scheme Implementation Date, then the Scheme Shares are not expected to constitute an Australian real property interest.

On this basis, Malteries Soufflet's taxation adviser has advised that Malteries Soufflet will engage with the ATO to determine a practical approach to satisfying its obligations with respect to complying with the foreign resident capital gains tax withholding regime, whilst having regard to the impracticalities of obtaining either a Residency Declaration or Interest Declaration from each individual Scheme Shareholder.

However, it is recommended that non-Australian tax residents Scheme Shareholders seek their own tax advice as to the tax implications of the Scheme, including in relation to the foreign resident capital gains withholding regime.

10.4 Stamp duty

Scheme Shareholders that dispose of their United Malt Shares under the Scheme will not be subject to any stamp duty in any Australian State or Territory with respect to their disposal.

10.5 GST

Scheme Shareholders that dispose of their United Malt Shares under the Scheme should not be subject to GST on that disposal.

However, a Scheme Shareholder that is registered for Australian GST may not be entitled to claim full input tax credits in respect of GST on expenses (e.g. third party adviser fees) they incur that relate to the disposal of their United Malt Shares.

11

Additional information

11 ADDITIONAL INFORMATION

11.1 Relevant Interests of United Malt Directors in United Malt Shares

The table below lists the Relevant Interests of United Malt Directors in United Malt Shares as at the date of this Scheme Booklet.

United Malt Director	Position as at the date of this Scheme Booklet	United Malt Shares in which the United Malt Director has a Relevant Interest
Mr Graham Bradley AM	Independent Chairman and Non-executive Director	241,395
Mr Mark Palmquist	Managing Director and CEO	622,511
Mr Gary W Mize	Independent, Non-executive Director	48,200
Mr Terry Williamson	Independent, Non-executive Director	56,586
Mr Patrick E. Bowe	Independent, Non-executive Director	Nil
Ms Christine Feldmanis	Independent, Non-executive Director	Nil
Ms Mary Clarke	Independent, Non-executive Director	Nil

United Malt Directors who hold United Malt Shares, and entities Controlled by, or that hold United Malt Shares for the benefit or on behalf of, United Malt Directors will be entitled to vote at the Scheme Meeting (along with the other eligible United Malt Shareholders) and receive the Scheme Consideration (along with the other Scheme Shareholders).

Each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all United Malt Shares that he or she holds or Controls in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

11.2 Interests of United Malt Directors in United Malt Performance Rights

Set out below is a table which shows the United Malt Performance Rights held by the United Malt Managing Director and Chief Executive Officer, Mr Mark Palmquist. No other United Malt Director holds or Controls any United Malt Performance Rights.

Tranche of United Malt Performance Rights	Number of United Malt Performance Rights held
Deferred STI Performance Rights	23,540
FY21 LTI Performance Rights	268,218
FY22 LTI Performance Rights	295,208
TOTAL	586,966

The treatment of the United Malt Performance Rights held by Mr Palmquist identified in the table above in connection with the Scheme is described in Section 11.3 below.

11.3 United Malt Performance Rights and other employee incentive arrangements

United Malt operates employee incentive plans under which short-term incentives (STI) and long-term incentives (LTI) are offered and issued to executives and other senior employees (and certain consultants and independent contractors that perform a senior employee-like role) of the United Malt Group (**Participants**).

Further details about United Malt's employee incentive arrangements can be found in announcements lodged by United Malt with the ASX, including:

- in United Malt's announcement to the ASX on 1 September 2020, which attached a copy of the rules of United Malt's employee incentive plan under which LTI awards have been made (and United Malt Performance Rights have been issued) (**United Malt Long Term Incentive Plan**); and
- in United Malt's Annual Report in respect of the financial year ended 30 September 2022, which can be obtained from the ASX website (www.asx.com.au) or from the United Malt website (www.unitedmalt.com).

(a) United Malt Performance Rights

As at the date of this Scheme Booklet, United Malt has the following equity incentives on issue (and held by Participants):

- (i) 37,961 unvested deferred United Malt Performance Rights, which have been granted following satisfaction of performance-based vesting conditions under the terms of STI awards and which are subject to a time-based vesting condition (**Deferred STI Performance Rights**); and
- (ii) 1,062,310 unvested United Malt Performance Rights, which are subject to various vesting conditions, including time-based and performance-based conditions, being:
 - (A) 322,780 United Malt Performance Rights with a performance period ending on 30 September 2023 (**FY21 LTI Performance Rights**);
 - (B) 467,404 United Malt Performance Rights with a performance period ending on 30 September 2024 (**FY22 LTI Performance Rights**); and
 - (C) 272,126 United Malt Performance Rights with a performance period ending on 30 September 2025 (**FY23 LTI Performance Rights**).

All United Malt Performance Rights have an exercise price of nil. On vesting (subject to the satisfaction of the applicable conditions and, if applicable, the exercise of discretion by the United Malt Board under the terms of issue and/or the United Malt Long Term Incentive Plan), the United Malt Performance Rights are exercised automatically, and Participants are entitled to be issued or transferred one United Malt Share for every vested United Malt Performance Right or, alternatively, at the discretion of the United Malt Board (subject to the terms of issue of the applicable United Malt Performance Right), are entitled to a cash payment in lieu of a United Malt Share.

Before the Scheme becomes Effective, United Malt intends to grant, and issue, United Malt Performance Rights to Participants under the United Malt Long Term Incentive Plan in respect of the financial year ending 30 September 2024 (**FY24 LTI Performance Rights**). Unlike for United Malt Performance Rights granted in previous financial years:

- the FY24 LTI Performance Rights will have a vesting date of 30 September 2024 (that is, a one-year, rather than a three-year, performance period) and, accordingly, the quantum of FY24 LTI Performance Rights to be granted and issued to each Participant on reaching target will be approximately one-third of the quantum granted and issued to that Participant under LTI awards in previous financial years;
- the FY24 LTI Performance Rights will be subject to financial performance-based vesting conditions. Half of the FY24 LTI Performance Rights will be subject to a vesting condition relating to United Malt's EBITDA, and the other half of the FY24 LTI Performance Rights will be subject to a vesting condition relating to United Malt's operating free cash flow (**OFCF**), in FY24, with such targets to be determined by the United Malt Board; and
- if the FY24 LTI Performance Rights vest, they will be settled by United Malt making a cash payment to the relevant Participant, the quantum of which will be determined at the time of the grant of the FY24 LTI Performance Rights (rather than an amount determined by reference to the United Malt Share price). Participants will not be entitled to receive any United Malt Shares in satisfaction of their vested FY24 LTI Performance Rights. All members of United Malt's Executive Leadership Team who are issued FY24 LTI Performance Rights will receive a value of FY24 LTI Performance Rights based on the same percentage of their fixed remuneration for FY24 as for LTI grants made to them in prior financial years.

11 ADDITIONAL INFORMATION

11.3 United Malt Performance Rights and other employee incentive arrangements *continued*

(b) **FY23 Phantom Rights**

As at the date of this Scheme Booklet, United Malt has granted, and issued, 130,960 'phantom rights' to Participants under the United Malt Long Term Incentive Plan in respect of the financial year ending 30 September 2023 (**FY23 Phantom Rights**). The performance period for the FY23 Phantom Rights ends on 30 September 2025. All FY23 Phantom Rights have an exercise price of nil. On vesting (subject to the satisfaction of the applicable vesting conditions and, if applicable, the exercise of discretion by the United Malt Board under the terms of issue and/or the United Malt Long Term Incentive Plan) the FY23 Phantom Rights are exercised automatically, and Participants are entitled to a cash payment under the terms of the relevant award.

(c) **Executive Retention Awards**

As at the date of this Scheme Booklet, United Malt has granted, and issued, 224,314 'executive retention awards' to Participants under the United Malt Long Term Incentive Plan (**Executive Retention Awards**). The Executive Retention Awards vest on the earlier of (i) 1 July 2024 and (ii) six months after a change of control of United Malt (which will occur on implementation of the Scheme), provided that the relevant Participant has not resigned (or given notice of resignation) nor had their employment terminated for cause before that date. On vesting (subject to the satisfaction of certain performance-related conditions and, if applicable, the exercise of discretion by the United Malt Board under the terms of issue and/or the United Malt Long Term Incentive Plan) the Executive Retention Awards are exercised automatically and Participants are entitled to a cash payment under the terms of the relevant award.

(d) **STI awards**

As detailed in United Malt's Annual Report for the financial year ended 30 September 2022, STI awards are typically granted in each financial year and are linked to specific objectives in a given performance period. STI awards made to Mr Mark Palmquist and other members of United Malt's Executive Leadership Team are typically paid 50% in cash immediately following the end of the performance period and 50% in a 'deferred' component in the form of cash or United Malt Performance Rights which vest in two tranches (half vesting 12 months after the end of the performance period and the remainder vesting 24 months after the end of the performance period). STI awards made to other Participants are paid 100% in cash.

As at the date of this Scheme Booklet, United Malt has granted STI awards to Participants under United Malt's short-term incentive plan (**United Malt STI Plan**) in respect of the financial year ended 30 September 2023 (**FY23 STI Awards**).

Before the Scheme becomes Effective, United Malt intends to grant STI awards to Participants under the United Malt STI Plan in respect of the financial year ending 30 September 2024 (**FY24 STI Awards**). The FY24 STI Awards will be payable once the applicable performance hurdles have been tested after 30 September 2024, subject to the Scheme having become Effective and the satisfaction of the applicable performance-based vesting conditions. If the FY24 STI Awards vest, they will be payable 100% in cash following 30 September 2024 (with no 'deferred' component). Other than this, the vesting conditions that apply to the FY24 STI Awards will be materially consistent with the vesting conditions that apply to the FY23 STI Awards, with:

- 70% of the Participant's FY24 STI Award to be subject to performance-based conditions that relate to a "corporate scorecard" – half of this component of the FY24 STI Award will be subject to a vesting condition relating to United Malt's EBITDA, and the other half of this component of the FY24 STI Award will be subject to a vesting condition relating to United Malt's OFCF, in FY24, with such targets to be determined by the United Malt Board; and
- 30% of the Participant's FY24 STI Award to be subject to performance-based conditions that relate to an "individual scorecard" – the applicable performance metrics (and targets) the subject of these conditions will be determined by the United Malt Board.

For the majority of Participants, the FY24 STI Award granted to them will represent the same percentage of their base salary as for their FY23 STI Awards.

(e) Implications of the Scheme for Participants in the existing incentive arrangements

(i) Existing incentive arrangements with a performance period ending on 30 September 2023

The performance period in respect of the FY21 LTI Performance Rights (which commenced on 1 October 2021) and the FY23 STI Awards (which commenced on 1 October 2024) ends on 30 September 2023. After 30 September 2023, but before the Scheme becomes Effective, the United Malt Board will determine whether any or all (and/or the extent to which) the FY21 LTI Performance Rights and the FY23 STI Awards have vested and:

- (A) in respect of any FY21 LTI Performance Rights that have vested, will issue new United Malt Shares (or cause existing United Malt Shares to be transferred) to the applicable Participants; and
- (B) in respect of any FY23 STI Awards that have vested, will make the applicable cash payments to the applicable Participants (with the 'deferred' component (if any) in respect of the FY23 STI awards made to Mr Mark Palmquist and other members of United Malt's Executive Leadership Team being payable in cash in two equal tranches after 12 and 24 months),

in each case, in accordance with their terms of issue and the United Malt Long Term Incentive Plan or the United Malt STI Plan (as applicable). The United Malt Board's determination referred to above will be made in the ordinary course and consistent with past practice and, therefore, the treatment of the FY21 LTI Performance Rights and FY23 STI Awards will not be affected by the Scheme, other than that:

- (C) in recognition of the expected timing for implementation of the Scheme as at the date of this Scheme Booklet, the United Malt Board will exercise its discretion to determine whether any or all (and/or the extent to which) the FY21 LTI Performance Rights and FY23 STI Awards have vested as soon as practicable after 30 September 2023 rather than in accordance with the past practice of making such determination following the release of United Malt's financial statements to the ASX; and
- (D) in respect of the FY23 STI Awards, the United Malt Board will exercise the discretion given to it under the United Malt STI Plan and terms of issue of the FY23 STI Awards and determine that any deferred component of a vested FY23 STI Award will be satisfied by way of deferred cash payments (as described above) rather than in the form of United Malt Performance Rights (and, if the quantum of the aggregate payment in respect of a vested FY23 STI Award is significantly less than "target", the United Malt Board has the discretion to determine to not defer a portion of that payment in respect of an applicable Participant (as described above) and make 100% of the FY23 STI Award payment at the same time as FY23 STI Award payments are made to other Participants).

Any FY21 LTI Performance Rights or FY23 STI Awards that do not vest will lapse in accordance with their terms of issue and the United Malt Long Term Incentive Plan or the United Malt STI Plan (as applicable).

If, as a result of the process described above:

- all performance hurdles that apply to the FY21 LTI Performance Rights have been met (or are deemed to have been met) and all of the FY21 LTI Performance Rights vest and convert into new United Malt Shares (such that new United Malt Shares are issued to all Participants in respect of all of their FY21 LTI Performance Rights), this will result in up to 322,780 new United Malt Shares being issued to FY21 Participants (including Mr Mark Palmquist - see Section 11.6(b)(ii)) before the Scheme becomes Effective. If the Scheme becomes Effective, those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) on implementation of the Scheme; and
- all applicable performance metrics have been met (or are deemed to have been met) and the FY23 STI Awards vest, approximately A\$8.6 million (in aggregate, and based on the applicable exchange rates as at the date of this Scheme Booklet) will be payable to Participants if the applicable performance-based vesting conditions (which will relate to United Malt's financial performance in the financial year ending 30 September 2023) are satisfied at the "target" level. This aggregate amount (based on the applicable exchange rates as at the date of this Scheme Booklet) is approximately \$12.9 million if all such performance-based vesting conditions are satisfied at "stretch" level and, therefore, all Participants receive the maximum amount payable under their FY23 STI Awards (however, as at the date of this Scheme Booklet, United Malt does not expect that this will occur). The applicable performance-based vesting conditions may be satisfied at below the "target" level, in which case an aggregate amount of less than the approximately A\$8.6 million identified above will be payable to Participants.

11 ADDITIONAL INFORMATION

11.3 United Malt Performance Rights and other employee incentive arrangements *continued*

(ii) Incentive arrangements with a performance period ending after 30 September 2023

Having regard to the fact that United Malt will no longer be an ASX-listed company following implementation of the Scheme, the United Malt Board has determined to treat the existing incentive arrangements described above (other than FY21 LTI Performance Rights and the FY23 STI Awards) in connection with the Scheme as summarised below.

The implications for Participants and the treatment of incentive arrangements (other than FY21 LTI Performance Rights and the FY23 STI Awards) in connection with the Scheme summarised below only apply to Participants who hold or have received (as applicable) United Malt Performance Rights (other than FY21 LTI Performance Rights), FY23 Phantom Rights, Executive Retention Awards and/or FY24 STI Awards (**United Malt Incentive Rights**) at the time that the Scheme becomes Effective. A Participant may cease to hold United Malt Incentive Rights or cease to have any entitlements under an STI award made under the United Malt STI Plan in the ordinary course in accordance with their terms of issue and/or the United Malt Long Term Incentive Plan or the United Malt STI Plan (as applicable) prior to the Scheme becoming Effective (for example, if the Participant ceases to be employed by the United Malt Group in certain circumstances).

(A) Deferred STI Performance Rights, FY22 LTI Performance Rights and FY23 LTI Performance Rights

The United Malt Board has exercised the discretion given to it in the event of a proposed change of control or ownership of United Malt under the United Malt Long Term Incentive Plan and/or the United Malt STI Plan (as applicable) and/or terms of issue (as applicable) and determined that, subject to the Scheme becoming Effective, all Deferred STI Performance Rights, FY22 LTI Performance Rights and FY23 LTI Performance Rights will vest on the date that the Scheme becomes Effective (after trading in United Malt Shares has been suspended at the close of trading on the ASX on the Effective Date) and will be satisfied by the issue of new United Malt Shares before the Scheme Record Date. The effect of such vesting is that up to a total of 777,491 United Malt Shares will be issued to Participants between the Scheme becoming Effective and the Scheme Record Date. These United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) on implementation of the Scheme.

(B) FY23 Phantom Rights

The United Malt Board has exercised the discretion given to it in the event of a proposed change of control or ownership of United Malt under the United Malt Long Term Incentive Plan and/or the United Malt STI Plan (as applicable) and/or terms of issue (as applicable) and determined that, subject to the Scheme becoming Effective, all FY23 Phantom Rights will vest. The vested FY23 Phantom Rights will be satisfied by the payment of the applicable cash entitlements under the terms of such awards on or before the Scheme Implementation Date. The effect of such vesting is that up to a total of \$654,800 will be payable to Participants if the Scheme becomes Effective.

(C) Executive Retention Awards

Subject to the relevant Participant having not resigned (or given notice of resignation) and their employment having not been terminated for cause before the applicable date below, and subject to the satisfaction (or waiver) of any other applicable vesting conditions under the terms on which the applicable Executive Retention Award was granted, each Executive Retention Award will vest on the earlier of 30 July 2024 and the date that is six months after a change of control of United Malt (which includes the change of control which will occur if the Scheme is implemented) and will be satisfied by the payment of the applicable cash entitlements under the terms of each Executive Retention Award. The maximum amount payable by United Malt if all Executive Retention Awards vest is \$1,121,570.

(D) FY24 LTI Performance Rights

It will be a term of the FY24 LTI Performance Rights that, if the Scheme becomes Effective on or before 30 September 2024, and the Participant has not resigned as an employee of the United Malt Group (other than as a result of retirement) or been dismissed for cause before the vesting date of 30 September 2024, then, if the applicable performance-based vesting conditions (described in Section 11.3(a)) are satisfied, some or all of the Participant's FY24 LTI Performance Rights will vest on 30 September 2024 and the applicable cash payment in satisfaction of those vested FY24 LTI Performance Rights will be made to the Participant on 1 December 2024.

If the Scheme has not become Effective on or before 30 September 2024, or the Participant resigns as an employee of the United Malt Group before the vesting date of 30 September 2024, the Participant's FY24 LTI Performance Rights will automatically lapse on the applicable date. In accordance with the United Malt Long Term Incentive Plan, if the Scheme becomes Effective on or before 30 September 2024 but a Participant's employment with the United Malt Group subsequently ceases before the vesting date of 30 September 2024 as a result of their retirement, redundancy, death or disability (**Good Leaver Conditions**), that Participant's FY24 LTI Performance Rights will remain on foot and be subject to the determination of United Malt as to whether, and the extent to which, the applicable performance-based vesting conditions have vested (which will be made after 30 September 2024, at the same time as for the other Participants). In these circumstances, the cash amount that would have been payable to the Participant on 1 December 2024 will be reduced on a pro rata basis based on the proportion of the one-year performance period that the Participant is employed with the United Malt Group.

The maximum aggregate amount payable to all Participants in respect of the FY24 LTI Performance Rights (which, as described above, is conditional on the Scheme becoming Effective on or before 30 September 2024) is approximately \$0.8 million (based on the applicable exchange rates as at the date of this Scheme Booklet).

(E) FY24 STI Awards

It will be a term of the FY24 STI Awards that, if the Scheme becomes Effective on or before 30 September 2024, and the Participant has not resigned as an employee of the United Malt Group (other than as a result of retirement) (and has not satisfied another disqualifying condition under the United Malt STI Plan, such as having been dismissed for cause) on or before that date, then, if the applicable performance-based conditions (described in Section 11.3(d)) are satisfied, that Participant's FY24 STI Award will vest and the Participant will receive a cash payment – if all of the performance-based conditions are satisfied at: (i) “target” level, the payment will be equal to 100% of the Participant's “target STI opportunity”; or (ii) “stretch” level, the payment will be equal to 160% of the Participant's “target STI opportunity” (and the payment will be between these amounts if those conditions are satisfied between “target” and “stretch” levels), but no payment will be made if none of those performance-based conditions are satisfied (at any level). This cash payment (if any) will be paid to the Participant as soon as practicable following United Malt having tested the applicable performance-based conditions and determining the extent to which they have been satisfied (which will occur after 30 September 2024) and, in any event, no later than 15 December 2024.

If the Scheme has not become Effective on or before 30 September 2024, or the Participant resigns as an employee of the United Malt Group (and has not satisfied another disqualifying condition under the United Malt STI Plan, such as having been dismissed for cause) on or before that date, the Participant's FY24 STI Award will automatically lapse on the applicable date. In accordance with the United Malt STI Plan, if the Scheme becomes Effective on or before 30 September 2024 but a Participant's employment with the United Malt Group has ceased on or before that date as a result of Good Leaver Conditions, that Participant's FY24 STI Award will be deemed to have vested, but the cash amount that would have been payable to the Participant if they were employed by the United Malt Group as at 30 September 2024 (which will be conditional upon the relevant performance-based conditions being satisfied) will be reduced on a pro rata basis based on the proportion of the financial year ending on 30 September 2024 that the Participant was employed with the United Malt Group (in these circumstances, the payment of that cash amount will not be brought forward to the time of cessation of the Participant's employment).

The aggregate amount payable to Participants (other than Mr Mark Palmquist) in respect of the FY24 STI Awards (which, as described above, will be conditional on the Scheme becoming Effective on or before 30 September 2024) is up to approximately \$11.7 million (which would only occur if all of the performance-based conditions applying to the FY24 STI Awards were satisfied at a “stretch” level).

See Section 11.6(b)(v)(B) for a summary of the treatment of the FY24 STI Award to be made to Mr Mark Palmquist in connection with the Scheme.

11 ADDITIONAL INFORMATION

11.4 Marketable securities in Malteries Soufflet held by, or on behalf of, United Malt Directors

As at the date of this Scheme Booklet, no marketable securities in Malteries Soufflet are held by, or on behalf of, any United Malt Directors.

11.5 Interests of United Malt Directors in contracts of Malteries Soufflet

As at the date of this Scheme Booklet, no United Malt Director has an interest in any contract entered into by Malteries Soufflet, other than the Scheme Implementation Deed.

11.6 Other interests of United Malt Directors

(a) Interests of United Malt Directors

As at the date of this Scheme Booklet, no United Malt Director has any interest, whether as a director, member or creditor of United Malt or otherwise, which is material to the Scheme, other than:

- (i) in his or her capacity as a holder (or Controller) of United Malt Shares or United Malt Performance Rights;
- (ii) in the case of United Malt's Managing Director and Chief Executive Officer, Mark Palmquist, as described in Section 11.6(b) below;
- (iii) in connection with the D&O Deeds and the D&O Run-off Policy, as described in Section 11.6(c) below; and/or
- (iv) as otherwise disclosed in this Scheme Booklet.

(b) Treatment of United Malt Chief Executive Officer's STI and LTI awards in connection with the Scheme

United Malt's Managing Director and Chief Executive Officer, Mark Palmquist, has been granted certain awards under the United Malt Long Term Incentive Plan and the United Malt STI Plan. The terms of those awards and, where applicable, the treatment of those entitlements in connection with the Scheme, are set out below.

- (i) **Deferred STI Performance Rights:** As at the date of this Scheme Booklet, Mr Palmquist holds 23,540 Deferred STI Performance Rights, which it is expected will vest if the Scheme becomes Effective, as described in Section 11.3(e)(ii)(A) above. If these Deferred STI Performance Rights vest, Mr Palmquist will be entitled to be issued or transferred 23,540 United Malt Shares (or receive an equivalent cash payment) in satisfaction of those vested Deferred STI Performance Rights between the Scheme becoming Effective and the Scheme Record Date. Any such United Malt Shares issued or transferred to Mr Palmquist will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) on implementation of the Scheme.
- (ii) **FY21 LTI Performance Rights:** As at the date of this Scheme Booklet, Mr Palmquist holds 268,218 FY21 LTI Performance Rights which it is expected will be treated (along with all other FY21 LTI Performance Rights) as described in Section 11.3(e)(i). If the performance hurdles that apply to Mr Palmquist's FY21 LTI Performance Rights have been met (or are deemed to have been met), these FY21 LTI Performance Rights will vest and Mr Palmquist will be entitled to be issued up to 268,218 United Malt Shares in satisfaction of those vested FY21 LTI Performance Rights before the Scheme becomes Effective. If the Scheme becomes Effective, those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) on implementation of the Scheme.
- (iii) **FY22 LTI Performance Rights:** As at the date of this Scheme Booklet, Mr Palmquist holds 295,208 FY22 LTI Performance Rights which it is expected will vest if the Scheme becomes Effective, as described in Section 11.3(e)(ii)(A). If these FY22 LTI Performance Rights vest, Mr Palmquist will be entitled to be issued 295,208 United Malt Shares in satisfaction of those vested FY22 LTI Performance Rights between the Scheme becoming Effective and the Scheme Record Date. Any such United Malt Shares issued to Mr Palmquist will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares on implementation of the Scheme). Mr Palmquist does not hold any FY23 LTI Performance Rights.

- (iv) **FY23 STI Award:** Mr Palmquist was granted an FY23 STI Award in the ordinary course, which will be treated (along with all other FY23 STI Awards) as described in Section 11.3(e)(i) above. If all of the applicable performance conditions are satisfied at the “target” level, Mr Palmquist will receive aggregate cash payments of \$1.38 million in respect of his FY23 STI Award (which are expected to be paid in tranches, as described in Section 11.3(e)(i) above).
- (v) **FY24 awards:**
 - (a) **FY24 LTI Performance Rights:** Mr Palmquist will not receive a grant of FY24 LTI Performance Rights; and
 - (b) **FY24 STI Award:** Mr Palmquist will receive an FY24 STI Award with a “target opportunity” equal to 100% of his base salary of USD\$885,500 (the calculation of this amount is consistent with past practice). As described in Section 11.3(e)(ii)(E) above, as for other Participants who will receive an FY24 STI Award, it will be a term of Mr Palmquist’s FY24 STI Award that, if the Scheme becomes Effective on or before 30 September 2024 and Mr Palmquist has not resigned as an employee of the United Malt Group (other than as a result of retirement) on or before that date (and has not satisfied another disqualifying condition under the United Malt STI Plan, such as having been dismissed for cause), if the applicable performance-based conditions (described in Section 11.3(d)) are satisfied, Mr Palmquist’s FY24 STI Award will vest and Mr Palmquist will receive the applicable cash payment – if all of the performance-based conditions that apply to Mr Palmquist’s FY24 STI Award are satisfied at: (i) “target” level, the payment will be USD\$885,000; or (ii) “stretch” level, the payment will be USD\$1,416,000 (and the payment will be between these amounts if those conditions are satisfied between “target” and “stretch” levels), but no payment will be made if none of those performance-based conditions are satisfied (at any level). As for other Participants who will receive an FY24 STI Award, in accordance with the United Malt STI Plan, if the Scheme becomes Effective on or before 30 September 2024 but Mr Palmquist’s employment with the United Malt Group has ceased on or before that date as a result of Good Leaver Conditions, his FY24 STI Award will be deemed to have vested, but the cash amount that would have been payable to him if he was employed by the United Malt Group as at 30 September 2024 (which will be conditional upon the relevant performance-based conditions being satisfied) will be reduced on a pro rata basis based on the proportion of the financial year ending on 30 September 2024 that he was employed with the United Malt Group. The other key terms of Mr Palmquist’s FY24 STI Award (which apply to all other Participants who will receive an FY24 STI Award) are described at Section 11.3(e)(ii)(E).

(c) D&O Deeds and D&O Run-off Policy

United Malt has entered into deeds of indemnity, insurance and access with the United Malt Directors and other officers of United Malt and other United Malt Group Members on customary terms (**D&O Deeds**). Each D&O Deed includes terms that provide for the applicable United Malt Group Member(s) to indemnify the United Malt Director or executive officer (as applicable) against any liability incurred by that person in their capacity as a director or executive officer of the United Malt Group Member to any person other than a United Malt Group Member. Under the Scheme Implementation Deed, Malteries Soufflet must procure that the applicable United Malt Group Members comply with the D&O Deeds after implementation of the Scheme.

United Malt also pays premiums in respect of a directors’ and officers’ insurance policy for the benefit of the directors and other officers of the United Malt Group (including the United Malt Directors). Under the Scheme Implementation Deed, United Malt may enter into arrangements to secure directors’ and officers’ run-off insurance for the persons referred to above for a period of up to seven years after the Scheme Implementation Date (**D&O Run-off Policy**). As at the date of this Scheme Booklet, United Malt expects that the premium for entry into the D&O Run-off Policy will be approximately \$9.5 million.

11.7 Agreements or arrangements with United Malt Directors

Other than as described in Section 11.3 or Section 11.6 of this Scheme Booklet, as at the date of this Scheme Booklet, there is no agreement or arrangement made between any United Malt Director and any other person, including any Malteries Soufflet Group Member, in connection with or conditional upon the outcome of the Scheme.

11 ADDITIONAL INFORMATION

11.8 Payments and other benefits to directors, secretaries or executive officers of United Malt

As at the date of this Scheme Booklet, except as disclosed elsewhere in this Scheme Booklet, no payment or other benefit is proposed to be made or given to a director, secretary or executive officer of United Malt or any United Malt Group Member as compensation for loss of, or as consideration for or in connection with their retirement from, office in United Malt or any member of United Malt Group as a result of the Scheme, where:

- (a) that person will lose office or retire from office as a consequence of, or in connection with, the Scheme; or
- (b) the amount of any payment or benefit which may be made to that person upon their loss of office or retirement from office as a result of the Scheme may be materially affected by the Scheme.

11.9 Key terms of the Scheme Implementation Deed

On 1 July 2023, United Malt and Malteries Soufflet entered into the Scheme Implementation Deed, under which United Malt agreed to propose and implement the Scheme and Malteries Soufflet agreed to assist United Malt to propose and implement the Scheme.

A summary of the key terms of the Scheme Implementation Deed is set out below. A copy of the Scheme Implementation Deed was released to the ASX by United Malt on 3 July 2023 and is also available on United Malt's website (www.unitedmalt.com).

(a) Conditions Precedent

The Scheme Implementation Deed provides that the Scheme will not become Effective until and unless the Conditions Precedent summarised in Section 6.3 are satisfied (or, if applicable, waived) in accordance with the terms of the Scheme Implementation Deed.

(b) United Malt Directors' recommendation of the Scheme to United Malt Shareholders

United Malt must:

- (i) ensure that:
 - (A) the United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution (**Recommendation**); and
 - (B) each United Malt Director who holds United Malt Shares states that he or she intends to vote, or cause to be voted, any United Malt Shares which he or she holds or Controls in favour of the Scheme Resolution (**Voting Intention**),in each case, in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, the Independent Expert's Report), and continuing to conclude, that the Scheme is in the best interests of United Malt Shareholders. The United Malt Directors' Recommendation and Voting Intentions are set out in Section 4.1 (and elsewhere in this Scheme Booklet); and
- (ii) ensure that none of the United Malt Directors publicly recommend a Competing Proposal (or recommend against the Transaction) or make any public statement to the effect that they may do so at a future point unless:
 - (A) United Malt has received a Competing Proposal and, after the matching right process described in Section 11.9(e)(vi) has been complied with, the United Malt Board has determined that it is a Superior Proposal;
 - (B) the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, the Independent Expert's Report) that the Scheme is not in the best interests of United Malt Shareholders (or the Independent Expert otherwise changes or publicly withdraws a conclusion given by it that the Scheme is in the best interests of United Malt Shareholders);
 - (C) the Scheme Implementation Deed is validly terminated in accordance with its terms; or
 - (D) the United Malt Director is required to do so by or in order to comply with an order or other requirement of a court of competent jurisdiction, ASIC or the Takeovers Panel.

Subject to certain exceptions (described in Sections 11.9(f)(i)(B) and 11.9(h)(ii), as applicable), the Break Fee (as such term is defined in Section 11.9(f)(i)) may be payable, and the Scheme Implementation Deed may be terminated, in the event of a United Malt Director publicly failing to make the Recommendation or Voting Intention or making a public statement withdrawing or adversely changing, adversely qualifying or adversely modifying their Recommendation or Voting Intention or supporting or endorsing a Competing Proposal. See Sections 11.9(f)(i)(B) and 11.9(h)(ii) for further detail.

(c) Obligations to implement the Scheme

Each of United Malt and Malteries Soufflet must take all steps reasonably necessary to propose and implement the Scheme (in the case of United Malt) or to assist United Malt to propose and implement the Scheme (in the case of Malteries Soufflet) in accordance with the indicative timetable for implementation of the Scheme agreed between the parties in accordance with the Scheme Implementation Deed.

(d) Pre-implementation conduct of business restrictions

United Malt is required to:

- (i) conduct its business and operations in the ordinary course and substantially consistent with the manner in which it was operated in the last 12 months;
- (ii) continue to deal with employees in accordance with practices and procedures adopted in the last 12 months and maintain their terms of employment in all material respects (subject to changes to terms, terminations and other dealings with employees that are in the ordinary course);
- (iii) use reasonable endeavours to preserve the United Malt Group's relationships with government agencies, ratings agencies, customers, suppliers, licensors, licensees and others having material business dealings with the United Malt Group (subject to changes to those relationships or contractual arrangements with those parties in the ordinary course);
- (iv) use reasonable endeavours to conduct relationships with material customers and suppliers in a manner consistent with the last 12 months (subject to changes to those relationships or contractual arrangements with those parties in the ordinary course);
- (v) provide Malteries Soufflet with monthly unaudited management accounts and information regarding working capital (to the extent prepared);
- (vi) maintain material insurance policies;
- (vii) keep Malteries Soufflet reasonably and promptly informed of material developments in United Malt's business;
- (viii) promptly notify Malteries Soufflet of certain material matters, including any Material Adverse Change and any breaches of, amongst other things, laws, contracts and authorisations which are reasonably likely to result in a material liability;
- (ix) not do or agree to do any of the following:
 - (A) enter into, renew, materially amend (in a manner adverse to the United Malt Group) or terminate (or agree to do any of these things) any agreement that would, or would be reasonably likely to, involve a material change in the manner in which the United Malt Group conducts its business or the nature, extent or value of assets or liabilities of the United Malt Group;
 - (B) pay a termination or retention payment to any officer, director, executive or employee other than in the ordinary course (subject to it not being connected to implementation of the Scheme) or as fairly disclosed; or
 - (C) enter into a related party transaction (other than the reimbursement of expenses incurred by a director in accordance with board policies/procedures); and
- (x) ensure that no 'Target Regulated Event' (as that term is defined in the Scheme Implementation Deed) occurs,

in each case, subject to certain exceptions (as set out in the Scheme Implementation Deed).

11 ADDITIONAL INFORMATION

11.9 Key terms of the Scheme Implementation Deed continued

(e) Exclusivity

United Malt is subject to certain customary exclusivity obligations, including 'no-shop', 'no-talk', 'no due diligence' and notification obligations, and has granted matching rights in favour of Malteries Soufflet in respect of Competing Proposals. These provisions are set out in clause 9 of the Scheme Implementation Deed and are summarised below.

- (i) (**'No-shop' restriction**) From the date of the Scheme Implementation Deed until the earlier of the valid termination of the Scheme Implementation Deed, implementation of the Scheme and the End Date (**Exclusivity Period**), United Malt must not (and must ensure that its Representatives do not), directly or indirectly, solicit, invite or initiate any:
 - (A) Competing Proposal; or
 - (B) enquiries, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal,or communicate any intention to do any of those things.
- (ii) (**'No-talk' restriction**) During the Exclusivity Period, subject to the Fiduciary Exception, United Malt must not (and must ensure that its Representatives do not):
 - (A) enter into, continue or participate in negotiations or discussions with; or
 - (B) enter into any agreement, arrangement or understanding with,any Third Party in relation to, or that may reasonably be expected to lead to, a Competing Proposal;
- (iii) (**'No due diligence' restriction**) During the Exclusivity Period, subject to the Fiduciary Exception, United Malt must not (and must ensure that its Representatives do not), directly or indirectly, make available to any Third Party or otherwise disclose to any such Third Party any material non-public information relating to United Malt or any of its Related Entities, or consent to any person making available to any Third Party any information relating to United Malt or its Related Entities, with a view to obtaining from such Third Party, or for the purpose of such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.
- (iv) (**Notification obligation**) During the Exclusivity Period, United Malt must notify Malteries Soufflet in writing:
 - (A) within 48 hours if it is approached by any Third Party requesting or proposing that United Malt takes any action that would breach its 'no-talk' or 'no due diligence' obligations (or would breach such obligations if it were not for the operation of the Fiduciary Exception) where United Malt reasonably believes (at the time of the approach) that such request or proposal is in connection with a Third Party formulating, developing or finalising a Competing Proposal; or
 - (B) within two Business Days if United Malt receives a Competing Proposal, such notice to set out (to the extent known by United Malt) the identity of the Third Party who made the Competing Proposal and all material terms of the Competing Proposal (including the proposed price or, to the extent stated in the Competing Proposal, implied value (including details of the consideration if not cash alone), conditions, timing and break fee (if any)).
- (v) (**Fiduciary Exception**) United Malt's 'no-talk' and 'no due diligence' obligations described above do not restrict United Malt (or any of its Representatives) from taking or failing or refusing to take any action in relation to a Competing Proposal if:
 - (A) the United Malt Board, acting in good faith, determines:
 - (1) having consulted with its financial advisers that such Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal; and
 - (2) having received written legal advice from its external legal advisers, that failing or refusing to take the action, or taking the action (as applicable) in relation to the Competing Proposal would, or would be reasonably likely to, constitute a breach of the fiduciary or statutory duties of the United Malt Directors; and

- (B) the Competing Proposal was not brought about by a breach of United Malt's obligations under clause 9 of the Scheme Implementation Deed (including United Malt's 'no-shop', 'no-talk' or 'no due diligence' obligations) arising out of the wilful misconduct, wilful concealment or fraud of United Malt or any of its Representatives,
- (the **Fiduciary Exception**).
- (vi) (**Malteries Soufflet matching right**) During the Exclusivity Period, United Malt must:
- (A) not (and must procure that its Related Entities do not) enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which any one or more of a Third Party, United Malt or any Related Entity of United Malt proposes or propose to undertake or give effect to a Competing Proposal; and
 - (B) subject to any change, withdrawal, modification or qualification of a Recommendation by one or more United Malt Directors that is permitted under clause 7.1(b) of the Scheme Implementation Deed (being the circumstances set out at Sections 11.9(b)(ii)(A) to 11.9(b)(ii)(D) above), must use all reasonable endeavours to ensure that none of the United Malt Directors publicly recommend a Competing Proposal (or recommend against the Transaction) or make any public statement to the effect that they may do so at a future point,
- unless:
- (C) the Competing Proposal is a Superior Proposal;
 - (D) United Malt has provided Malteries Soufflet with the material terms and conditions of the Competing Proposal, including price and the identity of the Third Party making the Competing Proposal (to the extent known by United Malt) and, in the case of a Competing Proposal of the kind described in paragraph (c) of the definition 'Competing Proposal' (that is not also a Competing Proposal of the kind described in paragraph (a) or (b) of the definition of 'Competing Proposal') reasonable details of the material reasons for the United Malt Board's determination that the Competing Proposal is a Superior Proposal;
 - (E) United Malt has given Malteries Soufflet at least three Business Days after the date of the provision of the information referred to in sub-paragraph (D) above (**Bidder Counterproposal Period**) to provide a matching or superior proposal to the terms of the Competing Proposal (**Bidder Counterproposal**); and
 - (F) either Malteries Soufflet has not announced or otherwise formally proposed to United Malt a Bidder Counterproposal before the end of the Bidder Counterproposal Period or, if it has, either:
 - (1) Malteries Soufflet has not amended the Bidder Counterproposal to address the reasons given by United Malt in the United Malt Board Determination Notice (as defined below) before the end of the Second Bidder Counterproposal Period (as defined below); or
 - (2) United Malt has notified Malteries Soufflet of the United Malt Board's determination that the applicable amended Bidder Counterproposal would not provide an equivalent or superior outcome for the United Malt Shareholders as a whole compared with the Competing Proposal.

If Malteries Soufflet formally proposes to United Malt or announces a Bidder Counterproposal before the end of the Bidder Counterproposal Period:

- (G) United Malt must procure that the United Malt Board considers the Bidder Counterproposal and determines, acting in good faith, whether the Bidder Counterproposal would provide an equivalent or superior outcome for the United Malt Shareholders as a whole compared with the Competing Proposal, taking into account all of the terms and conditions of the Bidder Counterproposal (and the Competing Proposal) and then promptly give Malteries Soufflet notice of the determination of the United Malt Board (stating reasons for the determination) (**United Malt Board Determination Notice**); and

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11.9 Key terms of the Scheme Implementation Deed continued

- (H) if the determination of the United Malt Board is that the Bidder Counterproposal would:
 - (1) provide an equivalent or superior outcome for the United Malt Shareholders as a whole compared with the Competing Proposal, then, for a period of three Business Days after United Malt gives Malteries Soufflet the United Malt Board Determination Notice, United Malt and Malteries Soufflet must use all reasonable endeavours to agree the transaction documents necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable; or
 - (2) not provide an equivalent or superior outcome for the United Malt Shareholders as a whole compared with the Competing Proposal, then United Malt must allow Malteries Soufflet a further two Business Days after United Malt gives Malteries Soufflet the United Malt Board Determination Notice (**Second Bidder Counterproposal Period**) to amend the Bidder Counterproposal to address the reasons identified by United Malt in the United Malt Board Determination Notice and if Malteries Soufflet does so then the process in sub-paragraphs (G) and (H)(1) will apply to the amended Bidder Counterproposal as if it was a 'Bidder Counterproposal' for the purposes of those sub-paragraphs.

(f) **Break Fee, Reverse Break Fee and limitation of liability**

The Break Fee and the Reverse Break Fee (both as defined below) are set out in clauses 10 and 11 of the Scheme Implementation Deed.

- (i) (**Break Fee**) United Malt must pay a break fee of \$15,000,000 (exclusive of GST) (**Break Fee**) to Malteries Soufflet if:
 - (A) Malteries Soufflet validly terminates the Scheme Implementation Deed because United Malt has committed a breach of the Scheme Implementation Deed that is material when taken in the context of the Scheme as a whole and the breach is not remedied within 10 Business Days of notification of the breach by Malteries Soufflet;
 - (B) during the Exclusivity Period, any United Malt Director makes a public statement withdrawing or adversely changing, adversely qualifying or adversely modifying their Recommendation or Voting Intention or supporting or endorsing a Competing Proposal and Malteries Soufflet has terminated the Scheme Implementation Deed as a result of such statement, except where:
 - (1) the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, the Independent Expert's Report) that the Scheme is not in the best interests of United Malt Shareholders (except in circumstances where the Independent Expert reaches that conclusion wholly or substantially as a result of the existence or announcement of a Competing Proposal); or
 - (2) the United Malt Director is required to do so by or in order to comply with an order or other requirement of a court of competent jurisdiction, ASIC or the Takeovers Panel; or
 - (C) during the Exclusivity Period, a Competing Proposal is announced by a Third Party and, within 12 months after that occurring, the Third Party or another Third Party:
 - (1) completes a transaction of the kind referred to in paragraphs (b) or (c) of the definition of 'Competing Proposal'; or
 - (2) otherwise acquires a Relevant Interest in, or becomes the holder of, or otherwise acquires, directly or indirectly, more than 50% of United Malt Shares and that acquisition is (or becomes) unconditional.
- (ii) (**Reverse Break Fee**) Malteries Soufflet must pay a reverse break fee of \$15,000,000 (exclusive of GST) (**Reverse Break Fee**) to United Malt if:

- (A) United Malt validly terminates the Scheme Implementation Deed because Malteries Soufflet has committed a breach of the Scheme Implementation Deed that is material when taken in the context of the Scheme as a whole and the breach is not remedied within 10 Business Days of notification of the breach by United Malt; or
 - (B) the Scheme becomes Effective, but Malteries Soufflet does not pay the Scheme Consideration in accordance with its obligations under the Scheme Implementation Deed, the Scheme and the Deed Poll.
- (iii) **(Limitation of liability)** Except in respect of a wilful or intentional breach of the Scheme Implementation Deed by United Malt, if United Malt pays the Break Fee to Malteries Soufflet (or the Break Fee would be payable if Malteries Soufflet made a written demand for its payment in accordance with the Scheme Implementation Deed), then:
- (A) Malteries Soufflet cannot make any claim against United Malt, its Related Entities or their Representatives, under or in connection with the Scheme Implementation Deed; and
 - (B) United Malt has no further liability to Malteries Soufflet (or any 'Bidder Group Member' (as that term is defined in the Scheme Implementation Deed)) under or in connection with the Scheme Implementation Deed, the Transaction or the Scheme.

In addition, except in respect of a wilful or intentional breach of the Scheme Implementation Deed by United Malt, the maximum aggregate liability of United Malt in relation to or under the Scheme Implementation Deed is the amount of the Break Fee and in no event will the aggregate liability of United Malt (and the United Malt Group) under the Scheme Implementation Deed or in connection with the Transaction or the Scheme exceed the amount of the Break Fee.

Equivalent provisions to those described above in respect of the Break Fee apply in respect of the Reverse Break Fee and Malteries Soufflet's liability to United Malt, except that nothing in the limitation of liability provisions described above or otherwise under the Scheme Implementation Deed will limit Malteries Soufflet's liability under the Deed Poll.

(g) Representations and warranties

Each of United Malt and Malteries Soufflet have given customary representations and warranties to the other. These representations and warranties are set out in Schedule 2 (in the case of Malteries Soufflet) **(Malteries Soufflet Representations and Warranties)** and Schedule 3 (in the case of United Malt) **(United Malt Representations and Warranties)** of the Scheme Implementation Deed.

In addition, United Malt has given certain United Malt Representations and Warranties relating to the United Malt Group's business to Malteries Soufflet under the Scheme Implementation Deed, as summarised below:

- (i) **(compliance with laws and Material Authorisations):**
 - (A) each United Malt Group Member has complied with applicable laws and regulations in all material respects; and
 - (B) the United Malt Group holds all material licences, authorisations and permits granted (or required to be granted) by a Government Agency that are necessary for the United Malt Group to conduct the United Malt Group's business in the manner in which it was conducted for the six months prior to the date of the Scheme Implementation Deed (each, a **Material Authorisation**); and
 - (C) all United Malt Group Members are compliant with the Material Authorisations that apply to them in all material respects;
- (ii) **(Material Proceedings):**
 - (A) no litigation, prosecution, arbitration, mediation or other like proceedings (other than an investigation by a Government Agency) and, so far as United Malt is aware, no investigation by a Government Agency, relating to the United Malt Group has been commenced in the three years prior to the date of the Scheme Implementation Deed that was still outstanding as at the date of the Scheme Implementation Deed and will or is reasonably likely to have a material adverse impact on the operational or financial performance, or the reputation, of the United Malt Group **(Material Proceedings)**;

11 ADDITIONAL INFORMATION

- (B) as at the date of the Scheme Implementation Deed, no United Malt Group Member had received written notice from a Third Party under which that Third Party commenced or threatened to commence any Material Proceedings against a United Malt Group Member, and United Malt was not aware of any facts, matters or circumstances that will or are reasonably likely to result in a Material Proceeding;
 - (C) as at the date of the Scheme Implementation Deed, no United Malt Group Member had received written notice of any outstanding or unsatisfied settlement, judgement, decree, award, order or other decisions of any court, quasi-judicial body or Government Agency (including any competition authority) in respect of a Material Proceeding;
 - (D) as at the date of the Scheme Implementation Deed, no United Malt Group Member had given any undertaking or assurance (whether legally binding or otherwise) to any court or Government Agency (including any competition authority) under any antitrust or competition law; and
 - (E) so far as United Malt was aware, as at the date of the Scheme Implementation Deed, there were no unsatisfied or outstanding judgements, awards, orders, decrees, claims or written demands against any United Malt Group Member;
- (iii) **(Material Contracts)** as at the date of the Scheme Implementation Deed, copies of all 'Material Contracts' (as defined in the Scheme Implementation Deed) had been disclosed to Malteries Soufflet and such disclosed Material Contracts were, in all material respects, current, accurate and complete;
 - (iv) **(Material Property)** as at the date of the Scheme Implementation Deed, no United Malt Group Member had any material deficiency in, and no member of the United Malt Group had received written notice of termination of title to, their real property interests in any 'Material Property' (as defined in the Scheme Implementation Deed), in each case that would prevent the United Malt Group from conducting its business in substantially the same manner as conducted as at the date of the Scheme Implementation Deed; and
 - (v) **(Transaction Costs)**:
 - (A) as at the date of the Scheme Implementation Deed, the aggregate quantum of all Third Party costs, fees and expenses paid or payable by a United Malt Group Member to an Adviser (or other service provider) in relation to the Transaction (**Transaction Costs**) incurred or agreed to be incurred and otherwise reasonably expected to be incurred on or before the date on which the Scheme is implemented had been 'Fairly Disclosed' (as defined in the Scheme Implementation Deed) in the disclosure letter between United Malt and Malteries Soufflet; and
 - (B) except as otherwise agreed, the aggregate Transaction Costs (excluding Transaction Costs paid in connection with, or as a result of, a Competing Proposal or regulatory approvals, in each case where such costs were not reasonably expected to be incurred) incurred or agreed to be incurred do not exceed the amount agreed between United Malt and Malteries Soufflet.

(h) Termination rights

The termination rights of United Malt and Malteries Soufflet are set out in clause 13 of the Scheme Implementation Deed and are summarised below.

- (i) either party may terminate the Scheme Implementation Deed if:
 - (A) a Condition Precedent of which it has the benefit (as stated in the Scheme Implementation Deed) has not been satisfied or, if applicable, waived and, in certain circumstances, United Malt and Malteries Soufflet are unable to agree on a course of action (after complying with their respective obligations in this respect under the Scheme Implementation Deed); or
 - (B) the other party commits a breach of the Scheme Implementation Deed that is material when taken in the context of the Scheme as a whole and the breach is not remedied within 10 Business Days of notification of the breach by the non-breaching party;

- (ii) Malteries Soufflet may terminate the Scheme Implementation Deed at any time before 8:00am on the Second Court Date if any United Malt Director has withdrawn, adversely changed, adversely modified or adversely qualified their Recommendation or Voting Intention or has recommended or made public a statement supporting or endorsing a Competing Proposal, for any reason, whether or not permitted to do so under the Scheme Implementation Deed, other than:
 - (A) a statement made by United Malt, the United Malt Board or any United Malt Director:
 - (1) to the effect that no action should be taken by United Malt Shareholders pending the assessment of a Competing Proposal by the United Malt Board; or
 - (2) permitted in the circumstances described at Section 11.9(e)(vi) above; or
 - (B) because of, and only to the extent of, a requirement or order of a court of competent jurisdiction, ASIC or the Takeovers Panel that the relevant United Malt Director abstains from a recommendation that, or as to whether, United Malt Shareholders vote in favour of the Scheme;
- (iii) United Malt may terminate the Scheme Implementation Deed at any time before 8:00am on the Second Court Date if the United Malt Board or such number of United Malt Directors as constitutes a majority of the United Malt Board withdraw, adversely change or adversely modify or adversely qualify their Recommendation or Voting Intention, or publicly support, endorse, or recommend a Competing Proposal, in each case provided that:
 - (A) they are entitled to do so in the circumstances described at Section 11.9(b)(ii) above; and
 - (B) if Malteries Soufflet has made a valid written demand for the payment of the Break Fee, United Malt has paid the Break Fee to Malteries Soufflet; and
- (iv) United Malt and Malteries Soufflet may also terminate the Scheme Implementation Deed by mutual agreement.

11.10 Status of the Regulatory Approval Conditions Precedent

(a) FIRB Condition Precedent

It is a Condition Precedent to the Scheme becoming Effective that Malteries Soufflet has received written notice by or on behalf of the Treasurer advising that the Commonwealth Government has no objections to the Scheme (or the Treasurer ceases to become entitled to make an order prohibiting the implementation of the Scheme under the FATA) – this is commonly known as ‘FIRB approval’.

As at the date of this Scheme Booklet, the Treasurer has not yet provided notice that the Commonwealth Government has no objection to the Scheme under the FATA and the FIRB Condition Precedent (see Section 6.3(a)) remains outstanding.

While, as at the date of this Scheme Booklet, United Malt is not aware of any circumstances which would cause the FIRB Condition Precedent to not be satisfied, it is possible that the requirement for FIRB approval for the Scheme to proceed may be delayed and that this may result in a delay to the date of the Scheme Meeting and/or implementation of the Scheme.

(b) ACCC Condition Precedent

It is a Condition Precedent to the Scheme becoming Effective that Malteries Soufflet has received written notice from the ACCC that it does not intend to conduct a public review of the Transaction and that notice has not been withdrawn, revoked or adversely amended.

The ACCC has provided Malteries Soufflet with this written notice. Accordingly, subject to that notice not being withdrawn, revoked or adversely amended, the ACCC Condition Precedent will be satisfied.

11 ADDITIONAL INFORMATION

11.10 Status of the Regulatory Approval Conditions Precedent *continued*

(c) Overseas Regulatory Approvals Conditions Precedent

(i) CCA Condition Precedent

It is a Condition Precedent to the Scheme becoming Effective that, with respect to the Transaction, either:

- (A) the Canadian Competition Commissioner has issued to Malteries Soufflet (and not rescinded or amended) an advanced ruling certificate under section 102(1) of the Canadian Competition Act; or
- (B) the waiting period under section 123 of the Canadian Competition Act has expired or has been terminated, or the notification requirement has been waived by the Canadian Competition Commissioner, and, unless waived in writing, the Canadian Competition Commission has issued to Malteries Soufflet written confirmation that it does not intend to make an application under section 92 of the Canadian Competition Act.

Malteries Soufflet has received written confirmation from the Commissioner of Competition that they do not intend to make an application under section 92 of the Competition Act (Canada) in respect of the Transaction (**Canadian Commissioner of Competition's Notice**). The applicable waiting period under section 123 of the Competition Act (Canada) expired on 23 August 2023.

Accordingly, subject to the Canadian Commissioner of Competition's Notice not being rescinded or amended, the CCA Condition Precedent will be satisfied.

(ii) CMA Condition Precedent

It is a Condition Precedent to the Scheme becoming Effective that, following Malteries Soufflet having submitted a briefing paper to the UK CMA in relation to the Transaction, either:

- (A) the CMA's position as most recently communicated to Malteries Soufflet is that it has no further questions in respect of the Transaction, and the CMA not having: (a) requested submission of a merger notice pursuant to section 96 of the Enterprise Act 2002, (b) given notice to either party that it is commencing a Phase I investigation, (c) indicated that the statutory review period in which the CMA has to decide whether to make a reference under section 34ZA of the Enterprise Act 2002 has begun, or (d) requested documents or attendance by witnesses under section 109 of the Enterprise Act 2002 having indicated that it is intending to commence the aforementioned review period in respect of the Transaction; or
- (B) where the CMA has commenced an investigation in respect of the Transaction, the CMA having: (a) issued a decision that it has decided not to refer the Transaction to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (**a Phase 2 Referral**), (b) in accordance with section 73(2) of the Enterprise Act 2002, formally accepted undertakings in lieu of a Phase 2 Referral on terms satisfactory to Malteries Soufflet (acting reasonably), (c) in the event of a Phase 2 Referral, issued a report concluding that the Transaction or any part of it may not be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom, or (d) in the event of a Phase 2 Referral, accepted undertakings to remedy, mitigate or prevent any substantial lessening of competition within a market or markets in the UK that may be expected to arise from the Transaction or any part of it on terms satisfactory to Malteries Soufflet (acting reasonably).

Malteries Soufflet filed a briefing paper with the CMA on 10 July 2023 and subsequently provided responses to follow-up requests for further information from the CMA. Following this, Malteries Soufflet received confirmation from the CMA that the CMA has no further questions in respect of the Transaction. A 'no further questions' response is the standard response that the CMA provides in respect of a proposed transaction when it has determined that it does not intend to commence a 'Phase 1 investigation' (which is a public review) in respect of that transaction.

Accordingly, subject to the CMA not revising its position not to request the submission of a full merger notification in respect of the Transaction described above (and not taking any of the other actions described in Section 11.10(c)(ii)(A) in relation to the CMA commencing a further, formal investigation of the Transaction), the CMA Condition Precedent will be satisfied.

(iii) **HSR Condition Precedent**

It is a Condition Precedent to the Scheme becoming Effective that the applicable waiting period under the HSR Act relating to the Transaction has expired or been terminated. This waiting period allows the US Department of Justice (**DOJ**) and Federal Trade Commission (**FTC**), the two US federal agencies charged with competition/antitrust enforcement, time to review the Transaction and determine whether it raises any anti-competitive concerns.

United Malt and Malteries Soufflet made the filings required under the HSR Act on 17 July 2023 and the initial waiting period (as notified by the Federal Trade Commission) expired on 17 August 2023 (Sydney time). Accordingly, this Condition Precedent has been satisfied.

(d) **Equity Financing Approvals Condition Precedent**

It is a Condition Precedent to the Scheme becoming Effective that the following foreign direct investment (**FDI**) and antitrust regulatory approvals and clearances required to give effect to, or as a result of the implementation of, the relevant part of the Equity Financing (as defined in the Scheme Implementation Deed) – that is, the relevant part of the Equity Funding described in Section 8.2(b) – by KKR Shareholder 1 and KKR Shareholder 2 (together, the **KKR Shareholders**) have been received or have occurred:

- (i) **France (FDI)**: either (A) a declaration in writing from the French Economy Minister that the applicable Equity Financing is not subject to the prior authorisation pursuant to article L. 151-3 of the French Code; or (B) an authorisation in writing from the French Economy Minister of the applicable Equity Financing pursuant to articles L. 151-3 et seq. and R. 151-1 et seq. of the French Code, in each case, including with conditions or undertakings.

Under the French foreign investment control regime, the acquisition by a foreign company based outside the European Union/European Economic Area ('non-EU investor') of 25% of the voting rights of a French company active in a 'sensitive sector' listed in article R. 153-1 of the French Monetary and Financial Code is subject to prior approval from the French Ministry of Economy. The list of sensitive sectors includes, among other things, the production, processing or distribution of agricultural products (which makes reference to 'malt'). On the basis that the KKR Funds will increase their collective interest in Malteries Soufflet (which is a French registered company) from below 25% to more than 25% of the voting rights in Malteries Soufflet as a result of the Equity Funding, and the KKR Funds constitute a non-EU investor as a result of their ownership, that transaction will qualify as a foreign investment under the French foreign investment control regime.

Malteries Soufflet has advised United Malt that the KKR Shareholders made the filings required under the French Code on 24 July 2023 and that, on 6 September 2023, the French Ministry of Economy subsequently commenced a phase two review of this application. Malteries Soufflet has also advised United Malt that:

- (A) the maximum review period for the phase two review is 45 business days and this will expire on 9 November 2023; and
- (B) legal counsel for the KKR Shareholders remain in discussions with the French Ministry of Economy in relation to the likely timing for the decision and, in particular, the desire to obtain the required approval before the Scheme Meeting, and those discussions remain on-going as at the date of this Scheme Booklet.

However, as at the date of this Scheme Booklet, it is possible that the French Ministry of Economy may require the full 45 business day review period, in which case the required approval would be delayed, and this may result in a delay to the date of the Scheme Meeting and/or implementation of the Scheme.

- (ii) **Austria (antitrust)**: either (A) the statutory review period pursuant to sec 11(1) or 11(1a) of the Austrian Cartel Act (**KartG**) expiring without either of the statutory parties (that is, the Federal Competition Authority or the Federal Cartel Attorney) having requested an examination of the notified transaction before the Cartel Court; (B) the statutory parties waiving their right to request an examination of the notified transaction before the Cartel Court pursuant to sec 11(4) KartG or withdrawing their respective requests for an examination of the notified transaction before the Cartel Court; (C) the Cartel Court issuing a legally binding clearance decision pursuant to sec 12 KartG, a legally binding decision that no notifiable event arises in respect of the notified transaction, or a legally binding decision to terminate

11 ADDITIONAL INFORMATION

11.10 Status of the Regulatory Approval Conditions Precedent *continued*

the proceedings pursuant to sec 14(1) KartG; or (D) the Austrian Supreme Cartel Court issues a decision that the applicable Equity Financing has not been prohibited.

Malteries Soufflet has advised United Malt that the KKR Shareholders have received a declaration pursuant to the relevant section of KartG that neither the Federal Competition Authority nor the Federal Cartel Attorney has requested an investigation of the applicable transaction(s) to give effect to the Equity Funding. Accordingly, this limb of the Equity Financing Approvals Condition Precedent has been satisfied.

(iii) **Germany:**

(A) **Antitrust:** Approval by the German Federal Cartel Office – such approval will be deemed to have been granted where (1) the applicable Equity Financing has been cleared by the German Federal Cartel Office; (2) a statutory notional (that is, a simulated) clearance is given due to the expiration of an applicable deadline; or (3) the German Federal Cartel Office can no longer issue a prohibition order due to the expiration of an applicable deadline.

Malteries Soufflet has advised United Malt that the KKR Shareholders have received such approval from the German Federal Cartel Office. Accordingly, this limb of the Equity Financing Approvals Condition Precedent has been satisfied.

(B) **FDI:** Approval or a clearance certificate from the German Federal Ministry for Economic Affairs and Climate Change, or expiration of the waiting period, under the German Foreign Trade and Payments Act in respect of the applicable Equity Financing.

Malteries Soufflet has advised United Malt that the KKR Shareholders have received the required clearance certificate from the German Federal Ministry for Economic Affairs and Climate Action. Accordingly, this limb of the Equity Financing Approvals Conditions Precedent has been satisfied.

(iv) **Ukraine (antitrust):** either approval or clearance from the AMCU (**AMCU Approval or Clearance**) or all of the following occurring:

- (A) the AMCU suspends its merger clearance processes such that it is not possible to obtain the AMCU Approval or Clearance for a period of at least 60 days;
- (B) the AMCU introduces a special procedure on the same, or materially or substantially the same, terms as it introduced in its Guidelines dated 30 March 2022, which allows the relevant parties to submit a simplified notification (**Simplified Notification**) and close a transaction without obtaining formal approval or clearance from the AMCU, subject to the payment of a fine of an amount not exceeding US\$50,000 (**Applicable Fine**); and
- (C) Malteries Soufflet or one or more of the Applicable Bidder Group Member(s) makes the Simplified Notification and either (i) pays the Applicable Fine, or (ii) agrees to pay any Applicable Fine subsequently issued by the AMCU.

The increase of the KKR Funds' collective interest in Malteries Soufflet as a result of the Equity Funding is subject to the Ukrainian merger control regime on the basis that the turnover of the KKR Funds and Malteries Soufflet (on a worldwide basis and in Ukraine) exceeds the applicable thresholds under Ukrainian antitrust law. Malteries Soufflet has advised United Malt that the Applicable Bidder Group Member(s) made the filing required to be made to the AMCU on 4 September 2023. Based on the information provided to United Malt by Malteries Soufflet in relation to this regulatory approval process before the date of this Scheme Booklet, as at the date of this Scheme Booklet, United Malt does not have any reason to expect that the required approval will not be received before the Scheme Meeting. However, it is possible that the required approval may be delayed and that this may result in a delay to the date of the Scheme Meeting and/or implementation of the Scheme.

- (v) **Other Equity Financing Approvals:** any other regulatory approvals identified by Malteries Soufflet (or notified to Malteries Soufflet) after the date of the Scheme Implementation Deed on the basis of written legal advice from the external legal adviser of the Applicable Bidder Group Member who requires that regulatory approval, that is required to give effect to, or as a result of the implementation of, the Equity Financing and which is notified to United Malt in writing. As at the date of the Scheme Booklet, United Malt has not been notified by Malteries Soufflet of any other Equity Financing Approval being required, and Malteries Soufflet has advised United Malt that it is not aware of any other Equity Financing Approval being required.

Under the Scheme Implementation Deed, Malteries Soufflet must (among other specific obligations relating to the approvals the subject of the Equity Financing Approval Condition Precedent) ensure that the KKR Shareholders take all steps and actions required (whether by law or otherwise) to: (i) obtain the approvals the subject of the Equity Financing Approval Condition Precedent as soon as reasonably practicable after the date of the Scheme Implementation Deed, (ii) ensure that any such approvals that are received or obtained are not withdrawn, cancelled or revoked, and (iii) otherwise ensure that the Equity Financing Approval Condition Precedent is satisfied as soon as reasonably practicable after the date of the Scheme Implementation Deed. However, Malteries Soufflet is not required to ensure that the KKR Shareholders offer, take, or agree to offer or take, any action required to ensure the satisfaction of the Equity Financing Approval Condition Precedent (for example, offer to undertake or undertake a divestment of assets or businesses required to ensure a competition or antitrust-related clearance the subject of the Equity Financing Approval Condition Precedent).

11.11 Transaction costs

Each of the persons named in Section 11.13(a) below as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees for those professional, advisory or other services (as applicable). If the Scheme is implemented, United Malt expects to pay an aggregate of approximately \$30.1 million (excluding GST) in transaction costs in connection with the Scheme, which includes:

- (a) fees and expenses for professional services paid or payable to:
 - (i) Macquarie for acting as financial adviser to United Malt;
 - (ii) Gilbert + Tobin for acting as legal adviser to United Malt;
 - (iii) KPMG for acting as taxation adviser to United Malt;
 - (iv) Link for acting as the United Malt Share Registry; and
 - (v) Kroll for acting as Independent Expert; and
- (b) other fees and expenses associated with the Court proceedings, Scheme Booklet design, printing and distribution, convening and holding the Scheme Meeting, proxy solicitation services and other general and administrative expenses relating to the Scheme,

but excludes the premium that United Malt expects to pay for the entry into D&O Run-off Policy and any cash payments that may be made to Participants as a result of the vesting of United Malt Performance Rights and/or other employee incentives in connection with the Scheme, as described in Section 11.3 above.

If the Scheme is not implemented, United Malt expects to pay an aggregate of approximately \$10.9 million (excluding GST) in transaction costs in connection with the Scheme, being costs that have already been incurred as at the date of this Scheme Booklet or are expected to be incurred even if the Scheme is not implemented (but excluding any Break Fee that may be payable by United Malt – see Section 11.9(f)(i) for information on the circumstances in which a Break Fee may be payable by United Malt).

11.12 Regulatory relief, confirmations and waivers

(a) ASIC relief – payments/benefits to Relevant Persons

Paragraph 8302(d) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out particulars of any payment or benefit proposed to be made or given to any director, secretary or executive officer of United Malt or a Related Body Corporate (each, a **Relevant Person**) as compensation for loss of office in United Malt or a Related Body Corporate or as consideration for or in connection with his or her retirement from office in United Malt or a Related Body Corporate.

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ASIC has granted United Malt relief from this requirement such that United Malt is not required to set out in this Scheme Booklet the particulars of any payments or benefits which may be made or given to a Relevant Person in relation to their loss of office, or retirement from office, unless:

- (i) the Relevant Person will lose office or retire from office as a consequence of, or in connection with, the Scheme; or
- (ii) the amount of any payment or benefit which may be made to the Relevant Person upon their loss of office or retirement from office may be materially affected by the Scheme.

Under the relief granted, United Malt may also describe the particulars of such payments or benefits to a Relevant Person on an aggregated (rather than individual) basis and, unless the Relevant Person is a United Malt Director, may refrain from disclosing the identity of any Relevant Person who will lose office or retire from office in connection with the Scheme.

(b) ASIC relief – disclosure of material changes to the financial position of United Malt

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the United Malt Directors, the financial position of United Malt has materially changed since the date of the last balance sheet laid before United Malt Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 30 September 2022. ASIC has granted United Malt relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the United Malt Directors, the material changes to United Malt's financial position occurring after 31 March 2023 (being the last date of the period to which the financial statements for United Malt's half-year ended 31 March 2023 (being the latest financial statements that United Malt has released to the ASX) relate).

11.13 Consents provided in relation to information in this Scheme Booklet

(a) Consents

The following parties have given, and have not withdrawn before the time of registration of this Scheme Booklet by ASIC, their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- (i) Macquarie as financial adviser to United Malt;
- (ii) Gilbert + Tobin as legal adviser to United Malt;
- (iii) KPMG as taxation adviser to United Malt;
- (iv) Kroll as Independent Expert; and
- (v) Link as the United Malt Share Registry.

The Independent Expert has also given, and has not withdrawn before the time of registration of this Scheme Booklet by ASIC, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to the Independent Expert's Report in the form and context in which they appear.

Each of Malteries Soufflet and the Malteries Soufflet Group Members specifically referred to in the Malteries Soufflet Information has given and has not withdrawn its consent to be named in this Scheme Booklet and Malteries Soufflet has given and has not withdrawn its consent to the inclusion of the Malteries Soufflet Information in this Scheme Booklet in the form and context in which that information is included.

(b) Disclaimers

- (i) No person referred to in Section 11.13(a) above:
 - (A) has authorised or caused the issue of this Scheme Booklet;
 - (B) makes, or purports to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - (1) Malteries Soufflet in respect of the Malteries Soufflet Information (on the basis stated in the 'Responsibility for information in this Scheme Booklet' subsection of the 'Important notices' section at the beginning of this Scheme Booklet);

- (2) KPMG in respect of Section 10 (**Taxation implications for Scheme Shareholders**) (on the basis stated in the 'Responsibility for information in this Scheme Booklet' subsection of the 'Important notices' Section at the beginning of this Scheme Booklet);
 - (3) Kroll in relation to the Independent Expert's Report (on the basis stated in the 'Responsibility for information in this Scheme Booklet' subsection of the 'Important notices' Section at the beginning of this Scheme Booklet); and
 - (4) any other statement to the extent the person has provided its consent to the inclusion of that statement in this Scheme Booklet, as referred to in Section 11.13(a) above.
- (ii) To the maximum extent permitted by law, each person referred to in Section 11.13(a) above expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than as described in this Section 11.13(b)(i)(B) above.

11.14 No 'unacceptable circumstances'

The United Malt Directors believe that the Scheme does not involve any circumstances in relation to the affairs of United Malt that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

11.15 Electronic copy of this Scheme Booklet

An electronic version of this Scheme Booklet is available for viewing and downloading online at United Malt's website at www.unitedmalt.com/scheme-overview/.

11.16 No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the United Malt Directors are aware, there is no other information that is:

- (a) material to the making of a decision by United Malt Shareholders whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting; and
- (b) known to a United Malt Director as at the date of this Scheme Booklet,

which has not previously been disclosed to United Malt Shareholders.

11.17 Supplementary disclosure

United Malt will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date this Scheme Booklet and the Second Court Hearing:

- a material statement in this Scheme Booklet is false or misleading in any material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- a significant new matter has arisen, and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, United Malt may circulate and publish any such supplementary document to this Scheme Booklet by:

- making an announcement to the ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- issuing a supplementary document to this Scheme Booklet to United Malt Shareholders; or
- posting a statement on United Malt's website at www.unitedmalt.com/scheme-overview/,

as United Malt, in its absolute discretion, considers appropriate.

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Glossary

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In this Scheme Booklet unless the context otherwise requires:

\$	means Australian dollars unless otherwise stated.
AASB 16	means Australian Accounting Standards Board standard AASB 16 <i>Leases</i> .
ACCC	means the Australian Competition and Consumer Commission.
ACCC Condition Precedent	means the Condition Precedent described at Section 6.3(b)(i).
Adviser	means, in relation to an entity, a professional adviser engaged (directly or indirectly) by the entity in connection with the Transaction or the subject matter in which the reference arises (as the case may be).
AMCU	means the Anti-Monopoly Committee of Ukraine.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given to that term in section 12 of the Corporations Act.
ASX	means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it known as the 'Australian Securities Exchange'.
ASX Listing Rules	means the official listing rules of ASX from time to time, as modified by any express written waiver or exemption given by ASX.
ASX Operating Rules	means the market operating rules of ASX, as modified by any express written waiver or exemption given by ASX.
ASX Settlement	Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).
ATO	means the Australian Taxation Office.
Bpifrance Participations Shareholder	means Bpifrance Participations SA (509 584 074 RCS Créteil).
Break Fee	has the meaning given to that term in Section 11.9(f)(i).
Business Day	means a day which is a Trading Day (as defined in the ASX Listing Rules) and is not a Saturday, a Sunday, or a public or bank holiday in Sydney, Australia or in Paris, France.
Canadian Competition Act	means the Competition Act (Canada).
Canadian Competition Commissioner	means the Commissioner of Competition appointed under subsection 7(1) of the Canadian Competition Act or any person duly authorised to perform duties on behalf of the Commission of Competition.
CCA Condition Precedent	means the Condition Precedent described at Section 6.3(b)(ii).
CHESS	means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia and is operated by ASX Settlement.
CMA	means the UK Competition and Markets Authority.
CMA Condition Precedent	means the Condition Precedent described at Section 6.3(b)(iii).

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Competing Proposal	<p>means any proposal, agreement, arrangement, offer (including, but not limited to, a non-binding, indicative offer or proposal) or transaction (other than any Transaction that may be made and implemented in accordance with the Scheme Implementation Deed) which, if entered into or completed substantially in accordance with its terms, would result in a Third Party (either alone or with any Associate(s)):</p> <p>(a) directly or indirectly acquiring, or having a right to acquire, a Relevant Interest in more than 20% of the United Shares on issue (on a fully diluted basis);</p> <p>(b) acquiring Control of United Malt;</p> <p>(c) directly or indirectly acquiring or becoming the holder of, or otherwise acquiring or having a right to acquire, a legal, beneficial or economic interest in, or Control of, more than 20% of:</p> <p>(i) United Malt's business or assets; or</p> <p>(ii) the United Malt Group's business or assets; or</p> <p>(d) requiring United Malt to abandon, or to otherwise not proceed with, the Transaction or requiring any United Malt Director to not recommend the Transaction,</p> <p>whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual listed company (or other synthetic merger), deed of arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement (and, for the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal).</p>
Conditions Precedent	means the conditions precedent to the Scheme becoming Effective, as summarised in Section 6.3 and set out in full in the Scheme Implementation Deed.
Control	has the meaning given to that term in section 50AA of the Corporations Act and
Controlled	has the corresponding meaning.
Corporations Act	means the Corporations Act 2001 (Cth), as amended from time to time.
Court	means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as agreed in writing by United Malt and Malteries Soufflet.
Court Approval Condition Precedent	means the Condition Precedent described at Section 6.3(e).
Court Orders Condition Precedent	means the Condition Precedent described at Section 6.3(f).
Crédit Agricole Shareholder	means Camalt Holding SAS (904 178 233 RCS Nanterre).
Deed Poll	means the deed poll attached to this Scheme Booklet as Attachment C, which has been executed by Malteries Soufflet in favour of Scheme Shareholders (the key terms of which are summarised in Section 6.1(b)).
Deferred STI Performance Rights	has the meaning given to that term in Section 11.3(a)(i).
EBITDA	means earnings before interest, taxes, depreciation and amortisation (on a post-AASB 16 basis).
Effective	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	means the date on which the Scheme becomes Effective, which is currently expected to be Tuesday, 17 October 2023.

Encumbrance	means a: (a) mortgage, charge, lien, encumbrance, pledge, security interest (including a 'security interest' within the meaning of section 12 of the <i>Personal Property Securities Act 2009</i> (Cth)) or other interest of a third party of any kind, whether legal or otherwise; or (b) restriction on transfer of any kind.
End Date	means 5:00pm (Sydney time) on: (a) 1 July 2024; or (b) such later date as United Malt and Malteries Soufflet agree in writing.
Enterprise Act	means the Enterprise Act 2002 (UK).
Equity Commitment Letters	has the meaning given to that term in Section 8.2(b).
Equity Financing Approval Condition Precedent	means the Condition Precedent described at Section 6.3(k).
Exclusivity Period	has the meaning given to that term in Section 11.9(e)(i).
Executive Retention Awards	has the meaning given to that term in Section 11.3(c).
FATA	means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth).
Fiduciary Exception	has the meaning given to that term in Section 11.9(e)(v).
FIRB	means the Australian Foreign Investment Review Board.
FIRB Condition Precedent	means the Condition Precedent described at Section 6.3(a).
French Code	means the French Code monétaire et financier.
French Economy Minister	means the French Minister in charge of Economy.
FY17	means the financial year ended 30 September 2017.
FY21 LTI Performance Rights	has the meaning given to that term in Section 11.3(a)(ii)(A).
FY22	means the financial year ended 30 September 2022.
FY22 LTI Performance Rights	has the meaning given to that term in Section 11.3(a)(ii)(B).
FY23	means the financial year ending 30 September 2023.
FY23 LTI Performance Rights	has the meaning given to that term in Section 11.3(a)(ii)(C).
FY23 Phantom Rights	has the meaning given to that term in Section 11.3(b).
FY23 STI Awards	has the meaning given to that term in Section 11.3(d).
FY24	means the financial year ending 30 September 2024.
FY24 LTI Performance Rights	has the meaning given to that term in Section 11.3(a).
FY24 STI Awards	has the meaning given to that term in Section 11.3(d).
Government Agency	means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (or equivalent officeholder) (including, for the avoidance of doubt, the Commonwealth Treasurer, ASIC, the Takeovers Panel, the ACCC, the ATO, ASX and any regulatory organisation established under statute or any stock exchange or equivalent agency, in each case in any relevant jurisdiction).
GST	means a goods and services tax or similar value added tax levied or imposed under the GST Law.
GST Law	has the meaning given to it in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
HSR Act	means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.
HSR Condition Precedent	means the Condition Precedent described at Section 11.10(c)(iii).
Independent Expert	means Kroll.
Independent Expert's Report	means the report prepared by the Independent Expert in respect of the Scheme, a copy of which is set out in Attachment A to this Scheme Booklet.

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Indicative Proposal	has the meaning given to that term in the Chairman's Letter.
InVivo	means InVivo Group SA (801 076 282 RCS Paris).
InVivo Shareholder	means Etablissements J. Soufflet SAS (642 880 785 RCS Troyes).
KartG	means the Austrian Cartel Act (Kartellgesetz 2005).
KKR	means Kohlberg Kravis Roberts & Co. L.P. and its affiliates.
KKR Funds	means each fund, co-investment fund or investment vehicle or proprietary that is managed and/or advised by KKR and that has agreed to provide a proportion of the Equity Funding under its respective Equity Commitment Letter.
KKR Shareholder 1	means Malt Bidco Holdings SCA.
KKR Shareholder 2	means Everest Bidco SCA.
KKR Shareholder GP	means Malt Bidco Sarl.
KMP	has the meaning given to that term in Section 7.2(b).
KPMG	means KPMG Financial Advisory Services (Australia) Pty Ltd (ABN 43 007 363 215).
kpta	means thousand tonnes per annum.
Kroll	means Kroll Australia Pty Ltd (ABN 73 116 738 535).
kt	means thousand tonnes.
Last Practicable Trading Date	means 4 September 2023.
Last Undisturbed Trading Date	has the meaning given to that term in the Chairman's Letter.
Link	means Link Market Services Limited (ACN 083 214 537).
LTI	has the meaning given to that term in Section 11.3.
Macquarie	means Macquarie Capital (Australia) Limited (ACN 123 199 548).
Malteries Soufflet	means Malteries Soufflet SAS (562 880 195 RCS Troyes).
Malteries Soufflet FAQs	means the answers to the following questions in Section 5 (Frequently asked questions): (a) How is Malteries Soufflet funding the Scheme Consideration? (b) Who is Malteries Soufflet? (c) What are Malteries Soufflet's intentions for United Malt if the Scheme is implemented?
Malteries Soufflet Group	means Malteries Soufflet, the Malteries Soufflet Shareholders and each of the Malteries Soufflet Shareholders' Related Entities and Malteries Soufflet Group Member means any one of them.
Malteries Soufflet Information	means the information contained in: (a) the Malteries Soufflet FAQs; (b) Section 8 (Information on Malteries Soufflet); (c) Section 11.13 (to the extent that it relates to Malteries Soufflet); and (d) the following defined terms in Section 12 (Glossary): (i) Bpifrance Participations Shareholder; (ii) Crédit Agricole Shareholder; (iii) Equity Commitment Letters; (iv) InVivo; (v) InVivo Shareholder; (vi) KKR; (vii) KKR Funds; (viii) KKR Shareholder 1; (ix) KKR Shareholder 2; (x) KKR Shareholder GP; (xi) Malteries Soufflet; and (xii) Malteries Soufflet Shareholders.

Malteries Soufflet Shareholders	means each of the InVivo Shareholder, KKR Shareholder 1, Bpifrance Participations Shareholder, Crédit Agricole Shareholder and KKR Shareholder 2.
Material Adverse Change	<p>means, subject to certain exceptions described in the Scheme Implementation Deed, any matter, event, change in condition, circumstance, or occurrence occurring (a) before the date of the Scheme Implementation Deed but which is only discovered, announced, publicly disclosed or otherwise becomes known to Malteries Soufflet after the date of the Scheme Implementation Deed (but before 8:00am on the Second Court Date), or (b) on or between the date of the Scheme Implementation Deed and 8:00am on the Second Court Date (Relevant Matter) that individually or when aggregated with all other Relevant Matters:</p> <p>(a) diminishes, or could be reasonably expected to diminish, consolidated annual underlying EBITDA of the United Malt Group on a recurring basis by an amount of at least \$15 million (calculated in accordance with the accounting policies and practices applied by United Malt in preparing its financial statements for the half year ended 31 March 2023), as compared to what the consolidated annual underlying EBITDA of the United Malt Group (on a recurring basis and calculated in accordance with the accounting policies and practices as described above) could reasonably be expected to have been (at the time the Relevant Matter occurred or was discovered, announced, publicly disclosed or otherwise becomes known to Malteries Soufflet (as applicable)) but for the Relevant Matter, excluding the impact of any Relevant Matter to the extent that any loss incurred by the United Malt Group in connection with that Relevant Matter is recovered, or is reasonably expected to be recoverable, under a United Malt Group Member's (or a United Malt Group) insurance policy;</p> <p>(b) diminishes, or could be reasonably expected to diminish, (whether now or in the future) the consolidated net assets of the United Malt Group by 10% or more, as compared to the consolidated net assets of the United Malt Group as at 31 March 2023 reported in United Malt's financial statements for the financial half year ended 31 March 2023, determined after excluding the impact of any Relevant Matter to the extent that any loss incurred by the United Malt Group in connection with that Relevant Matter is recovered, or is reasonably expected to be recoverable, under a United Malt Group Member's (or a United Malt Group) insurance policy; or</p> <p>(c) has, or could reasonably be expected to have, a material adverse effect on (i) the assets and liabilities of the United Malt Group (taken as a whole); (ii) the financial condition of the United Malt Group (taken as a whole); or (iii) the reputation of the United Malt Group that materially adversely affects, or could reasonably be expected to materially adversely affect, the future long-term prospects of the United Malt Group, regardless of whether the actual direct financial impact of the Relevant Matter on the United Malt Group exceeds (or is reasonably likely to exceed) the thresholds set out in paragraphs (a) or (b) above.</p>
Mtpa	means million tonnes per annum.
No Material Adverse Change Condition Precedent	means the Condition Precedent described at Section 6.3(i).
Notice of Scheme Meeting	means the notice in relation to the Scheme Meeting, a copy of which is set out in Attachment D to this Scheme Booklet.

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Official List	means the Official List of the ASX.
Official Quotation	means the quotation of securities on the Official List and Officially Quoted has a corresponding meaning.
Online Scheme Meeting Platform	has the meaning given to that term in the 'Participation in, and voting at, the Scheme Meeting through the Online Scheme Meeting Platform' subsection of Section 3 (How to vote on the Scheme Resolution).
Process and Exclusivity Deed	has the meaning given to that term in the Chairman's Letter.
Recommendation	has the meaning given to that term in Section 11.9(b)(i).
Regulatory Approval Conditions Precedent	means the FIRB Condition Precedent, ACCC Condition Precedent, CCA Condition Precedent, CMA Condition Precedent, HSR Condition Precedent and the Equity Financing Approval Condition Precedent.
Related Body Corporate	has the meaning given to that term in section 50 of the Corporations Act.
Related Entity	has the meaning given in the Scheme Implementation Deed.
Relevant Interest	has the meaning given to that term in sections 608 and 609 of the Corporations Act.
Representative	of a party means any director, officer or employee, or Adviser of the party or any of its Related Entities.
Requisite Majorities	means, in respect of the Scheme Resolution: <ul style="list-style-type: none"> (a) a majority in number (more than 50%) of eligible United Malt Shareholders who are present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative), unless the Court orders otherwise; and (b) at least 75% of the total number of votes cast on the Scheme Resolution by eligible United Malt Shareholders.
Reverse Break Fee	has the meaning given to that term in Section 11.9(f)(ii).
Scheme	means a members' scheme of arrangement under Part 5.1 of the Corporations Act between United Malt and the Scheme Shareholders (under which all of the Scheme Shares will be transferred to Malteries Soufflet and the Scheme Shareholders will be entitled to receive the Scheme Consideration, in each case, subject to the terms of the Scheme), in the form of Attachment B, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by United Malt and Malteries Soufflet (or in such other form as Malteries Soufflet and United Malt may agree in writing).
Scheme Booklet	means this document, being the explanatory statement in respect of the Scheme, which has been prepared by United Malt in accordance with section 412 of the Corporations Act.
Scheme Consideration	means, in respect of each United Malt Share held by a Scheme Shareholder on the Scheme Record Date, unless the context requires otherwise: <ul style="list-style-type: none"> (a) a cash amount of \$5.00; less (b) the cash amount (per Scheme Share) of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted under the Scheme Implementation Deed) to which Scheme Shareholders become entitled to receive on or before the Implementation Date (but not including the value attributed to any franking credits attached to any such dividend or other distribution).

Scheme Implementation Date	<p>means:</p> <p>(a) subject to paragraph (b), the date on which the Scheme is implemented, being the date that is 18 Business Days after the Scheme Record Date; or</p> <p>(b) if the Scheme Implementation Date would otherwise fall during the last 15 days of any calendar quarter or on the first Business Day of any calendar quarter (Blackout Period), the Scheme Implementation Date will be three Business Days after the expiration of that Blackout Period,</p> <p>or such other date as:</p> <p>(c) United Malt and Malteries Soufflet may agree in writing; or</p> <p>(d) ordered by the Court;</p> <p>and, as at the date of this Scheme Booklet, is expected to be Wednesday, 15 November 2023.</p>
Scheme Implementation Deed	means the Scheme Implementation Deed dated 1 July 2023 between United Malt and Malteries Soufflet (a copy of the Scheme Implementation Deed was released to the ASX by United Malt on 3 July 2023 and is also available on United Malt's website (www.unitedmalt.com)).
Scheme Meeting	means the meeting of United Malt Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider the Scheme Resolution and includes any adjournment of that meeting.
Scheme Meeting Online Guide	means the document attached to this Scheme Booklet at Attachment F, which contains details about the Online Scheme Meeting Platform, including a step-by-step guide to successfully log in and navigate the Online Scheme Meeting Platform.
Scheme Meeting Proxy Form	means the proxy form for the Scheme Meeting, a hard copy of which is set out in Attachment E to this Scheme Booklet.
Scheme Record Date	means the time and date for determining entitlements to receive the Scheme Consideration, being 7:00pm on the second Business Day after the Effective Date, or such other date after the Effective Date as United Malt and Malteries Soufflet may agree in writing or is required by ASX, and, as at the date of this Scheme Booklet, is expected to be 7:00pm (Sydney time) on Thursday, 19 October 2023.
Scheme Resolution	means the resolution to approve the Scheme to be considered by United Malt Shareholders at the Scheme Meeting, as set out in the Notice of Scheme Meeting at Attachment D.
Scheme Share	means a United Malt Share on issue as at the Scheme Record Date.
Scheme Shareholder	means a United Malt Shareholder as at the Scheme Record Date.
Second Court Date	means the first day of hearing of an application made to the Court by United Malt for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing (with such hearing being the Second Court Hearing).
Section	means a section of this Scheme Booklet.
Security Interest	has the meaning given in section 12 of the <i>Personal Property Securities Act 2009</i> (Cth).
Shareholder Approval Condition Precedent	means the Condition Precedent described at Section 6.3(d).
STI	has the meaning given to that term in Section 11.3.

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Superior Proposal	<p>means a bona fide, written Competing Proposal that the United Malt Board determines, acting in good faith and in order to satisfy what the United Malt Board considers to be its fiduciary or statutory duties (after having obtained written advice from United Malt's legal adviser and, if determined to be appropriate by the United Malt Board, financial adviser):</p> <p>(a) is reasonably capable of being valued and completed in accordance with its terms, having regard to conditionality and taking into account all relevant legal, financial, timing, regulatory and other aspects of such Competing Proposal, including the capacity of the proposing party to consummate the transactions contemplated by the Competing Proposal (including having regard to funding sources), in each case, to the extent known by the United Malt Board; and</p> <p>(b) would, or would be reasonably likely to, if completed substantially in accordance with its terms, result in a transaction that is more favourable to the United Malt Shareholders (as a whole) than the Transaction, taking into account all the relevant terms and conditions and other aspects of the Competing Proposal, including (but not limited to) in respect of each of the Competing Proposal and the Transaction:</p> <p>(i) the capacity of the proposing party to consummate the transactions contemplated by the Competing Proposal (including having regard to funding sources);</p> <p>(ii) consideration (including value and type), conditionality, funding, certainty and timing;</p> <p>(iii) the probability of the Competing Proposal being completed compared to the Transaction; and any other relevant legal, financial, regulatory and other matters.</p>
Takeovers Panel	means the Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
Third Party	means any person other than Malteries Soufflet or any of its Related Entities or Representatives.
Transaction	means the acquisition of all of the Scheme Shares by Malteries Soufflet by means of the Scheme.
Treasurer	means the Treasurer of the Commonwealth of Australia.

UK	means the United Kingdom.
US	means the United States of America.
United Malt	means United Malt Group Limited (ACN 140 174 189).
United Malt Board	means the board of directors of United Malt.
United Malt Director or your director	means a member of the United Malt Board as at the date of this Scheme Booklet.
United Malt Long Term Incentive Plan	has the meaning given to that term in Section 11.3.
United Malt Group	means, collectively, United Malt and each of its Subsidiaries (and United Malt Group Company or United Malt Group Member means any one of them).
United Malt Performance Right	means a performance right granted by United Malt under the United Malt Employee Incentive Plan, which entitles the holder to receive a United Malt Share in certain circumstances.
United Malt Share	means a fully paid ordinary share in the capital of United Malt.
United Malt Shareholder	means a person who is registered in the United Malt Share Register as a holder of one or more United Malt Shares from time to time.
United Malt Shareholder Information Line	means the information line that United Malt Shareholders can call if they have any questions or require further information about this Scheme Booklet or the Scheme – the telephone number is 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time).
United Malt Share Register	means the register of members of United Malt maintained by or on behalf of United Malt in accordance with section 168(1) of the Corporations Act.
United Malt Share Registry	means Link in its capacity as provider of registry services in respect of the United Malt Share Register.
Voting Intention	has the meaning given to that term in Section 11.9(b)(i)(B).
Voting Power	has the meaning given to that term in the Corporations Act.
VWAP	means the volume weighted average price of the relevant shares traded on the ASX during the relevant period but does not include any trades which United Malt determines to be outside the ordinary course of trading, which may include any ‘Crossing’ transacted outside the ‘Open Session State’ or any ‘Special Crossing’ transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over such shares.

Attachment

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Independent Expert's Report

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INDEPENDENT EXPERT'S REPORT

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The Directors
United Malt Group Limited
Citigroup Centre, Level 18
Suite C, 2 Park Street
Sydney NSW 2000

7 September 2023

Dear Directors

Part One – Independent Expert's Report

1 Introduction

On 3 July 2023, United Malt Group Limited (**United Malt**) announced that it had entered into a scheme implementation deed with Malteries Soufflet SAS (**Malteries Soufflet**) (**Scheme Implementation Deed**) under which Malteries Soufflet agreed to acquire 100% of the issued ordinary shares in United Malt (**United Malt Shares**) by way of a scheme of arrangement (**Scheme**), subject to the terms and conditions of the Scheme Implementation Deed (**Transaction**).

Under the Scheme, United Malt shareholders (**United Malt Shareholders**) who hold United Malt Shares on the Scheme Record Date¹ will receive total cash consideration of \$5.00 for each United Malt Share held on the Scheme Record Date (**Scheme Consideration**), less the cash amount per United Malt Share of any cash dividend(s) or other cash distribution(s) paid by United Malt (as permitted by the Scheme Implementation Deed) (**Permitted Dividend**), prior to the implementation of the Scheme.

As at the date of this report, the United Malt Board has not determined to pay any such cash dividend.

In the event that a Permitted Dividend is paid, the Scheme Consideration will be reduced by an amount equal to the cash amount per United Malt Share of the Permitted Dividend. However, the Scheme Consideration will not be reduced by the value attributed to any franking credits attached to any Permitted Dividend.

The Scheme is subject to a number of conditions precedent as set out in Section 5.2 of this report. The status of these conditions precedent as at the date of this report is set out in Section 11.10 of the Scheme Booklet.

United Malt is the fourth largest commercial maltster globally, producing ingredients for the brewing, distilling, and food markets. United Malt has approximately 1.3 million tonnes per annum (**Mtpa**) of processing capacity across 12 plants in Canada, the United States, Australia and the United Kingdom. United Malt also operates an international warehouse and distribution business, providing a full service offering for craft brewers and distillers, including malt, hops, yeast and related products. United Malt's distribution network comprises 21 warehouses (both company operated and third party operated) and an international craft distribution partnership throughout North America, South America, Europe, Asia and Australia. United Malt generates earnings from barley procurement and handling, malt processing, and the sale and distribution of value-added malt and related products. United Malt's customer base is diversified by product, end-market and geography. Customers include global brewers, craft brewers, distillers and food companies. As at 24 March 2023, the last day on which United Malt Shares traded on the ASX before United

¹ 7.00 pm (Sydney time) on Thursday, 19 October 2023, or such other date as may be agreed between United Malt and Malteries Soufflet or as may be required by ASX.

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Malt announced that it had received a conditional, non-binding and indicative proposal from Malteries Soufflet to acquire all of the United Malt Shares (the **Indicative Proposal**), United Malt had a market capitalisation of \$1,029.18 million.²

Malteries Soufflet is one of the world's leading players in the malt industry, with an 11.0% share of the global market. Malteries Soufflet employs nearly 1,400 people in 29 malt plants in Europe, Latin America, Asia and Africa, with an annual production capacity of 2.4 million tonnes of malt. Malteries Soufflet is owned 62.43% by InVivo Group, one of Europe's leading agricultural groups with revenues of nearly €12 billion with more than half generated in France, and a workforce of 15,000 employees, including more than 10,000 in France. Malteries Soufflet's customer groups include large brewers, craft brewers, distillers and food ingredients producers.

The Scheme is subject to approval by United Malt Shareholders at a meeting (the **Scheme Meeting**) to be held on Thursday, 12 October 2023. For the Scheme to proceed, the resolution approving the Scheme (**Scheme Resolution**) must be approved by at least 75% of all votes cast by eligible United Malt Shareholders and more than 50% of all eligible United Malt Shareholders present and voting (in person or by proxy, attorney or, in the case of a corporation, its duly appointed corporate representative) at the Scheme Meeting.

In order to assist United Malt Shareholders in assessing the Scheme, the directors of United Malt (**United Malt Directors**) have appointed Kroll Australia Pty Ltd (**Kroll**) to prepare an independent expert's report setting out whether, in our opinion, the Scheme is in the best interests of United Malt Shareholders, in the absence of a superior proposal.

This report sets out Kroll's opinion as to whether the Scheme is in the best interests of United Malt Shareholders and will be included in the scheme booklet issued by United Malt in respect of the Scheme (**Scheme Booklet**) to be sent to United Malt Shareholders.

Further information regarding Kroll, as it pertains to the preparation of this report, is set out in Appendix 1.

Kroll's Financial Services Guide is contained in Part Two of this report.

2 Scope of report

The Transaction is to be implemented by way of a scheme of arrangement under Section 411 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and requires approval of United Malt Shareholders. Section 412(1) of the *Corporations Act* requires, among other requirements, that an explanatory statement issued by a company in relation to a proposed members' scheme of arrangement includes information that is material to the making of a decision by a member as to whether or not to agree to the scheme resolution.

Even where an independent expert's report is not strictly required by the law or ASIC policy, it is not uncommon for directors of a company to commission one to ensure that they are providing the information that is material to the making of a decision by a member. It is a condition precedent of the Scheme becoming Effective that an independent expert concludes, and continues to conclude, that the Scheme is in the best interests of United Malt Shareholders.

In undertaking our work, we have referred to guidance provided by ASIC in its Regulatory Guides, in particular, Regulatory Guide 111 'Content of expert reports' (**RG 111**) which outlines the principles and matters which it expects a person preparing an independent expert's report to consider.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Section 6 of this report.

3 Opinion

3.1 Background

United Malt was a business unit of GrainCorp prior to its demerger from GrainCorp (which was implemented on 1 April 2020) (the **Demerger**). As part of GrainCorp, United Malt experienced strong and stable earnings growth due largely to the relationships with craft brewers, especially in the United States, and a relatively stable operating environment. United Malt's ability to pursue growth opportunities was, however, considered to be limited as a result of the impact of drought affected grain harvests on GrainCorp's free cash flows and borrowing capacity. As a separately listed entity, United Malt was expected to be able to determine its own

² Calculated as the closing share price on 24 March 2023 of \$3.44 multiplied by 299,179,135 United Malt Shares on issue on that date.



financial structure reflecting the strength of its own attributes (stable earnings, strong cash flows, expansion potential) and it was expected to have an enhanced ability to pursue strategic opportunities by offering its own scrip, which would be more attractive to vendors or merger partners than GrainCorp scrip.

The Demerger was, however, expected to result in additional corporate operating costs of \$14.9 million per annum and although funding costs were expected to be higher, the impact on net earnings was not expected to be material.

The timing of the Demerger coincided with the sharemarket trough following the market wide sell off at the onset of the COVID-19 pandemic. From the date on which the Scheme Booklet for the Demerger was prepared (6 February 2020) until United Malt was listed on the ASX (23 March 2020), the Food, Beverage and Tobacco Index had declined by 24.6% and United Malt Shares closed at \$4.10 on listing on 24 March 2020.

In the period since the Demerger, United Malt's financial results and operations have been adversely impacted by a series of events including:

- as a result of the COVID-19 pandemic, beer demand declined due to social distancing restrictions;
- a severe drought reduced Canadian barley yields in 2021 and resulted in additional costs to importing barley in order to meet customer needs. These additional costs were exacerbated by the disruption to ocean and rail supply chains caused by the Russia-Ukraine conflict and high inflationary increases in freight and energy costs; and
- a two-month delay in the commissioning of the Inverness facility and a series of one-off adjustments (including ineffective currency hedges in Canada and overruns in enterprise resource planning (ERP) implementation costs).

In order to address the impact of these events, Uniting Malt undertook the following:

- raised \$140 million of equity at \$3.80, an 11.4% discount to the last close on 14 May 2020, in order to strengthen the balance sheet to increase resilience during the COVID-19 pandemic and provide flexibility to continue disciplined investment;
- in 2021, announced the Transformation Programme, which targeted approximately \$30 million in annualised net benefits by FY24; and
- renegotiated commercial arrangements to allow higher barley and freight costs to be passed through to customers. FY24 is expected to reflect most of the benefit of these revised terms.

As a result of the adverse events, United Malt's financial performance deteriorated, with underlying EBITDA margin declining from 13.3% in FY19 (12.2% including \$14.9 million standalone corporate and operating costs) to 7.5% in FY22. No dividends were declared following the interim FY22 dividend. The lower underlying EBITDA as well as an increase in inventory levels and substantial capital expenditure requirements resulted in a deterioration of cash flows, and financial leverage increased to above the target range.³

FY24 is expected to reflect the benefits of the revised commercial terms, the Transformation Programme and first full year of operation of the Inverness facility. Brokers are expecting underlying EBITDA margin to increase to 12.7% by FY24, noting that a level of risk remains in relation to the implementation of the Transformation Programme.

The impact of these adverse events is evidenced by the 37.9% decline in United Malt's share price from a high of \$4.59 on 7 January 2022, to close at a low of \$2.85 on 2 August 2022, significantly underperforming the broader sharemarket and limiting United Malt's ability to pursue strategic opportunities by offering scrip.

It was in this context that United Malt received an unsolicited approach from Malteries Soufflet and its major shareholder, InVivo, regarding a potential combination of United Malt and Malteries Soufflet. Following a period of preliminary engagement with United Malt, Malteries Soufflet submitted several confidential, non-binding and indicative proposals to acquire all of the United Malt Shares, which commenced on 16 December 2022 at \$4.15 in cash per share and ultimately led to the Indicative Proposal on 14 March 2023 at \$5.00 in cash per share.

³ Net debt to EBITDA increased above the target range of 2.0 to 2.5 times in FY22 and 1H23.

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3.2 Summary of opinion

In our opinion, the Scheme is in the best interests of United Malt Shareholders, in the absence of a superior proposal.

In arriving at this opinion, we have assessed whether the Scheme is:

- **fair**, by comparing the Scheme Consideration to our assessed value of a United Malt Share on a controlling interest basis. This approach is in accordance with the guidance set out in RG 111; and
- **reasonable**, by assessing the implications of the Scheme for United Malt Shareholders, the alternatives to the Scheme that are available to United Malt, and the consequences for United Malt Shareholders of not approving the Scheme Resolution.

We have assessed the Scheme to be fair and reasonable. Consequently, consistent with RG 111, we have concluded that the Scheme is in the best interests of United Malt Shareholders, in the absence of a superior proposal.

We have assessed the value of a United Malt Share on a controlling interest basis to be in the range of \$4.28 to \$5.17. As the Scheme Consideration of \$5.00 per United Malt Share falls within our assessed value range for a United Malt Share, the Scheme is fair.

The range of values is relatively wide, mainly as a result of United Malt's financial leverage.

In forming our view as to the value of United Malt, we have considered a range of factors including the benefits of the Transformation Programme (adjusted for implementation risk), revised commercial terms and Scottish expansion. We have also considered United Malt's global presence and strong market positions and the high barriers to entry to the industry. In assessing United Malt's long term growth, we have considered the favourable trends in craft and premium beer demand and United Malt's leverage to high growth regions (e.g. South America, Asia), balanced with the anticipated continued decline in beer consumption in mature markets and United Malt's high rates of utilisation in its processing facilities. We have also taken into account United Malt's significant working capital and capital expenditure requirements. Lastly, we have considered synergies available to a pool of potential acquirers.

Our analysis of the fairness of the Scheme is detailed further in Section 3.3 of this report.

In accordance with RG 111, an offer is reasonable if it is fair. As we have assessed the Scheme to be fair, it is also reasonable. Regardless of this requirement, we have considered a range of other factors that are relevant to an assessment of the reasonableness of the Scheme, including:

- the Scheme Consideration represents a substantial premium to undisturbed trading prices of United Malt Shares;
- the Scheme Consideration is in cash and provides certainty of the pre-tax amount that United Malt Shareholders will receive;
- United Malt Shareholders will not participate in any future increases in value of United Malt, however, they will no longer be exposed to the risks facing the business;
- in the event that the Scheme Resolution is not approved or any other conditions precedent prevent the Scheme from being implemented, United Malt will continue to operate in its current form and its share price is likely to fall to levels consistent with the undisturbed trading price of United Malt Shares, subject to any future financial achievements in the subsequent period, industry developments and the impact of broader trends in equity markets; and
- no alternative bidder has emerged since the announcement of the Transaction.

Other matters which United Malt Shareholders should consider in assessing the Scheme include:

- United Malt will incur transaction costs if the Scheme does not proceed;
- the outstanding conditions precedent (including Equity Financing Approvals⁴) which, if not satisfied, (or, if applicable, waived) will result in the Scheme not being implemented; and
- the tax implications of the Scheme.

Our analysis of the reasonableness of the Scheme is detailed further in Section 3.4 of this report. The decision to approve the Scheme Resolution is a matter for individual United Malt Shareholders based on their views as to value, expectations about future market conditions and their particular circumstances,

⁴ As detailed in Section 6.3 (k) and Section 11.10(d) of the Scheme Booklet.



including investment strategy and portfolio, risk profile and tax position. If in doubt, United Malt Shareholders should consult their own professional adviser regarding the action they should take in relation to the Scheme.

3.3 The Scheme is fair

3.3.1 Valuation of United Malt

Kroll has assessed the value of United Malt's equity to be in the range of \$1,286.5 million to \$1,550.3 million, which corresponds with a value per United Malt Share in the range of \$4.28 to \$5.17 on a fully diluted basis. Our range of assessed values reflects 100% ownership of United Malt and, therefore, incorporates a control premium. The value of United Malt's equity has been determined by estimating the fair value of United Malt's operating business, together with consideration of non-operating assets and liabilities, and net borrowings. The valuation is summarised as follows.

United Malt Summary of Value (\$ millions)

	Section Reference	Valuation Range	
		Low	High
Value of United Malt's operating business (100% control basis)	9.3.1	1,866.9	2,117.7
Non-operating assets / (liabilities) (net)	9.5	0.7	0.7
Enterprise value (100% control basis)		1,867.6	2,118.4
Net borrowings (including lease liabilities)	9.5.2	(581.0)	(568.1)
Value of United Malt's equity (100% control basis)		1,286.5	1,550.3
Number of shares outstanding – diluted (millions) ¹	8.7.2	300.3	300.0
Value per United Malt Share – diluted (control basis) (\$)		\$4.28	\$5.17

Source: Kroll analysis.

Note 1: Based on 299,179,135 United Malt Shares on issue and a range of 777,491 to 1,100,271 United Malt Shares to be issued corresponding to vesting United Malt Performance Rights (refer to Section 8.7.2).

In assessing the value of United Malt's operating business, Kroll has adopted a market approach as the primary methodology utilising multiples of EBITDA (refer to Section 9.3 of this report). The value derived from the market approach has been cross-checked using a high-level discounted cash flow (DCF) analysis (refer to Section 9.4 of this report).

The range of values is relatively wide, mainly as a result United Malt's financial leverage.

In forming our view as to the value of United Malt Shares, we have considered a series of factors including:

- the nature of the industry, with relatively high barriers to entry, determined by geographic region and relationships with barley growers and major brewers;
- United Malt's market position as the fourth largest maltster globally, with a global presence, diversified portfolio of customers and strong relationships with barley growers and brewers;
- the benefits of the Transformation Programme (offset by the risk of implementation), revised commercial terms and Scottish expansion, each of which is expected to be reflected in FY24 earnings;
- United Malt's moderate EBITDA margins (estimated at 12.7% in FY24);
- modest annual EBITDA growth for FY24 to FY26 (broker consensus CAGR of 3.4%), which reflects:
 - that FY24 earnings already include the benefits of the expansion of its facilities in Scotland, revised commercial terms and the Transformation Programme;
 - modest industry growth, with global malt demand expected to increase at a CAGR of 0.5% from 2019 to 2030 (refer to Section 7.3 of this report); and
 - that United Malt's processing facilities are operating at close to full capacity;
- the anticipated more stable and resilient future earnings resulting from the renegotiation of commercial terms;
- United Malt's high inventory levels and substantial capital expenditure requirements (not including any capacity expansion capital) of approximately \$60 million per annum;
- the significant ERP costs remaining, which are treated as a surplus liability in our valuation (refer to Section 9.7 of this report);

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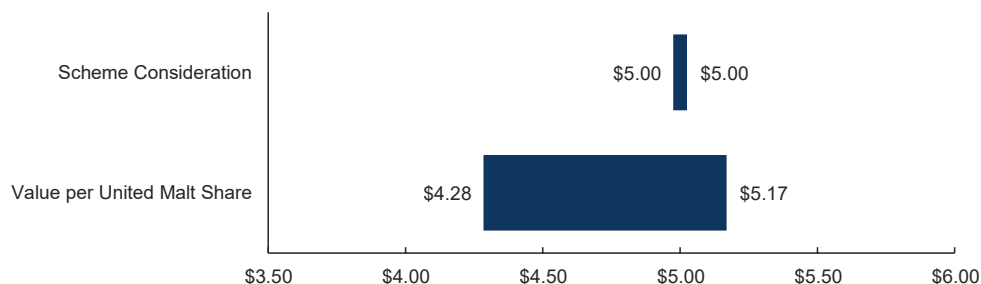
- available tax losses, however, recognising that the ability to use the losses is uncertain and a potential acquirer is unlikely to attribute significant value to them; and
- synergies available to a pool of potential acquirers, which are reflected in the control multiple in the market approach and in the cash flows in the DCF analysis.

Our valuation range of \$4.28 to \$5.17 per United Malt Share reflects a premium over the closing price of United Malt Shares on 24 March 2023, the last day on which United Malt Shares traded on the ASX prior to announcing it had received the Indicative Proposal of between 24.5% and 50.2%, and a premium to the one-month VWAP in the range of 27.1% to 53.4%. A portion of this premium reflects that our valuation of United Malt includes a control premium, rather than a valuation of a minority interest in the company as traded on the ASX. The premium is within the spectrum of, and above premiums observed in completed transactions, which are broadly in the range of 25% to 40% depending on the individual circumstances.⁵ In this regard, we note that synergies available to a pool of potential acquirers of United Malt are expected to be limited and mainly include public company and other corporate cost savings.

3.3.2 Assessment of fairness

A comparison of our assessed value per United Malt Share, on a control basis, to the Scheme Consideration is illustrated as follows.

Fairness Assessment



Source: Kroll analysis.

As the Scheme Consideration falls within the range of values for a United Malt Share, **the Scheme is fair.**

3.4 The Scheme is reasonable

In accordance with RG 111, an offer is reasonable if it is fair. **As we have assessed the Scheme to be fair, it is also reasonable.** However, irrespective of the requirement to conclude the Scheme is reasonable, we have also considered a range of other factors that are relevant to an assessment of the reasonableness of the Scheme.

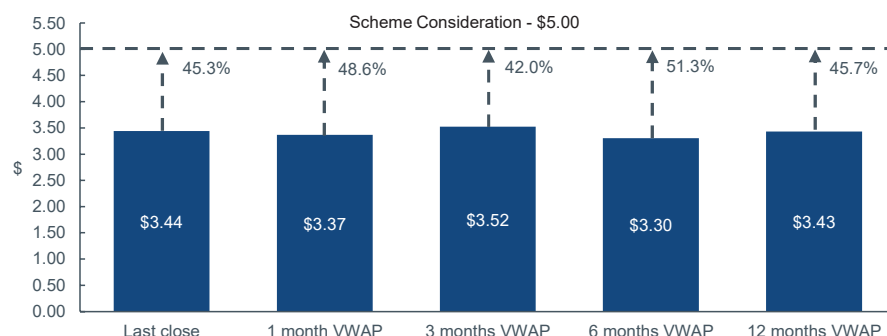
3.4.1 The Scheme Consideration represents a substantial premium to the undisturbed trading prices of United Malt Shares

The Scheme Consideration of \$5.00 per share represents a substantial premium to United Malt's closing share price and VWAP calculated over a range of periods up until close on 24 March 2023, the last day on which United Malt Shares traded on the ASX prior to announcing it had received the Indicative Proposal.

⁵ 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.



Premium of Scheme Consideration over the United Malt Share Price



Source: United Malt management; Kroll analysis.

Note: The premiums illustrated above have been calculated based on United Malt's closing share price and VWAP up until close on 24 March 2023.

The Scheme Consideration represents a substantial premium over recent United Malt Share prices and is greater than the range of premiums typically observed. We note that:

- observations from transaction evidence indicate that control premiums are broadly in the range of 25% to 40% for completed transactions depending on the individual circumstances.⁶ However, in transactions where it was estimated the combined entity would be able to achieve significant synergies, the premium was frequently estimated to be in excess of this range;
- Malteries Soufflet is a natural acquirer of United Malt and may be able to derive savings from corporate overheads, procurement, regulatory and distribution costs; and
- trading over these periods reflects challenging conditions, including events such as United Malt's earnings downgrade announced on 1 August 2022 and the announcement on 6 October 2022 of the Chief Executive Officer's intention to retire.

3.4.2 Certainty of value

The Transaction offers United Malt Shareholders an opportunity to exit their investment in United Malt at a price that is certain and which, as noted above, incorporates a high premium to United Malt's undisturbed trading prices. Whilst trading of United Malt Shares is sufficient to give United Malt Shareholders confidence that they would be able to exit their investment at a time of their choosing, there is no certainty as to the price at which United Malt Shareholders would realise their investment at that time, particularly given the risks to which United Malt will continue to be exposed, including:

- **competition risk:** it is possible that competitors of larger scale will seek to gain market share in major contested export markets (i.e. Asia) through attractive pricing, or in North America, where there is little excess malt processing capacity, through expanding their malting plants portfolio. We note however that the expansion of malting plants is costly and can take several years to complete;
- **change in beer consumption:** recent changes in consumer preferences have led to decrease in beer consumption in traditionally mature markets (e.g. the United States). While this trend has been offset by an increase in the consumption of whisky, and premium and craft beer (which contain a higher proportion of malt), beer consumption can be impacted by other societal trends, such as the rising preference for beverages with low-sugar non-alcoholic beverages;
- **input cost pass-through risk:** United Malt's main input costs, such as barley, energy, freight and water can be subject to sudden price volatility for different reasons. In the case of barley, the disruption of supply chains in major grain markets (e.g. Ukraine) or catastrophic weather events (e.g. Canada) can cause significant increases in its price. While earnings have been de-risked by the recent renegotiation of commercial terms, these renegotiated terms may not allow United Malt to completely pass-through a sudden increase in input costs;

⁶ 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

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- **strategy execution risk:** United Malt is still implementing the Transformation Programme, which is expected to generate net benefits of \$30 million EBITDA per year from FY24. There is a risk that United Malt is unable to extract all expected benefits or within the expected timeframe; and
- **key personnel risk:** should the Scheme not proceed, United Malt will be required to resume the searches to replace its Managing Director and CEO, Mr Mark Palmquist, who announced his intention to retire, and its CFO, who is appointed on an interim basis. While Mr Palmquist will remain in his role until a successor is appointed to assist with an orderly transition, delays in these key appointments may impact the day-to-day management of United Malt.

Furthermore, any future on-market sale by United Malt Shareholders would likely incur brokerage costs, which would be avoided if the Scheme Resolution is approved.

3.4.3 By exiting their investment in United Malt, United Malt Shareholders will not participate in any future growth in the value of United Malt

By exiting their investment in United Malt, shareholders will not participate in any future growth in the value of United Malt, over and above that already reflected in the Scheme Consideration. The United Malt Directors believe that the Scheme Consideration adequately recognises the value of both United Malt's existing business, asset base and expected near-term earnings recovery and its future growth opportunities. Furthermore, Kroll's valuation of United Malt, which overlaps with the Scheme Consideration, already includes the full year benefits of the Transformation Programme (offset by the risk of implementation), revised commercial terms and Scottish expansion.

In any event, United Malt's processing facilities are currently operating at close to full capacity, which limits any future growth in the absence of significant growth capital expenditure or acquisitions.

On the other hand, shareholders will no longer be exposed to the risks associated with the business, mentioned in Section 3.4.2.

3.4.4 United Malt's share price will likely fall in the absence of the Transaction

The current share price of United Malt reflects the terms of the Transaction and, therefore, includes a control premium. As such, in the absence of the Transaction, a superior proposal or speculation concerning a superior proposal, the United Malt Share price is likely to fall to levels consistent with United Malt's undisturbed trading prices, with an allowance for:

- subsequent announcements in relation to company specific initiatives or financial performance which the market may assess as value enhancing or depleting;
- any industry developments (e.g. concerning competition, international trade, weather events) or exchange rates; and
- the impact of trends in broader equity markets. In this regard, from 24 March 2023 (the last day on which United Malt Shares traded on the ASX prior to the announcement of the Transaction) until 4 September 2023, the S&P/ASX 200 Index (**ASX 200 Index**) has increased by 5.2%, the S&P/ASX 200 Consumer Staples Index (**ASX Consumer Staples Index**) decreased by 5.1% and the S&P/ASX 200 Food, Beverage and Tobacco Index (**Food, Beverage and Tobacco Index**) decreased by 11.4%.

3.4.5 Likelihood of a superior proposal

Since the announcement of the Indicative Proposal on 28 March 2023, no alternative bidder has emerged. Whilst the opportunity for a superior proposal remains, currently we consider the likelihood of a superior proposal to be impacted by the following:

- in their assessment of the Scheme, the United Malt Directors considered potential control transactions in respect of United Malt with third parties other than Malteries Soufflet. Following consideration of this and other alternatives, the United Malt Directors unanimously concluded that the Scheme is the most attractive option for United Malt Shareholders;
- it is open to United Malt Shareholders to vote against the Scheme Resolution in the hope that the United Malt Board will be able to extract a higher offer from Malteries Soufflet. However, the Transaction is a consequence of negotiations between the Board of United Malt and Malteries Soufflet over an extended period of time that resulted in an increase in the cash consideration offered from \$4.15 per share to \$5.00 per share, with the United Malt Board supporting the Transaction in its current form (in the absence of a superior proposal). It is therefore unlikely that United Malt would be able to obtain an increase in the offer from Malteries Soufflet;



- the Scheme Consideration represents a substantial premium to United Malt's undisturbed trading prices. This is likely to limit the range of potential acquirers that would submit a competing bid exceeding this offer price;
- the Scheme Implementation Deed contains customary exclusivity provisions on United Malt that apply during the Exclusivity Period. In certain circumstances, United Malt may be required to pay a break fee of \$15 million. Although these provisions may be influential, we do not consider that they would prevent a superior proposal from being made.

3.4.6 Other considerations

In forming our opinion, we have also considered a number of other factors. Whilst we do not necessarily consider these factors to impact our assessment of the reasonableness of the Scheme, we have addressed them as follows.

One-off transaction costs

If the Scheme is implemented, Malteries Soufflet will bear all transaction costs. If the Scheme is not implemented, United Malt will incur approximately \$10.9 million (excluding GST) in transaction costs that will have been paid or committed prior to the Scheme Meeting.

The Scheme is subject to the satisfaction of a number of conditions

There are a number of conditions which, if not satisfied, will result in the Scheme not being implemented including Foreign Investment Review Board (FIRB), Equity Financing Approvals,⁷ and other regulatory approvals. If any conditions precedent prevent the Scheme from being implemented, United Malt Shareholders will continue to hold their existing United Malt Shares. As at the date of the Scheme Booklet, the United Malt Directors are not aware of any circumstances which would cause any condition to not be satisfied. However, it is possible that the requirement for the required approval of a specified condition(s) may be delayed and that this may result in a delay to the date of the Scheme Meeting and/or implementation of the Scheme.

Taxation implications for United Malt Shareholders

General tax implications for United Malt Shareholders who are individuals, companies, trusts and complying superannuation entities that hold their United Malt Shares on capital account for Australian income tax purposes are outlined in Section 10 of the Scheme Booklet.

Section 10.2 of the Scheme Booklet considers the taxation implications of the disposal of United Malt Shares for Australian resident and non-resident United Malt Shareholders. In particular, this section indicates that the disposal of United Malt Shares will be a capital gains tax event for Australian resident United Malt Shareholders. This means that Australian resident United Malt Shareholders will need to determine whether a capital gain or a capital loss arises in respect of their disposal of United Malt Shares. For Non-Australian tax resident United Malt Shareholders this section indicates that they should be able to disregard any capital gain or capital loss unless their Shares constitute 'Taxable Australian Property', as defined under Australian tax law. It is however not expected that the United Malt Shares will constitute Taxable Australian Property.

Section 10.3 of the Scheme Booklet further indicates that Malteries Soufflet may be required to withhold an amount equal to 12.5% of the Scheme Consideration for each United Malt Share held by a relevant foreign resident.

We note that United Malt Shareholders should consider their individual taxation circumstances and review Section 10 of the Scheme Booklet for further information where it applies to their circumstances. United Malt Shareholders should obtain their own independent professional advice on the tax consequences of disposing of their United Malt Shares under the Scheme.

3.4.7 Consequences if the Scheme does not proceed

In the event that the Scheme Resolution is not approved or any conditions precedent prevent the Scheme from being implemented, United Malt Shareholders will not receive the Scheme Consideration and United Malt will continue to operate in its current form, remain listed on the ASX and execute upon its strategy. As a consequence:

⁷ As detailed in Section 6.3 (k) of the Scheme Booklet

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- United Malt Shareholders will continue to be exposed to the risks and opportunities associated with an investment in United Malt, including the risk of achieving savings under the Transformation Program. It will also need to find a permanent CEO and CFO;
- the United Malt Share price will likely fall. The current price of United Malt Shares reflects the terms of the Transaction (including the benefit of the Scheme Consideration offered by Malteries Soufflet) and includes a substantial control premium. As such, in the absence of the Transaction, a superior proposal or speculation concerning a superior proposal, the United Malt Share price is likely to fall (refer to Section 3.4.4 of this report);
- its growth prospects may continue to be impacted by its low cash flow generation;
- a break fee of \$15.0 million (excluding GST) may be payable by United Malt to Malteries Soufflet in certain circumstances; and
- United Malt will incur an estimated \$10.9 million (excluding GST) of one-off transaction costs in relation to the Scheme.

4 Other matters

Our report has also been prepared in accordance with the relevant provisions of the Corporations Act and other applicable Australian regulatory requirements and has been prepared solely for the purpose of assisting United Malt Shareholders in considering whether to vote in favour of the Scheme Resolution. We do not assume any responsibility or liability to any other party (other than United Malt) as a result of reliance on this report for any other purpose.

This report constitutes general financial product advice and has been prepared without taking into consideration the individual circumstances of United Malt Shareholders. This advice, therefore, does not consider the financial situation, objectives or needs of individual United Malt Shareholders.

The decision of United Malt Shareholders as to whether or not to vote in favour of the Scheme Resolution at the Scheme Meeting is a matter for individual United Malt Shareholders who should, therefore, consider the appropriateness of our opinion to their specific circumstances. As an individual's decision to vote for or against the Scheme Resolution may be influenced by their particular circumstances, we recommend that individual United Malt Shareholders, including residents of foreign jurisdictions, seek their own independent professional advice.

Our opinion is based solely on information available as at the date of this report. This information, and our limitations and reliance on information section, are set out in Appendix 2. We have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

References to financial years have been abbreviated to 'FY', references to calendar years have been abbreviated to 'CY' and references to half years have been abbreviated to 'HY'. For United Malt, the financial year is the 12 months to 30 September and half years are the six months to 31 March. All currencies are Australian dollars, unless otherwise specified.

Kroll has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is included at the end of this report.

The above opinion should be considered in conjunction with, and not independently of, the information set out in the remainder of this report, including the appendices.

Yours faithfully

Ian Jedlin
Authorised Representative

Celeste Oakley
Managing Director



Independent Expert's Report
and
Financial Services Guide
in relation to the proposed acquisition of United Malt Group Limited by
Malteries Soufflet SAS



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5 The Scheme

5.1 Overview

On 28 March 2023, United Malt announced that it had entered into a process and exclusivity deed with Malteries Soufflet (**Process and Exclusivity Deed**) following Malteries Soufflet submitting the Indicative Proposal.

The Indicative Proposal followed an unsolicited approach to United Malt from Malteries Soufflet and its major shareholder, InVivo, regarding a potential combination of United Malt and Malteries Soufflet. After a period of preliminary engagement, the United Malt Board determined that it was in the best interests of United Malt Shareholders to provide limited non-public information about United Malt to Malteries Soufflet and InVivo on a confidential and non-exclusive basis. Following the provision of this information, Malteries Soufflet submitted several confidential, non-binding and indicative proposals to acquire all of the United Malt Shares: on 16 December 2022, for \$4.15 in cash per United Malt Share; on 6 February 2023, for \$4.50 in cash per United Malt Share; on 8 March 2023, for \$4.90 in cash per United Malt Share; and on 14 March 2023, Malteries Soufflet submitted the Indicative Proposal at \$5.00 in cash per United Malt Share.

On 3 July 2023, United Malt announced that it had entered into the Scheme Implementation Deed, under which Malteries Soufflet agreed to acquire 100% of the United Malt Shares by way of the Scheme, for \$5.00 in cash for each United Malt Share held at the Scheme Record Date, less the cash amount per United Malt Share of any Permitted Dividend paid by United Malt prior to implementation of the Scheme.

The United Malt Board may determine to pay, declare and pay to United Malt Shareholders a total Permitted Dividend of up to \$7 million in aggregate, in cash and not funded by drawing any debt, and subject to other conditions listed in the Scheme Implementation Deed. As at the date of this report, the United Malt Board has not determined to pay any such cash dividend.

The Scheme is subject to a number of conditions precedent which are summarised in Section 5.2 of this report.

The United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal⁸ and subject to the independent expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders. Subject to the same qualifications, each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all United Malt Shares that he or she holds or controls in favour of the Scheme Resolution.

5.2 Conditions precedent

Implementation of the Scheme is subject to certain conditions precedent as set out in Clause 3.1 of the Scheme Implementation Deed. These include (in summary form):

- regulatory approvals, including Foreign Investment Review Board (**FIRB**) approval and antitrust and competition approvals from the Australian Competition and Consumer Commission (**ACCC**), the Canadian Commissioner of Competition, and the United Kingdom Competition and Markets Authority, and HSR approval;⁹
- the independent expert concluding that the Scheme is in the best interests of United Malt Shareholders before the time the Scheme Booklet is registered with ASIC, and not adversely changing or qualifying its conclusion or withdrawing its opinion prior to 8.00 am on the Second Court Date;¹⁰
- approval of the Scheme by United Malt Shareholders at the Scheme Meeting by the requisite majorities;
- approval of the Federal Court of Australia in respect of the Scheme; and

⁸ As that term is defined in the Scheme Implementation Deed.

⁹ HSR approval means the applicable waiting period under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended, and the rules and regulations promulgated thereunder) in relation to the Transaction having expired or been terminated.

¹⁰ Second Court Date means the first day of hearing of an application made to the Federal Court of Australia by United Malt for orders pursuant to Section 411(4)(b) of the Corporations Act.

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- customary conditions precedent for the benefit of Malteries Soufflet only, including no regulated event or material adverse change occurring, United Malt taking all steps necessary to ensure that all United Malt performance rights (**United Malt Performance Rights**) and other rights to receive shares in United Malt have vested, lapsed or are cancelled; and all Equity Financing Approvals¹¹ have been received or occurred before 5.00pm on the Business Day before the Second Court Date.

The status of the Conditions Precedent to the Scheme as at the date of the Scheme Booklet is set out in Section 11.10 of the Scheme Booklet.

5.3 Exclusivity provisions

The Scheme Implementation Deed contains customary exclusivity provisions on United Malt that apply during the Exclusivity Period,¹² including 'no shop', 'no talk' and 'no due diligence' obligations (the 'no talk' and 'no due diligence' obligations are subject to a fiduciary carve out), notification obligations and a matching right regime that applies in respect of any superior proposal made or otherwise received by United Malt. A break fee of \$15.0 million may be payable by United Malt to Malteries Soufflet in certain circumstances and a reverse break fee of \$15.0 million may be payable by Malteries Soufflet to United Malt in certain circumstances.

5.4 Transaction costs

If the Scheme is implemented, transaction costs will be borne by Malteries Soufflet. If the Scheme is not implemented, United Malt expects to pay an aggregate of approximately \$10.9 million (excluding GST) in transaction costs in connection with the Scheme, being costs that have already been incurred as at the date of the Scheme Booklet or are expected to be incurred even if the Scheme is not implemented (but excluding any break fee that may be payable by United Malt).

6 Scope of the report

6.1 Purpose

The Transaction is to be implemented by way of a scheme of arrangement under Section 411 of the Corporations Act and requires approval of United Malt Shareholders. Section 412(1) of the Corporations Act requires, among other requirements, that an explanatory statement issued by a company in relation to a proposed members' scheme of arrangement includes information that is material to the making of a decision by a member as to whether or not to agree to the scheme resolution.

Even where an independent expert's report is not strictly required by the law or ASIC policy, it is not uncommon for directors of a company to commission one to ensure that they are providing the information that is material to the making of a decision by a member. It is a condition to the Scheme becoming effective that an independent expert concludes, and continues to conclude, that the Scheme is in the best interests of United Malt Shareholders.

6.2 Basis of assessment

We have referred to guidance provided by ASIC in its Regulatory Guides, in particular, RG 111, which outlines the principles and matters which it expects a person preparing an independent expert's report to consider when providing an opinion on whether a scheme of arrangement is in the best interests of shareholders of a company.

RG 111 distinguishes between the analysis required for control transactions and other transactions. RG 111.18 states that where a scheme of arrangement is used as an alternative to a takeover bid to give effect to a control transaction, the form of analysis undertaken by the expert should be substantially the same as for a takeover bid. That form of analysis considers whether the transaction is 'fair and reasonable' and, as such, incorporates issues as to value. In relation to control transactions, RG 111.10 to 12 states:

¹¹ Equity Financing Approvals means the regulatory approvals required to give effect to, or as a result of the implementation of, the financing commitments of the applicable bidder group members.

¹² The Exclusivity Period is the period commencing on the date of the Scheme Implementation Deed, being 1 July 2023 and ending on the earlier of the valid termination of the Scheme Implementation Deed, the implementation date of the Scheme or the End Date, which means 5.00pm (Sydney time) on 1 July 2024 or such later date agreed by United Malt and Malteries Soufflet in writing.

- 'fair and reasonable' is not regarded as a compound phrase;
- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer;
- the comparison should be made assuming 100% ownership of the target and irrespective of whether the consideration is scrip or cash;
- the expert should not consider the percentage holding of the bidder or its associates in the target when making this comparison; and
- an offer is 'reasonable' if it is 'fair'. An offer might be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111.13 sets out the factors an expert might consider in assessing whether an offer is reasonable:

- the bidder's pre-existing voting power in securities in the target;
- other significant shareholding blocks in the target;
- the liquidity of the market in the target's securities;
- taxation losses, cash flow or other benefits through achieving 100% ownership of the target;
- any special value of the target to the bidder, such as particular technology, etc;
- the likely market price if the offer is unsuccessful; and
- the value to an alternative bidder and likelihood of an alternative offer being made.

RG 111.20 states that if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is 'in the best interests' of the members of the company.

RG 111.21 states that if an expert would conclude that a proposal was 'not fair but reasonable' if it was in the form of a takeover bid, it is still open to the expert to also conclude that the scheme is 'in the best interests' of the members of the company.

RG 111.11 provides that an offer is fair if the value of the consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the target and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of the bidder or its associates in the target entity. That is, RG 111.11 provides that the value of the target should be assessed as if the bidder was acquiring 100% of the issued equity in the target (i.e. on a controlling interest basis). In addition, any special value of the target to a particular bidder (e.g. synergies that are not available to other bidders) should not be taken into account under the comparison.

Accordingly, when assessing the full underlying value of United Malt, we have considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of United Malt. As such, we have not included the value of special benefits that may be unique to Malteries Soufflet.

7 Industry

7.1 Overview

Malting is the process which turns barley into a new ingredient for the food and beverage industry by activating enzymes which create flavour and colour. It is estimated that 80% to 90% of the malt produced globally is purchased by the brewing industry to make beer,¹³ with the majority of the remainder being used in distilleries, followed by various food industries.

The process of creating barley malt is generally split into the following four main steps:

- **Steeping:** the act of alternately submerging the barley grain in water and then draining it. Whilst submerged, air is bubbled through the slurry of grain and water periodically which maximises barley growth. This step increases the grain moisture content and encourages the grain to start germination,

¹³ Rabobank Malting Industry Outlook 2030.

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visible through the growth of small roots. Once germination starts the grains are brought out to drain under constant fresh air supply and kept between 10 to 15 degrees Celsius;

- **Germination:** the grains are allowed to continue germination, which begins the development of enzymes within the grains. This is done by moving the grain into 'beds' and keeping the grains constantly turned to ensure adequate airflow;
- **Kilning:** the grains are slowly dehydrated, starting at low temperatures which gradually rise to above 80 degrees Celsius. This arrests all of the enzymatic production processes that have been encouraged in the first two stages and helps produce the colour in the malt; and
- **Dedulming:** once the malt has undergone sufficient kilning, the roots from germination are removed and the malt can be packaged for transportation and storage.

The malting industry typically operates under longer term supply contracts with large domestic and international brewers, in which the price of the underlying barley and freight costs are passed on. For craft brewers, malt requirements are more specialised and purchased in lower volume, with relatively short supply cycles and reduced individual customer bargaining margins are better able to be maintained in an inflationary environment.¹⁴

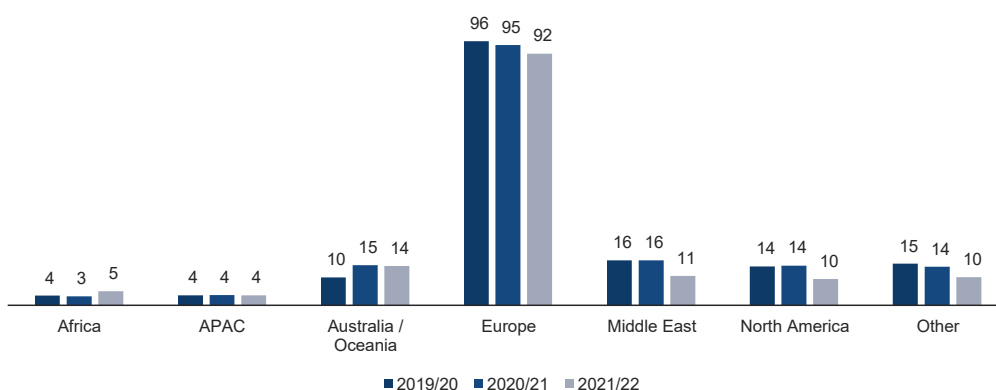
7.2 Supply

7.2.1 Barley supply

The global malting industry sources its key ingredient, barley, from a diverse range of both growers and regions. Crop cycles do not follow the calendar year, with Northern Hemisphere Spring barley being typically harvested in July or August, and winter barley harvested in April or May. A crop year is considered to start on 1 August and end on 31 July the following calendar year. Harvest periods vary between regions, with European barley following the Northern Hemisphere cycle with spring harvest in July/August, and winter harvest in April/May, whilst in Australia barley is harvested later in the year, finishing in December.¹⁵

The majority of barley growing, 63% in the 2021/22 crop year, occurs in Europe, followed by Australia/Oceania with 10% of production and the Middle East with 7%.¹⁶ In the 2021/22 crop year, the total global barley production was 145 million tonnes, of which approximately 20% was utilised in malt production. The impact of the Canadian drought on the 2021/22 crop year can be seen in the annual North America barley production.

World Barley Production 2019-2022 (Millions of Tonnes)



Source: United States Department of Agriculture, Grain: World Markets and Trade July 2023.

Note: Europe includes European Union member countries, Russia, Ukraine and the United Kingdom.

¹⁴ United Malt Group Annual Report 2022

¹⁵ Australian Export Grains Innovation Centre, Australian Barley

¹⁶ United States Department of Agriculture: Grain: World Markets and Trade July 2023 p. 34.

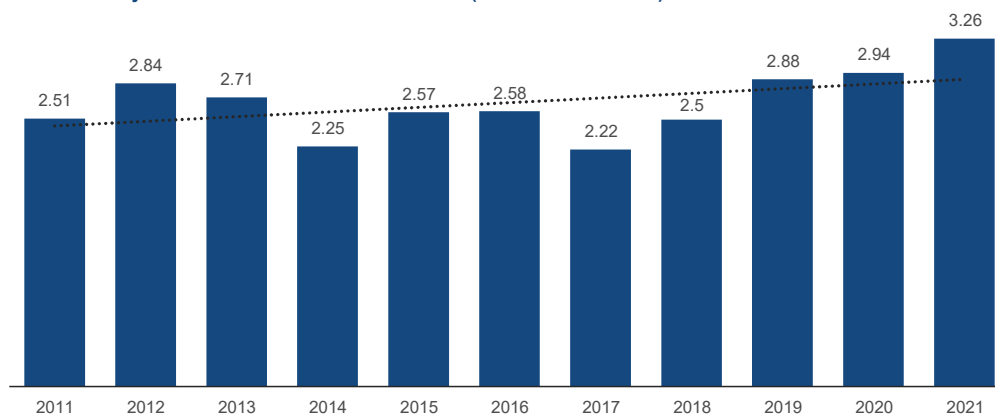
Given not all barley is suitable for malting, malt producers are selective over which growers they engage with and the quality of the barley they ultimately source. Strong relationships with growers is a key competitive advantage. For malting purposes, barley quality is measured by a number of criteria, including: protein content (9.5% to 12.5%); moisture content (below 13.5%); uniformity and plumpness of kernels, and percentage of peeled, broken or damaged kernels.¹⁷

Barley can be stored before malting, however, the length of storage depends on the conditions in which it is stored. When stored with 18% moisture at 70°F barley can be kept for 25 days, 35 days at 17% moisture and 50 days at 16% moisture. The allowable storage time is approximately doubled for each two percentage point reduction in moisture content and for each 10°F reduction in temperature.¹⁸

Canadian drought

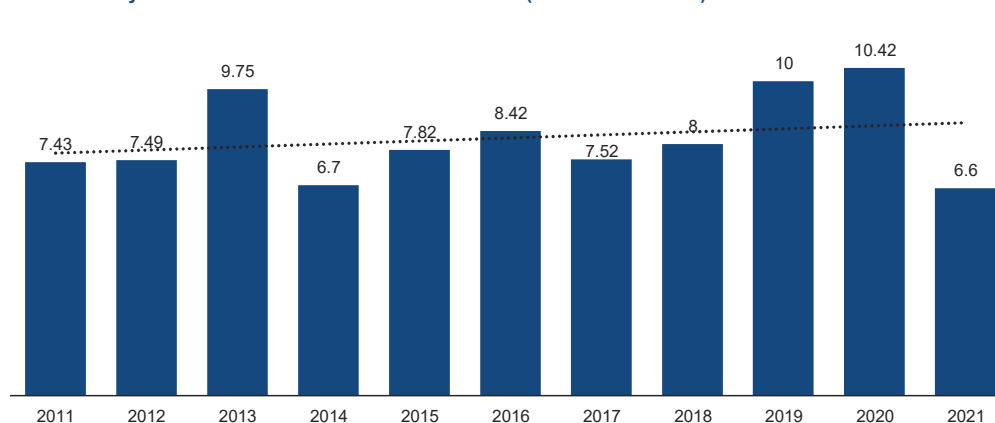
In 2021, western Canada saw barley plantation areas grow to 20.2% higher than the 10-year average, whilst severe drought conditions resulted in a total barley yield which was 26.5% lower than the 10-year average and 36.6% below 2020 yields, as illustrated in the following figures.

Seeded Barley Area in Western Canada 2011-2021 (Millions of Hectares)



Source: Canadian Grain Commission.

Annual Barley Production in Western Canada 2011-2021 (Millions of Tonnes)



Source: Canadian Grain Commission.

¹⁷ Michigan State University, Understanding Malting Barley Quality, Aaron MacLeod – Center for Craft Food and Beverage.

¹⁸ Michigan State University, Harvesting, Drying, and Storing Malting Barley.

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Agriculture risks

Farmed regions are increasingly expected to experience adverse environmental effects such as pests, floods, droughts and fires which will impact crop yields and quality. Challenging growing conditions make it difficult to ensure that the supplied barley meets all the requirements for high quality malt.

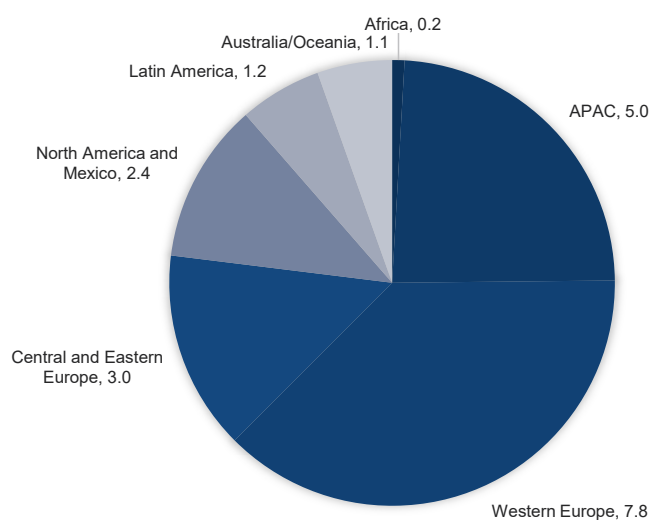
Russia-Ukraine conflict

On 17 July 2023 the United Nations and Turkey-negotiated grain deal between Ukraine and Russia, which allowed the exporting of grains from Ukraine over the Black Sea, ended. The continuation of the conflict and subsequent difficulties in exporting grain could lead to reductions in global grain availability which may have inflationary effects on European barley prices as other grower countries attempt to fill supply gaps in feed and malt markets.

7.2.2 Malt production

In 2023 the malting industry is expected to produce approximately 20.8 million tonnes of malt,¹⁹ with around 55 units of barley required to produce 46 units of malt.²⁰ Aligned with barley supply, malting capacity is highest in Europe (Western, and Central and Eastern Europe combined) which accounts for approximately 11 million tonnes, followed by the Asia Pacific at almost 5 million tonnes and North America and Mexico with 2.4 million tonnes as seen in the following figure.²¹

Malt Production Capacity by Region 2023 (Millions of Tonnes)



Source: The Brewing Raw Materials Journal #592, Jan 2023.

Unlike barley, storing malt is much simpler however care still needs to be taken to monitor the moisture content, humidity and temperature of the malt. When conditions are optimal, whole grain malt can be stored for 12 months, whilst crushed grain malt can be stored for 6 months.²²

Economies of scale/distribution channels

The malting industry's profitability is primarily dependent on the cost of barley, transportation and processing relative to the price of their malt output. This has created an industry practice of strategically placing malting facilities and warehouses close to barley supply and key transportation infrastructure to allow goods to be distributed efficiently.

¹⁹ The Brewing Raw Materials Journal #592, Jan 2023.

²⁰ <https://www.barleyaustralia.com.au/industry/malt/>

²¹ The Brewing Raw Materials Journal #592, Jan 2023.

²² <https://www.simpsonsmalt.co.uk/blog/storing-malt-how-to-store-your-malt-bags/>



In the current high inflationary environment, rising freight costs are increasing the importance of this strategy to manage costs and maintain margins given the contract-based nature of the majority of maltsters' revenue with brewers. Whilst outbound freight costs are passed on to customers, maltsters try to ensure that the most efficient facility supply location and cost-effective transportation methods are used to minimise prices for customer and maximise contract renewals.

7.2.3 Main producers

The top 21 commercial maltsters have a combined estimated rated annual operating capacity of 17.1 million tonnes of barley. With total global malt production expected to reach 20.8 million tonnes in 2023, these top 21 commercial maltsters produce 82% of the total global supply.²³

The top five malt producers are Boortmalt (3 million tonnes of capacity), Malteries Soufflet (2.3 million tonnes), Malteurop (2.29 million tonnes), United Malt (1.4 million tonnes) and Supertime (1.2 million tonnes). Together, they are responsible for 10.5 million tonnes, or 62% of total capacity. With the exception of Supertime which only supplies Asia Pacific, these producers are all global malt suppliers with differing market penetrations across regions. Boortmalt has the largest market share in Western Europe, Latin America and Australia/Oceania. Malteries Soufflet leads in Central and Eastern Europe and competes with Malteurop for market share in Western Europe, whilst United Malt leads the market in North America and Mexico, followed by Malteurop, and competes with Boortmalt in the Australia/Oceania market.²⁴

7.3 Demand

Global malt demand is expected to increase at a compound annual growth rate (**CAGR**) of 0.5% from 21.8 million tonnes in 2019 to 23.1 million tonnes in 2030. This growth primarily reflects growth in malt consumption within the brewing industry and allows for the dampened demand caused by the reductions and changes in alcohol consumption during the COVID-19 pandemic.²⁵

7.3.1 Beer

Malt demand from beer stems from two factors: the inclusion rate of malt within beer (explained further in Section 7.4.1), and the volume of beer consumed. In mature markets there has been a consumer trend towards craft beer and product premiumisation, which has led to an increase in the average malt inclusion rate within beers. However, in these markets there has been a corresponding decrease in the volume of beer being consumed. Conversely, emerging markets are experiencing a rise in beer consumption.²⁶ Overall, the net effect of these trends is an increase in malt demand from the brewery industry.

Malt demand to 2030 is expected to be a function of the continuation of the trends mentioned in the preceding paragraph.

²³ The Brewing Raw Materials Journal #592, Jan 2023.

²⁴ The Brewing Raw Materials Journal #592, Jan 2023.

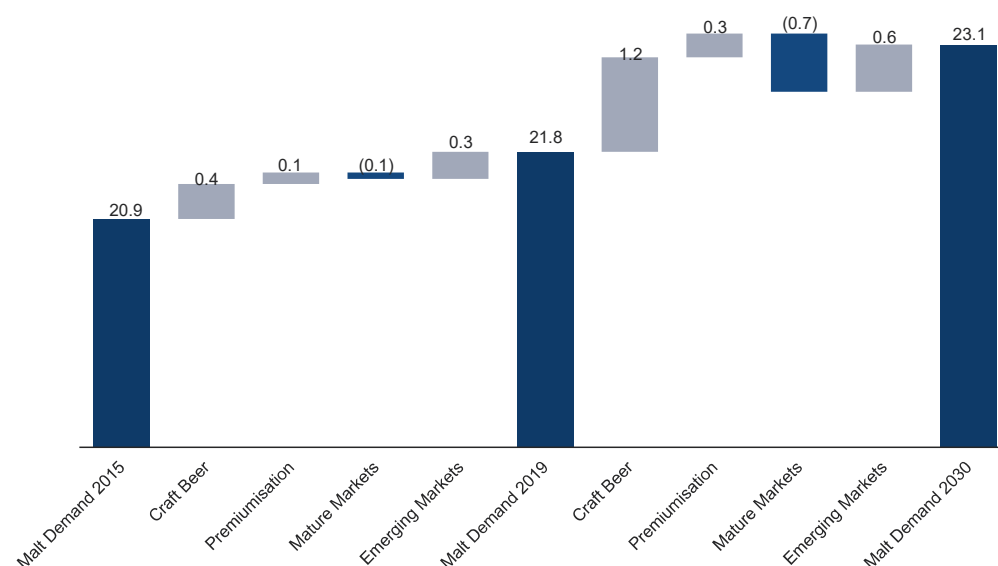
²⁵ Rabobank Malting Industry Outlook 2030.

²⁶ Rabobank Malting Industry Outlook 2030.

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Global Malt Demand Drivers to 2030 (Million Tonnes):

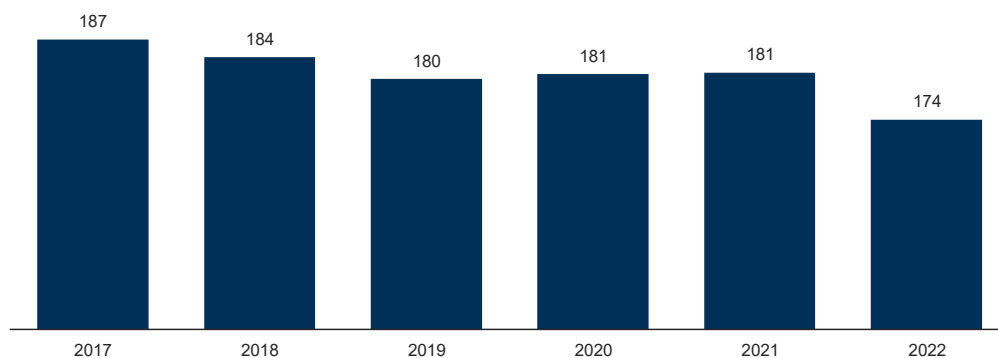


Source: GlobalData, D. Huvet Consulting, Rabobank 2021.

United States beer market

The United States, the second largest beer market in the world, has seen the volume of beer production gradually decline. 2022 beer production was approximately 7.0% below 2017 production and 4.1% below 2021 levels. Furthering this trend, year-to-date (YTD) production as at 31 May 2023 is 5.0% below the prior comparable period (pcp).²⁷

Historic US Beer Production in 2017-2022 (Millions of 31 Gallon Barrels)



Source: United States Alcohol and Tobacco Tax and Trade Bureau website.

From a consumption perspective, overall beer volume was down 3.1% year-on-year in 2022, whilst craft beer consumption was up 0.1% and imported beer consumption was up 2.8%,²⁸ demonstrating the consumer preference for more premium products.

²⁷ United States Alcohol and Tobacco Tax and Trade Bureau

²⁸ <https://www.brewersassociation.org/statistics-and-data/national-beer-stats/>.

7.3.2 Whisky

The global spirits market, when excluding national spirits such as Soju or arrack, grew by 5% in 2022.²⁹ Whisky demand within this market was a particular factor for this result, posting an 8% year-on-year growth.

³⁰ Global whisky demand is seeing similar societal trends as beer markets of increasing consumption premiumisation in mature markets and increased demand in emerging markets.

Scotch whisky

Global Scotch whisky demand decreased significantly in 2020 during the COVID-19 pandemic, with the export market size declining from £4,915 million in 2019 to £3,807 million in 2020. However, consumption began to recover in 2021, and in 2022 the market increased to £6,193 million, 26.0% above 2019 levels. As part of this recovery and growth, Scotch Whisky 70cl bottle exports were up by 21.0% to the equivalent of 1.7 billion bottles.^{31,32}

7.4 Key drivers

7.4.1 Demand

As outlined in Section 7.1, the demand for malt is closely tied to the global beer and whisky markets. Alcohol consumption is a societal norm in many countries across the world, forming a key part of social interactions from celebrations to sporting events. Given this cultural significance of alcohol, beer and whisky demand growth has been relatively stable with fluctuations stemming primarily from societal trends and demographic shifts.

Changes in beer preference

Recent societal trends amongst younger generations in mature markets have fuelled a change in beer preference favouring higher quality products with a diversity in flavour. In 2022, the overall volume of beer consumed in the United States declined by 3.1%, however, craft beer sales increased by 5.6% to comprise 24.6% of the US\$115.4 billion market.³³ This change in preference has led to a greater demand for craft products which have a greater malt inclusion rate, 45 to 65lb per hectolitre of craft beer compared to 15-20lb for typical lager,³⁴ which has more than offset the overall decrease in consumption volumes. As an added benefit for maltsters, premium beverages attract higher malt profit margins from the use of more specialised malts purchased in lower volumes per customer, and the segment tends to have a shorter cycle stemming from lower volume brewery production cycles. In high inflationary environments this customer segment allows for better margin management for maltsters as malt prices are able to be reviewed on a more frequent basis than in longer-term sales contracts.³⁵

Health consciousness

Another societal trend impacting the beer market is rising health consciousness amongst consumers leading to greater demand for lower sugar non-alcoholic alternatives. Brewers have responded to this demand with a growth in non-alcoholic beers often marketed towards health conscious or previously disinterested consumers – such as those who are pregnant or abstain for religious reasons. In 2022, global consumption of non-alcoholic beer reached 4,997 million litres, a year-on-year increase of 6.2% over 2021 and a CAGR of 5.3% from pre-COVID-19 pandemic consumption levels. This trend is forecast to continue, with a forecast CAGR from 2022 to 2027 of 7.1%.³⁶ Supporting the evidence for this growth is the lack of a consumption volume decline during the COVID-19 pandemic. Non-alcoholic beer consumption growth slowed, but still posted a 0.2% year-on-year increase in 2020, and 9.7% increase in 2021.

As alcohol is extracted out of the beverage post brewing these products still utilise traditional ingredients, meaning the societal shift away from high sugar content soft drinks towards non-alcoholic beer offers a new source of demand from existing malt customers.

²⁹ <https://www.theiwsr.com/global-beverage-alcohol-shows-subdued-growth-2022-2027-whilest-value-outlook-is-more-positive/>

³⁰ <https://www.theiwsr.com/global-beverage-alcohol-shows-subdued-growth-2022-2027-whilest-value-outlook-is-more-positive/>

³¹ <https://www.scotch-whisky.org.uk/newsroom/scotch-whisky-exports-2022/>

³² Pagoda Scotland – Whisky Newsletter January/February 2023.

³³ <https://www.brewersassociation.org/statistics-and-data/national-beer-stats/>

³⁴ United Malt Investor Day Presentation, 3 August 2022.

³⁵ United Malt Group Annual Report 2022 P. 30.

³⁶ Euromonitor Passport: Non/Low Alcohol Beer in World – Datagraphics.

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7.4.2 The COVID-19 pandemic

As mentioned under Section 7.4.1 above, malt demand is being influenced by the recent trend towards craft beer. Due to the smaller-scale production nature of this segment, craft beer has a higher on-premises sales model compared to the non-craft segment, such as at brewhouses and taprooms.

The COVID-19 pandemic lockdowns in 2020 and 2021 particularly impacted this market segment through the widespread temporary closures of social venues as compared to larger brand competitors with wider distribution networks. Whilst innovations in sales and marketing tactics allowed for these craft brewers to shift their product consumption into the consumers home, there was a significant decline in craft beer consumption from mid-2020 through 2021 due to the reduction in on-premise activity.³⁷ In addition, lingering societal changes resulting from the pandemic, such as hybrid work arrangements, have resulted in a relocation of consumers away from population dense areas, like city centres, which will likely continue to impact the consumption pattern of alcohol in the coming years – such as increasing off premise consumption.

7.5 Opportunities and Risks

Companies in the industry are subject to a number of risks including those that are specific to their operations, geographical markets, and other general risks. Key risks include the following.

- **agriculture risks:** The malting industry has heavy reliance upon the barley growing industry, which is exposed to a variety of risks which market operators are unable to control, such as pests, disease, drought, rainfall patterns and climate change. Market competitors seek to mitigate this risk through diversity of supply maintained by a diversified network of growers and by leveraging supplier relationships.
- **barley price volatility risks:** maltsters are exposed to volatile fluctuations in barley prices, which in turn pose a risk to operating costs and margins. Typical malt contracts are structured to pass through the cost of barley; however, contract terms may not allow for sufficiently frequent reviews to maintain margins in periods of industry instability and inflation.
- **geopolitical risks:** the global political environment can impact the global trade of barley through changes in tariffs, sanctions, or other such methods. Such impacts could negatively impact upon maltsters' business due to rising barley prices which are potentially not able to be passed through.
- **contract renewal risk:** global malt supply is highly contractual, which introduces the risk of large customers deciding not to renew contracts. Given the strategic placement of malting and storage facilities, key customers failing to renew supply contracts would place strain upon a maltsters' distribution and storage networks and negatively impact margins.
- **beer composition:** A range of ingredients go into the brewing of beer and the volume of malt required can vary significantly between variety of beer. The replacing of malt with alternative ingredients or increased production of beer with lower malt inclusion would lead to decreases in levels of malt demand.
- **changing consumer preferences:** type and volume of alcohol consumption is tied to societal trends overtime. There is a risk that societal trends could alter consumption away from malt-based beverages towards other alcoholic and non-alcoholic alternatives, decreasing global malt demand.

8 Profile of United Malt

8.1 Overview

United Malt is a leading commercial maltster globally, with approximately 1.3 Mtpa of processing capacity across its 12 plants located in North America, Australia and the United Kingdom. United Malt also operates an international warehouse and distribution business, providing a full service offering for craft brewers and distillers. United Malt's distribution network comprises 21 warehouses (both company operated and third party operated) and an international craft distribution partnership throughout North America, South America, Europe, Asia and Australia. United Malt generates earnings from barley procurement and handling, malt processing, and the sale and distribution of value-added malt and related products. United Malt's customer base is diversified by product, end-market and geography. United Malt serves 8,000 customers globally

³⁷ United Malt UBS Analyst Briefing 2 September 2020.



including global brewers, craft brewers, distillers and food companies. As at 24 March 2023, being the last day on which United Malt Shares traded on the ASX before United Malt announced that it had received the Indicative Proposal, United Malt had a market capitalisation of \$1,029.18 million.³⁸

8.2 Background

United Malt was a business unit of GrainCorp prior to its demerger from GrainCorp (which was implemented on 1 April 2020) (the **Demerger**). United Malt was admitted to the Official List of Australian Securities Exchange (**ASX**) as part of implementation of the Demerger on 23 March 2020. GrainCorp originally acquired United Malt Holdings in 2009 and renamed it 'GrainCorp Malt'. At that time, United Malt Holdings was the fourth largest commercial malt manufacturer globally. The acquisition was part of GrainCorp's expansion and value adding strategy, and GrainCorp continued to invest in the business. In 2016, GrainCorp undertook significant initiatives to manage its earnings volatility and increase shareholder value. In relation to GrainCorp Malt, these initiatives included:

- a major expansion of the Pocatello, Idaho malting plant, increasing its capacity by 120,000 tonnes per annum to 220,000 tonnes per annum. The expansion was completed in September 2017;
- a 79,000 tonne per annum expansion of its malting capacity in Scotland, including an upgrade of the Arbroath plant and construction of a new malting plant at Inverness. The 22,000 tonne per annum Arbroath plant expansion was completed in March 2021 and the new facility in Inverness, completed in March 2023, will provide an additional 57,000 tonnes per annum to the distilling market; and
- the acquisition of Cryer Malt in 2017, the largest distributor of craft brewing ingredients in Australia and New Zealand.

Following the Demerger, United Malt established its global operational headquarters in Vancouver, Washington with a corporate office in Sydney.

United Malt's brands include Bairds Malt (established in 1823), Canada Malting Co. Limited (established in 1902), Barrett Burston (established in 1912), Great Western Malt (established in 1934) and The Country Malt Group and Cryer Malt (both established in 1995).

8.2.1 Strategy

United Malt's strategy is focused on keeping its customers at the centre of everything that it does, whilst targeting high value markets with a favourable long-term growth outlook. United Malt's strategic priorities include:

- **optimise the core:** Under this priority, United Malt is focused on driving penetration in the distilling market through capturing growth from increasing demand for whisky in emerging markets and higher value, single malt whiskies. In addition, United Malt seeks to expand the craft distribution business into new geographies including Latin America and Asia through bolt-on acquisitions, start-up opportunities and new distribution partnerships. United Malt also seeks to maximise value and returns by targeting a return on capital employed (**ROCE**) in excess of 10.0%;
- **transform for tomorrow:** In 2021 United Malt started the implementation of the Transformation Programme, focused on creating a simplified, more efficient and effective organisation. Part of the Transformation Programme is focussed on renewing United Malt's organisational and technology platforms. This includes the development of the new ERP and the implementation of a Transport Management System, for an estimated total expense of approximately \$30 million. The Transformation Programme is expected to deliver approximately \$30 million of net benefits per annum in EBITDA by FY24. In addition to the Transformation Programme, United Malt is developing priorities and actions to address climate change and resource scarcity, consistent with its commitment to Zero Harm;³⁹ and
- **create new value:** United Malt seeks to create new value through continually upgrading and optimising its assets, developing new products and solutions for its customers and through leveraging its expertise in the brewing, distilling and food ingredients market.

³⁸ Calculated as the closing share price on 24 March 2023 of \$3.44 multiplied by 299,179,135 United Malt Shares on issue on that date.

³⁹ Zero Harm refers to United Malt's policy of causing zero harm to people by preventing occupational injury and ill health, and zero harm to the Planet by being responsible environmental stewards, protecting the environment by preventing pollution, minimising waste, and conserving resources and actively reducing emissions and the consumption of water and energy.

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Capacity expansion

Under the “optimise the core” strategic priority, United Malt has undertaken the following expansion activities:

- opening of three distribution warehouses in Mexico in collaboration with its local partner, Beermex. This expansion aims to capture market share of the growing craft beer sector in Mexico;
- opening of a 9,100 square metre craft warehouse and distribution centre in Derrimut, Victoria in 2021. This distribution centre is United Malt's first company operated centre in Australia and is used to supply malt, hops, yeast and other ancillary products;
- a \$25.9 million investment to replace the kiln at the Welshpool facility in Perth, which was completed in 2022. The facility is located in close proximity to barley growing regions and is expected to cater to domestic demand and export to Asia; and
- the expansion of the malting capacity in Scotland by 79,000 tonnes. The first stage was completed in March 2021, with 22,000 tonnes of additional capacity commissioned in Arbroath. The 57,000 tonne Inverness facility was completed in March 2023. The expansion was principally in response to the global demand for aged whisky. At the time of opening of the Inverness facility, 98% of the new volume was committed for FY23. The capacity expansion in Scotland is expected to contribute \$18 million per annum to EBITDA in FY24, subject to foreign exchange rates changes.

Transformation Programme

United Malt's Transformation Programme was announced in 2021 and is part of the “transform for tomorrow” strategic priority. The Transformation Programme targets approximately \$30 million in annualised net benefits by FY24. The Transformation Programme consists of the following focus areas:

- **organisational redesign:** Aimed at transitioning to a simplified organisational design reflecting a standalone company. In FY22, the Canadian and United States operations were combined under a single leadership structure, marking the completion of the operational redesign;
- **process change:** The objective of this focus area is to implement simplified and standard processes, skills and systems. Specifically, United Malt is in the process of rolling out an integrated sales and operations planning process and a new technology platform. The new technology platform includes the new ERP and the Transport Management System, and its cost is expected to be \$30 million. The implementation of the new technology platform has been completed in the Warehousing & Distribution segment; and
- **operational management:** Amending the operating structure such that the malting production facilities and warehouse & distribution centres operates as one global network.

In relation to the costs of the Transformation Programme, we note the following:

- United Malt expects to deliver the majority of benefits from the Transformation Programme in FY23 and to deliver \$30 million of net benefits per year by FY24; and
- the SaaS costs relate to the implementation of the new ERP and Transport Management System. SaaS costs in FY23 are estimated at \$10 million.

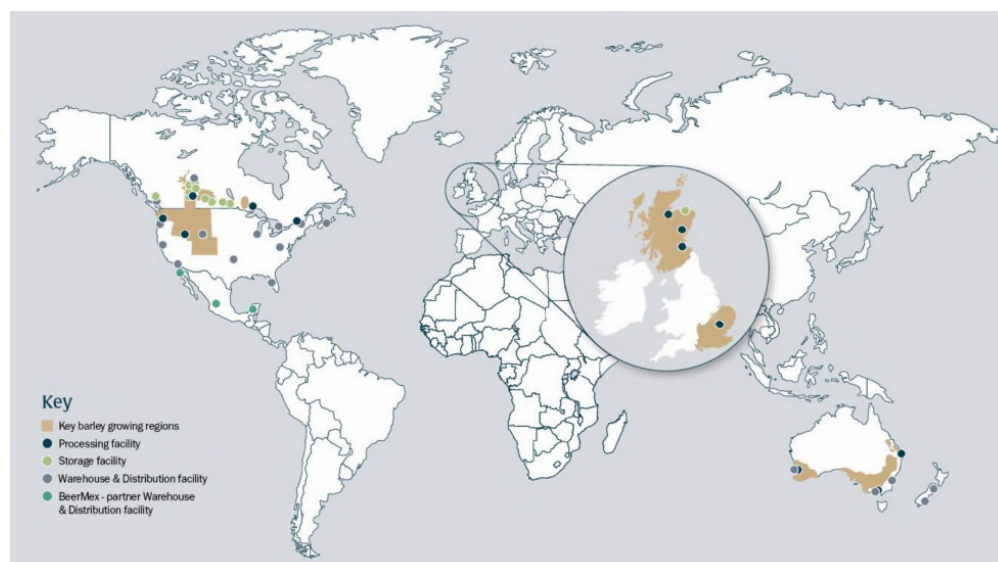
8.3 Operations

8.3.1 Overview

United Malt contracts directly with barley growers in order to obtain the volumes and varieties required by its customers. United Malt's processing facilities are located across North America, the United Kingdom and Australia. United Malt has 12 processing plants where it converts barley into malt through a process of steeping, germination and kilning. Following this process, bulk malt is distributed to major food and beverage producers. United Malt can also provide malts in smaller formats to craft producers through its Warehouse & Distribution division.

The following figure illustrates the locations of United Malt's Processing, storage and Warehouse & Distribution facilities, globally.

United Malt's Global Operations



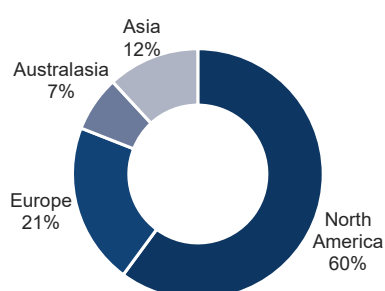
Source: United Malt.

United Malt's Processing assets are located in barley growing regions to facilitate access to high quality product and are close to transport infrastructure in order to facilitate access to customers.

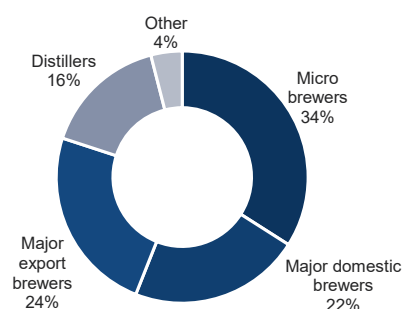
In addition to its own distribution network, United Malt has international craft distribution partnerships in geographies where United Malt expects to experience growth in craft beer brewing.

United Malt's revenue is diversified by customer geography and customer group. United Malt's revenue distribution by these categories for FY22 is as follows.

United Malt FY22 Revenue by Customer Geography Group



United Malt FY22 Revenue by Customer Group



Source: United Malt FY22 Annual Report

United Malt exports its products to Asia, Latin and South America, Europe and Africa. The majority of exports are directed to major brewers.

United Malt's total processing capacity per geography is presented in the following section. United Malt's facilities generally benefit from high utilisation rates.

8.3.2 Operating segments

United Malt has historically been organised in two segments, Processing and Warehouse & Distribution, which will be reported as a single segment from FY23. These segments are described in the following.

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Processing

The Processing segment generates earnings from the production and sale of bulk malt to major brewers, craft brewers, distillers and food companies. The Processing segment consists of 12 malt plants across Canada, the United States, the United Kingdom and Australia and services 600 clients. United Malt is the largest commercial maltster in Canada with three plants, located in Calgary, Montreal and Thunder Bay, with a total processing capacity of 430,000 tonnes per annum. All three plants have the ability to sell malt through container, rail and trucks and have access to bulk export facilities. In addition, United Malt owns nine country elevators in Canada in key barley growing regions. In the United States, United Malt's production capacity is 335,000 tonnes per annum across two plants in Vancouver, Washington and Pocatello, Idaho. In Australia, United Malt is the major producer of malt and has three plants located in Geelong, Brisbane and Perth with an aggregate processing capacity of 250,000 tonnes per annum. In the United Kingdom, United Malt has four plants, located in Arbroath, Inverness, Pencaitland and Witham, with a total processing capacity of 287,000 tonnes per annum.

United Malt's Processing segment operates through the following brands.

Canada	United States	Australia	United Kingdom
			

Source: United Malt.

Warehouse & Distribution

The Warehouse & Distribution segment generates revenue from the distribution and sale of bagged malt, hops, yeast, adjuncts and related products to craft brewers, distillers and food companies. United Malt operates through a network of 21 warehouses, including three warehouses owned by Beermex in Mexico, which is an emerging craft market. The warehouses are located in Merida, Guadalajara and Tijuana and serve as a basis for United Malt to expand in Northern and Central Mexico. United Malt's distribution network is supported by 20 international craft distribution partners in North America, South America, Europe, Asia and Australia.

In North America, United Malt has 13 warehouses, nine in the United States and three in Canada. In Australia and New Zealand, United Malt has five warehouses, and it has no distribution warehouses in the United Kingdom.

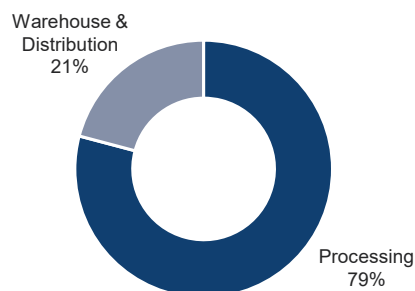
United Malt's Warehouse & Distribution segment operates through the following brands.

North America	Australia and New Zealand	Mexico
		

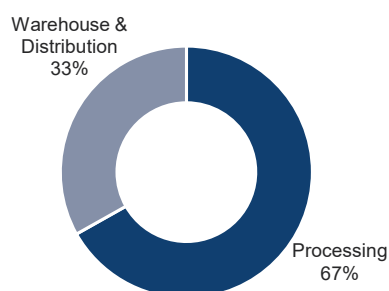
Source: United Malt.

The contribution of each segment to revenue and EBITDA in 1H23 is presented as follows.

United Malt % Revenue by Segment 1H23



United Malt % EBITDA¹ by Segment 1H23



Source: United Malt Group 1H23 Results Presentation.

Notes:

1. Underlying EBITDA before SaaS and one-off costs. Proportion calculated before corporate expenses and eliminations.
2. 1H23 represented an improvement over the pcg due to improved commercial terms, such as the repricing of barley into United Malt's customer agreements, which led to a material improvement in gross margin.
3. United Malt has adopted improved pricing practices, which better align its customer pricing with its cost base. This means United Malt is able to pass through barley costs throughout the year and transportation costs at the time of shipment. Offsetting the improvement in gross margin, the segment experienced volume decline reflecting lower beer demand and a two-month delay in the commissioning of the Inverness facility, which reduced anticipated sales volumes by approximately 15,000 tonnes. The Warehouse & Distribution segment also experienced volume decline, however, volumes started to recover by the end of 1H23 reflecting the seasonal increase in malt demand driven by the northern hemisphere summer.

8.3.3 Impact of the COVID-19 pandemic

As a result of the COVID-19 pandemic, beer demand was negatively affected due to social distancing restrictions. The demand from craft beer consumed on-premises was impacted more severely, as consumption of beer continued at home. This led to demand concentrating on fewer malt varieties and on base malt. The impact from the COVID-19 pandemic also included increased costs associated with hygiene and social distancing and increased supply chain costs. The effect on earnings is discussed in Section 8.4.3. In addition, the Scottish Government suspended all non-essential construction, which led to the delay of construction works in the Arbroath and Inverness facilities.

8.3.4 Sustainability

United Malt is committed to managing its environmental impact responsibly. United Malt has stated that it sees the organisation's responsibility is not only to decarbonise but to position the business in a way that it will be successful in a lower carbon future.⁴⁰ United Malt is working on developing a roadmap for the future to develop plans and timeframes associated with this commitment and a tangible emissions reduction plan.

United Malt has developed a sustainable agriculture roadmap, which defines the activities necessary to preserve the sustainability of barley supply and improving its efficiency by reducing waste, energy, water and other resources. Recent capital projects have included measures, such as the implementation of water saving technology in the Pocatello plant which reduces water consumption by up to 30% in the steeping phase of the malting process. In Calgary, a combined power and heat technology was installed that reduced by 80% the plant's reliance on grid supplied electricity. A summary of United Malt's environmental strategies is as follows:

- **sustainable agriculture:** United Malt has a commitment to source sustainably and to encourage sustainable agricultural practices by its suppliers. United Malt's regional operations follow plans tailored to the needs of each barley growing area, such as working with suppliers to establish a baseline and track the benefits of sustainable practices;
- **climate change:** United Malt recently completed an assessment of the market, policy, technology and reputational risk of climate change, the results of which were integrated into United Malt's risk

⁴⁰ Source: FY22 Sustainability Report

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management process. Subsequent to this assessment, United Malt has developed a plan to establish decarbonisation of the business, implement a strategic response to address the risks and opportunities of climate change, consider the opportunities of the circular economy transition and continue to work with industry stakeholders to transition towards a low carbon future;

- **water:** United Malt's focuses on managing water resources, supply and quality given the water usage intensity of the malting process. United Malt's water strategy is to maximise the efficient use of water by conserving, reusing and recycling water; and
- **waste:** United Malt waste management and segregation programmes focus on protecting the environment and employees from pollution and contamination. Waste disposal includes recycling, reuse of materials, anaerobic digestion for organic materials (such as grain husks), composting food waste and landfill disposal.

8.4 Financial performance

8.4.1 Historical financial performance

The following table summarises the financial performance of United Malt for FY19, FY20, FY21, FY22, 1H22 and 1H23.

United Malt Financial Performance (\$ Millions)

	FY19 audited ¹	FY20 audited ¹	FY21 restated ²	FY22 audited	1H22 restated ²	1H23 reviewed
Revenue:						
Processing	1,001.4	989.4	938.1	1,084.7	498.0	612.7
Warehouse & Distribution	349.8	328.9	330.1	356.6	169.0	161.8
Corporate & Eliminations	(34.7)	(29.2)	(33.2)	(34.6)	(15.4)	(17.9)
Revenue	1,316.5	1,289.1	1,235.0	1,406.7	651.6	756.6
Underlying EBITDA:³						
Processing	136.7	122.1	101.3	70.1	35.5	37.9
Warehouse & Distribution	38.8	36.9	43.5	44.6	21.0	18.8
Corporate & Eliminations	(2.3)	(4.5)	(6.9)	(8.8)	(4.6)	(4.0)
Underlying EBITDA	173.2	154.5	137.9	105.9	51.9	52.7
One-off items ⁴	2.3	1.6	(13.9)	(14.1)	(5.8)	(14.4)
EBITDA	175.5	156.1	124.0	91.8	46.2	38.3
Depreciation and amortisation	(52.3)	(64.1)	(60.6)	(62.0)	(30.3)	(32.5)
EBIT	123.2	92.0	63.4	29.8	15.9	5.8
Net interest	(36.5)	(14.6)	(9.8)	(11.7)	(5.3)	(16.4)
Significant items	(2.1)	(11.8)	(21.1)	-	-	(3.0)
Net profit/ (loss) before tax	84.6	65.6	32.5	18.1	10.6	(13.6)
Income tax expense	(27.7)	(20.0)	(18.0)	(6.5)	(4.6)	(0.2)
NPAT attributable to United Malt Shareholders	56.9	45.6	14.5	11.6	6.0	(13.8)
Significant items (after tax)	2.1	11.8	21.1	-	-	3.0
Tax recovery on significant items	-	-	(0.9)	-	-	-
Intercompany interest	26.8	-	-	-	-	-
Underlying NPAT	85.8	57.4	34.7	11.6	6.0	(10.8)

Source: United Malt Annual, Half Yearly Reports and Results Presentations; Kroll analysis.



United Malt Financial Performance (\$ Millions) (Continued)

	FY19 audited ¹	FY20 audited ¹	FY21 restated ²	FY22 audited	1H22 restated ²	1H23 reviewed
Growth						
Revenue growth	na	(2.1%)	(4.2%)	13.9%	10.5%	16.1%
Underlying EBITDA growth	na	nmf	(11.7%)	(23.2%)	(14.2%)	1.5%
EBITDA growth	na	nmf	(20.6%)	(26.0%)	(13.0%)	(17.1%)
EBIT growth	na	nmf	(31.1%)	(53.0%)	(32.9%)	(63.5%)
Profitability						
Underlying EBITDA margin	13.2%	12.1%	11.2%	7.5%	8.0%	7.0%
EBITDA margin	13.3%	12.1%	10.0%	6.5%	7.1%	5.1%
EBIT margin	9.4%	7.1%	5.1%	2.1%	2.4%	0.8%
Interest coverage						
Net interest cover (times) ⁵	3.4	6.3	6.5	2.5	3.0	0.4
Metrics						
Weighted average number of United Malt Shares (million)	254.3	270.5	299.2	299.2	299.2	299.2
Basic EPS (cents) ⁶	22.4	16.8	4.8	3.9	2.0	(4.6)
Underlying EPS (cents) ⁷	33.7	21.2	11.6	3.9	2.0	(3.6)
ROE ⁸	6.8%	4.4%	1.4%	1.1%	0.6%	(1.0%)
ROCE ⁹	11.6%	7.5%	4.9%	2.1%	4.0%	0.8%
Dividends per ordinary share (cents)	-	3.9	5.5	1.5	1.5	-
Dividend payout ratio ¹⁰	na	40%	48%	39%	75%	0%

Source: United Malt Annual, Half Yearly Reports and Results Presentations; Kroll analysis.

na means not available. nmf means not meaningful. Minor variances to reported figures may be due to rounding.

Notes:

1. FY19 and FY20 financial information and metrics reflect reported statutory results and do not include standalone costs as provided in the FY19 Pro Forma P&L in the Demerger Scheme Booklet dated 6 February 2020.
2. FY21 and 1H22 comparative information was restated to reflect a change in commodity contract classification and inventory valuation approach.
3. Underlying EBITDA is earnings before interest, tax, depreciation and amortisation, and excluding one-off items.
4. One-off items presented in the table are as reported in the Annual and Half Year Financial Reports, and Investor Presentations.
5. Calculated as Statutory EBIT/Net interest.
6. Calculated as profit attributable to ordinary shareholders of United Malt divided by the weighted average number of ordinary shares outstanding for the period.
7. Calculated as Underlying Net Profit After Tax (NPAT) divided by the weighted average number of ordinary shares outstanding for the period.
8. Return on equity (ROE) is calculated as NPAT divided by equity attributable to United Malt Shareholders. Figures shown are as reported by United Malt.
9. Return on capital employed (ROCE) is calculated as EBIT divided by capital employed (being the sum of total borrowings net of cash assets and average shareholder's equity). Figures shown are as reported by United Malt.
10. Calculated as dividends as a percentage of Underlying NPAT. Figures shown are as reported by United Malt.

In relation to the financial performance of United Malt, we note:

- the Demerger of United Malt from GrainCorp was implemented on 1 April 2020. As a consequence the statutory FY19 financial information does not reflect the performance of United Malt as if it had been a standalone, ASX-listed company. In this respect FY19 and 1H20 exclude net ongoing costs of approximately \$14.9 million per annum relating to the establishment and operation of a separate head office, share registry costs, company secretarial costs, the costs of maintaining a separate board of directors, insurance and technology costs.⁴¹ Nevertheless, FY19 has been shown for comparative purposes. We consider Pro Forma FY19 EBITDA which includes standalone costs better reflects the last 'normal' year of earnings prior to the impact of the COVID-19 pandemic and the Canadian drought. Pro Forma figures for FY19 and FY20 are summarised in Section 8.4.2 of this report;
- after a period of stable earnings leading up to the Demerger, United Malt's earnings deteriorated, principally as a result of the impact of the COVID-19 pandemic in FY20 and FY21 and the Canadian drought in FY22;

⁴¹ Demerger Scheme Booklet, 6 February 2020

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- revenue decreased by 2.1% in FY20 and 4.2% in FY21, including the impact of foreign exchange movements. On a constant currency basis, revenue decreased by 4.6% in FY20 and increased by 1.2% in FY21. Revenue was impacted in these years by lower volumes and change in product mix during the COVID-19 pandemic;
- revenue growth of 13.9% in FY22 and 16.1% in 1H23 (10.5% and 13.1% on a constant currency basis, respectively) was primarily driven by improved commercial terms and United Malt's ability to pass through higher barley prices;
- a description of revenue performance on a segment basis is provided in Section 8.4.3 of this report;
- operating expenses include the cost of raw materials and consumables used, employee benefits expense, repairs and maintenance, and occupancy and other costs;
- underlying EBITDA margin decreased over the period, from 13.3% in FY19 (12.2% based on Pro Forma FY19 including \$14.9 million of stand-alone corporate and operating costs, and other financing tax and GrainCorp related Pro Forma adjustments⁴²) to 7.0% in 1H23. In addition to the COVID-19 pandemic impacts upon volume, mix and freight costs upon EBITDA in FY20 and FY21, EBITDA in FY21 included approximately \$9.1 million in negative foreign exchange movements, and reflected the first full year of standalone corporate costs following the Demerger. In FY22, revenue increased, however, EBITDA margin declined as a result of the severe drought on Canadian barley crops and additional cost of importing barley to meet customer needs, disruption to ocean and rail supply chains and inflationary increases to freight and energy costs while contract negotiations were incomplete, and was partially offset by a \$4.0 million benefit from strategic delivery of the Scottish distilling expansion and \$4.5 million in net benefits under the Transformation Programme;
- reported one-off items include SaaS costs, impairment, closure, transformation, and currency hedge costs, as summarised in the following table.

One-off Items (\$ Millions)

	FY19 audited	FY20 audited	FY21 restated	FY22 audited	1H22 restated	1H23 reviewed
SaaS costs	-	-	(6.5)	(13.3)	(5.8)	(6.8)
Impairment of the Brewers Select sale	-	-	-	(0.8)	-	-
Grantham site closure costs	-	-	(3.1)	-	-	-
Transformation costs	-	-	(4.3)	-	-	(2.0)
Ineffective currency hedges	-	-	-	-	-	(5.6)
1H20 hops write-off	-	(2.8)	-	-	-	-
2H20 Government wage subsidies	-	4.4	-	-	-	-
Insurance proceeds received in FY19	2.3	-	-	-	-	-
Total reported one-off items	2.3	1.6	(13.9)	(14.1)	(5.8)	(14.4)

Source: United Malt Annual Half Yearly Reports and Results Presentations; Kroll analysis

SaaS costs commenced in FY21 with the adoption of IFRIC accounting, and implementation of the new ERP and Transport Management Systems as part of United Malt's Transformation Programme;

- depreciation and amortisation charges predominantly relate to plant and equipment and equipment leases and have remained broadly flat over the period;
- net interest expense was lower in FY21 reflecting the full year of post Demerger capital structure, however increased in FY22 and 1H23 with higher average interest rates and elevated levels of barley and malt inventory costs;
- significant items include debtor and inventory provisions, Demerger and transaction costs, as summarised in the following table.

⁴² Demerger Scheme Booklet, 6 February 2020.



Significant Items (\$ Millions)

	FY19 audited	FY20 audited	FY21 restated ¹	FY22 audited	1H22 reviewed	1H23 reviewed
Debt provision from one Asian customer	-	-	(16.4)	-	-	-
Inventory provision relating to a UK grain contractor	-	-	(4.7)	-	-	-
Demerger related transaction costs	(2.1)	(11.8)	-	-	-	-
Transaction costs in response to the proposal from Malteries Soufflet	-	-	-	-	-	(3.0)
Total significant items	(2.1)	(11.8)	(21.1)	-	-	(3.0)

Source: United Malt Annual, Half Yearly Reports and Results Presentations; Kroll analysis.

The transaction costs were cash expenses incurred to execute the Demerger from GrainCorp in FY20 and responding to the proposal received from Malteries Soufflet in 1H23. The significant items in FY21 relating to debtor and inventory provisions were non cash;

- United Malt's effective tax rates were 32.7%, 30.5%, 55.4%, 35.9% and (1.5%) in FY19, FY20, FY21, FY22 and 1H23 respectively. The effective rate in FY21 was impacted by unused tax losses for which no deferred tax asset could be recognised, and the change in UK tax rate from 19% to 25% impacting deferred tax; and
- in FY21 and FY22, United Malt's distribution payout was below the target payout ratio of 60%. underlying NPAT declined significantly in FY22 and was negative in 1H23, reflecting a decline in underlying EBITDA and one off items. The United Malt Board did not declare a final distribution for FY22 or interim dividend for 1H23. The United Malt Board expects to resume payment of dividends as the company's earnings profile improves, in line with United Malt's policy to distribute approximately 60% of underlying NPAT as dividends.⁴³

8.4.2 Pro Forma

The following table summarises the consolidated Pro Forma historical financial performance for United Malt for FY19 and an estimate for FY20.

Pro Forma Historical Financial Performance (\$ Millions)

	FY19 reported	FY20 estimate
Revenue	1,316.5	1,289.1
Pro Forma Underlying EBITDA	160.2	147.2
Pro Forma Underlying NPAT	70.4	na
Profitability		
<i>Underlying EBITDA margin</i>	<i>12.2%</i>	<i>11.4%</i>

Source: Demerger Scheme Booklet 6 February 2020; United Malt management; Kroll analysis.

The Pro Forma FY19 Underlying EBITDA margin has been estimated based on the FY19 Pro Forma in the Demerger Scheme Booklet which includes \$14.9 million in annual standalone costs and excludes \$0.4 million in GrainCorp Malt Germany historical EBIT. Pro Forma FY19 NPAT also includes adjustments for \$1.8 million in net financing costs and \$3.9 million in net income tax expenses.

The Pro Forma FY20 Underlying EBITDA margin has been estimated based on FY20 Actual EBITDA plus 60% of \$14.9 million in annual standalone. Management's estimate of 60% reflects the portion of the financial period prior to the Demerger and additional costs incurred in 1H20.

⁴³ United Malt 1H23 Financial Report, Director's Report, page 4.

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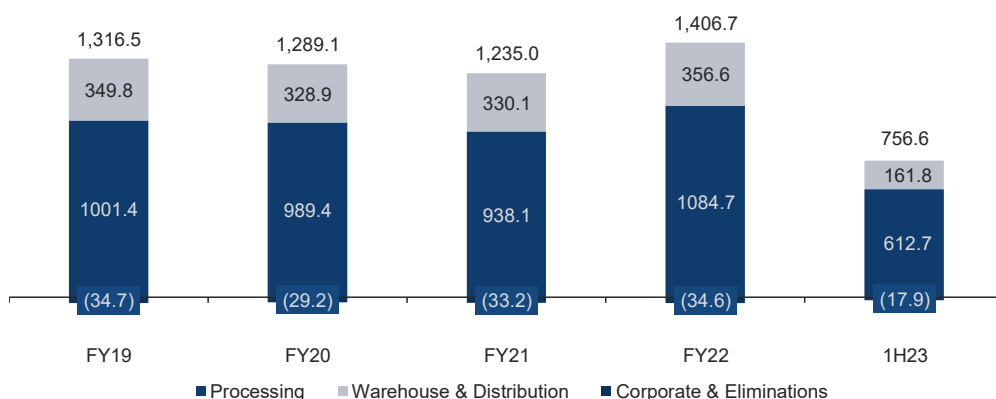


8.4.3 Performance by segment and geography

Revenue by segment

United Malt's revenue by segment is illustrated as follows:

Revenue by Segment (\$ Millions)



Source: United Malt Annual, Half Yearly Reports and Presentations.

We note that:

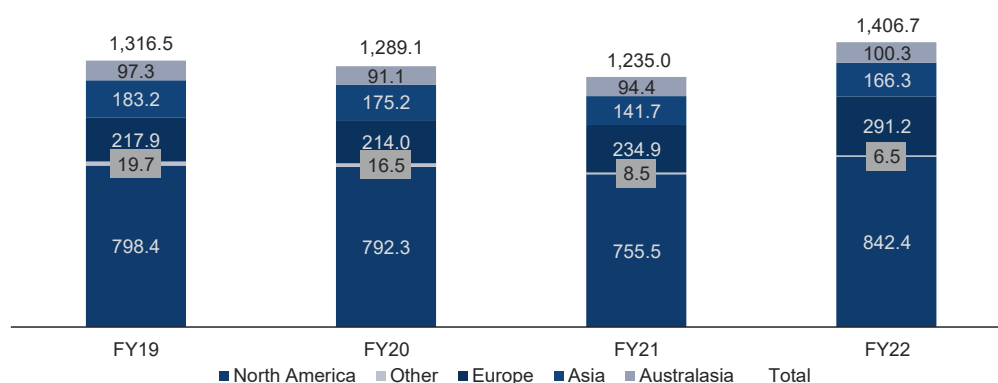
- revenue from Processing declined by 1.2% in FY20 and 5.2% in FY21 (0.8% on a constant currency basis), impacted by sales mix and lower volumes as a result of rolling COVID-19 pandemic lockdown restrictions in key United States, United Kingdom, Asian and Australian markets. Continued container disruption impacted export sales from Australia and Canada. In FY22, although sales volumes were in line with FY21, reflecting continued disruption in supply chains, sales revenue increased by 15.6% (12.9% on a constant currency basis), reflecting the pass through of a portion of higher barley prices. Processing revenue continued to grow into 1H23, increasing by 23.0% compared to the pcp, reflecting the pass through of significantly higher barley prices and improved commercial terms progressively taking effect; and
- Warehouse & Distribution revenue fell 6.0% in FY20 as the COVID-19 pandemic significantly impacted craft brewers only servicing the on-premises consumption market. Revenue in FY21 was aligned to FY20, growing 0.4% in FY21 (8.4% on a constant currency basis) with continued COVID-19 impacts offset by strong performance in the speciality ingredients category. Revenue grew 8.0% in FY22 (3.4% on a constant currency basis), benefiting from Transformation Programme initiatives implemented over the prior two years. Revenue in 1H23 declined by 4.3% compared to the pcp due to lower sales volumes, reflecting lower beer demand consistent with the sales results of brewers.

Revenue by geography

United Malt's revenue by geography is illustrated as follows:



Revenue by Geography (\$ Millions)



Source: United Malt Annual Reports.

North America has continued to generate the majority (60%) of revenue over the presented period.

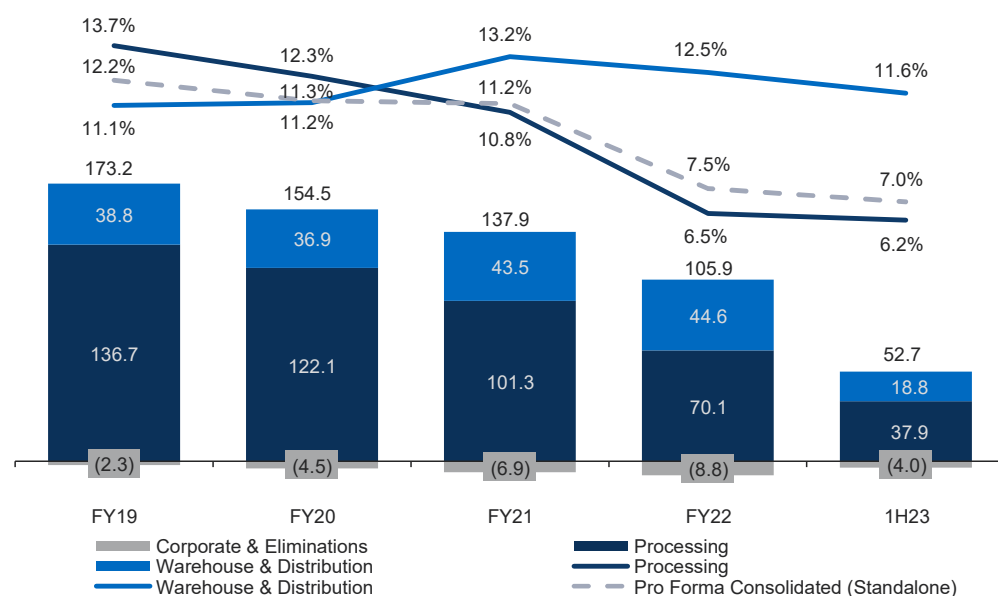
The proportion of revenue generated from Europe, United Malt's second largest market, has grown from 16.6% in FY19 and FY20 to 20.7% in FY22 as distilling demand strengthens (United Malt's UK operations are 90% distilling), and with the expansion of Scotland malting facilities which commenced operating in March 2023.

The proportion of revenue from Asia and Australasia has conversely declined over the period, from 13.9% and 7.4% in FY19 to 11.8% and 7.1% in FY22 respectively, impacted by reduced exports during the COVID-19 pandemic, regional supply chain disruptions and wet conditions in Australia in FY22.

Underlying EBITDA by segment

United Malt's underlying EBITDA and EBITDA margins by segment, as well as the consolidated United Malt margin on a standalone basis (including Pro Forma FY19 and FY20 margins) are illustrated as follows:

Underlying EBITDA by Segment (\$ Millions), and Underlying EBITDA Margin (%)



Source: United Malt Annual, Half Yearly Reports and Presentations.

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We note that:

- between FY19 and 1H23, the underlying EBITDA margin for Processing contracted from 13.7% to 6.2%. The margin in FY20 and FY21 was impacted by higher costs associated with hygiene and social distancing for United Malt's workforce during the COVID-19 pandemic, freight costs, and operating at reduced utilisation with continued delays with freight containers, much of which could not be passed on to customers. Processing margins were further impacted in FY22 by the significant deterioration of the Canadian barley crop which resulted in increased production costs and reduced yields, and the company incurring additional logistics costs to import barley into processing plants in Canada from Denmark and Australia to ensure uninterrupted supply to customers. Continued supply chain disruption and increasing energy costs also elevated cost. 1H23 was impacted by the continuation of factors affecting FY22 and a two-month delay in commissioning the Inverness facility which led to an EBITDA impact of approximately \$3.0 million. Commercial arrangements did not allow for full pass through of costs to customers in FY22 and 1H23;
- Warehouse & Distribution margins in FY21 and FY22 benefited from lower costs driven by the realisation of Transformation Programme and freight initiatives, whilst still managing the elevated container freight costs for imported products. As Warehouse & Distribution operates on a relatively short cycle, the segment is better able to maintain margins in an inflationary environment, as experienced in FY22. Underlying EBITDA in 1H23 declined by 10.5% compared to the pcg reflecting lower sales volumes experienced during the period, as noted above. The underlying EBITDA margin in 1H23 remained in line with the pcg on a constant currency basis; and
- the consolidated Pro Forma EBITDA margins for United Malt on a standalone basis in FY19 and FY20 are estimated to be 12.2% and 11.4% respectively based on pro-rata adjustments for annual corporate standalone costs, as per the Demerger Scheme Booklet.

8.4.4 Outlook

United Malt guidance

On 1 August 2022, United Malt announced to the ASX guidance for FY23 Underlying EBITDA to be in the range of approximately \$140 million to \$160 million (before SaaS costs and one-off items), driven by improved North American barley crop conditions, improved pricing and commercial terms, completion of the Scottish expansion project and progressive delivery of the Transformation Programme.

Despite lower Underlying EBITDA in 1H23 than expected, impacted by lower volumes and the delayed start of the Inverness facility, United Malt has maintained its guidance for FY23 Underlying EBITDA (before SaaS costs and one-off items) to be in the range of \$140 million to \$160 million, assuming no further material deterioration in market conditions and assuming continued gross margin improvements in 2H23 will offset any unanticipated reductions in volume.⁴⁴

For the next few years, United Malt expects capital expenditure to be in the range of approximately \$55 million to \$60 million including 'Stay-in-business' and safety related investment in the range of approximately \$30 million to \$35 million.⁴⁵

Broker consensus

In order to provide another indication of United Malt's expected future financial performance beyond FY23, Kroll has considered broker forecasts.

As far as Kroll is aware, United Malt is followed by ten brokers, one of whom is advising on the Transaction. Of the remaining nine brokers, six brokers have not published forecasts following the release of United Malt's 1H23 financial results to the ASX on 17 May 2023. As such Kroll has focussed on the three brokers who have published a report following the 1H23 financial results as the basis for the broker consensus.

⁴⁴ United Malt 1H23 Results Presentation. The guidance for FY23 Underlying EBITDA is before one-off costs and SaaS which are expected to be approximately \$10 million.

⁴⁵ United Malt 1H23 Results Presentation, page 24.



United Malt's broker consensus for FY23 to FY25 is summarised as follows.

United Malt Broker Consensus (\$ Millions)

	FY22 audited	FY23 forecast	FY24 forecast	FY25 forecast	FY26 forecast
Revenue	1,406.7	1,558.8	1,423.8	1,452.2	1,481.0
Underlying EBITDA¹	105.9	145.0	180.4	186.4	193.0
EBITDA¹	91.8	135.0	180.4	186.4	193.0
Depreciation and amortisation ²	(62.0)	(70.5)	(75.3)	(76.5)	(77.0)
EBIT	29.8	64.5	105.1	109.9	116.0
Net interest ³	(11.7)	(18.6)	(21.5)	(16.9)	(15.0)
Significant items	-	(10.0)	-	-	-
Net profit/ (loss) before tax	18.1	35.9	83.6	93.0	101.0
Income tax expense ²	(6.5)	(24.4)	(26.7)	(32.0)	(30.0)
NPAT attributable to United Malt Shareholders	11.6	11.5	56.9	61.0	71.0
Significant items (after tax)	-	(10.6)	-	-	-
Underlying NPAT⁴	11.6	22.1	56.9	66.3	71.0
Capital expenditure					
Net capital expenditure	(91.2)	(60.0)	(60.0)	(60.0)	(45.0)
Capital expenditure/ Underlying EBITDA	(86.1%)	(41.4%)	(33.3%)	(32.2%)	(23.3%)
Growth					
Revenue growth	13.9%	10.8%	(8.7%)	2.0%	2.0%
Underlying EBITDA growth	(23.2%)	36.9%	24.4%	3.3%	3.5%
EBITDA growth	(26.0%)	47.1%	33.6%	3.3%	3.5%
EBIT growth	(53.0%)	116.4%	62.9%	4.6%	5.6%
Profitability					
Underlying EBITDA margin	7.5%	9.3%	12.7%	12.8%	13.0%
EBITDA margin	6.5%	8.7%	12.7%	12.8%	13.0%
EBIT margin	2.1%	4.1%	7.4%	7.6%	7.8%
Interest coverage					
Net interest cover (times)	2.5	3.5	4.9	6.5	7.7
Share metrics					
Weighted average number of United Malt Shares (million)	299.2	299.2	299.2	299.2	299.2
Basic EPS (cents)	3.9	7.2	17.0	20.8	24.0
Underlying EPS (cents) ⁵	3.9	10.1	20.5	22.4	23.7
ROE	1.1%	2.0%	3.9%	5.0%	6.0%
ROCE	2.1%	4.3%	6.7%	7.0%	7.3%
Dividends per ordinary share (cents)	1.5	2.5	6.7	12.0	14.0
Dividend payout ratio	38.7%	33.8%	35.2%	54.2%	59.0%

Source: Broker reports.

Notes:

1. Underlying EBITDA refers to EBITDA (pre-SaaS expenses) and EBITDA refers to EBITDA (post-SaaS expenses).
2. Depreciation and amortisation and Income tax expense are calculated as the difference between median forecasts EBITDA and EBIT, and Net Profit/(loss) before tax and NPAT attributable to United Malt Shareholders.
3. Net interest is calculated as the difference between the median forecasts for EBIT and Net profit/ (loss) before tax plus median forecasts for Significant items.
4. Underlying NPAT refers to NPAT less significant items (after tax), this is a post SaaS expense figure.
5. Underlying EPS refers to Underlying NPAT per United Malt Share.

With regard to the United Malt broker consensus summarised above, we note:

- all three brokers forecast for periods FY23, FY24 and FY25. Only one broker forecasts for the FY26 period;
- as noted above, United Malt's 1H23 financial results were largely in line with company guidance provided in the United Malt's announcement to the ASX on 27 April 2023 entitled 'Trading Update'. Of

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the three brokers who published a report following United Malt's 1H23 financial results, two revised down their FY23 EBITDA forecasts towards the lower end of the guidance range and three revised down their NPAT forecasts. The median broker forecast EBITDA in FY23 is 36.9% higher than in FY22;

- brokers cited higher-than-expected net debt and leases and higher-than-expected net interest expense as the primary reasons for the revised forecasts. Brokers noted the change in wording around the 2.0 to 2.5 times leverage target and one considers it to be unlikely that United Malt will reach its target leverage range by the end of FY23;
- brokers' median underlying EBITDA forecast for FY24 is \$180.4 million. The step change in revenue and EBITDA in FY24 is expected to be driven by several factors including the unwinding of recent crop events, normalisation of the sales mix, lower working capital funding (through lower barley prices) and improved cash flow as United Malt moves past peak capital expenditure. The brokers also cited the improvement of bulk customer contract terms, positive beer and whiskey end-market demand outlooks and Scottish expansion benefits having effect;
- FY24 underlying EBITDA forecasts are particularly reliant on the achievement of the Transformation Programme benefits. Brokers acknowledge the execution risks relating to these benefits such as poor cost management, loss of key personnel and overall changes to a competitive market;
- underlying EBITDA grows modestly at 3.3% in FY25 and 3.5% in FY26;
- the brokers do not expect the dividend payout ratio to reach the 60.0% target during the FY23 and FY25 periods;
- brokers' treatment of the impairment of the Brewers Select Sale expense in FY22 was not identical. Due to the small size of the impairment and the fact that it was not recurring, Kroll decided that no adjustment needed to be made to the forecasts;
- one broker forecasts a total non-recurring item which was added to NPAT to reach underlying NPAT. Kroll has adjusted this item to exclude SaaS expenses. Kroll assumed that the SaaS expense for FY23 was the amount provided by United Malt in their guidance; and
- two of the brokers did not forecast ROCE figures. In these instances, ROCE figures were calculated as EBIT divided by capital employed, being the sum of United Malt's total borrowing net of cash assets and shareholder's equity.

Further details of the broker estimates are included in Appendix 3.

8.5 Financial position

The following table summarises the financial position of United Malt as at 30 September 2020, 30 September 2021 and 30 September 2022 and as at 31 March 2023.

United Malt Financial Position (\$ Millions)

	As at 30 September			As at 31 March
	2020	2021	2022	2023
	audited	restated ¹	restated ¹	reviewed
Trade and other receivables	245.4	206.0	249.7	245.2
Inventories	318.5	339.9	475.7	506.7
Trade and other payables	(178.4)	(179.4)	(298.6)	(152.7)
Net working capital	385.5	366.5	426.8	599.2
Property, plant and equipment	620.8	679.6	754.7	754.7
Assets held for sale	-	2.5	4.4	2.4
Goodwill and intangible assets	337.6	337.9	356.3	349.4
Right-of-use assets	66.4	77.4	85.2	77.2
Net derivative financial instruments	(3.3)	3.4	(4.9)	1.6
Income received in advance	(19.1)	(18.5)	(17.7)	(17.6)
Net tax items	(67.1)	(74.2)	(63.4)	(65.4)
Other items ²	(27.8)	(0.5)	2.8	7.2
Total funds employed	1,293.0	1,374.1	1,544.2	1,708.7
Cash	262.1	286.8	222.9	159.1
Borrowings	(455.4)	(517.7)	(587.3)	(716.8)
Lease liabilities	(68.4)	(81.5)	(89.0)	(81.5)
Net cash/(debt) (including leases)	(261.7)	(312.4)	(453.4)	(639.2)
Net assets	1,031.3	1,061.7	1,090.8	1,069.5
Contributed equity	166.9	166.9	166.9	166.9
Reserves	452.6	492.0	526.1	518.6
Retained earnings	411.8	402.8	397.8	384.0
Equity attributable to United Malt Shareholders	1,031.3	1,061.7	1,090.8	1,069.5
Statistics				
Average working capital as a % of revenue ³	31.3%	30.4%	28.2%	79.7%
Number of shares at period end (millions)	299.2	299.2	299.2	299.2
Net assets per ordinary share (\$) ⁴	\$ 3.45	\$ 3.55	\$ 3.65	\$ 3.57
Net debt/ EBITDA ratio ⁵	1.7x	2.1x	5.0x	9.8x

Source: United Malt Annual, Half Yearly Reports and Presentations; Kroll analysis.

Nmf means not meaningful.

Notes:

1. The financial position as at 30 September 2021 and 30 September 2022 have been restated to reflect a change in commodity contract classification and inventory valuation approach.
2. Includes non-current trade and other receivables, provisions and retirement benefit assets/(obligations).
3. Calculated as the average of current and prior period net working capital divided by current period revenue.
4. Calculated as total net assets divided by the number of ordinary shares on issue at period end.
5. Based on a 12-month rolling EBITDA excluding the impact of AASB16 (Leases) and net debt excluding finance lease commitment. Figures shown are as reported by United Malt.

With regard to the financial position, we note the following:

- the nature of United Malt's business requires significant investment in inventory. As at 31 March 2023, inventory represented 29.7% of total funds employed. United Malt's inventories increased by \$135.8 million in FY22 and a further \$31.0 million in the period to 31 March 2023 as a result of continued high barley prices lifting the value of barley and malt inventories, the additional accumulation of barley in the United Kingdom for the company's expanded Inverness facility in Scotland, and typical seasonal requirements. As at 31 March 2023, inventory represented 67.0% of revenue (compared to 33.8% at 30 September 2022, 27.5% on 30 September 2021 and 24.7% on 30 September 2020). United Malt obtained covenant amendments from major banks in respect of 30 September 2022 and 31 March

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2023 together with additional inventory funding to accommodate higher inventory values and increased requirements for the Inverness expansion;

- United Malt's inventory balances are influenced by the timing of United Malt's harvest and buying cycle. As the majority of material is sourced from North America, volume typically peaks around February/ March, running down by August/ September when the UK crop is delivered. Inventory balances in the first half of the financial year typically include additional volume for sale in the second half. The value of inventory balances is also impacted by barley pricing and foreign exchange movements;
- United Malt is a capital intensive business and maintains significant investment in property, plant and equipment (**PP&E**). As at 31 March 2023, PP&E represented 44.2% of total funds employed. The total book value as at 30 September 2022 was predominantly comprised of plant and equipment (\$332.2 million), capital works in progress (\$200.7 million) and building and structures (\$160.3 million). The remaining value relates to land and leasehold improvements;
- as at 31 March 2023, \$2.4 million in assets from the Grantham site were held for sale. At 30 June 2023 the site sales had not yet occurred;
- goodwill and intangible assets primarily consist of goodwill, computer software and trade names acquired as part of business combinations that occurred prior to FY20;
- a description of United Malt's borrowings is provided in Section 8.5.2 of this report;
- United Malt enters into non-cancellable leases as a lessee on properties, motor vehicles, railcars and other plant and equipment. There are leases in all of United Malt's operating geographies. As at 31 March 2023, United Malt held \$77.2 million in right-of-use assets, and \$81.5 million in current and non-current lease liabilities. The weighted average incremental borrowing rate applied to the lease liabilities at 30 September 2022 was 3.8% (3.6% in 2021); and
- after subtracting cash, United Malt's net debt position was \$453.4 million (\$364.4 million excluding lease liabilities) as at 30 September 2022, and \$639.2 million (\$557.7 million excluding lease liabilities) as at 31 March 2023. United Malt's net debt/ EBITDA increased to 5.0 times as at 30 September 2022 and 9.8 times as at 31 March 2023, significantly exceeding the target range of 2.0 to 2.5 times. As noted above, United Malt received covenant amendments from its banks in respect of 30 September 2022 and 31 March 2023 and additional inventory funding capacity to accommodate the higher net debt/EBITDA levels.

8.5.1 Taxation

As at 30 September 2022, \$4.0 million in deferred tax assets (\$13.3 million of tax losses) were recognised on the statement of financial position. In addition, as at 31 March 2023, of \$42.3 million of tax losses were not recognised in the statement of financial position, as it was not considered probable that sufficient taxable profits would be generated in the relevant jurisdictions to utilise the losses at the time of reporting.

As at 31 March 2023, United Malt's franking account balance was nil. United Malt's Financial reports note that there will be limited capacity for franking credits with a substantial proportion of United Malt's earnings being derived outside Australia and which therefore may not be subject to Australian income tax.

8.5.2 Borrowings

United Malt's borrowings include working capital facilities, commodity inventory funding facilities and term debt facilities which are denominated in a mix of currencies including Australian dollars, British pounds, Canadian dollars and US dollars. The term facility is an evergreen facility which provides an option to extend maturity dates on the anniversary of the facility. The working capital and inventory funding facilities are extended each year prior to maturity.

United Malt increased commodity limits in FY22 to accommodate higher inventory values resulting from higher global barley prices and additional barley accumulation for the new facility in Scotland. On 3 July 2023, United Malt announced to the ASX that it had agreed with its lenders to amend United Malt's debt facilities and the debt maturities to provide United Malt with additional certainty and flexibility, including through the Scheme implementation process.

A summary of United Malt's borrowing facilities as at 31 March 2023, updated to reflect facility limit and maturity amendments announced 3 July 2023, is provided in the following table.



United Malt Borrowings as at 31 March 2023 (\$ Millions)

	Drawn ¹	Undrawn	Limit ²	Tenor remaining ²
Current				
Working capital facilities	114.3	45.7	160.0	11 Nov 24
Commodity inventory funding facilities	239.5	92.5	332.0	30 Jun 24
Non-current				
Term debt facilities	363.0	7.0	370.0	1 Dec 25
Balance sheet debt	716.8	145.2	862.0	

Source: United Malt Half Yearly Report 31 March 2023; Company announcement 3 July 2023.

Notes:

1. Drawn balances have been converted from a mix of British Pound, Canadian dollars and US dollars to Australian dollars at the foreign exchange rates prevailing at 31 March 2023.
2. The aggregate facilities limits and maturities reflect the amendment announced 3 July 2023. Limits have been approximated based on foreign exchange rates prevailing at the time of the announcement.

As at 31 March 2023, undrawn facilities on the basis of current facilities limits were \$145.2 million.

United Malt borrows at both fixed and floating interest rates, and manages interest rate risk by maintaining between 40% and 75% of long-term borrowings at fixed rates through the use of interest rate swap contracts. As at 30 September 2022, United Malt's weighted average cost of debt was 3.38% for commodity inventory facilities and 3.95% for term debt facilities (compared with 0.95% and 1.53%, respectively, at 30 September 2021).

Loans under term and working capital facilities are secured by a negative pledge, and impose certain financial covenants that are not publicly disclosed. United Malt announced to the ASX on 7 September 2022 that the group had 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. In November 2022, United Malt also entered into a receivables factoring arrangement of up to \$90 million (US\$60 million) which provides additional short term financing flexibility. There has been no breach of covenant ratios at each of the periods presented.

8.5.3 Contingent Liabilities

United Malt had no recorded or unrecorded contingent liabilities as at 31 March 2023.

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8.6 Cash flows

The following table summarises the cash flow statement of United Malt for FY21, FY22, 1H22 and 1H23.

United Malt Cash Flows (\$ Millions)

	FY21 audited	FY22 audited	1H22 reviewed	1H23 reviewed
Underlying EBITDA	137.9	105.9	51.9	52.7
One-off items	(13.9)	(14.1)	(5.8)	(14.4)
Statutory EBITDA	124.0	91.8	46.2	38.3
Decrease/(increase) in working capital ¹	14.8	(60.1)	(73.2)	(235.2)
Proceeds from factoring receivables	-	-	-	62.8
Net (payments) / proceeds of inventory funding loans	58.9	61.5	9.4	15.0
Net interest paid	(8.2)	(9.6)	(5.0)	(12.5)
Lease payments (interest component)	(2.7)	(3.0)	(1.5)	(1.6)
Tax paid	(18.5)	(18.1)	(14.0)	(0.1)
Other items ²	(14.5)	(15.9)	(15.9)	7.1
Net operating cash flow	153.8	46.6	(54.1)	(126.2)
Capital expenditure – Stay in Business	(25.1)	(19.1)	(11.4)	(13.0)
Capital expenditure – Growth (Scottish expansion) ³	(36.9)	(50.2)	(23.4)	na
Capital expenditure – Growth (Other)	(41.3)	(21.9)	(12.0)	(26.9)
Cash flow after investing activities	50.5	(44.6)	(100.9)	(166.1)
Dividends paid	(17.7)	(15.0)	(10.5)	-
Net (repayments of)/ proceeds from borrowings	-	0.1	17.9	111.6
Lease payments (principal component)	(11.3)	(11.4)	(5.9)	(6.9)
Shares purchased for employee share plan	(0.1)	(0.4)	(0.3)	(0.4)
Net cash generated/(used)	21.4	(71.3)	(99.7)	(61.8)
Opening cash and cash equivalents	262.1	286.8	286.8	222.9
Net cash generated/(used)	21.4	(71.3)	(99.7)	(61.8)
Effects of exchange rate changes	3.3	7.4	(8.1)	(2.0)
Closing cash and cash equivalents	286.8	222.9	179.0	159.1
Statistics				
Cash conversion ratio ⁴	125%	51%	(117%)	(330%)
Capital expenditure – Stay in Business, as a % of Underlying EBITDA	18.2%	18.0%	22.0%	24.7%
Capital expenditure – Scottish expansion, as a % of Underlying EBITDA ³	26.8%	47.4%	45.1%	na
Capital expenditure – Growth (Other), as a % of Underlying EBITDA	29.9%	20.7%	23.1%	51.0%

Source: United Malt Annual, Half Yearly Reports and Presentations; Kroll analysis.

Notes:

- Reflects the change in working capital as reported by United Malt in its Annual and Half Yearly Results Presentations.
- Adjustments to reconcile statutory EBITDA and displayed line items with reported change in working capital and net operating cashflow. Includes derivative mark to market, movement in provisions, pensions and prepayments.
- United Malt have not separately disclosed the amount of capital expenditure relating to the Scottish expansion in 1H23.
- Calculated as net operating cash flow divided by Statutory EBITDA.

In relation to United Malt's cash flows, we note the following:

- in FY21, despite lower earnings, net proceeds from inventory funding loans resulted in strong net operating cash flow. FY21 capital expenditure of \$103.3 million included growth expenditure for the Scottish expansion, sustainability and efficiency improvements and optimisation of the Perth Kiln asset, and stay in business capex of \$25.1 million;
- as illustrated by the comparison of 1H22 and 1H23, cash flow is typically negative in the first half of the financial year. Additional cash is typically generated in the second half of the financial year due to higher sales in Northern hemisphere summer, as well as the timing of crop purchases;

- net operating cash flow declined significantly in FY22 and 1H23. This reflects lower statutory EBITDA, as well as:
 - a significant increase in working capital in FY22 and 1H23 due to the impact of elevated barley and malt prices on inventory and the one-time build of barley inventory to commission the Inverness facility in preparation for 2H23 shipments, as described in Section 8.5 of this report. Half year working capital movements are impacted by the timing of grower payments and are typically negative. Proceeds from factoring introduced in 1H23 accelerated cash receipt of account receivable balances;
 - an increase in interest payments in FY22 and 1H23 with higher average rates and elevated levels of both barley and malt across United Malt;
 - an increase in other items in 1H23 impacted by the timing of working capital funding;
- United Malt's cash conversion ratio deteriorated from 125% in FY21 to 51% in FY22 and the conversion ratio in 1H23 (330%) was lower than in 1H22 (117%);
- United Malt's capital expenditure requirements are significant and contributed to significant negative cash flows after investing activities in FY22 and 1H23. Stay-in-business/safety capital expenditure represents approximately 20% of Underlying EBITDA. In addition, United Malt invested a further \$72.1 million in FY22 and \$26.9 million in 1H23, predominantly on the Scottish expansion. Growth capital expenditure also includes investments in optimisation and other projects such as sustainability and efficiency improvements that do not add to processing capacity. Other key projects since FY22 included completion of the Optistee water reduction technology project, combined heat and power plant in Calgary, Perth Kiln asset optimisation, and the new speciality ingredient processing plant in Calgary in 1H23. Excluding expenditure on the Scottish expansion, United Malt's capital expenditure as a percentage of Underlying EBITDA was 48.1% in FY21 and 38.7% in FY22 and is expected to be \$55 million to \$60 million in FY23 (34.4% to 42.9% of the range of EBITDA guidance of \$140 million to \$160 million (before SaaS costs and one-off items)); and
- significant negative cash flows after investing activities in FY22 and 1H23 were funded by cash balances and proceeds from borrowings in 1H23, reflecting additional drawdowns on working capital facilities. No final dividend was declared for FY22 and no interim dividend declared for 1H23.

8.7 Capital structure and ownership

As at the date of this report, United Malt has the following securities on issue:

- 299,179,135 United Malt Shares on issue; and
- 1,100,271 United Malt Performance Rights on issue.

8.7.1 United Malt Shareholders

As at 17 July 2023, United Malt had 13,940 registered United Malt Shareholders, of which 1,179 held unmarketable parcels (being a parcel of United Malt Shares with a market value of less than \$500). The top 20 registered United Malt Shareholders are primarily institutional nominees and accounted for 83.4% of United Malt Shares on issue. Retail investors (investors holding 10,000 shares or less) accounted for 92.5% of total United Malt Shareholders and 7.9% of United Malt Shares on issue.⁴⁶

United Malt has received substantial holding notices from the following United Malt Shareholders as at 4 September 2023:

⁴⁶ Source: United Malt Management.

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United Malt Substantial Shareholders as at 4 September 2023

Substantial Shareholder	Date of notice	Number of shares	Percentage
GrainCorp Limited	1 April 2020	25,428,404	8.5%
The Goldman Sachs Group	17 August 2023	18,740,696	6.3%
UBS Group AG and its related bodies corporate	16 August 2023	17,881,964	6.0%
Tanarra Capital Australia Pty Ltd	30 August 2023	16,933,929	5.7%
Dimensional Entities	23 December 2022	14,969,043	5.0%

Source: ASX Announcements.

8.7.2 United Malt Performance Rights and other LTI awards

United Malt operates employee incentive plans under which long-term incentives (**LTI**) and short-term incentives (**STI**) are offered to executives and other senior employees, with the current unvested awards granted under United Malt's LTI plan (**LTIP**) (broken down by performance year) being set out in the table below.

United Malt Performance Rights

LTI award	Vesting / Performance period end	Number unvested	Total
FY21DSTI (deferred STI)	Vests on announcement of FY23 results	37,961	37,961
FY23 STI Awards	30 September 2023	na	na
FY21 LTI	30 September 2023	322,780	322,780
FY22 LTI	30 September 2024	467,404	467,404
FY23 LTI	30 September 2025	272,126	272,126
FY23 Phantom Rights (cash settled only)	30 September 2025	130,960	130,960
Executive Retention Awards (cash settled only)	Earlier of (i) 30 June 2024; and (ii) 6 months after change of control	224,314	224,314
Total		1,455,545	1,455,545

Source: United Malt management.

Note: 'na' means incentives which have been, or are intended to be, awarded but have not had a number of Performance Rights specified at the date of the Scheme Booklet. Instead, monetary values have been provided and are outlined below.

Under the LTIP, United Malt Performance Rights are offered to executives and other senior employees (**Participants**). The United Malt Performance Rights are subject to various vesting conditions, including time-based and performance-based conditions. Any FY21 LTI United Malt Performance Rights vesting on 30 September 2023 will be settled in either United Malt Shares or in cash equivalents. If the Scheme becomes Effective prior to the end of FY24 (in the case of FY22 LTI United Malt Performance Rights) or FY25 (in the case of FY23 LTI United Malt Performance Rights) any unvested FY22 or FY23 LTI United Malt Performance Rights (as the case may be) will undergo accelerated vesting and be satisfied through the issue of United Malt Shares (as described below). Prior to the Scheme becoming Effective, United Malt intends to also grant, and issue, FY24 LTI Performance Rights which would vest on 30 September 2024. These rights will be approximately one third the quantum of those issued under the LTIP in prior financial years. These rights will be subject to financial performance based vesting conditions, with half tied to EBITDA performance and the other half tied to operating free cash flow (**OFCF**). Any rights that meet vesting conditions will be settled in cash, with the value determined at the time of the grant of the FY24 LTI Performance Rights.

STI awards are typically granted in each financial year under United Malt's STI plan (**STIP**) and are linked to specific objectives in a given performance period. The STIP requires that, unless otherwise determined by the United Malt Board, senior executives have a portion of their short-term incentives deferred and awarded in the form of United Malt Performance Rights, subject to service conditions, with the deferred component vesting over two years. The United Malt Board has determined that any FY23 STIP awards for Executive Leadership Team (**ELT**) executives vesting in September 2023 will be awarded in cash only, whilst STIP participants below ELT will receive regular STIP treatment. All non-deferred elements of the FY23 STI Awards are payable in 1Q FY24, with any deferred components paid in cash in two equal tranches after 12 and 24 months. After 30 September 2023, but before the Scheme becomes effective, the United Malt Board will determine whether any or all the FY23 STI Awards have vested. If all FY23 STI Awards vest,



then payments are determined by performance targets. If base targets are met, the FY23 STI Awards will have a payout of \$8.6 million, whilst stretch targets would trigger a payment of \$12.9 million. Prior to the Scheme becoming Effective, United Malt intends to grant FY24 STI Awards to Participants under the STIP. Unlike previous STI awards, the FY24 STI Awards will not have a deferred component and instead will be paid in cash following 30 September 2024. In other respects, the FY24 STI Awards vesting conditions are materially consistent with those in the FY23 STI Awards. The FY24 STI Awards will be performance based, with:

- 35% of the award subject to performance conditions related to performance against EBITDA metrics in a corporate scorecard;
- 35% of the award subject to performance conditions related to performance against OFCF metrics in a corporate scorecard; and
- 30% of the award subject to performance conditions related to performance against an individual scorecard.

For the majority of Participants, the FY24 STI Awards will represent the same percentage of their base salary as for their FY23 STI Awards.

United Malt has granted, and issued, 'phantom rights' to Participants in respect of the financial year ending 30 September 2023 under the LTIP (**FY23 Phantom Rights**). These rights vest on 25 September 2025 with an exercise price of nil. The United Malt Board has determined that, subject to the Scheme becoming Effective, all FY23 Phantom Rights will vest. On vesting, the FY23 Phantom Rights are exercised automatically, and Participants are entitled to a cash payment.

Executive retention awards (**Executive Retention Awards**) have been granted and issued to participants under the LTIP. These Executive Retention Awards vest on the earlier of:

- 30 July 2024; or
- six months after the change of control of United Malt, which will occur on the implementation of the Scheme, provided that the relevant participant has not resigned, given notice of resignation, nor had their employment terminated for cause before that date.

On vesting, the Executive Retention Awards are exercised automatically and participants are entitled to a cash payment under the terms of the relevant award.

The United Malt Board has determined that as a result of the Transaction, (and subject to the Scheme becoming Effective), all unvested United Malt Performance Rights granted in connection with the deferred component of any FY21 STI and all FY22 and FY23 LTI United Malt Performance Rights will vest on the date that the Scheme becomes Effective (after trading in United Malt Shares has been suspended at the close of trading on the ASX on the Effective Date) and will be satisfied by the issue of new United Malt Shares, before the Scheme Record Date. The effect of such vesting is that up to a total of 777,491 United Malt Shares will be issued to participants under the LTIP between the Scheme becoming Effective and the Scheme Record Date. These United Malt Shares will be acquired by Malteries Soufflet under the Scheme for the Scheme Consideration (along with all other Scheme Shares). The following table outlines the volume and value of Performance Rights which are expected to vest in the event the Scheme becomes Effective.

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Performance Rights and other LTI awards assuming Scheme Becomes Effective

LTI award	Vesting / Performance period end	Settlement method	Min Vesting	Max Vesting	Min Value (A\$ million)	Max Value (A\$ million)
FY21 DSTI	Post 30 Sept but before Scheme is Effective	Shares	37,961	37,961	na ¹	na
FY23 STI Awards	Post 30 Sept but before Scheme is Effective	Cash	na	na	-	12.9
FY21 LTI	Post 30 Sept but before Scheme is Effective	Shares	-	322,780	na	na
FY22 LTI	Date Scheme becomes Effective	Shares	467,404	467,404	na	na
FY23 LTI	Date Scheme becomes Effective	Shares	272,126	272,126	na	na
FY23 Phantom Rights	30 September 2025	Cash	na	na	0.7 ²	0.7 ²
Executive Retention Awards	Earlier of (i) 1 July 2024; (ii) 6 months after change of control	Cash	na	na	nmf ³	nmf
Total			777,491	1,100,271	0.7	13.6

Source: United Malt management.

Note:

1. 'na' means not applicable.
2. Calculated as the unvested portion, outlined in above table titled "United Malt Performance Rights", multiplied by the Scheme Consideration.
3. 'nmf' means not meaningful for the purposes of the determination of the value of a share in United Malt as payments will occur post the Scheme implementation.

8.8 Share price performance

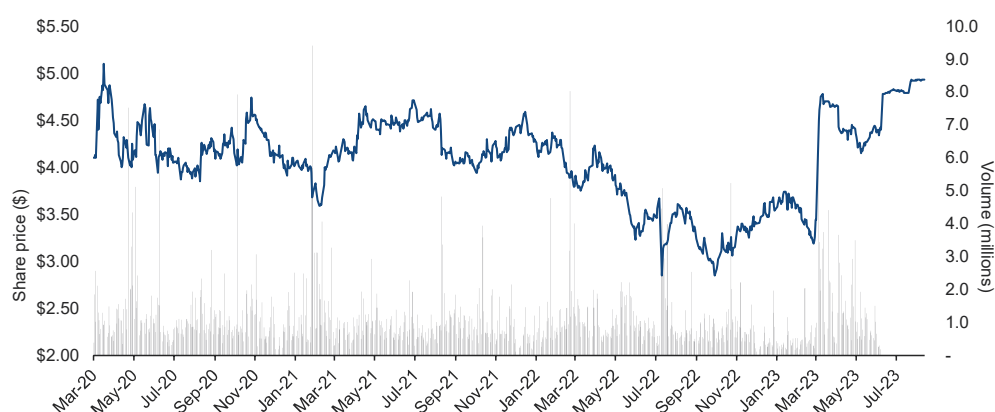
In assessing United Malt's share price performance, we have:

- analysed price and volume performance since 24 March 2020, when United Malt Shares commenced trading on the ASX;
- compared United Malt's share price movement to the S&P/ASX 200 Index (**ASX 200 Index**), S&P/ASX 200 Consumer Staples Index (**Consumer Staples Index**), and S&P/ASX 200 Food Beverage and Tobacco (Industry Group) (**Food, Beverage and Tobacco Index**); and
- assessed the volume weighted average price (**VWAP**) and trading liquidity of United Malt Shares for various periods up until 24 March 2023, the last day on which United Malt Shares traded on the ASX prior to announcing the receipt of the Indicative Proposal.

8.8.1 Recent sharemarket trading

United Malt's share price performance and the volume of shares traded from 24 March 2023 is illustrated as follows.

United Malt Share Price and Volume from 24 March 2020



Source: S&P Capital IQ; Kroll analysis.

United Malt Shares commenced trading on the ASX (on a deferred settlement basis) on 24 March 2020 and closed at \$4.10 on that day. From then until early January 2022, the United Malt Share price traded broadly at this level, fluctuating with in a range of \$3.59 to \$5.10. The key movements were:

- increasing by 24.4% to close at a high of \$5.10 on 8 April 2020, coinciding with a strong recovery in the sharemarket after the initial sell off following the onset of the COVID-19 pandemic;
- declining by 16.8% from mid-June to reach a low of \$3.85 on 1 September 2020, potentially reflecting the equity raising announced on 14 May 2020 at \$3.80 (in respect of both the placement and share purchase plan), an 11.4% discount to the last close, which was completed on 15 May 2020 in respect of the placement and 23 June 2020 in respect of the share purchase plan and the sell down of shares by a number of substantial United Malt Shareholders;⁴⁷
- increasing by 15.3% from early November to close at a high of \$4.74 on the release of FY20 results on 18 November 2020. The results indicated that United Malt had achieved solid operational performance despite the impact of the COVID-19 pandemic on volumes in 2H20;
- declining by 9.8% from the start of February to close at a low of \$3.59 on 1 March 2021, during which time a delay in the Inverness facility was announced, and the closure of the Grantham site together with an associated impairment and redundancy costs;
- increasing from this early March 2021 low to close at a high of \$4.71 on 22 July 2021, coinciding with the 1H21 results release on 19 May 2021 which indicated that EBITDA was slightly ahead of guidance at \$52.7 million, as well as Mississippi and Texas lifting facemask requirements and rollouts of new COVID-19 vaccinations being administered;
- declining by 16.3% to reach a low of \$3.94 on 25 October 2021, potentially reflecting the 1 September 2021 trading update with EBITDA guidance down 21.0% relative to FY20 to \$123 million to \$128 million (including SaaS costs and significant items); and
- increasing to close at a high of \$4.59 on 7 January 2022, potentially reflecting the announcement on 17 November 2021 of FY21 results, which showed FY21 EBITDA of \$123.3 million (including SaaS costs and excluding significant items).

From this high of \$4.59 on 7 January 2022, the United Malt share price declined by 37.9% to reach a low of \$2.85 on 2 August 2022. During this time:

- on 26 April 2022, United Malt provided a trading update and guidance for underlying EBITDA (before SaaS costs) for 1H22 of approximately \$57 million (subject to audit review) and FY22 of approximately

⁴⁷ Dimensional Equities ceased to be a substantial shareholder on 30 June 2020, sell down by Perpetual Limited on 2 July 2020 and sell downs by Ellerston Capital Limited and Norges Bank on various dates.

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\$115 million to \$140 million. The Canadian drought was expected to negatively impact FY22 EBITDA by approximately \$20 million to \$25 million; and

- United Malt announced an earnings downgrade on 1 August 2022, reducing FY22 underlying EBITDA (before SaaS costs) guidance from \$115 million to \$140 million to \$100 million to \$108 million as the Processing segment in North America was adversely impacted by a number of external events, including the poor North American barely crop, supply chain disruptions, increased costs of imported barely which could not be fully passed on to customers and general cost inflation. United Malt provided guidance for FY23 Underlying EBITDA (before SaaS costs and one-off items) of \$140 million to \$160 million.

After increasing to close at a high of \$3.61 on 26 August 2022, United Malt's share price declined and closed at a low of \$2.85 on 21 October 2022, coinciding with the escalation of the Russia-Ukraine conflict.

The United Malt share price increased to close at a high of \$3.74 on 6 February 2023. During this time, United Malt announced that FY22 results were in line with revised guidance and the United Malt Board underwent a renewal process.

United Malt's Share price traded lower and closed at \$3.44 on 24 March 2023, the last day on which United Malt Shares traded on the ASX prior to announcement of the Indicative Proposal.

8.8.2 Relative share price performance

United Malt is a member of various indices including the ASX 200 Index (0.07% weighting), Consumer Staples Index (1.5% weighting) and Food Beverage and Tobacco Index (8.40% weighting).⁴⁸

At the time of the listing, the sharemarket had deteriorated substantially in response to the onset of the COVID-19 pandemic. It is important to understand the impact of the COVID-19 pandemic on the broader sharemarket and the indices as well as the subsequent recovery. The following chart illustrates the relative performance of the ASX 200 Index, ASX Consumer Staples Index and Food Beverage and Tobacco Index since 2 January 2020.

Relative Performance of Indices since 2 January 2020



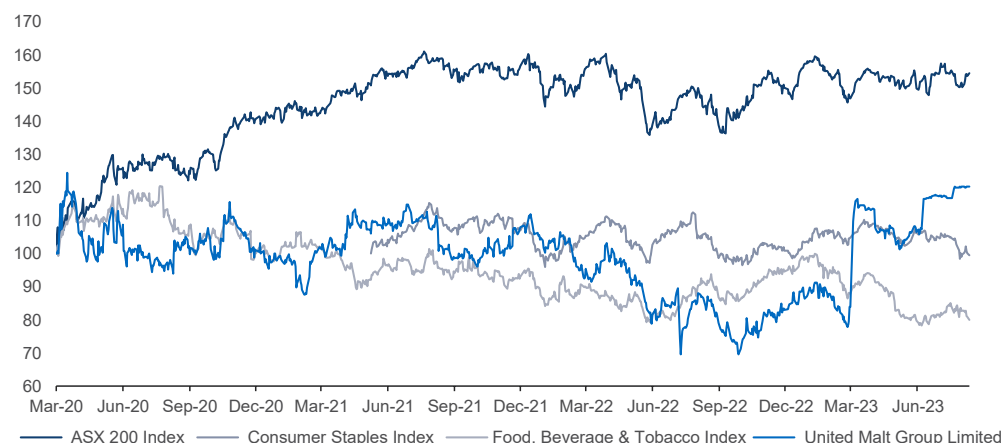
The Consumer Staples Index and Food, Beverage and Tobacco Index were more resilient than the broader ASX 200 Index at the onset of the COVID-19 pandemic, when the broader index declined sharply. The ASX 200 Index also took longer to recover to pre-COVID-19 pandemic baseline levels, recovering by 8 December 2020 whilst the Consumer Staples Index recovered more quickly. Post recovery, both indices remained generally elevated as compared to the baseline, with the ASX 200 Index closing on 4 September 2023 8.7% above. The Consumer Staples Index has seen a decline starting in July 23, resulting in it closing just 1.9% above the baseline on 4 September 2023. The Food, Beverage and Tobacco Index, however, did not see the same recovery and instead saw an overall 31.9% decline from the baseline.

⁴⁸ S&P Capital IQ as at 28 July 2023.



The performance of United Malt Shares, relative to the ASX 200 Index, ASX Consumer Staples Index and Food Beverage and Tobacco Index from the date on which United Malt commenced trading (24 March 2020) is illustrated as follows.

United Malt Share Price Performance Relative to Indices since Listing to 4 September 2023



Source: S&P Capital IQ; Kroll analysis.

The above chart reflects the recovery of United Malt and the indices from the near lows following the onset of the COVID-19 pandemic. The ASX 200 Index appears to have outperformed, primarily due to the sharper decline and more protracted COVID-19 recovery experienced by the index.

When the volatility from the start of the COVID-19 pandemic is removed as in the following chart, we can see that the United Malt share price largely tracked the Food, Beverage and Tobacco Index and Consumer Staples Index until mid-2022.

United Malt Share Price Performance Relative to Indices 1 June 2021 to 4 September 2023



Source: S&P Capital IQ; Kroll analysis.

The above chart illustrates that the United Malt Share price underperformed the indices from mid-2022, coinciding with the trading update and guidance announced on 26 April 2022 and earnings downgrade on 1 August 2022. The United Malt Share price continued to underperform until late October 2022, potentially reflecting ongoing uncertainty and escalation of the Russia-Ukraine conflict, before tracking with the indices until the announcement of the Indicative Proposal. It is worth noting that whilst United Malt is a constituent of the Food, Beverage & Tobacco and Consumer Staples Indices, United Malt is more volatile than both of these indices, and sometimes moves counter to their movements.

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8.8.3 Liquidity

An analysis of the volume of trading in United Malt Shares, including the VWAP for various periods up to 24 March 2023, the last day on which United Malt Shares traded on the ASX before United Malt announced that it had received the Indicative Proposal, is set out as follows.

United Malt Liquidity to 24 March 2023

Period	Low	Price (\$) High	VWAP	Cumulative value (\$ million)	Cumulative volume (million)	Percentage of issued capital
1 day	3.34	3.46	3.44	5.3	1.5	0.5%
1 week	3.15	3.48	3.36	13.2	3.9	1.3%
1 month	3.14	3.63	3.37	59.45	17.7	5.9%
3 months	3.14	3.78	3.52	161.85	46.0	15.4%
6 months	2.81	3.78	3.30	409.07	123.8	41.4%
12 months	2.81	4.27	3.43	1,139.31	331.9	110.9%

Source: IRESS; Kroll analysis.

In the 12 months to 24 March 2023, 110.9% of United Malt Shares were traded. This level of trading indicates that United Malt Shares are reasonably liquid.

9 Valuation of United Malt

9.1 Summary

Kroll has assessed the value of United Malt's equity to be in the range of \$1,286.5 million to \$1,550.3 million, which corresponds with a value per United Malt Share in the range of \$4.28 to \$5.17 on a fully diluted basis.⁴⁹ Our range of assessed values reflects 100% ownership of United Malt and, therefore, incorporates a control premium. As our valuation includes a control premium, our range of assessed values per share exceeds the price at which we expect United Malt Shares would trade on the ASX in the absence of the Transaction.

The value of United Malt's equity has been determined by estimating the fair value of United Malt's operating business, together with consideration of non-operating assets and liabilities, and net borrowings. The valuation is summarised as follows.

United Malt Summary of Value (\$ Millions)

	Section Reference	Valuation Range	
		Low	High
Value of United Malt's operating business (100% control basis)	9.3.1	1,866.9	2,117.7
Non-operating assets / (liabilities) (net)	9.5	0.7	0.7
Enterprise value (100% control basis)		1,867.6	2,118.4
Net borrowings (including lease liabilities)	9.5.2	(581.0)	(568.1)
Value of United Malt's equity (100% control basis)		1,286.5	1,550.3
Number of shares outstanding – diluted (millions) ¹	8.7.2	300.3	300.0
Value per United Malt Share – diluted (control basis) (\$)		\$4.28	\$5.17

Source: Kroll analysis.

Note 1: Based on 299,179,135 United Malt Shares on issue and a range of 777,491 to 1,100,271 United Malt Shares to be issued corresponding to vesting United Malt Performance Rights (refer to Section 8.7.2).

In assessing the value of United Malt's operating business, Kroll has adopted a market approach as the primary methodology utilising multiples of EBITDA (refer to Section 9.3 of this report). The value derived from the market approach has been cross-checked using a high-level DCF analysis (refer to Section 9.4 of this report).

⁴⁹ Based on 299,179,135 United Malt Shares on issue and a range of 777,491 to 1,100,271 United Malt Shares to be issued corresponding to vesting United Malt Performance Rights (refer to Section 8.7.2).

The range of values is relatively wide, mainly as a result United Malt's financial leverage.

Our valuation range of \$4.28 to \$5.17 per United Malt Share reflects a premium over the closing price of United Malt Shares on 24 March 2023, the last day on which United Malt Shares traded on the ASX prior to announcing it had received the Indicative Proposal of between 24.5% and 50.2%, and a premium to the one-month VWAP in the range of 27.1% to 53.4%. A portion of this premium reflects that our valuation of United Malt includes a control premium, rather than a valuation of a minority interest in the company as traded on the ASX. The premium is within the spectrum of, and above premiums observed in completed transactions, which are broadly in the range of 25% to 40% depending on the individual circumstances.⁵⁰ In this regard, we note that synergies available to a pool of potential acquirers of United Malt are expected to be limited and mainly include public company and other corporate cost savings (refer to Section 9.2.3 of this report).

In forming our view as to the value of United Malt Shares, we have considered a series of factors including:

- the nature of the industry, with relatively high barriers to entry, determined by geographic region and relationships with barley growers and major brewers;
- United Malt's market position as the fourth largest maltster globally, with a global presence, diversified portfolio of customers and strong relationships with barley growers and brewers;
- the benefits of the Transformation Programme (offset by the risk of implementation), revised commercial terms and completed Scottish expansion, each of which is expected to be reflected in FY24 earnings;
- United Malt's moderate EBITDA margins (estimated at 12.7% in FY24);
- modest annual EBITDA growth for FY24 to FY26 based on the broker consensus CAGR of 3.4%, which reflects:
 - that FY24 earnings already includes the benefit of the expansion of its facilities in Scotland, revised commercial terms and the Transformation Programme;
 - modest industry growth, with global malt demand expected to increase at a CAGR of 0.5% from 2019 to 2030 (refer to Section 7.3 of this report); and
 - that United Malt's processing facilities are operating at close to full capacity;
- the anticipated more stable and resilient earnings resulting from the renegotiation of commercial terms;
- United Malt's high inventory levels and substantial capital expenditure requirements (not including any capacity expansion capital) of approximately \$60 million per annum;
- the significant ERP costs remaining, which are treated as a surplus liability in our valuation (refer to Section 9.7 of this report);
- available tax losses, however, recognising that the ability to use the losses is uncertain and a potential acquirer is unlikely to attribute significant value to them; and
- synergies available to a pool of potential acquirers, which are reflected in the control multiple in the market approach and in the cash flows in the DCF analysis.

9.2 Approach

9.2.1 Overview

Our valuation of United Malt has been prepared on the basis of 'fair value'. The generally accepted definition of fair value (and that applied by us in forming our opinion) is the value agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm's length. Fair value excludes 'special value', which is the value over and above the value that a particular buyer, which can achieve synergistic or other benefits from the acquisition, may be prepared to pay.

⁵⁰ 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.

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In the absence of direct market evidence, fair value is commonly derived by applying one or more of the following valuation approaches:

- the market approach;
- income approach; or
- cost approach.

These approaches are discussed in further detail in Appendix 4. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the business and the actual practice adopted by purchasers of the type of asset or business involved. A secondary methodology is often adopted as a cross-check to ensure the reasonableness of the outcome, with the valuation conclusion ultimately being a judgement derived through an iterative process.

For profitable businesses, the market approach and income approach are commonly used as they reflect 'going concern' values, which typically incorporate some element of goodwill over and above the value of the underlying assets. For businesses that are either non-profitable, non-tradeable or asset rich (e.g. real estate investment trusts), a cost approach is often adopted as there tends to be minimal goodwill, if any.

9.2.2 Selection of methodology

A discussion of the rationale for the selection of the valuation methodologies is set out as follows.

Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available price information. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (**market comparable methodology**);
- there are frequent and/or observable transactions in comparable assets or businesses (**comparable transactions methodology**); and
- there is substantial operating history and a consistent earnings trend.

Until FY20, United Malt had established a track-record of profitable, stable earnings. Furthermore, United Malt management expects that FY24 will reflect a full recovery from the impact of the COVID-19 pandemic and the Canadian drought of 2022, in addition to the majority of the benefits of the Transformation Programme, Scottish expansion and renegotiated commercial terms. The renegotiated commercial terms are also expected to result in greater stability of earnings going forward as they will allow for the pass through of barley and freight costs to customers. As such, despite the recent impact of the COVID-19 pandemic and Canadian drought, a consistent earnings trend can be observed. Furthermore, there is no basis to expect that the business will be unable to continue indefinitely. In addition, there are a number of publicly traded global food processors and producers and major brewers, as well as transactions involving global food processors from which to calculate meaningful multiples. Consequently, a market approach has been used as the primary valuation approach.

Application of this approach involves the capitalisation of the cash flows or earnings of a business at a multiple that reflects both the risks of the business and the future growth prospects of the income it generates. This methodology requires an element of professional judgement as to:

- the level of earnings or cash flows that are expected to be maintainable indefinitely, adjusted for non-recurring items and other known factors likely to impact on future operating performance; and
- an appropriate capitalisation multiple that reflects the risk and growth prospects associated with the level of earnings being capitalised. The capitalisation multiple is usually determined having regard to market evidence derived from comparable transactions and sharemarket prices for comparable companies, whilst also considering the specific characteristics of the business being valued.

The earnings base to which a multiple is commonly applied include revenue, EBITDA, EBIT and net profit after tax. The choice between parameters is usually not critical and should give a similar result. We note that EBITDA or an equivalent measure reflecting the underlying EBITDA of the company is commonly used in valuing primary food processing companies. Consequently, we have utilised historical and forecast EBITDA (adjusted to exclude exceptional items) multiples in our market approach.



Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them. In any event, we are not aware of any rules-of-thumb applicable to the malting industry.

Income approach

Under an income approach, the value of an asset or business is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and
- there is not a substantial operating history, there is a variable pattern of cash flow, or the asset or business has a finite life.

The most common application of the income approach is the DCF methodology. This methodology allows for cash flows to reflect a range of risks and opportunities and also allows for a range of scenarios to be modelled.

A DCF methodology can be applied to cash flows to the whole asset or business or cash flows to equity. Cash flows to the whole asset or business is most commonly used because an asset or business should theoretically have a single value that is independent of how it is financed or whether income is paid as dividends or reinvested.

Utilising a DCF methodology requires estimation of cash flows for a number of years and discounting those cash flows back to present value. United Malt management has provided a three-year forecast for FY23 to FY25 (**Forecast**). This results in a limited forecast period of 2.25 years from 30 June 2023 to 30 September 2025, after which Kroll has applied a terminal value. Consequently, given the limited forecast period, the DCF methodology has been considered as a supporting valuation methodology rather than the primary valuation methodology.

Kroll has prepared a high-level DCF analysis that uses the Forecast as its starting point. Kroll has undertaken various enquiries in relation to United Malt's assumptions underlying the Forecast, including holding discussions with United Malt management, comparing the assumptions to the those in industry reports and the broker forecasts, and reviewing key assumptions in the context of current economic, financial and other conditions.

Following our enquiries and independent analysis, Kroll is of the view that the Forecast has been prepared on a reasonable basis, recognising the inherent uncertainties and limitations and is, therefore, suitable as a basis for our high-level DCF analysis. In making this assessment, we have taken the following into account:

- the Forecast was developed by United Malt management between February and April 2023 utilising a similar process to the annual budgeting process. The Forecast has been built up across the consolidated group by business unit teams and operations on a geographical and segment basis, and management have identified and eliminated intercompany transactions from the aggregated consolidated figures;
- foundational assumptions are based primarily upon analyses of future performance indicators (both internal and external), trends, and inputs from operational and sales leadership teams. Forecast energy rates and transportation fees, for example, have been subject to review;
- the Forecast has been prepared on a normalised basis (i.e. excluding one-off items) and uses forward exchange rates sourced from Bloomberg;
- United Malt's forecast growth, including the new capacity in Inverness, is broadly consistent with industry forecasts;
- United Malt's earnings are relatively predictable given the company's multi-year contracts, and are expected to be relatively stable as a result of the revised commercial terms which allow for the pass through of malt and freight costs to customers;
- EBITDA estimates broadly align with broker consensus forecasts for United Malt for FY23 to FY25; and
- it has been reviewed internally and by external auditors and banks.

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The cash flows within our high-level DCF analysis do not constitute a forecast or projection by Kroll of the future performance of United Malt, and no assurance or warranty is provided that future performance will align with the assumptions adopted in the model. These assumptions do not, and do not purport to, represent the range of potential outcomes for United Malt's business operations.

Cost approach

A cost-based approach is most appropriate for businesses where the value lies in the underlying assets and not in the ongoing operations of the business (e.g. real estate holding companies). This approach does not capture growth potential or internally generated intangible value associated with a company such as United Malt.

9.2.3 Control premium

Consistent with the requirements of RG 111, we have assumed 100% ownership of United Malt and, therefore, our valuation includes a control premium.

Successful transactions are commonly completed with an implied acquisition premium to the pre-trading equity price of the target in the order of 25% to 40% depending on the individual circumstances.⁵¹ In considering the evidence provided by actual transactions, it is important to recognise that the observed premium for control is an outcome of the valuation process, not a determinant of value, and that each transaction will reflect to varying degrees the outcome of a unique combination of factors, including:

- the acquirer's capacity to realise full control over the strategy and cash flows of the target entity;
- the magnitude of synergies available to all acquirers, for example, the rationalisation of costs related to duplicated functions, or the removal of costs associated with the target being a listed entity;
- uncertainties related to the timing of full realisation of target synergies;
- the expected costs to migrate and integrate the business;
- the nature of the bidder (i.e. whether the acquirer is a financial investor or a trade participant);
- synergistic or special value that may be unique to a particular acquirer;
- the interest acquired in the transaction with consideration to the bidder's pre-existing shareholding in the target;
- the prevailing conditions of the economy and capital markets at the time of the transaction with consideration to the position in the overall market cycle;
- desire (or anxiety) for the acquirer to complete the transaction;
- whether the acquisition is competitive; and
- the extent the target company's share price already reflects a degree of takeover speculation.

The premium that is ultimately applied must have regard to the circumstances of each case. In some situations, it may be appropriate to apply no premium for control, for example, there are transactions where no corporate buyer is prepared to pay a price in excess of the prices paid by institutional investors through an initial public offering. Accordingly, an assessment as to an appropriate control premium, if any, is essentially a matter of judgement.

The multiples derived for listed comparable companies generally reflect prices at which portfolio interests (i.e. minority interests) are traded and consequently, do not include a control premium. They may also be impacted by the level of liquidity in trading of the particular security. Accordingly, when valuing a business as a whole (i.e. United Malt on a 100% basis), or when valuing the main undertaking of a business, it is appropriate to reference the multiples achieved in recent transactions, where a control premium and breadth of purchaser interest are more fully reflected.

Any potential acquirer of United Malt is likely to be able to save all public company costs. Public company costs include director and officer insurance, share based payments and other corporate costs including Board, ASX listing and other fees, share registry, annual general meeting and annual report and a portion audit fees and taxation services.

⁵¹ 2022 Mergerstat Review. Range represents median premium from 2012 to 2021. Premiums are calculated based on the seller's closing price five business days before the initial announcement. The calculations exclude negative premiums and premiums over 250%.



There is a limited number of potential strategic acquirers of United Malt other than Malteries Soufflet. These acquirers could potentially derive additional synergies, including savings in corporate overheads, procurement, regulatory and distribution costs. Given that maltsters' operations are often linked to a geography due to the benefits of proximity to barley growing areas, a majority of these synergies will be dependent on the acquirer and United Malt having an overlapping geographical footprint. As the geographical footprint of potential strategic acquirers are all different, it is difficult to estimate the quantum of these savings for a pool of potential acquirers.

Certain other corporate costs, such as where roles duplicated (e.g. CEO, CFO), are generally available to all strategic acquirers (as they are not contingent on geographical footprint) and as such, have been included in estimated synergies.

On the other hand, we consider that there are potential dis-synergies associated with a strategic acquirer. There is a possibility that major brewers may perceive the Transaction as increasing the concentration of suppliers of malt, and may seek to diversify their malt procurement arrangements away from the strategic acquirer.

On balance, Kroll has estimated that \$10 million in synergies could be achieved by a strategic acquirer, including all public company costs and certain other corporate costs.

In valuing United Malt utilising a market approach, we have included a control premium by applying a multiple that includes a premium for control. Applying both an adjustment to earnings to reflect synergies and a control multiple in the valuation would result in an overstatement of the benefits of the Transaction.

In undertaking the DCF analysis cross-check, synergies are reflected directly in the cash flow forecasts.

9.3 Market approach

9.3.1 Summary

Kroll has assessed the value of United Malt's operating business using a market approach having regard to capitalisation of EBITDA for selected global and large Australian primary food processing companies and global brewing companies, and transactions involving global primary food processing companies. This assessment requires consideration of an appropriate level of maintainable earnings (refer to Section 9.3.3 of this report) and capitalisation multiple (refer to Section 9.3.4 of this report). The selected maintainable earnings is based on an assessment of maintainable revenue and maintainable EBITDA margin.

We have determined the value of United Malt's operating business to be in the range of \$1,866.9 million to \$2,117.7 million as follows.

Value of United Malt's Operating Business (\$ Millions)

	Section Reference	Valuation Range	
		Low	High
Maintainable revenue	9.3.2	1,400.0	1,450.0
Maintainable EBITDA margin	9.3.2	12.7%	12.7%
Maintainable EBITDA		177.8	184.2
Capitalisation multiple (control basis)	9.3.3	10.5	11.5
Value of United Malt operating business (control basis)		1,866.9	2,117.7

Source: Kroll analysis.

9.3.2 Maintainable earnings

Maintainable earnings should reflect the earnings that can be achieved by a business in the future on an ongoing basis. It is an estimation of the earnings or cash flows that a hypothetical purchaser would utilise for valuation purposes, having regard to historical and forecast operating results, non-recurring items of income and expenditure, and other known factors that are likely to have an impact on the business' operating performance.

The selected maintainable earnings is based on an assessment of maintainable revenue and maintainable EBITDA margin.

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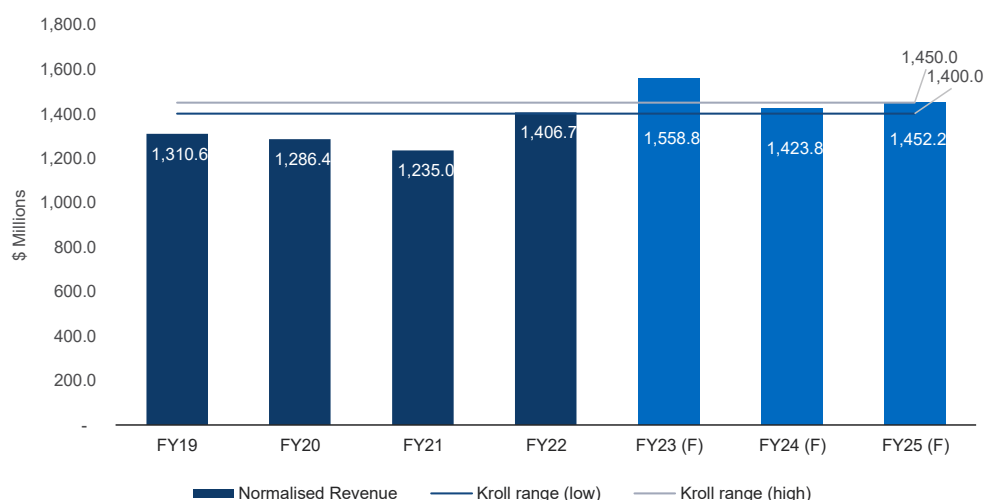
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Maintainable revenue

Revenue is comprised of Processing and Warehouse & Distribution revenue after Corporate & Eliminations. Kroll has selected maintainable revenue for United Malt in the range of \$1,400 million to \$1,450 million. The following figure shows United Malt's normalised revenue from FY19 to FY24 and Kroll's selected maintainable revenue range.

United Malt Normalised Revenue



Source: Kroll analysis

Notes:

1. FY19 to FY22 normalised revenue is based on actual United Malt results (refer to Section 8.4.1 of this report). FY19 and FY20 normalised revenue has been adjusted to exclude revenue recognised over time related to the historical settlement of a client contract. Recognition of this revenue ceased during FY20. Kroll has deducted \$5.9 million from FY19 revenue and \$2.7 million revenue FY20 revenue.
2. FY23, FY24 and FY25 revenue reflects the brokers' consensus revenue (refer to Section 8.3.4 of this report). Broker forecasts are consistent with management's forecasts for FY23, FY24 and FY25.

In relation to normalised revenue we note the following:

- we consider FY24 to be the most relevant reference period as it is the first full year of earnings that reflect the market recovery after the COVID-19 pandemic, the reversal of the negative impact of the Canadian drought, improved pricing and commercial terms, the first full year of production from the recently finalised expansion projects in Scotland and a majority of the benefits of the Transformation Programme;
- broker consensus FY24 revenue is 8.7% lower than FY23 revenue. This reflects the brokers' views on the normalisation of the sales mix and lower barley prices, uncertainty of craft beer demand and implementation risk of the Transformation Programme;
- revenue beyond FY24 is expected to be influenced by a range of factors, including initiatives such as the partnership with BevPort,⁵² the trend in demand for beer and the ability of United Malt to continue to pass through barley and transport costs to its customers, which it was able to successfully implement in FY22 and 1H23. Brokers consensus revenue is expected to be 2.0% higher in FY25 than in FY24 and reflects that earnings should be more stable and less exposed to barley pricing fluctuations as a result of the revised commercial terms;
- while United Malt is the fourth largest global malt producer, it competes with Malteurop (the third largest global malt producer) in North America and with Boormalt (the largest malt producer globally) in Oceania. As such, United Malt's long term revenue depends on its ability to remain competitive in different regions; and

⁵² BevPort is an online distribution and logistics portal that helps connect craft brewers and beer consumers. Country Malt Group will contribute its storage and logistics network to facilitate the distribution of craft beer to retailers.

- the future global demand for beer will be impacted by several factors, including the decrease in the volume of beer consumed in mature markets due to greater health consciousness and the expected increase in volumes in emerging markets. However, the demand for craft and premium beer in mature markets is expected to continue the recent growth trend in the foreseeable future. Given the higher malt content in premium and craft beer, it is expected that demand for malt will increase nominally (by 0.5%) over the period to 2030.

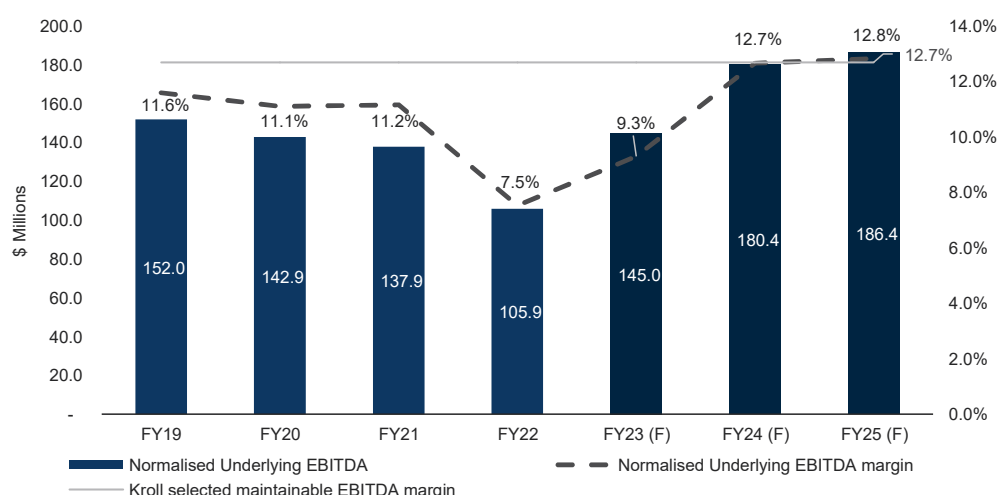
Having regard to the above factors, Kroll has selected a maintainable revenue in the range of \$1,400 million to \$1,450 million, which straddles the brokers' consensus revenue for FY24.

Maintainable EBITDA margin

A maintainable EBITDA margin was applied to the maintainable revenue to determine a maintainable EBITDA. Kroll has selected a maintainable EBITDA margin of 12.7%.

The following chart shows United Malt's normalised Underlying EBITDA and Underlying EBITDA margin from FY19 to FY24 and Kroll's selected maintainable EBITDA range.

United Malt Normalised Underlying EBITDA and Underlying EBITDA Margin



Source: Kroll analysis

Note:

- FY19 and FY20 Underlying EBITDA has been adjusted to exclude revenue recognised annually over time, consistent with the normalisation to revenue described in the previous chart. FY19 excludes the historical EBIT of \$0.4 million from GrainCorp Malt Germany. FY19 and FY20 were also adjusted to recognise the additional cost of operating as a stand-alone company, which is not reflected in FY19 Underlying EBITDA and only partially reflected in FY20 Underlying EBITDA. The stand alone cost normalisations were \$14.9 million in FY19 and \$8.9 million in FY20 (60% of the FY19 adjustment).

In relation to normalised Underlying EBITDA and Underlying EBITDA margin we note the following:

- normalised Underlying EBITDA margin was calculated by dividing normalised Underlying EBITDA by normalised revenue. Normalised Underlying EBITDA from FY19 to FY22 is based on United Malt's Underlying EBITDA (refer to Section 8.4.1). FY23, FY24 and FY25 normalised Underlying EBITDA corresponds to the median of the brokers' underlying EBITDA (refer to Section 8.3.4);
- prior to the onset of the COVID-19 pandemic, United Malt generated consistent underlying demand and stable earnings. Its FY19 normalised Underlying EBITDA margin of 11.8% provides a useful reference point in this respect;
- normalised Underlying EBITDA margin decreased from 11.6% in FY19 to 7.5% in FY22 reflecting the impact of the COVID-19 pandemic and the Canadian drought and the inability of United Malt to pass through higher barley and freight costs to customers under existing commercial arrangements; and

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- normalised Underlying EBITDA margin is expected to increase to 12.7% in FY24, reflecting the full year impact of improvements in commercial terms, the benefits of the Transformation Programme (\$30 million) and Scottish expansion (\$18 million).

Having regard to these factors, and considering that United Malt has been able to implement cost pass through policies without a negative impact in its volumes, Kroll has selected a maintainable EBITDA margin of 12.7%, which is consistent with the broker consensus for FY24.

9.3.3 Capitalisation multiples

In determining an appropriate range of capitalisation multiples to apply to United Malt's maintainable earnings, we have considered:

- trading multiples of listed global brewers and primary food processing companies with an exposure to global or major national markets. Food processing companies tend to be vertically integrated to a certain degree and may offer bulk products as well as retail products; and
- the multiples implied by recent transactions involving global food processing companies.

Sharemarket evidence

There are no directly comparable listed malting companies in Australia or globally that are of a similar scale and global footprint as United Malt. Consequently, we have considered global brewers and global food processing/provider companies.

The following table sets out the implied EBITDA multiples for comparable listed companies as at 4 September 2023.

Comparable Listed Companies

		Enterprise Value / EBITDA					EBITDA CAGR (FY+1- FY+3)
Company Name	Enterprise Value (A\$ millions)	FY16- FY19 ¹	FY	FY+1	FY+2	FY+3	
Global Malt/ Brewers							
Anheuser-Busch InBev SA/NV	309,388.7	10.0	10.2	9.7	8.9	8.4	7.4%
Heineken N.V.	128,658.7	15.9	12.0	12.0	10.6	9.9	10.0%
Asahi Group Holdings, Ltd.	45,901.0	15.2	13.9	11.4	10.6	10.0	5.9%
Carlsberg A/S	34,871.6	11.7	11.1	10.0	9.3	8.9	7.0%
Kirin Holdings Company, Limited	22,452.6	8.6	9.1	7.9	7.2	6.9	6.7%
Molson Coors Beverage Company	30,941.4	9.7	11.6	8.6	8.6	8.4	0.8%
Suntory Beverage & Food Limited	16,296.7	8.6	7.6	7.2	6.8	6.5	5.0%
Median Global Malt/Brewers	34,871.6	10.0	11.1	9.7	8.9	8.4	6.7%
Global Processors/Providers							
Archer-Daniels-Midland Company	58,222.0	13.9	6.3	6.9	7.8	8.0	(7.0%)
Bunge Limited	25,721.8	11.9	6.2	5.6	6.0	6.0	(3.4%)
Barry Callebaut AG	18,070.5	16.0	11.6	10.9	10.3	9.7	6.1%
Ingredion Incorporated	14,659.5	9.1	9.4	7.9	7.5	7.4	3.5%
Treasury Wine Estates Limited	9,650.1	15.0	13.2	12.3	11.3	10.5	8.2%
AAK AB (publ.)	8,106.1	24.1	17.3	13.0	12.6	12.0	4.0%
Tate & Lyle plc	5,874.3	6.6	9.4	8.9	8.4	7.9	6.2%
The a2 Milk Company Limited	2,564.2	7.9	12.7	12.3	10.5	8.9	17.6%
Fuji Oil Holdings Inc.	3,826.7	10.9	11.3	10.2	9.7	9.5	3.5%
GrainCorp Limited	2,823.5	16.9	4.0	5.2	8.6	9.9	(27.4%)
Costa Group Holdings Limited	2,301.1	20.8	10.9	9.8	8.1	7.5	14.2%
Bega Cheese Limited	1,287.2	15.3	8.9	7.9	6.9	5.9	15.4%
Synlait Milk Limited	744.6	7.1	8.5	6.1	5.2	4.8	27.2%
Median Global Processors/Providers	5,874.3	13.9	9.4	8.9	8.4	8.0	6.1%

Source: S&P Capital IQ, Refinitiv, Company financial statements; Kroll analysis.



Note: (continued)

1. All market capitalisations are calculated using share price as at either 1 September 2023 for European, American & North American companies and as at 4 September 2023 for the remaining companies except for Costa Group Holdings Limited (**Costa**) and Bunge Limited. On 4 July 2023, Costa received a non-binding indicative proposal from Paine Schwartz Partners. Costa's share price is as at 3 July 2023 to represent an undisturbed share price. On 13 June 2023 Bunge announced the acquisition of Viterro. Bunge's share price is as at 12 June 2023 to represent an undisturbed share price

In relation to the trading multiples of the identified listed comparable companies, we note the following:

- the multiples are based on sharemarket prices and do not typically include a control premium;
- some of the comparable companies have financial years ending between June and September and have not yet released FY23 results. For such companies, we have treated their first forecast year as their last historical year, with their second and third forecast years treated as their first and second forecast years, respectively. Furthermore, we have focused on multiples for the FY+1 year, which corresponds with our selected FY24 maintainable earnings for United Malt;
- brewers with an exposure to global markets have been included in the list of comparable companies as malt is one of the main inputs in the production of beer. However, brewers sell branded products to retail customers and as such, their comparability to maltsters is limited given their downstream position in the value chain, different competitive environment and the value inherent in their brands;
- there are no listed maltsters with a size and global exposure comparable to United Malt. Therefore, we have had reference to food processing companies, which undertake activities that are broadly comparable to aspects of United Malt's business, such as processing raw products into ingredients that can be sold in bulk directly to other businesses or to a distribution network. In our view, there is no single company that is a perfect comparable;
- food processing companies are focused on other food products such as meat, cocoa, wine, milk, cheese and fruit, which each have their own distinctly different industry growth trends, competitive environments, consumer demographics, and demand elasticities and their margins and growth outlooks vary significantly. However, we are of the view that they offer a meaningful comparison given they have similar operating models to United Malt in that they process agricultural raw materials and most have meaningful exposure to global markets, freight costs and inflation. Therefore, these companies offer a broad indication of valuation multiples appropriate for United Malt;
- the key drivers of multiples in the industry appear to be:
 - the **degree of specialisation, level of processing and value add**: these factors generally result in a processor having a higher margin. Other factors impacting margins are the pricing of products, raw materials and energy cost, level of competition, the efficiency of operations and regulation-related costs (e.g. compliance with food and safety and environmental regulations);
 - **scale**: larger companies are able to generate economies of scale in areas such as processing, procurement, distribution, marketing and research and innovation; and
 - **growth**: earnings multiples in any particular year will reflect future growth expectations. As we are selecting a multiple for FY+1, it is the growth rate in FY+2 and FY+3 that is most relevant.
- multiples of FY+1 EBITDA for food processors/providers are in a wide range of 5.2 to 13.0. Of the food processors/providers, we note:
 - the high end of the range is represented by Barry Callebaut, AAK AB, Treasury Wine Estates Limited, and A2 Milk Company Limited. These companies are trading at multiples of 10.9, 13.0, 12.3, and 12.3 times FY+1 EBITDA, respectively. In relation to these companies:
 - Barry Callebaut AG is substantially larger and more diversified than United Malt and has a stronger growth profile (6.1% for FY+1 to FY+3) compared to United Malt's 3.4%. It produces value added ingredients for the food, beverage and brewing sectors. It sells industrial chocolate of different qualities to the chocolate confectionery market. Its profitability depends on being able to enhance its product and customer mix;
 - AAK AB has moderate margins (FY+1 EBITDA margin of 9.5%) and a modest growth outlook (4.0% for FY+1 to FY+3), however, it is also significantly larger than United Malt and produces high added value ingredients to a diversified base of customers, including food producers in the bakery, dairy, nutrition and confectionery sectors. It is also exposed to the emerging plant-based and sustainable food sectors;

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- Treasury Wine Estates Limited sells highly differentiated products with strong brand positioning to retail consumers (e.g. premium wine). Consequently, it is able to realise relatively high margins (FY+1 EBITDA margin of 30.2% compared to United Malt's 12.7%). As a result, a lower multiple is expected for United Malt;
- A2 Milk Company Limited also has a strong brand positioning with retail customers and its products involve a degree of specialisation (e.g. infant formula) and its margins are moderate (FY+1 EBITDA margin of 13.8%). It has a significantly higher growth outlook for FY+1 to FY+3 (17.6%), compared to United Malt's 3.4%, suggesting a lower multiple is appropriate for United Malt;
- the low end of the range is represented by GrainCorp Limited, Archer-Daniels-Midland Company, and Bunge Limited, which are trading at multiples of 5.2, 6.9, 5.6 times FY+1 EBITDA, respectively. These companies have a negative growth outlook (-27.4%, -7.0% and -3.4%, respectively, for FY+1 to FY+3). In particular, GrainCorp is expecting earnings to decline off the back of strong growing conditions, AMD recently experienced flat results for its largest revenue segment (i.e. Nutrition) which may not grow as fast as expected, and Bunge is expecting sales to decline due to the drought in Argentina affecting its oilseed business volume and a softening in the price of its European softseed business. In addition, a significant proportion of their products are commodities (e.g. grain processing) or less differentiated (e.g. oilseed processing) and processing involves less value add. Consequently, their margins are relatively low (FY+1 EBITDA margins of 7.1%, 5.5% and 5.1%, respectively);
- multiples for Bega Cheese Limited and Synlait Milk Limited are also relatively low (7.9 and 6.1 times FY+1 EBITDA, respectively). They are smaller than United Malt. Synlait produces highly differentiated products, however, it is experiencing revenue decline due to soft demand for its products and operational cost increases, and Bega's EBITDA was impacted by significant cost increases which the company was not able to pass through to customers. Consequently, their FY+1 EBITDA margins are relatively low (4.8% and 6.3%, respectively) and
- the remaining processors/providers have a moderate growth outlook (3.5% to 14.2% for FY+1 to FY+3) and moderate FY+1 EBITDA margins (6.4% to 18.8%) and are trading at multiples in the range of 7.9 to 10.2 times FY+1 EBITDA. Of these companies, we note:
 - Ingredion Incorporated has a relatively high degree of value add. It is substantially larger than United Malt, however, its FY+1 EBITDA margin of 14.2% is similar to that of United Malt and like United Malt, its growth outlook beyond FY24 is modest (3.5% for FY+1 to FY+3). It is trading at a multiple of 7.9 times FY+1 EBITDA;
 - Tate & Lyle plc is significantly larger than United Malt. It produces specialty food ingredients focused on alternatives to sugars and its FY+1 EBITDA margin of 18.8% is significantly higher than that of United Malt although its growth outlook (6.2% for FY+1 to FY+3) is consistent with that of United Malt. It is trading at a multiple of 8.9 times FY+1 EBITDA;
 - the remaining companies (Fuji Oil Holdings Inc and Costa Group Holdings Limited) are closer to United Malt in terms of scale and are trading at multiples of 10.2 and 9.8 times FY+1 EBITDA, respectively. Fuji Oil Holdings Inc has a similar growth profile to United Malt at 3.5% and Costa Group Holdings Limited has a higher growth profile than United Malt at 14.2%. Fuji Oil Holdings Inc has a lower FY+1 EBITDA margin than United Malt at 6.4%, while Costa's margin is higher at 16.2%.

Transaction evidence

The following table sets out the EBITDA multiples implied for recent transactions involving global food processing, alcoholic and non-alcoholic beverage production and distribution, and tobacco processing and derivatives companies for which sufficient financial and transactional data is publicly available.

Transaction Evidence

Date ¹	Target	Target Location	Enterprise Value (\$ million)	EBITDA multiple Historical (times) ²	EBITDA multiple Forecast (times) ³
Food Processing					
4 July 23	Costa Group Holdings Limited (indicative offer) ⁴	Australia	2,596.11	11.7	9.3
13 Jun 23	Viterra Limited (pending)	Netherlands	25,508.9	8.2	na
25 Nov 22	Devro plc	United Kingdom	1,219.7	11.9	9.3
27 Oct 21	La Doria S.p.A.	Italy	963.5	6.6	6.9
17 Sep 20	Vivartia Holding S.A.	Greece	1,029.0	12.8	na ⁵
14 Mar 19	Koninklijke Wessanen N.V. (nka: Ecotone)	Netherlands	1,523.7	14.0	13.5
3 Jan 19	Natra S.A.	Spain	454.4	8.4	na
27 Jun 18	Pinnacle Foods Inc.	United States	14,180.7	16.5	15.4
Alcohol and Non-Alcohol Beverage Production and Distribution					
12 Aug 21	Stock Spirits Group PLC	United Kingdom	1,360.3	13.7	12.7
26 Nov 20	Lion Dairy & Drinks Pty Ltd	Australia	534.0	9.5	na
29 Sep 20	Arcus ASA	Norway	641.7	9.7	na
Tobacco Processing and Derivatives					
11 May 22	Swedish Match AB	Sweden	26,242.9	20.6	17.8

Source: S&P Capital IQ, Mergermarket, Company financial statements, SEC company filings, ASIC company filings; Kroll analysis.

Notes:

1. Date of announcement of transaction.
2. Historical EBITDA multiples are calculated based on EBITDA in the 12 months prior to the most recently available results as at the transaction announcement date.
3. Forecast EBITDA multiples are calculated based on available broker forecasts for the following 12 month period.
4. Indicative offer only, not binding.
5. 'na' means not available.

A description of these transactions is included in Appendix 6.

In relation to these transactions we note the following:

- of these comparable transactions there is no single most comparable transaction as they involve companies with different business models, margins and markets;
- in relation to the food processing transactions we consider that the following are the most comparable:
 - Costa Group Holdings Limited (**Costa**), a producer, packager and marketer of fruits and vegetables to retailers, has received a non-binding indicative proposal from Paine Schwartz Partners to acquire all of its issued shares. The indicative offer implies a multiple of 11.7 times historical EBITDA and 9.3 times forecast EBITDA;
 - Devro Plc (**Devro**), a world leader in the production of edible films used by customers in the processed meats sector, was purchased by Saria SE & CO (**Saria**), a service provider and manufacturer for the agricultural, energy, animal feed, food, catering and pharmaceutical industries, at a historical EBITDA multiple of 11.9 times and a forecast EBITDA multiple of 9.3 times. The transaction multiples reflect the strategic complementarity of the parties, and Devro's 22.2% EBITDA margin and forecast EBITDA growth of 17%. This transaction is one of the more comparable transactions because of the unbranded, bulk production and sale nature of Devro's product;
 - Vivartia Holding S.A. (**Vivartia**), a diversified food company, was acquired by CVC Capital, a private equity company, for a historical EBITDA multiple of 12.8 times;

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- Natra S.A., an independent manufacturer of chocolate-based products, was purchased by World Confectionery S.A.r.L., an investment vehicle for a private equity firm InvestIndustrial, for a historical EBITDA multiple of 8.4 times.
- in relation to the food processing comparable transactions we note that the following are the least comparable:
 - Viterro Limited (**Viterro**), a global agribusiness which focusses on processing and distributing grains, pulses and cotton, has agreed to a merger proposal by Bunge Limited (**Bunge**), another global grain agribusiness. The offer implies a multiple of approximately 8.2 times historical EBITDA. This merger originates from Bunge seeking to complement its distribution network. Viterro's business consists mainly of processing and merchandising and handling, while Bunge's business has a significant downstream component (i.e., refined and specialty oils and milled products). The multiple implied by the transaction is consistent with the upstream nature of Viterro's business;
 - La Doria is an international tomato processing and canning company servicing private label consumers. It was purchased by InvestIndustrial for a historical EBITDA multiple of 6.6 times and a forecast EBITDA multiple of 6.9 times. The transaction multiples reflect La Doria's recent share price decline, 12.2% to the quarter ended 5 October 2021⁵³ historical EBITDA margin of 10.8% and forecast EBITDA decrease of 5%;
 - Koninklijke Wessanen (**Ecotone**), a European producer of low environmental impact food, was purchased by PAI Partners, a private equity firm, for a historical EBITDA multiple of 14.0 times and a forecast EBITDA multiple of 13.5 times. The transaction multiples reflect the expected growth opportunities of the low impact food segment rather than the Ecotone EBITDA margin, which is a historical 10.6%;
 - Pinnacle Foods, a leading manufacturer and distributor of high-quality branded food was purchased by Conagra Brands also a leading manufacturer of branded food. The transaction multiples were historical EBITDA 16.5 times and forecast EBITDA 15.4 times. Conagra Brands expected annual run-rate cost synergies of US\$215 million in FY22, with a one-time cash cost to achieve the synergies that was estimated at US\$315 million;
- in relation to the above transactions, we note that high EBITDA multiples paid for food processing companies by strategic buyers, as opposed to finance buyers, are driven by historical EBITDA margins, the potential to achieve cost and other synergies and growth prospects
- while the alcoholic and non-alcoholic beverage production and distribution, and the tobacco processing and derivatives are comparable to United Malt, in that part of their operation involves processing raw agricultural inputs, they ultimately sell high value added products to retailers, often with a focus on brand. We have therefore placed less reliance on the Stock Spirits, Lion Dairy and Drinks, Arcus and Swedish Match comparable transactions.

Capitalisation multiples summary

While there are no comparable companies or transactions that can directly be compared with United Malt, we consider that food processing companies offer the most useful information. Food processing companies are active in different geographies, and process raw materials that are subject to different demand and cost drivers. Despite these differences, our comparison of such companies considers that, like United Malt, their profitability depends directly on the high utilisation of their assets, specialisation and degree of value add and the management of their input costs and pricing to customers. As such, high growth prospects either due to market positioning or pricing management, and high EBITDA margins due to successful input cost management, specialisation and value add, can be correlated with high trading and transaction EBITDA multiples.

Companies that are similar to United Malt in terms of scale, with moderate margins and a modest growth outlook beyond the first forecast year and are trading at multiples of 7.6, 8.2, 9.4 and 10.8 times FY+1 EBITDA.

We also note that in the comparable transactions, the higher premiums were paid where significant synergies or growth opportunities were identified. As mentioned in Section 9.2.3, only a limited control premium can be expected to be paid for United Malt as related to synergies. Multiples for the most

⁵³ BuySellsSignals Research – La Doria Research Report 5 October 2021



comparable transactions (broadly similar in scale to United Malt and moderate degree of specialisation) are in the range of 8.4 to 12.8 times historical EBITDA and 9.3 times forecast EBITDA.

Based on each of these factors and with an overall regard to each of the multiples of listed transactions, which include a premium for control, and the attributes of these businesses compared to United Malt, we consider the selected capitalisation multiple of 10.5 times to 11.5 times first forecast year EBITDA to be appropriate.

9.3.4 Specific attributes of United Malt

In forming our views as to the value of United Malt's operating business we have considered a series of factors, which include:

- synergies available to a pool of potential acquirers;
- the nature of the industry, with relatively high barriers to entry, determined by geographic region and relationships with growers and major brewers;
- United Malt's market position as the fourth largest maltster globally, with a global presence, diversified portfolio of customers and strong relationships with growers and brewers;
- United Malt's moderate EBITDA margins (estimated at 12.7% in FY24);
- modest annual EBITDA growth for FY24 to FY26 based on the broker consensus CAGR of 3.4%, which reflects:
 - our maintainable EBITDA margin already reflects the benefit of the expansion of its facilities in Scotland, revised commercial terms and the Transformation Programme;
 - modest industry growth, with global malt demand expected to increase at a CAGR of 0.5% from 2019 to 2030 (refer to Section 7.3 of this report); and
 - United Malt's processing facilities are operating at close to full capacity;
- anticipated more stable and resilient earnings resulting from the renegotiation of commercial terms;
- United Malt's high inventory levels and substantial capital expenditure requirements (not including any capacity expansion capital) of approximately \$60 million per annum; and
- Australian tax losses, however recognising that the ability to use the losses is uncertain and a potential acquirer is unlikely to attribute significant value to them.

9.4 Valuation cross-check

The value derived from our primary market approach has been cross-checked utilising a high-level DCF analysis. Kroll has developed a high-level DCF model based on the Forecast prepared by United Malt management (refer to Section 9.2.2 of this report) which forecasts free cash flows⁵⁴ from FY23 through to FY25 (**Forecast Period**). United Malt management expects growth and margins to normalise by FY24, (refer to Section 9.3.2 of this report), and the Inverness facility has already reached full capacity. Consequently, Kroll has not extended the discrete cash flow period beyond the Forecast period and applied a terminal value from FY25 based on a constant growth rate.

Nominal, ungeared post-tax cash flows have been discounted using a weighted average cost of capital (**WACC**) of 7.5% to 8.0% (refer to Appendix 5) resulting in a value of United Malt's operating business (on a controlling interest basis) in the range of \$1,955.2 million to \$2,144.2 million.⁵⁵

Kroll has calculated a blended WACC (based on the WACC for each market, weighted by percentage of earnings in each market), and applied the blended WACC to unlevered cash flows. A terminal value is calculated based on the Gordon Growth Model and a terminal growth rate of 2.5% which reflects a normalised terminal growth rate for a mature business.

The key assumptions adopted by Kroll underlying the high-level DCF analysis are as follows:

⁵⁴ Free cash flows reflect the cash flows available to all investors in the company. Unlevered free cash flows have been calculated as Underlying EBITDA adjusted for public cost savings, less tax paid, change in net working capital and capital expenditure.

⁵⁵ In valuing on a controlling interest basis, we have assumed that synergies are realised in the form of public company cost savings and certain other corporate cost savings.

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- revenue growth in FY24 reflects an uplift in volume and pricing improvements:
 - drivers of an uplift in volume include incremental capacity from the Inverness facility, improvements in supply chain, recovery in sales volumes including exports following the COVID-19 pandemic, and growing demand in craft beer, distilling and food markets. FY24 also includes inventory sales deferred from FY23 following the delay in commissioning the Inverness facility. Contracted volume commitments via long term agreements and capacity constraints provide reasonable certainty regarding volume forecasts in the short to medium term;
 - improved contract terms following the Transformation Programme enables effective pass through of costs such as barley and utility costs. Both barley and energy costs are expected to peak and soften by FY24;
 - we note that projected barley costs for United Malt's US operations are derived from analysis performed by United Malt's Grain Procurement Directors primarily on expectations of acreage planted and futures of non-barley grains in the Chicago Mercantile Exchange with gains expected to be in line with historical trends; and
 - the profile of utility costs for usage that is not pre-contracted is based upon long-term futures projections for natural gas;
- revenue declines slightly in FY25 as currently elevated barley prices and volumes decline to normalised levels;
- EBITDA margins are forecast to expand over the Forecast Period primarily due to the pass through of costs, as discussed previously, other benefits associated with the Transformation Programme, and other operating expenses being held relatively stable:
 - where seasonal variation for the next harvest is unknown, the Forecast costs of sales have been held constant, adjusted only for inflation;
 - the profile of ongoing operating expenses such as labour, manufacturing, and group costs are also predominantly driven by inflationary increases and local labour pressures;
 - SaaS and ERP costs are expected to roll off as initiatives including the Transport Management System are implemented; and
 - the CPI rates assumed in the Forecast are broadly aligned with our CPI benchmarks sourced from S&P Global Market Intelligence;
- as discussed in 9.2.3 of this report, Kroll has incorporated potential synergies available to potential acquirers of United Malt, grown at forecast Australian CPI including public company cost savings and certain other corporate costs;
- capital expenditure forecasts are in line with guidance provided in United Malt's 1H23 results presentation, including approximately \$30 million to \$35 million for unscheduled stay-in-business and safety-related investment, and an additional \$20 million to \$25 million in growth capital expenditure to support sustainability and continuous improvement. Kroll has assumed a total of \$60 million in capital expenditure in the terminal year;
- working capital has been forecast to reflect a normalised level of inventory that is based on seasonality, aligned with historical trends and crop periods. Contracted term improvements and the existing receivables factoring arrangement enable a reduction in net working capital balance relative to net sales revenue in the later years of the Forecast Period; and
- assumed corporate tax rates that vary by region resulting in a blended tax rate of between 26.0% and 28.0% across the forecast period, with the midpoint adopted for the purposes of the valuation. Kroll has also attributed a risk weighted value to United Malt's unused tax losses.

The DCF analysis results in a range of values for United Malt's operating business of \$1,955.2 million to \$2,144.2 million, which supports Kroll's valuation based on the primary market approach.

9.5 Other assets and liabilities

Other assets and liabilities are those assets and liabilities not required to sustain the adopted level of maintainable earnings. United Malt's other net assets have been valued at \$0.7 million and include the following:

- interest rate derivatives net asset of \$8.3 million at 30 June 2023;
- assets held for sale of \$2.4 million corresponding to the Grantham site, which had not yet sold as at 30 June 2023; and
- SaaS and Transformation Programme costs remaining in FY23 to complete the implementation of the ERP and Transformation Programme, estimated at \$10 million.

9.5.1 Net borrowings / surplus cash

In order to arrive at the value of equity, it is necessary to deduct the net borrowings from the unlevered value of United Malt. Kroll has assessed United Malt's net borrowings position for the purpose of this valuation to be (\$569.3) million. This amount is based on United Malt's external borrowings and cash balance 30 June 2023 and lease liabilities as at 30 June 2023. It also includes adjustments for cash relating to the proportion of United Malt Performance Rights to be notionally accelerated and cash settled.

United Malt's Surplus Cash as at 30 June 2023 (\$ Millions)

	Low	High
Cash and cash equivalents (as at 30 June 2023)	190.4	190.4
Adjustment relating to cash settled performance rights and awards	(13.6)	(0.7)
Total external borrowings (as at 30 June 2023)	(678.2)	(678.2)
Lease liabilities (as at 30 June 2023)	(79.7)	(79.7)
Net cash (as at 30 June 2023)	(581.0)	(568.1)

Source: Kroll analysis.

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Appendix 1 – Kroll disclosures

Qualifications

The individuals with overall responsibility for preparing this report on behalf of Kroll are Ian Jedlin and Celeste Oakley. Ian is an Associate and Accredited Business Valuation Specialist of the Institute of Chartered Accountants Australia and New Zealand and holds a Master of Commerce. He is also the Vice Chair the Standards Review Board of the International Valuation Standards Council. Celeste holds a Bachelor of Economics, a Bachelor of Laws and a CFA designation. Both Ian and Celeste have extensive experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of independent expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Kroll's opinion as to whether the Scheme is in the best interests of United Malt Shareholders, in the absence of a superior proposal. Kroll expressly disclaims any liability to any United Malt Shareholder who relies or purports to rely on the report for any other purpose and to any other party (other than United Malt, to the extent provided for in or not expressly excluded by our engagement agreement with United Malt) who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, Kroll has had no involvement in the preparation of the Scheme Booklet or any other document prepared in respect of the Scheme. As such, Kroll takes no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Scheme (other than this report and statements included in the Scheme Booklet or such other document with Kroll's consent).

Independence

Kroll considers itself to be independent in accordance with the requirements of Regulatory Guide 112 issued by ASIC on 30 March 2011. In considering independence, it is noted that Kroll does not have, and has not had within the previous two years, any business or professional relationship with United Malt or Malteries Soufflet or any financial or other interest that could reasonably be regarded as capable of affecting our ability to provide an unbiased opinion in relation to United Malt. Kroll's only role with respect to the Scheme has been the preparation of this report.

Kroll will receive a fixed fee of \$350,000 (excluding GST and out of pocket expenses) for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Scheme Meeting. Kroll will receive no other benefit for the preparation of this report.

Declarations

United Malt has provided an indemnity to us for any claims arising out of any misstatement or omission in any material or information provided to us in the preparation of this report.

During the course of this engagement, Kroll provided draft copies of this report to management of United Malt for comment as to factual accuracy, as opposed to opinions, which are the responsibility of Kroll alone. Changes made to this report as a result of those reviews have not altered the methodology or opinions of Kroll as stated in this report.

The engagement has been conducted in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (**APESB**).

Kroll is authorised by Millinium Capital Managers Limited, Australian Financial Services Licence no. 284336, to provide the following financial services as their Corporate Authorised Representative:

- provide financial product advice in respect of the following classes of financial products:
- interests in managed investment schemes including investor directed portfolio services; and
- securities;

with respect to retail clients and wholesale clients.



Consents

Kroll consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet to be issued to United Malt Shareholders. Neither the whole nor any part of this report or its attachments or any reference thereto may be included or attached to any other document without the prior written consent of Kroll as to the form and context in which it appears.



Appendix 2 – Limitations and reliance on information

Limitations and reliance on information

Kroll's opinion is based on prevailing economic, market, business and other conditions at the date of this report. However, the factors impacting these conditions continue to evolve and can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and the assets being valued specifically, could impact upon value in the future, either positively or negatively. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

Our report is also based on financial and other information provided by United Malt. United Malt has been responsible for ensuring that information provided by it and its representatives is not false or misleading or incomplete. United Malt has represented in writing to Kroll that to its knowledge, the information provided is complete and not incorrect or misleading in any material respect. Complete information is deemed to be information which at the time of completing this report should have been made available to Kroll and would have reasonably been expected to have been made available to Kroll to enable us to form our opinion. We have no reason to believe that any material facts have been withheld from us.

In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying such information. Nothing in this report should be taken to imply that Kroll has in any way carried out an audit of the books of account or other records of United Malt or Malteries Soufflet for the purposes of this report. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles including the Australian equivalents to International Financial Reporting Standards, as applicable.

In addition, we have also had discussions with United Malt in relation to the nature of the business operations, specific risks and opportunities, historical results of United Malt and prospects for the foreseeable future of United Malt. This type of information has been evaluated through analysis, inquiry and review to the extent considered necessary or practical as part of the information used in forming our opinion and is comprised of the opinions and judgements of management. Kroll does not warrant that its procedures and inquiries have identified all matters that a more extensive analysis might disclose as they did not include verification work nor an audit or review engagement in accordance with standards issued by the Auditing and Assurance Standards Board or equivalent body.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. Such information is often not capable of external verification or validation.

The statements and opinions included in this report are given in good faith and in the belief that such statements and opinions are not false or misleading.

Disclosure of information

In preparing this report, Kroll has had access to all financial information considered necessary in order to provide the required opinion. United Malt has requested Kroll limit the disclosure of certain information relating to United Malt. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of the operating entities comprising United Malt. As such the information in this report, unless otherwise indicated, has been limited to the type of information that is regularly placed into the public domain by United Malt.

Sources of information

In preparing this report, we have been provided with and considered the following sources of information:

Publicly available information

- Scheme Booklet;
- Scheme Implementation Deed;
- results presentations and annual reports for United Malt for FY20 to FY22 and financial results for 1H23;



- GrainCorp Limited annual report for FY19;
- Demerger Scheme Booklet;
- ASX announcements, press releases, media and analyst presentations and other public filings by United Malt (including information available on its website);
- broker reports and press articles regarding United Malt and the malting industry;
- results presentations, annual reports, press releases and other public filings relating to comparable companies and comparable transactions;
- ASIC company filings;
- industry data from Euromonitor;
- various industry reports; and
- information sourced from Bloomberg, Refinitiv and S&P Capital IQ.

Non-public information

- United Malt Board papers and other internal briefing papers prepared by United Malt;
- United Malt Strategic Plan; and
- other confidential documents, presentations and workpapers.

In addition, we have had discussions with, and obtained information from, senior management of United Malt.

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Appendix 3 – Broker consensus

A summary of the most recent broker forecasts for United Malt following the announcement of 1H23 results on 17 May 2023 is provided as follows:

	Date of report	Revenue				Underlying EBITDA				EBITDA			
		FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Broker 1	17-May-23	1,558.8	1,423.8	1,452.2	1,481.0	140.5	180.4	186.4	193.0	130.5	180.4	186.4	193.0
Broker 2	17-May-23	1,573.0	1,618.0	1,664.0	n.a.	145.0	190.0	196.0	n.a.	135.0	190.0	196.0	n.a.
Broker 3	17-May-23	1,467.8	1,335.5	1,414.1	n.a.	147.9	167.9	183.0	n.a.	137.9	167.9	183.0	n.a.
Low		1,467.8	1,335.5	1,414.1	1,481.0	140.5	167.9	183.0	193.0	130.5	167.9	183.0	193.0
High		1,573.0	1,618.0	1,664.0	1,481.0	147.9	190.0	196.0	193.0	137.9	190.0	196.0	193.0
Median		1,558.8	1,423.8	1,452.2	1,481.0	145.0	180.4	186.4	193.0	135.0	180.4	186.4	193.0
Mean		1,533.2	1,459.1	1,510.1	1,481.0	144.5	179.4	188.5	193.0	134.5	179.4	188.5	193.0

	Date of report	EBIT				Profit/(loss) before tax				Net (loss)/Profit before tax			
		FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Broker 1	17-May-23	57.9	105.1	109.9	116.0	30.5	83.6	93.4	100.2	30.5	83.6	93.0	101.0
Broker 2	17-May-23	72.0	120.0	123.0	n.a.	59.0	98.0	102.0	n.a.	59.0	98.0	102.0	n.a.
Broker 3	17-May-23	64.5	92.8	108.3	n.a.	35.9	68.3	87.4	n.a.	35.9	68.3	87.4	n.a.
Low		57.9	92.8	108.3	116.0	30.5	68.3	87.4	100.2	30.5	68.3	87.4	101.0
High		72.0	120.0	123.0	116.0	59.0	98.0	102.0	100.2	59.0	98.0	102.0	101.0
Median		64.5	105.1	109.9	116.0	35.9	83.6	93.4	100.2	35.9	83.6	93.0	101.0
Mean		64.8	106.0	113.7	116.0	41.8	83.3	94.3	100.2	41.8	83.3	94.1	101.0

	Date of report	Significant items				NPAT attributable to Shareholders				Significant items (after tax)			
		FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Broker 1	17-May-23	(10.0)	0.0	0.0	0.0	11.3	56.9	66.3	71.0	(8.0)	0.0	0.0	0.0
Broker 2	17-May-23	(10.0)	0.0	0.0	n.a.	14.0	59.0	61.0	n.a.	(27.0)	(7.0)	(7.0)	n.a.
Broker 3	17-May-23	(10.0)	0.0	0.0	n.a.	11.5	44.8	58.2	n.a.	(10.6)	0.0	0.0	n.a.
Low		(10.0)	0.0	0.0	0.0	11.3	44.8	58.2	71.0	(27.0)	(7.0)	(7.0)	0.0
High		(10.0)	0.0	0.0	0.0	14.0	59.0	66.3	71.0	(8.0)	0.0	0.0	0.0
Median		(10.0)	0.0	0.0	0.0	11.5	56.9	61.0	71.0	(10.6)	0.0	0.0	0.0
Mean		(10.0)	0.0	0.0	0.0	12.3	53.6	61.8	71.0	(15.2)	(2.3)	(2.3)	0.0

	Date of report	Underlying NPAT				Shares outstanding				Basic EPS (cents)			
		FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Broker 1	17-May-23	19.6	56.9	66.3	71.0	299.2	299.2	299.2	299.2	6.9	18.9	22.1	24.0
Broker 2	17-May-23	41.0	66.0	68.0	n.a.	299.2	299.2	299.2	n.a.	n.a.	n.a.	n.a.	n.a.
Broker 3	17-May-23	22.1	44.8	58.2	n.a.	n.a.	n.a.	n.a.	n.a.	7.4	15.0	19.5	n.a.
Low		19.6	44.8	58.2	71.0	299.2	299.2	299.2	299.2	6.9	15.0	19.5	24.0
High		41.0	66.0	68.0	71.0	299.2	299.2	299.2	299.2	7.4	18.9	22.1	24.0
Median		22.1	56.9	66.3	71.0	299.2	299.2	299.2	299.2	7.2	17.0	20.8	24.0
Mean		27.6	55.9	64.2	71.0	299.2	299.2	299.2	299.2	7.2	17.0	20.8	24.0

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	Date of report	Capital Expenditure				Underlying EPS (cents)				ROE			
		FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Broker 1	17-May-23	(60.0)	(60.0)	(60.0)	(45.0)	6.6	19.0	22.2	23.7	0.0	0.1	0.1	0.1
Broker 2	17-May-23	(45.0)	(44.0)	(49.0)	n.a.	13.7	22.1	22.7	n.a.	0.0	0.0	0.0	n.a.
Broker 3	17-May-23	(60.0)	(60.0)	(60.0)	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	0.0	0.1	n.a.
Low		(60.0)	(60.0)	(60.0)	(45.0)	6.6	19.0	22.2	23.7	0.0	0.0	0.0	0.1
High		(45.0)	(44.0)	(49.0)	(45.0)	13.7	22.1	22.7	23.7	0.0	0.1	0.1	0.1
Median		(60.0)	(60.0)	(60.0)	(45.0)	10.1	20.5	22.4	23.7	0.0	0.0	0.1	0.1
Mean		(55.0)	(54.7)	(56.3)	(45.0)	10.1	20.5	22.4	23.7	0.0	0.0	0.0	0.1

	Date of report	ROCE				Dividends per ordinary share			
		FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Broker 1	17-May-23	0.0	0.1	0.1	0.1	0.0	6.7	13.3	14.0
Broker 2	17-May-23	0.1	0.1	0.1	n.a.	2.5	5.5	7.0	n.a.
Broker 3	17-May-23	0.0	0.1	0.1	n.a.	5.0	10.5	12.0	n.a.
Low		0.0	0.1	0.1	0.1	0.0	5.5	7.0	14.0
High		0.1	0.1	0.1	0.1	5.0	10.5	13.3	14.0
Median		0.0	0.1	0.1	0.1	2.5	6.7	12.0	14.0
Mean		0.0	0.1	0.1	0.1	2.5	7.6	10.8	14.0

Source: Broker reports; Kroll Analysis.

Appendix 4 – Valuation methodologies

The purpose of the valuation methodology adopted is, in the absence of direct market evidence, to provide an estimate of value using methodologies that rely on other sources of evidence. Consistent with International Valuation Standards, valuation methodologies applicable to assets or businesses can be categorised under three approaches: market approach, income approach and cost approach.

These approaches have application in different circumstances. The decision as to which approach to adopt will depend on various factors including the availability and quality of information, the maturity of the business and the actual practice adopted by purchasers of the type of asset or business involved.

Market approach

The market approach is based on comparing the asset or business to identical or comparable assets or businesses for which there is available price information. It is commonly adopted where:

- the asset or business or similar assets or businesses are actively publicly traded (**market comparable methodology**);
- there are frequent and/or observable transactions in comparable assets or businesses (**comparable transactions methodology**); and
- there is substantial operating history and a consistent earnings trend.

The market comparable methodology indicates the value of a business by comparing it to publicly traded companies in similar lines of business. An analysis of the trading multiples of comparable companies yields insight into investor perceptions and, therefore, the value of the subject company. The multiples are evaluated and compared based on the relative growth potential and risk profile of the subject company to the publicly traded comparable companies. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands.

The comparable transaction methodology indicates value based on exchange prices in actual transactions. This process essentially involves the comparison and correlation of the subject company with other similar businesses recently sold or currently offered for sale. Considerations such as timeframe of transaction, premiums, and conditions of sale are analysed, and the observed transaction multiples are subjectively adjusted to indicate a value for the subject company.

A key step in both methods is determining the appropriate unit of comparison. In a business valuation, common units of comparison include revenue, EBITDA, EBIT, net profit after tax and book values. The choice will typically depend on the industry and characteristics of the subject asset.

Rule-of-thumb valuation benchmarks are sometimes considered to be an application of the market approach. They generally should not be given substantial weight unless market participants place particular reliance on them.

Income approach

Under an income approach, the value of an asset is determined by converting future cash flows to a current value. It is commonly adopted when:

- the income producing ability is the critical element affecting value from a market participant perspective;
- future cash flows can be estimated on a reasonable basis; and
- there is not a substantial operating history or there is a variable pattern of cash flow or the asset has a finite life.

The most common methodology adopted is the discounted cash flow (**DCF**) methodology. It has a strong theoretical basis and benefits by explicitly estimating future cash flows, allowing it to be used in a variety of circumstances, whether that be a start-up or an established business. It also allows for various scenarios and/or sensitivities to be modelled. Under a DCF methodology, forecast cash flows are discounted back to the valuation date resulting in a present value for the asset. Where there is an explicit forecast period a terminal value will typically be included, representing the value of the asset at the end of this period, which is also discounted back to the valuation date to give an overall value for the business. The rate at which the future cash flows are discounted (the discount rate) should reflect not only the time value of money, but also

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the risk associated with the asset or business' future operations. Whilst discount rates are generally determined from observable data, substantial judgement is required in their determination. Further, the cash flows themselves also require considerable judgement in their preparation, placing significant importance on the quality of the underlying cash flow forecasts and the determination of an appropriate discount rate in order for a DCF methodology to produce a sensible valuation figure.

DCF's can also be extremely sensitive to what may be considered small changes in various assumptions and the longer the forecast period the more difficult it is in general to forecast cash flows with sufficient reliability. As such, it is important to adequately understand the basis and risks associated with the various assumptions used to derive the cash flow forecasts and recognise the impact it can have on resulting values including the value range. Notwithstanding, DCF methodologies are widely used and benefit from the rigour associated with the preparation of future cash flows.

Cost approach

Under a cost approach the value of an asset is determined having regard to the cost to replace or reproduce the asset. The most common methodologies include:

- the replacement cost;
- the reproduction cost method; and
- the summation method.

A cost based approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies).

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, market position and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

Appendix 5 – Discount rate

Kroll has selected a WACC in the range of 7.5% to 8.0% for United Malt. To arrive at this WACC for the entire United Malt operation, individual WACCs have been calculated for each of the main markets that United Malt operates in, which have then been weighted based on the market's relative contribution to the Company's earnings and combined to represent a blended WACC. To calculate the WACC for each market, a cost of equity has been calculated using the capital asset pricing model (**CAPM**), and the cost of debt is based on long-term estimates based on market observations. We have had regard to the individual risk-free rates, market risk premiums, country risk premiums, and costs of debt for each market that United Malt has operations in.

The WACC is commonly employed as the basis for determining an appropriate discount rate where cash flow forecasts consist of free cash flows to both debt and equity holders. Whilst we have utilised the WACC, we recognise that market participants often use less precise methods for determining a discount rate, including target internal rates of return or hurdle rates. They also often do not distinguish between investment types or regions.

We have utilised the following parameters in deriving our blended discount rate for United Malt.

Selected WACC Parameters for United Malt's Blended WACC

Parameter	Symbol	US		Canada		UK		Australia	
		Low	High	Low	High	Low	High	Low	High
Risk free rate	Rf	4.5%	4.5%	3.6%	3.6%	4.7%	4.7%	4.1%	4.1%
Equity risk premium	ERP	5.5%	5.5%	6.0%	6.0%	5.5%	5.5%	6.0%	6.0%
Unlevered Beta		0.60	0.70	0.60	0.70	0.60	0.70	0.60	0.70
Tax rate	t	21.0%	21.0%	15.0%	15.0%	25.0%	25.0%	30.0%	30.0%
Debt/ Capital	D/(D+E)	30.0%	25.0%	30.0%	25.0%	30.0%	25.0%	30.0%	25.0%
Borrowings/ Capital		25.0%	20.0%	25.0%	20.0%	25.0%	20.0%	25.0%	20.0%
Leases/ Capital		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Debt/ Equity	D/E	42.9%	33.3%	42.9%	33.3%	42.9%	33.3%	42.9%	33.3%
Levered Beta	β	0.80	0.88	0.82	0.90	0.79	0.88	0.78	0.86
Company Specific Risk Premium (Alpha)	α	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of Equity (Post-Tax)	Ke	8.9%	9.3%	8.5%	9.0%	9.1%	9.5%	8.8%	9.3%
Pre-tax cost of debt	Kd	4.9%	4.9%	4.8%	4.8%	5.0%	5.0%	4.5%	4.5%
Pre-tax cost of leases	Kl	3.4%	3.4%	3.2%	3.2%	3.7%	3.7%	3.2%	3.2%
Market WACC		7.6%	8.2%	7.3%	7.8%	7.8%	8.3%	7.4%	8.0%
Weighting by Underlying EBITDA¹		43.0%		38.0%		14.5%		4.5%	
Blended WACC		7.5% to 8.0%							

Source: Kroll analysis

Note 1: Weighting has been estimated based on analysis of historical and forecast Underlying EBITDA by geography.

Each of the representative WACCs for the US, Canadian, UK and Australian markets have been calculated on the same basis and the weighting was assessed on the basis of analysis of historical and forecast revenue and earnings. We have concluded that our selected WACC range of 7.5% to 8.0% is appropriate for United Malt.

The objective of the discount rate is to appropriately reflect the expected return of a hypothetical prudent purchaser, based upon the perceived risks associated with United Malt. In this respect, it is relevant to recognise that the selection of an appropriate discount rate to apply to the forecast cash flows of any asset or business operation is a matter of judgement and that the individual components should not be considered in isolation but rather as components of an overall discount rate. As a result of this subjectivity, the calculated discount rate should be treated as guidance rather than objective truth.

Furthermore, our discount rate reflects an assessment at a point in time as to both current market conditions and future expectations. To the extent that there are any changes in conditions and expectations over time, it is likely that an adjustment to the discount rate may be warranted.

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Cost of equity

The cost of equity has been derived from the application of a modified CAPM.⁵⁶ The CAPM has been empirically tested and is widely accepted for the purpose of estimating a company's required return on equity. In applying the CAPM, the rate of return on equity is estimated as the current risk-free rate of return on a long-term government bond plus a market risk premium, multiplied by the "beta" for the shares. Beta is defined as a risk measure that reflects the sensitivity of a company's share price to the movements of the stock market as a whole and is a measure of systematic risk.

The modified CAPM rate of return on equity capital is calculated using the formula:

$$K_e = R_f + \beta * (R_m - R_f) + \alpha$$

Where:

K_e = Rate of return on equity capital;

R_f = Risk-free rate of return (normalised long-term Australian sovereign risk);

β = Beta or systematic risk for this type of equity investment, re-levered to reflect the debt-to-equity profile of the Investment;

R_m - R_f = Market risk premium (**MRP**); the expected return on a broad portfolio of stocks in the market (**R_m**) less the risk-free rate (**R_f**); and

α = Alpha including where relevant, size or other company specific risk.

Risk-free rate

The risk-free rate is a key input in the CAPM. It is the return available, as of a valuation date, on a security that the market generally regards as free of the risk of default. When valuing a going-concern business, the risk-free rate is typically measured over a long-term period. In practice, long-dated bonds issued by governments considered to be generally safe have traditionally been accepted as a proxy for a risk-free security. As United Malt's forecast cash flows are denominated in Australian dollars, we have used the 10-year Australian Government Treasury yield as a proxy for the risk-free security. As at 4 September 2023, the spot 10-year yield was 4.08%.

Sovereign yields in many developed countries, including Australia, have been at or near historical lows in recent years. Periods of high uncertainty are often accompanied by flights to quality, which means investors shift significant capital to liquid assets considered "safe", such as government securities of major advanced economies, lowering yields on these securities. Australia is one of the very few countries in the world carrying a AAA sovereign debt rating and is therefore considered a safe haven by global investors.

In addition, in order to mitigate the impact of the COVID-19 pandemic, the Reserve Bank of Australia (**RBA**), along with other major central banks, resorted to the use of unconventional monetary policies aimed at driving long-term interest rates lower and providing ample liquidity for financial markets thereby lowering the cost of capital and softening the impact of mandatory lockdown policies including:

- large-scale purchases of government securities and, in some cases, other financial assets (e.g. corporate bonds), known as quantitative easing (**QE**); and
- yield curve targeting policies.

The combination of investor flight to quality and central bank interventions, particularly during the height of the COVID-19 pandemic, contributed to the record low yields observed during 2020.

During the first four months of 2023, inflation globally remains high but has slowed from record levels. Concerns about inflation precipitated a significant shift in the RBA's monetary policy stance relative to December 2021. This stance entails: more and/or larger policy interest rate (cash rate) hikes, and an end to the RBA's QE policies under which the RBA acquired almost \$224 billion of AGS and \$57 billion of semi government securities (instead, the RBA has initiated a quantitative tightening (**QT**) process). The RBA's goal is to keep consumer price inflation to two to three percent, on average, over the medium term.

These recent developments have led to a significant and very rapid rise in interest rates. The spot 10-year Australian Commonwealth Government bond yield increased from 1.68% as at 31 December 2021, to a

⁵⁶ CAPM is modified by the inclusion of an alpha.

high of 4.20% on 21 October 2022. It has since decreased to a low of 3.19% on 21 March 2023, before rising to a current yield of 4.08% as at 4 September 2023.

During these periods of massive central bank interventions, where risk-free rates appear to be abnormally or artificially low, Kroll recommends the use of normalised risk-free rates. A normalised risk-free rate is an estimate of a risk-free security that would prevail in the absence of non-market factors affecting rates. A normalised risk-free can be accomplished in a number of ways, including:

- (i) simple averaging
- (ii) various “build-up” methods

The first method of estimating a normalised risk-free rate entails calculating averages of yields-to-maturity on long-term government securities over various periods. This method’s implied assumption is that government bond yields will revert to the mean. As of the end of August 2023, the 10-year trailing average of the 10-year Australian Commonwealth Government bond yield was 2.5%.

The second method to normalise risk-free rates relies on build-up models based on the “Fisher equation”, which consists of adding a country’s projected real rate based on stabilised medium- to long-term economic conditions to the long-term expected inflation.⁵⁷ The long-term real rate cannot be observed directly in the market but there are academic papers that provide attempt to estimate such rate. In the case of Australia, we found that these estimates ranged between (0.3%) to 1.0%.⁵⁸ For the second component of the equation, we use a number of well-established surveys and economic forecasting providers, to arrive at consensus estimates for long-term expected inflation in Australia. As of June 2023, Kroll’s analysis of the long-term Australian estimates of inflation produced estimates of 2.6% to 3.3%. Based on this approach we arrived at a normalised risk-free rate of 3.5% for Australia.

Kroll’s normalised risk-free rates for the US, Canada and UK are 3.5%, 3.5% and 4.0% respectively.

Kroll’s approach is to apply the higher of the normalised risk-free rate and the spot yield. We have calculated the risk-free rates of other markets based on the yields of applicable long-term government bonds, and also considered whether these yields require a normalisation adjustment.

The following table summarises the selected risk-free rates for the assessed markets.

Risk-Free Rates up to 4 September 2023¹

Market	Proxy for the Risk-Free Rate	Kroll Normalised	Spot Yield	Selected Rf
US	United States Treasury Bonds - 20 Year	3.5%	4.5%	4.5%
Canada	Canada Government Debt - 10 Year	3.5%	3.6%	3.6%
UK	United Kingdom Government Debt - 20 Year	4.0%	4.7%	4.7%
Australia	Australian Government Bonds - 10 Year	3.5%	4.1%	4.1%

Source: S&P Capital IQ; Kroll analysis.

Note 1: Whilst the Australian data is as 4 September 2023, the bond rates for the United States, Canada and United Kingdom are as at 1 September 2023.

Market risk premium

The market risk premium (**MRP**) represents the required return for bearing the incremental risk of investing in a diversified portfolio of equities rather than investing in a risk-free asset (such as a government bond of a government considered safe of default). A forward-looking MRP is not directly observable in the market. Accordingly, valuation practitioners typically utilise historical data to estimate MRP. However, it is important

⁵⁷ This is a simplified version of the “Fisher equation”, named after Irving Fisher. Fisher’s “The Theory of Interest” was first published by Macmillan (New York), in 1930. To be more precise, nominal interest rates incorporate not just inflation expectations, but also compensation for bearing inflation risk. In other words, inflation compensation economically consists of two components: expected inflation (the rate of inflation over the term of the risk-free investment) plus an inflation risk premium (the risk that expected inflation will increase or decrease relative to expected inflation). In essence, the inflation risk premium is related to the dispersion of forecasts of market participants around the expected future inflation rate. The greater the dispersion, the greater the uncertainty, the higher the premium demanded by investors to compensate for this risk.

⁵⁸ Nugent, T., and Tapas Strickland, “What does monetary policy neutrality look like today?”, Australia Markets Weekly, June 2021, National Australia Bank; Guttman, R., D. Lawson, and P. Rickards, “The Economic Effects of Low Interest Rates and Unconventional Monetary Policy”, RBA Bulletin—September 2020. Bulletin, (September); McCrick, Rachael, and Daniel Rees, 2017 “The Neutral Interest Rate”, RBA Bulletin, September Quarter 2017.

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to understand the level of risk-free rates used to measure the historical MRP and whether the resulting combination of risk-free rate and MRP result in a reasonable proxy for a forward-looking base cost of equity.

To the extent that the realised (i.e. historical) MRP equates on average to expected premiums in prior periods, the historical average MRP may be a useful starting point in developing a current forward-looking MRP estimate. A reason one might look to the historical MRP is that the expectations of investors will be framed from their experiences, and the average historical MRP might be expected to have an influence on investors' expectations about the future. Hence there is usually at least some reliance on average historical MRPs when developing current forward-looking MRP estimates.

However, this does not mean that the MRP estimate should be static over time. Periods of market stability (low volatility) likely indicate that the current forward-looking MRP estimate is below the historical average, and periods of heightened volatility likely indicate that the current forward-looking MRP estimate is above the historical average.

The historical MRP has been estimated for the Australian WACC from an Australian investor perspective over different periods by various researchers and regulatory authorities. In forming our view we have had particular regard to the work of Dr Bishop,⁵⁹ as summarised and updated in "Appendix 3B: Additional Sources of Market Risk Premium Data – Australia" in the *2021 Valuation Handbook – International Guide to the Cost of Capital*, published by Duff & Phelps (a Kroll business).⁶⁰ Dr. Bishop estimated the historical Australian MRP for the period of 1900–2020 under different investor perspectives: (i) an Australian investor (in Australian Dollars, or AUD) with access to (i.e. eligible to receive) imputation tax benefits; (ii) an investor in AUD without access to imputation tax benefits.

The geometric average and the arithmetic average realised MRP were both calculated relative to Australian long-term government bonds. Both the geometric and arithmetic average MRP indications were estimated directly from the underlying data. We consider the arithmetic average to be more relevant for the valuation of businesses. The analysis indicated an arithmetic average MRP of 6.8% for an investor with access to imputation benefits and 6.4% for an investor without access to imputation benefits.

In order to be consistent with the approach we adopted to estimate the risk-free rate (based on a normalised estimate), we have applied a long-term view in determining the MRP. On this basis we consider an MRP of 6.0% as appropriate for the long-term investment climate in Australia. Furthermore, an MRP of 6.0% is also within the range determined in various other academic studies and adopted by independent experts in comparable independent expert reports.

Kroll's recommended MRP for the US, Canadian and UK markets are based on publicly available cost of capital data.

Beta

In selecting an appropriate beta to apply to United Malt, Kroll has considered betas for Global Malt Brewers as well as Global Food Processors/ Providers up to 4 September 2023.⁶¹

⁵⁹ Bishop, S., T. Carlton and T. Pan, "Market Risk Premium; Australian Evidence" Research Paper for the CAANZ Business Valuation Specialist Conference, 13- 14 August, 2018.

⁶⁰ The *2021 Valuation Handbook – International Guide to the Cost of Capital* is available in the Cost of Capital Navigator online platform.

⁶¹ The market capitalisations and betas are calculated using share prices as at either 1 September 2023 for European, American & North American companies and as at 4 September 2023 for the remaining companies.

Beta Analysis

Company Name	Ticker	Country	Market Cap (\$m) ³	BARRA (Levered) ¹			Capital IQ (Local Index) ²			
				Global Predicted	Local Predicted	Global Historical	2 Year Weekly		5 Year Monthly	
							Levered	Unlevered	Levered	Unlevered
Global Malt Brewers										
United Malt Group Limited ⁴	ASX:UMG	United States	\$1,029.2	0.97	0.79	0.46	0.30	0.23	0.48	0.34
Anheuser-Busch InBev SANV	ENXTBR:ABI	Belgium	\$172,504.8	0.66	1.07	0.63	0.84	0.55	1.33	0.87
Heineken N.V.	ENXTAM:HEIA	Netherlands	\$86,257.5	0.61	0.41	0.39	0.67	0.56	0.84	0.69
Asahi Group Holdings, Ltd.	TSE:2502	Japan	\$31,355.7	0.39	0.79	0.47	0.81	0.55	1.08	0.70
Carlsberg A/S	CPSE:CARL B	Denmark	\$30,405.0	0.65	0.45	0.31	0.62	0.56	0.74	0.66
Kirin Holdings Company, Limited	TSE:2503	Japan	\$19,983.7	0.23	0.53	0.13	0.42	0.36	0.85	0.74
Molson Coors Beverage Company	NYSE:TAP	United States	\$19,848.2	0.63	0.58	0.65	0.59	0.41	0.87	0.56
Suntory Beverage & Food Limited	TSE:2587	Japan	\$15,703.5	0.27	0.61	0.13	0.50	0.51	0.42	0.42
Global Malt Brewers Median excl. outliers				0.62	0.59	0.42	0.60	0.53	0.85	0.68
Global Malt Brewers Average excl. outliers				0.55	0.65	0.40	0.59	0.46	0.83	0.62
Global Food Processors/ Providers										
Archer-Daniels-Midland Company	NYSE:ADM	United States	\$66,310.7	0.75	0.68	0.67	0.56	0.47	0.80	0.64
Bunge Limited ⁵	NYSE:bg	United States	\$20,917.6	0.83	0.73	0.71	0.49	0.36	0.52	0.39
Barry Callebaut AG	SWX:BARN	Switzerland	\$14,757.7	0.63	0.72	0.46	0.61	0.55	0.75	0.68
Ingredion Incorporated	NYSE:INGR	United States	\$12,381.9	0.58	0.51	0.67	0.45	0.35	0.76	0.61
Treasury Wine Estates Limited	ASX:WTE	Australia	\$8,294.0	0.91	0.73	0.35	0.67	0.61	0.57	0.52
AAK AB (publ.)	OM:AAK	Sweden	\$7,481.5	0.98	0.59	0.75	0.94	0.87	0.57	0.53
Tate & Lyle plc	LSE:TATE	United Kingdom	\$5,475.9	0.71	0.66	0.38	0.76	0.71	0.68	0.63
The a2 Milk Company Limited	NZSE:ATM	New Zealand	\$3,272.9	0.92	0.99	0.61	1.05	1.13	0.75	0.79
Fuji Oil Holdings Inc.	TSE:2607	Japan	\$2,179.8	0.29	0.67	0.18	0.43	0.28	0.38	0.27
GrainCorp Limited	ASX:GNC	Australia	\$1,622.0	0.85	0.68	0.20	0.68	0.45	1.61	1.02
Costa Group Holdings Limited ⁶	ASX:CGC	Australia	\$1,375.5	1.08	0.87	0.63	0.60	0.43	0.55	0.42
Bega Cheese Limited	ASX:BGA	Australia	\$885.4	0.96	0.72	0.35	0.71	0.57	0.39	0.32
Synlait Milk Limited	NZSE:SML	New Zealand	\$261.1	1.06	0.94	0.24	0.78	0.48	0.91	0.65
Global Food Processors/ Providers Median excl. outliers				0.85	0.72	0.46	0.67	0.48	0.68	0.62
Global Food Processors/ Providers Average excl. outliers				0.81	0.73	0.48	0.67	0.56	0.66	0.60
All Companies Median excl. outliers				0.71	0.68	0.46	0.62	0.51	0.75	0.63
All Companies Average excl. outliers				0.71	0.70	0.45	0.64	0.52	0.73	0.61

Source: Barra, Capital IQ and Kroll Analysis.

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Notes: (continued)

1. Barra betas are as at 31 August 2023, except for United Malt, Bunge Limited and Costa Group Holdings which are as at 28 February 2023, 31 May 2023 and 30 June 2023 respectively.
2. Capital IQ (Local Index) two-year and five-year levered betas are calculated using the latest available data up to 4 September 2023 based on each of the comparable companies' correlation with a relevant local index. Two-year and five-year unlevered betas are calculated using the respective company's average two and five-year debt to equity (D/E) ratio. D/E is defined as Net Debt divided by the summation of Market Capitalisation and Minority interests.
3. The presented market capitalisations reflect closing share prices and exchange rates sourced from S&P Capital IQ and the comparable company's recorded shares on issue. Prices are either at 1 September 2023 for European, American & North American companies and as at 4 September 2023 for the remaining companies.
4. United Malt market capitalisation and Capital IQ betas are calculated as at 24 March 2023, the last undisturbed trading day. Five year betas have been unlevered on the basis of the last four years of data since the Demerger.
5. Bunge Limited's market capitalisation and Capital IQ betas are calculated as at 12 June 2023, the last undisturbed trading day prior to the announcement of Bunge's merger with Viterra.
6. Costa Group Holdings Limited's market capitalisation and Capital IQ betas are calculated as at 3 July 2023, the last undisturbed trading day prior to the receipt of a non-binding indicative proposal from Paine Schwartz Partners.
7. Shaded values indicate insignificant results and outliers. Values that are shaded have been excluded from analysis.

The beta analysis table shows a degree of variation in betas across the selected companies. As at 4 September 2023:

- overall, betas are broadly comparable when calculated over a two-year period and five-year period, with five-year betas slightly higher than two-year betas;
- United Malt's predicted BARRA beta (as at 28 February 2023) was 0.79, two-year weekly levered beta (as at 24 March 2023) was 0.30 and its five-year monthly levered beta (as at 24 March 2023) was 0.48;
- the group of identified global malt brewers have higher levered betas than United Malt. Whilst operating in similar geographical regions, these companies are significantly larger with mature operations and their own brands. Anheuser-Busch InBev is the largest brewer in the world with over 500 brands in nearly 50 countries, and has a predicted BARRA local beta of 1.07, a two-year weekly levered beta of 0.84 and a five-year monthly levered beta of 1.33. Suntory Beverages & Food is one of the oldest alcoholic distributors in Japan and produces a broader range of products with approximately 49% of revenue derived from Japan.⁶² Suntory Beverages & Food has a predicted BARRA local beta of 0.61, a two-year weekly levered beta of 0.50 and a five-year monthly levered beta of 0.42. Other global malt brewers have local levered betas that range between 0.42 and 1.08;
- the presented global food processors/ providers operate across a diverse range of agricultural products, however as a group tend to have levered betas between 0.38 and 1.05; and
- the median predicted Barra beta regressed against the respective local indices for all observed companies was 0.68, the median levered two-year weekly beta (ex-outliers) was 0.62 and the levered median five-year monthly beta (ex-outliers) was 0.75.

Betas in the last two years have been impacted by the COVID-19 pandemic and fluctuating weather and market conditions. Separate analysis of the two-year and five-year betas for the group prior to the COVID-19 pandemic suggests that a higher beta in line with the current five-year betas is more representative of the betas in regular market conditions.

In selecting a beta for United Malt, we have sought to balance these factors noting that significant judgement is necessary. On balance, having regard to the factors discussed previously, Kroll has selected an unlevered beta for United Malt in the range of 0.60 to 0.70. Based on our selected market gearing of 25.0% to 30.0%, and the local market tax rates, this results in levered betas in the range of 0.78 to 0.90.

Gearing

In selecting an appropriate gearing ratio for United Malt for the purpose of re-leveraging our selected asset beta, we have considered the gearing levels of comparable companies.

The gearing ratios for the selected comparable companies are set out in the following table.

⁶² Statista statistics. <https://www.statista.com/statistics/962856/suntory-revenue-distribution-by-area/>

Gearing Analysis

Company Name	Market Cap (A\$m)	Average Debt/ Capital		Average Leases/ Capital		Average Gearing	
		2 year	5 year	2 year	5 year	2 year	5 year
Global Malt Brewers							
United Malt Group Limited	\$1,029.2	23.5%	30.9%	4.9%	3.0%	28.4%	33.8%
Anheuser-Busch InBev SA/NV	\$172,504.8	40.1%	40.4%	1.3%	1.0%	41.4%	41.4%
Heineken N.V.	\$86,257.5	20.1%	21.2%	1.7%	1.6%	21.8%	22.8%
Asahi Group Holdings, Ltd.	\$31,355.7	37.8%	39.2%	-	-	37.8%	39.2%
Carlsberg A/S	\$30,405.0	11.6%	11.9%	0.8%	0.8%	12.4%	12.7%
Kirin Holdings Company, Limited	\$19,983.7	18.5%	16.8%	-	-	18.5%	16.8%
Molson Coors Beverage Company	\$19,848.2	34.6%	40.1%	1.2%	1.1%	35.9%	41.3%
Suntory Beverage & Food Limited	\$15,703.5	(3.5%)	2.2%	-	-	(3.5%)	2.2%
Global Food Processors/ Providers							
Archer-Daniels-Midland Company	\$66,310.7	17.3%	21.0%	2.0%	2.2%	19.3%	23.3%
Bunge Limited	\$20,917.6	25.4%	34.7%	4.1%	4.4%	29.5%	39.1%
Barry Callebaut AG	\$14,757.7	9.0%	9.4%	2.2%	1.4%	11.3%	10.8%
Ingredion Incorporated	\$12,381.9	24.7%	22.8%	0.6%	1.4%	25.4%	24.1%
Treasury Wine Estates Limited	\$8,294.0	6.2%	6.3%	5.8%	5.7%	12.0%	12.0%
AAK AB (publ.)	\$7,481.5	8.4%	7.2%	1.3%	1.2%	9.7%	8.5%
Tate & Lyle plc	\$5,475.9	6.7%	6.8%	1.8%	2.7%	8.5%	9.6%
The a2 Milk Company Limited	\$3,272.9	(11.9%)	(8.3%)	0.5%	0.3%	(11.4%)	(8.1%)
Fuji Oil Holdings Inc.	\$2,179.8	38.9%	34.1%	0.4%	0.2%	39.4%	34.2%
GrainCorp Limited	\$1,622.0	32.6%	37.1%	8.2%	6.3%	40.7%	43.4%
Costa Group Holdings Limited	\$1,375.5	13.7%	12.4%	22.8%	17.6%	36.4%	30.0%
Bega Cheese Limited	\$885.4	16.0%	17.6%	8.8%	4.2%	24.8%	21.7%
Synlait Milk Limited	\$261.1	40.6%	30.3%	2.4%	1.3%	43.0%	31.6%
Median		18.5%	21.0%	1.7%	1.4%	24.8%	23.3%
Mean		19.5%	20.7%	3.4%	2.7%	22.9%	23.4%

Source: S&P Capital IQ

Note: The gearing have been sourced from S&P Capital IQ using the latest available date up to 4 September 2023, except for United Malt which is calculated as at 24 March 2023, the last undisturbed trading day, Bunge Limited which is as at 12 June 2023 prior to the announcement of the merger with Viterro, and Costa Group Holdings Limited which is as at 3 July 2023, prior to receiving a non-binding indicative proposal from Paine Schwartz Partners. 5 year gearing for United Malt reflects the four years of data since the Demerger.

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For any company, there is likely to be a level of gearing that represents the optimal capital structure for that company. In estimating a discount rate, the gearing assumption should reflect this optimal or target capital structure, however, "optimal" as opposed to "actual" capital structures are not readily observable. In practice, both the existing capital structure and those of comparable businesses are used as a guide taking into account the specific circumstances of the relevant entity.

The majority of the Global Malt Brewers and Global Food Processors or Providers have moderate levels of debt, reflecting their reliance on funding to support fixed assets and inventory. As at 24 March 2023, United Malt's market gearing was 28.4% when measured over a two-year period, and 33.8% over the four years since the demerger.

Having regard to these factors, we have selected a gearing ratio of 25.0% to 30.0% for United Malt, comprised of 5.0% as leases and 20.0% to 25.0% as debt.

Pre-tax cost of debt

For the purposes of assessing fair value however, we estimated a cost of debt from the perspective of the likely debt rate that would apply to United Malt if acquired by an external market participant. We have approximated the long term, pre-tax cost of debt for each market with the following methodology, illustrated with Australian parameters:

- using our risk-free rate (4.1%) as a base;
- adding the credit risk spread between the five-year BBB rated Australian corporate bonds and five-year Australian Government bonds (2.1%); and
- adding the yield differential between five- and 10-year bonds (0.3%).

Based on the above, a long-term pre-tax cost of debt of 6.4% is considered to be appropriate for the Australian market. The long-term pre-tax cost of debt for the US, Canadian and UK markets were estimated with reference to S&P Investment Grade Corporate Bond Indices.

Pre-tax cost of leases

We have approximated the long term, pre-tax cost of leases for each market with the following methodology, illustrated with Australian parameters:

- using our long-term pre-tax cost of debt of (6.4%) as a base; and
- deducting the spread between United Malt's weighted average interest rate and weighted average incremental borrowing rate applied to lease liabilities as a guide for external market participant lease rate differentials (1.9%).

Based on the above, a long-term pre-tax cost of leases of 4.6% is considered to be appropriate.

Tax rate

We have assumed corporate tax rates that vary by region resulting in a blended tax rate across the forecast period.

Cross-check

As a cross check to our WACC we have considered analysis of recent reports on United Malt by brokers which indicate that they are utilising a WACC in the range 7.40% to 9.20% in their valuation models. This range incorporates, or is above the range of WACC selected by Kroll. We note that there are significant limitations in this evidence as a number of the brokers do not provide details of the assumptions they have utilised in the build-up of their discount rate.

Appendix 6 – Market evidence

Comparable transactions

The following tables set out the key comparable transactions within the VDS products and select Australian healthcare transactions.

Comparable Transactions Earnings Multiples

Announcement Date	Target	Acquirer	Country of Target	Premium to 1W VWAP	Percentage Acquired (%)	Enterprise Value (100%) (local millions)	Implied EV (100%) (A\$ millions)	Historical Revenue (local millions)	Historical EBITDA (local millions)	EV / LTM EBITDA	LTM EBITDA / Historical Revenue	NTM EBITDA (local millions)	EV / NTM EBITDA ¹
Food Processing													
04 Jul 23	Costa Group Holdings Limited	Paine Schwartz Partners, LLC	Australia	30.1%	85.2	2,596.1	2,596.1	1,357.6	222.5	11.7	16.4%	278.1	9.3
13 Jun 23	Vterra Limited	Bunge	Netherlands	na	100.0	17,300.0	25,508.9	72,000.0	2,100.0	8.2	2.9%	na	na
25 Nov 22	Devro plc	SARIA SE & Co. KG	United Kingdom	71.3%	100.0	691.6	1,219.7	262.3	58.1	11.9	22.2%	67.7	9.3
27 Oct 21	La Doria S.p.A.	InvestIndustrial; InvestIndustrial VII LP	Italy	-3.1% ²	63.1	602.1	963.5	851.7	91.9	6.6	10.8%	87.1	6.9
17 Sep 20	Vivartia Holding S.A.	CVC Capital Partners Limited; CVC Capital Partners VII LP	Greece	na	100.0	635.2	1,029.0	629.3	49.6	12.8	7.9%	na	na
14 Mar 19	Koninklijke Wessanen N.V. (nka:Ecotone)	PAI Partners	Netherlands	22.9%	100.0	938.0	1,523.7	628.4	66.9	14.0	10.6%	68.0	13.5
03 Jan 19	NATURA S.A.	World Confectionery Group S.à R.L.	Spain	21.4%	100.0	279.2	454.4	379.0	33.4	8.4	8.8%	na	na
27 Jun 18	Pinnacle Foods Inc.	Conagra Brands, Inc.	United States	6.3% ²	100.0	10,904.0	14,180.7	3,156.8	660.7	16.5	20.9%	709.5	15.4
Alcohol and Non-Alcohol Beverage Production and Distribution													
12 Aug 21	Stock Spirits Group PLC	CVC Capital Partners Limited	United Kingdom	43.3%	100.0	798.5	1,360.3	289.4	57.2	13.7	19.8%	62.2	12.7
28 Nov 20	Lion-Dairy & Drinks Pty Ltd	Bega Cheese Limited	Australia	na	100.0	534.0	534.0	1,600.0	56.0	9.5	3.5%	na	na
29 Sep 20	Arcus ASA	Allia Oyj (nka:Arora Group Oyj)	Norway	5.2%	100.0	4,278.5	641.7	2,891.0	440.8	9.7	15.2%	na	na
Tobacco Processing and Derivatives													
11 May 22	Swedish Match AB (publ)	Philip Morris Holland Holdings B.V.	Sweden	49.9%	100.0	187,757.8	26,242.9	20,986.0	9,120.3	20.6	43.5%	10,556.0	17.8

Source: S&P Capital IQ, Mergermarket, Company financial statements, Australian Financial Review, SEC company filings, ASIC company filings; Kroll analysis.

Notes:

1. FY+1 multiples are based on brokers forecasts at the time of each transaction.
2. Due to pre-announcement speculations a premium to 1-month VWAP has been used in place of a 1-week.

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Food Processing

Costa Group Holdings Limited / Paine Schwartz Partners, LLC

On 4 July 2023, Paine Schwartz Partners LLC (**Paine Partners**) announced its intent to acquire Costa Group Holdings Limited (**Costa**) for \$3.50 per share with an implied EV of \$2,596.1 million. Costa is a producer, packager and marketer of fruits and vegetables. This transaction has not yet been concluded.

The offer represents approximately 11.7 times last twelve months (**LTM**) EBITDA based off adjusted financials for the 12 months ended 1 January 2023 with a premium to the 1-week volume weighted average price (**VWAP**) of 30.1%. These multiples are aligned with the consensus next twelve-month (**NTM**) EBITDA of \$278.1 million, a 25% increase, and an EBITDA margin of 16.4%.

Viterra Limited / Bunge Limited

On 13 June 2023, Viterra announced its intent to merge with Viterra with an implied EV of \$25,508.9 million. Viterra is a global storage, handling and marketer of grains, pulses and cotton. This transaction has not yet been concluded.

The offer represents approximately 8.2 times LTM EBITDA based off 2022 fiscal year results.

Devro Plc / Saria SE& Co

On 25 November 2022, Saria announced its intent to acquire Devro Plc, which later occurred for £3.30 per share, or an implied EV of £692 million. Devro Plc is a world leader in the production of edible films and coatings which are used by customers in the production of various meat products, particularly sausages. Saria noted that the operations of Devro were complementary to their operations, which focus on the transformation of organic resources into renewable energies and high-quality ingredients. They saw the addition of Devro's collagen products as a valuable addition to their product offerings and company values.⁶³

The transaction occurred approximately 11.9 times LTM EBITDA based off adjusted financials for the 12 months ended 30 June 2022 with a premium to the 1-week VWAP of 71.3%. These multiples are aligned with the consensus NTM EBITDA of £67.7 million, a 17% increase, and an EBITDA margin of 22%.

La Doria / InvestIndustrial and InvestIndustrial VII L.P.

On 31 January 2022, investment company InvestIndustrial and InvestIndustrial VII L.P. (**InvestIndustrial**) acquired a 63.1% majority stake in La Doria for €16.5 per share, with an implied EV of €602 million. Originally a family business in Italy specialising in tomato processing, La Doria is an international leader in the canning sector, with 97% of revenues generated by their private labels segment.⁶⁴

The acquisition occurred at a multiple of 6.6 times LTM EBITDA, with the low multiple factoring in the NTM EBITDA of US\$87.1, a 5% decrease in EBITDA, and an EBITDA margin of 11%.

Vivartia Holding S.A. / CVC Capital Partners Limited and CVC Capital Partners VII, LP

On 30 March 2021, investment company CVC Capital Partners and CVC Capital Partners VII LP (**Capital Partners**) announced the takeover of Vivartia Holdings S.A. with an implied EV of €635 million. Vivartia is a Greek diversified food company, operating in the dairy and drinks, frozen foods, and food services and entertainment sectors.⁶⁵

The occurred at a multiple of 12.8 times LTM EBITDA, which reflects the growth opportunities Capital Partners expect to see through their investment.

Koninklijke Wessanen (now known as Ecotone) / PAI Partners

25 September 2019, French private equity firm PAI Partners announced the acquisition of Ecotone with an implied EV of €938 million. Ecotone is a producer of low environmental impact food and drink that promotes biodiversity by considering the environmental impact of its products from the soil to the table.

The acquisition occurred at a multiple of 14.0 times LTM EBITDA and with a premium to 1-week VWAP of 22.9%, reflecting the niche opportunities that Ecotone represented but was unable to leverage on its own given the presence of large, global competitors investing heavily.⁶⁶

⁶³ <https://saria.com/news/saria-expands-portfolio-with-acquisition-of-devro/>

⁶⁴ 31 January 2022 Press Release confirming acquisition.

⁶⁵ <https://www.just-food.com/news/greeces-vivartia-bought-by-cvc-capital-partners/>

⁶⁶ <https://www.just-food.com/interviews/we-are-in-a-better-shape-than-two-years-ago-ecotone-ceo-christophe-barnouin-talks-going-private-covid-19-and-sustainability/>



Natra S.A / World Confectionery Group S.a.R.L

On 19 July 2019, World Confectionery Group S.A.R.L (**World Confectionery**), acquired 100% of Natra for an implied EV of €279.2 million. Natra S.A. is a global independent chocolatier, supplying leading retailers and brands on all continents with everything from chocolate slabs, spreads and Belgian specialties, through to private-label cocoa mass, cocoa butter and chocolate powder.

The acquisition occurred at a multiple of 8.4 times LTM EBITDA and with a premium to 1-week VWAP of 21.4%, reflecting the low EBITDA margin of 9%.

Pinnacle Foods Inc. / Conagra Brands, Inc

On 26 October 2018 Conagra Brands Inc. (**Conagra**) announced the acquisition of 100% of Pinnacle Foods Inc. (**Pinnacle**) for an implied EV of US\$10,904. Conagra expected the acquisition to create shareholder benefit through the combination of two complementary portfolios of brands undergoing industry-leading growth, enhancing overall scale. Conagra noted that the acquisition of Pinnacle would not only benefit Conagra through their innovation approach and brand-building capabilities, it also provided the opportunity for Pinnacle shareholders to see immediate value and receive an opportunity to participate in the upside potential of the combined company.

The transaction implied a multiple of 16.5 times LTM EBITDA and 3.5 times revenue, but with a premium to 1-month VWAP of 6.3%. This high multiple factors in a 21% historical EBITDA margin, positive market sentiment expecting a 7% NTM EBITDA, and expected synergies gained from acquisition.

Alcoholic and Non-Alcoholic Beverages Production and Distribution

Stock Spirits Group PLC / CVC Capital Partners Limited

On 29 November 2021, CVC Capital Partners Limited (**CVC**) announced the acquisition of Stock Spirits Group for £3.77 per share. Stock Spirits Group is a leading European producer and marketer of alcoholic beverages in Europe. As a private equity and investment advisory company, CVC made the decision to acquire Stock Spirits due to its perceived potential for growth and market position with a portfolio of established brands and record of product innovation.

The acquisition occurred at a multiple of 13.7 times LTM EBITDA and a premium to the 1-week VWAP of 43.3%, reflecting the 20% EBITDA margin and the market expectation of a 9% increase in NTM EBITDA.

Lion Dairy and Drinks / Bega Cheese Limited

On 25 January 2021, Bega Cheese Limited (**Bega**) announced the acquisition of Lion Dairy and Drinks for \$534 million. Lion Dairy and Drinks was a subsidiary of Kirin Holdings and Lion Pty Ltd, specialising in milk-based beverages, yogurt, juice and water brands. Bega noted that the acquisition would be highly complementary with their existing capabilities and distribution networks and strengthen their core dairy footprint.

The acquisition occurred at a multiple of 9.5 times LTM EBITDA, with potential for a 6.3 times post synergy realisation.⁶⁷ The EBITDA multiplier reflects the expected synergies across the supply chain, and the low EBITDA margin of 3.5%.

Arcus / Altia Oyj

On 1 September 2021, Nordic distilled beverage and wine company Altia Oyj announced the merger with Arcus with an implied EV of NOK4,278.5 million. The combined company then rebranded to Anora Group, and is a leading wine and spirits company in the Nordic region. Altia Oyj saw Arcus as an attractive merger partner due to the expected increase in market share and the potential for €8.0 millions to €10.0 million of EBITDA synergies.⁶⁸

The transaction occurred at a multiple of 9.7 times LTM EBITDA reflects the growth in market share achievable through the merger of the two competitors, and the 15.2% EBITDA margin.

Tobacco Processing and Derivatives

Swedish Match AB / Philip Morris Holland Holdings B.V.

On 25 November 2022, Philip Morris Holland Holdings B.V. (**Philip Morris**) announced it had acquired Swedish Match AB for SEK187.8 billion. The goal of Philip Morris was to increase the prevalence of smoke-

⁶⁷ <https://company-announcements.afr.com/asx/bga/fe86e0a1-2f73-11eb-80f9-265e59cfa9a0.pdf>

⁶⁸ <https://anora.com/en/altia-and-arcus-to-join-forces-to-form-a-leading-wine-and-spirits-brand-house-290920200830>

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free alternatives to smoking, and Swedish Match was seen as a valuable addition in achieving this goal with its world leading oral nicotine portfolio.

The transaction occurred at an EV/EBITDA multiple of 20.6. The high EBITDA multiple reflects the market expectation for a 16% increase in NTM EBITDA, the high EBITDA margin of 43.5%, and the expected realisation of synergies.

Comparable companies

The following table sets out the trading multiples for the comparable companies to United Malt, as at 1 September 2023 for companies based in Europe, America and North America and 4 September 2023 for the remaining companies.³

Comparable Companies Trading Multiples

Company Name	Financial year end	Country	Market cap (A\$ millions)	Enterprise Value (A\$ millions)	EBITDA Margin						
					FY16-FY19 ¹	FY-2	FY-1	FY	FY+1	FY+2	FY+3
Global Malt Brewers											
Anheuser-Busch InBev SA/NV	31-Dec-22	Belgium	172,504.8	309,388.7	39.4%	36.5%	34.2%	33.9%	33.5%	34.7%	35.3%
Heineken N.V.	31-Dec-22	Netherlands	86,257.5	128,658.7	19.9%	17.8%	19.4%	18.5%	20.8%	22.1%	22.5%
Asahi Group Holdings, Ltd.	31-Dec-22	Denmark	31,355.7	45,901.0	13.4%	13.1%	12.8%	12.5%	14.2%	14.9%	15.5%
Carlsberg A/S	31-Dec-22	United States	30,405.0	34,871.6	20.2%	22.6%	21.4%	19.9%	20.8%	21.5%	21.6%
Kirin Holdings Company, Limited	31-Dec-22	Japan	19,983.7	22,452.6	12.7%	10.7%	11.2%	11.7%	13.0%	14.1%	14.4%
Molson Coors Beverage Company	31-Dec-22	Japan	19,848.2	30,941.4	22.0%	23.0%	18.7%	13.4%	20.0%	19.9%	20.0%
Suntory Beverage & Food Limited	31-Dec-22	Japan	15,703.5	16,296.7	13.0%	13.3%	15.4%	14.0%	13.6%	14.1%	14.3%
Median Global Malt/Brewers			30,405.0	34,871.6	19.9%	17.8%	18.7%	14.0%	20.0%	19.9%	20.0%
Global Processors/Providers											
Archer-Daniels-Midland Company	31-Dec-22	United States	66,310.7	58,222.0	3.7%	4.5%	5.1%	5.9%	5.5%	4.9%	4.9%
Bunge Limited	31-Dec-22	United States	20,917.6	25,721.8	3.0%	4.6%	4.5%	4.2%	5.1%	4.9%	4.6%
Barry Callebaut AG	31-Aug-22	Switzerland	14,757.7	18,070.5	8.9%	9.6%	11.3%	10.3%	10.6%	10.7%	10.7%
Ingredion Incorporated	31-Dec-22	United States	12,381.9	14,659.5	15.7%	15.3%	13.1%	12.6%	14.2%	14.4%	14.2%
Treasury Wine Estates Limited	30-Jun-23	Australia	8,294.0	9,650.1	24.4%	22.0%	26.6%	29.8%	30.2%	31.0%	31.4%
AAK AB (publ.)	31-Dec-22	Sweden	7,481.5	8,106.1	7.5%	10.0%	8.5%	6.6%	9.5%	9.7%	9.8%
Tate & Lyle plc	31-Mar-23	United Kingdom	5,475.9	5,874.3	17.9%	25.3%	17.5%	18.2%	18.8%	19.2%	19.3%
The a2 Milk Company Limited	30-Jun-23	New Zealand	3,272.9	2,564.2	27.4%	10.9%	13.6%	13.8%	13.8%	14.7%	16.2%
Fuji Oil Holdings Inc.	31-Mar-23	Japan	2,179.8	3,826.7	8.5%	9.4%	7.5%	5.7%	6.4%	6.6%	6.6%
GrainCorp Limited	31-Dec-22	Australia	1,622.0	2,823.5	3.2%	1.1%	6.0%	9.0%	7.1%	5.7%	5.4%
Costa Group Holdings Limited	31-Dec-22	Australia	1,375.5	2,301.1	10.1%	13.2%	16.5%	15.6%	16.2%	18.6%	19.2%
Bega Cheese Limited	30-Jun-23	Australia	885.4	1,287.2	4.5%	6.3%	6.7%	4.3%	4.8%	5.3%	5.9%
Synlait Milk Limited	31-Jul-22	New Zealand	261.1	744.6	11.2%	12.6%	2.7%	7.0%	6.3%	8.2%	9.0%
Median Global Processors/Providers			5,475.9	5,874.3	8.9%	10.0%	8.5%	9.0%	9.5%	9.7%	9.8%
Total Median Comparable Companies			13,569.8	15,478.1	12.8%	12.8%	12.9%	12.6%	13.7%	14.3%	14.4%

Source: S&P Capital IQ, Refinitiv, Company financial statements; Kroll analysis.

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Company Name	Financial year end	Country	Market cap (A\$ millions)	Enterprise Value (A\$ millions)	EV/EBITDA ²							EBITDA CAGR (FY+1- FY+3)
					FY16- FY19 ¹	FY-2	FY-1	FY	FY+1	FY+2	FY+3	
Global Malt Brewers												
Anheuser-Busch InBev SA/NV	31-Dec-22	Belgium	172,504.8	309,388.7	10.0	13.2	10.7	10.2	9.7	8.9	8.4	7.4%
Heineken N.V.	31-Dec-22	Netherlands	86,257.5	128,658.7	15.9	21.9	14.9	12.0	12.0	10.6	9.9	10.0%
Asahi Group Holdings, Ltd.	31-Dec-22	Denmark	31,355.7	45,901.0	15.2	16.4	15.2	13.9	11.4	10.6	10.0	5.9%
Carlsberg A/S	31-Dec-22	United States	30,405.0	34,871.6	11.7	11.7	12.1	11.1	10.0	9.3	8.9	7.0%
Kirin Holdings Company, Limited	31-Dec-22	Japan	19,983.7	22,452.6	8.6	10.7	10.4	9.1	7.9	7.2	6.9	6.7%
Molson Coors Beverage Company	31-Dec-22	Japan	19,848.2	30,941.4	9.7	9.0	8.6	11.6	8.6	8.6	8.4	0.8%
Suntory Beverage & Food Limited	31-Dec-22	Japan	15,703.5	16,296.7	8.6	9.8	7.9	7.6	7.2	6.8	6.5	5.0%
Median Global Malt/Brewers			30,405.0	34,871.6	10.0	11.7	10.7	11.1	9.7	8.9	8.4	6.7%
Global Processors/Providers												
Archer-Daniels-Midland Company	31-Dec-22	United States	66,310.7	58,222.0	13.9	13.0	8.6	6.3	6.9	7.8	8.0	(7.0%)
Bunge Limited	31-Dec-22	United States	20,917.6	25,721.8	11.9	9.1	6.5	6.2	5.6	6.0	6.0	(3.4%)
Barry Callebaut AG	31-Aug-22	Switzerland	14,757.7	18,070.5	16.0	12.6	12.4	11.6	10.9	10.3	9.7	6.1%
Ingredion Incorporated	31-Dec-22	United States	12,381.9	14,659.5	9.1	10.3	10.5	9.4	7.9	7.5	7.4	3.5%
Treasury Wine Estates Limited	30-Jun-23	Australia	8,294.0	9,650.1	15.0	16.4	14.4	13.2	12.3	11.3	10.5	8.2%
AAK AB (publ.)	31-Dec-22	Sweden	7,481.5	8,106.1	24.1	20.7	19.0	17.3	13.0	12.6	12.0	4.0%
Tate & Lyle plc	31-Mar-23	United Kingdom	5,475.9	5,874.3	6.6	9.8	12.5	9.4	8.9	8.4	7.9	6.2%
The a2 Milk Company Limited	30-Jun-23	New Zealand	3,272.9	2,564.2	7.9	21.2	14.2	12.7	12.3	10.5	8.9	17.6%
Fuji Oil Holdings Inc.	31-Mar-23	Japan	2,179.8	3,826.7	10.9	10.5	11.2	11.3	10.2	9.7	9.5	3.5%
GrainCorp Limited	31-Dec-22	Australia	1,622.0	2,823.5	16.9	67.2	8.5	4.0	5.2	8.6	9.9	(27.4%)
Costa Group Holdings Limited	31-Dec-22	Australia	1,375.5	2,301.1	20.8	15.0	11.4	10.9	9.8	8.1	7.5	14.2%
Bega Cheese Limited	30-Jun-23	Australia	885.4	1,287.2	15.3	9.9	6.4	8.9	7.9	6.9	5.9	15.4%
Synlait Milk Limited	31-Jul-22	New Zealand	261.1	744.6	7.1	21.7	6.9	8.5	6.1	5.2	4.8	27.2%
Median Global Processors/Providers			5,475.9	5,874.3	13.9	13.0	11.2	9.4	8.9	8.4	8.0	6.1%
Total Median Comparable Companies			13,569.8	15,478.1	11.8	12.8	10.9	10.5	9.3	8.6	8.4	6.2%

Source: S&P Capital IQ, Refinitiv, Company financial statements; Kroll analysis.

Notes: (continued)

1. FY16 to FY19 figures has been calculated using the average revenue and EBITDA (excl. Stock Based Compensation) figures for the FY16 to FY19 period.
2. The companies presented report on different financial-year ends. Barry Callebaut AG and Synlait Milk Limited have financial year ends on 31 August and 31 July respectively. To make the financial results more comparable, these companies FY (FY22) (actual) results have been brought back a period, so they align with the remaining companies FY-1 results. The remaining forecasts for these companies have been adjusted identically.
3. All market capitalisations are calculated using share price as at 1 September 2023 or 4 September 2023 except for Costa Group Holdings Limited and Bunge Limited. On 4 July 2023, Costa received a non-binding indicative proposal from Paine Schwartz Partners. Costa's share price is as at 3 July 2023 to represent an undisturbed share price. On 13 June 2023 Bunge announced the acquisition of Viterro. Bunge's share price is as at 12 June 2023 to represent an undisturbed share price.

Global Malt/Brewers

Global brewers represent the primary beer producers and distributors in the world. These companies are large purchasers of malt which they use to produce beer. Global demands for beer determine how much malt brewers require. Global brewers are exposed to global alcohol market trends which determine how much malt they require. Global brewers are very large, international companies whose size and scale allows them to focus is on reducing costs. Global brewers can negotiate cheaper input prices because they have more pricing power due to the size of their orders. Additionally, there are benefits to scale through lower fixed costs per unit produced.

Global Processors/Providers

Archer-Daniels-Midland Company

Archer-Daniels-Midland Company (**ADM**) operates by procuring, processing and distributing agricultural commodities, products and ingredients in the United States and globally. It originates, merchandises, stores, and transports agricultural raw materials, such as oilseeds and soft seeds. ADM has an estimated enterprise value of A\$58.2 billion and is the largest global company of our comparable processors/providers selection.

Bunge Limited

US-based Bunge Limited operates as a global agribusiness and food company. The Company's Agribusiness segment is an integrated, global business involved in the purchase, storage, transport, processing, and sale of agricultural commodities and commodity products. This segment is responsible for 70.9% of total revenues. Bunge Limited is very large company with and estimated enterprise value of A\$25.7 billion.

Barry Callebaut AG

Barry Callebaut AG (**BARN**) Switzerland-based manufacturer and seller of chocolate and cocoa products. BARN serves the entire food industry, including global and local food manufacturers and professional users of chocolate. The company primarily operates in the United States, Europe, Americas, and Asia Pacific. BARN has an estimated enterprise value of A\$18.1 billion.

Ingredion Incorporated

Ingredion Incorporated (**Ingredion**) is a global ingredients solutions provider who develops, produces and sells a variety of food and beverage ingredients, primarily starches and sweeteners. Ingredion's products are primarily derived from processing corn and other starch-based materials. Ingredion's operates in North America, South America, Asia-Pacific and Europe, Middle East and Africa (**EMEA**). Ingredion has an estimated enterprise value of A\$14.7 billion.

Treasury Wine Estates Limited

Treasury Wine Estates Limited (**TWE**) is a vertically integrated wine company operating globally. The company focuses on sourcing and growing grapes as well as manufacturing, marketing, and distributing wine. It's wine portfolio includes luxury, premium and commercial wine brands. It owns and leases 8,362 planted hectares of vineyards in Australia and New Zealand. The processing and distribution aspects of TWE operations are most similar to United Malt's operations. TWE is also similarly exposed to weather events, commodity prices and global alcohol market trends.

AAK AB (publ.)

AAK AB (publ.) (**AAK**) is a Sweden-based holding company operating in the food processing sector. The Company refines vegetable oils for specialized international products. It operates in the following three

ATTACHMENT A

INDEPENDENT EXPERT'S REPORT



segments: food ingredients, chocolate and confectionary fats and technical products and feed segment. AAK has an estimated enterprise value of A\$8.1 billion and is mid-sized compared to other global processor/providers.

Tate & Lyle PLC

Tate & Lyle PLC (**Tate**) is engaged in providing ingredients and solutions to the global food and beverage industry. Tate operates in three segments: Food & Beverage Solutions, Sucralose, and Primary Products. Tate sells a value-added product which helps drive these higher margins. Additionally, Tate's sugar products are exposed to similar broad health-related market trends as United Malt.

The a2 Milk Company Limited

The a2 Milk Company Limited (**a2 Milk**) A2 protein type branded milk and related products in Australia and New Zealand (**ANZ**), China, other Asian countries, and the United States. A2 milk products include infant formula, milk and other dairy products that are produced from milk from cows that naturally contain the A2 protein type. Its products are popular in China and in FY22, its China and Other Asia segment represented 50.2% of a2 Milk's total external revenue. The a2 Milk Company sells into China through Daigou resellers and CBEC.

Fuji Oil Holdings Inc.

Fuji Oil Holdings Inc. (**Fuji**) develops, produces, and sells a range of food ingredients in Japan and internationally. The company primarily engages in the oil and fat business, offering vegetable oil and fats, such as hard butter for chocolate and various oils for all food purposes. Fuji has an estimated enterprise value of A\$3.8 billion.

GrainCorp Limited

GrainCorp Limited (**GrainCorp**) is an Australia-based agribusiness company. United Malt demerged from GrainCorp in March 2020. The company operates through two segments, Agribusiness and Processing. The Agribusiness segment provides commodities and other products to customers to be used for animal feed related purposes. The Processing segment relates oil crushing, processing, manufacturing, and distribution. GrainCorp delivers products globally.

Costa Group Holdings Limited

Costa Group Holdings Limited (**Costa Group**) produces, packs, and markets fruits and vegetables to food retailers. It operates through three segments: Produce, Costa Farms and Logistics, and International. The Produce segment engages in farming, packing, and marketing of fruits and vegetables primarily to food retailers. Its Costa Farms and Logistics segment operates logistics, wholesale, and marketing services including warehousing and ripening facilities. The International segment engages in licensing blueberry varieties in Australia and globally. The Costa Farms and Logistics segment is the most similar segment United Malt's operations and was responsible for 13.6% of Costa Group's total revenue in FY22. Improving growing conditions and an exceptional 2023 harvest have produced strong financial results for 2023 and prospects for future periods. Continuing increases in yield from low-cost sites abroad have also contributed to higher margins.

Bega Cheese Limited

Bega Cheese Limited (**Bega**) manufactures, processes and distributes dairy and other food products in Australia. It is the second smallest comparable company, with an enterprise value of A\$1.3 billion. The company operates in two segments, Branded and Bulk. The larger, Branded segment manufactures value-added consumer products for owned and externally owned brands, including non-dairy related brands.

The Bulk segment manufactures bulk products including dairy ingredients and whey powder which are sold in international commodity markets. United Malt's operations are comparable to aspects of Bega's Bulk segment. This segment consists of 24.6% of total revenue and achieves an EBITDA margin of 10.9% for the Bulk segment in the FY period.

Bega additionally operates as a contract packer of natural cheddar and processed cheddar cheese products for third parties and is involved in contract packaging for private proprietary brand and supermarket house brands. The company also exports its products globally.



Synlait Milk Limited

Synlait Milk Limited (**Synlait**) is a New Zealand-based dairy processing company which produces, processes, markets and distributes milk, milk powder and ingredients serving customers globally. Synlait is a strategic supplier of The a2 Milk Company, which as at 30 June 2022 held a 19.8% stake in Synlait. Synlait's trading multiple was negatively impacted by a FY23 guidance update released on 26 April 2023, when the company downgraded its FY23 NPAT guidance range from NZD\$15.0 million to NZD\$25.0 million to NZD\$(5.0) million to NZD\$5.0 million.



Part Two – Financial Services Guide

What is an FSG?

This Financial Services Guide ("FSG") is an important document that provides you with information to help you decide whether to use our financial services.

This FSG contains information on:

- who we are;
- who our authorised representatives are;
- how we can be contacted;
- certain financial services that we can offer you;
- how we, our authorised representatives and other parties involved in providing the financial services are paid in relation to the financial services we offer; and
- details of how you can make a complaint about us or the financial services we provide.

Who we are?

Kroll Australia Pty Ltd (ACN 116 738 535), ("We", "us" and "Kroll") is authorised to provide retail financial services on behalf of Millinium Capital Managers Limited (ACN 111 283 357) ("Millinium"), Australian Financial Services License ("AFSL") no. 284336, as a Corporate Authorised Representative ("CAR"). We have also appointed Mr. Ian Jedlin as an authorised representative to Millinium's AFSL (our "Authorised Representative"). All authorised representatives of Kroll are authorised representatives of Millinium. We aim to provide quality financial products and services to investors. Kroll acts on its own behalf when providing financial services.

Kroll has been engaged by United Malt Group Limited ("Client") to prepare an independent expert report ("Report") in connection with the proposed acquisition by Malteries Soufflet SAS of Client. Client will provide our Report to you.

Our details

Kroll Australia Pty Ltd
Level 32, 85 Castlereagh St
SYDNEY
NSW 2000
www.kroll.com
Ph: 02 8286 7200

Our Authorised Representative

Ian Jedlin
ASIC authorised representative: No. 000404117
Level 32, 85 Castlereagh St, SYDNEY, NSW 2000

Authorised Financial Services

Kroll is authorised by Millinium to provide the following financial services as their CAR:

- provide financial product advice in respect of the following classes of financial products:
 - interests in managed investment schemes including investor directed portfolio services; and
 - securities, with respect to retail clients and wholesale clients.

This FSG only relates to the provision of general advice by Kroll.

Personal Advice

Neither we nor our authorised representatives can provide you with personal advice. Personal advice is advice that takes into account your objectives, financial situation and needs. Where you are referred to a financial planner for personal advice, they will make reasonable enquiries to understand your personal objectives, financial situation and needs. Their personal advice, and any relevant warnings, will be provided to you in their Statement of Advice ("SOA").

Remuneration

Kroll charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay Kroll \$350,000 (excluding GST and out of pocket expenses) for preparing the Report. Kroll and its officers, representatives, related entities and associates ("Personnel") will not receive any other fee or benefit in connection with the provision of the Report. All Personnel that provide general advice on our behalf in providing services are on contract to us and receive a salary or payments in accordance with their respective contracts. They may also receive a bonus, but it is not related to the general advice provided in the Report.

Kroll may provide professional services, including consultancy, business intelligence, transfer pricing and financial advisory services, to the person who engaged us and receive fees for those services Kroll and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.



Complaint Redressal

If you have a complaint, please let either Kroll or the Authorised Representative know. Formal complaints should be sent in writing to Complaints Officer, Kroll, Level 32, 85 Castlereagh St, SYDNEY, NSW 2000. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 8286 7227 and they will assist you in documenting your complaint. If the complaint cannot be settled in the first instance by Kroll, you should contact Millinium via the contact details set out below:

In writing:

Dispute Resolution Officer
Millinium Capital Managers Limited
GPO Box 615
Sydney, NSW, 2000

When your complaint is received by Millinium it will be entered onto Millinium's complaints register. All details of the complaint will be sent to the Disputes Resolution Officer who will investigate the circumstances of the complaint. If the Disputes Resolution Officer is unable to reach a satisfactory resolution of the complaint within thirty (30) business days of receipt, you should contact Australian Financial Complaints Authority ("AFCA"). The details are:

In writing:

<https://www.afca.org.au/make-a-complaint>

Telephone

1300 56 55 62 (local call rate)

Email

info@afca.org.au

Website

www.afca.org.au

Please note that AFCA can currently only deal with claims for compensation up to \$1,085,000. Monetary limits and the AFCA terms of reference do change from time to time. Current details can be obtained from the AFCA website listed above.

Attachment

B

Scheme



ATTACHMENT B

SCHEME

Allens > Linklaters

Scheme of arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)

Between

- 1 **United Malt Group Limited** (ABN 61 140 174 189) of Citigroup Centre, L18, Suite C, 2 Park Street, Sydney, NSW 2000 (**Target**).
- 2 **Each Target Shareholder as at the Record Date** (each a **Scheme Shareholder** and together, the **Scheme Shareholders**).

Recitals

- A The Target is an Australian public company limited by shares, registered under the Corporations Act, and has been admitted to the official list of the ASX. Target Shares are quoted for trading on the ASX.
- B As at the date of the Implementation Deed, the Target had on issue or had granted:
 - (a) 299,179,135 Target Shares; and
 - (b) 1,100,271 Target Performance Rights.
- C The Bidder is a company incorporated in France.
- D The Target and the Bidder have entered into the Implementation Deed pursuant to which:
 - (a) the Target has agreed to propose this Scheme to Target Shareholders; and
 - (b) the Target and the Bidder have agreed to take certain steps to implement the Scheme, on and subject to the terms of the Implementation Deed.
- E If this Scheme becomes Effective, then:
 - (a) all of the Scheme Shares and the rights and entitlements attaching to them on the Implementation Date will be transferred to the Bidder;
 - (b) the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
 - (c) the Target will enter the name and address of the Bidder in the Target Register as the holder of all of the Scheme Shares.
- F The Bidder, by entering into the Deed Poll, covenants and undertakes in favour of the Scheme Shareholders that the Bidder will observe and perform the obligations contemplated of it under this Scheme.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

The following definitions apply unless the context required otherwise.

Aggregate Scheme Consideration means the aggregate of the Scheme Consideration payable to all Scheme Shareholders under this Scheme (and in accordance with the terms of this Scheme).

ASIC means the Australian Securities and Investments Commission.

ATTACHMENT B SCHEME

Allens > Linklaters

ASX means ASX Limited (ABN 98 008 624 691) and, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

ASX Listing Rules means the official listing rules of the ASX.

ASX Operating Rules means the market operating rules of ASX Settlement Pty Limited (ACN 49 008 504 532), as amended, varied or waived from time to time.

Bidder means Malteries Soufflet SAS (562 880 195 RCS Troyes).

Business Day means a day which is a Trading Day and is not a Saturday, a Sunday, or a public or bank holiday in Sydney, Australia or in Paris, France.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

CHESS Holding means a holding of Target Shares that are registered on the Target Register, which is administered by ASX Settlement Pty Limited (ACN 49 008 504 532) and which records uncertificated holdings of Target Shares.

Constitution means the constitution of the Target, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction as Bidder and Target may agree in writing.

Deed Poll means the deed poll executed on 4 September 2023 by the Bidder in favour of the Scheme Shareholders in relation to this Scheme.

Effective means when used in relation to this Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means 5:00pm (Sydney time) on the date which is 12 months after the date of the Implementation Deed (subject to any extension under clause 3.6(a)(vii) of the Implementation Deed), or such later date as Bidder and Target may agree in writing.

Government Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Commonwealth Treasurer), ASIC, the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth), the Australian Competition and Consumer Commission, the Australian Taxation Office, ASX and any regulatory organisation established under statute or any stock exchange.

Implementation Date means the date that is 18 Business Days after the Record Date, provided that, if the Implementation Date would otherwise fall during the last 15 days of any calendar quarter or on the first Business Day of any calendar quarter (**Blackout Period**), the Implementation Date will be three Business Days after the expiration of that Blackout Period or such other date as Target and Bidder may agree in writing or ordered by the Court.

Implementation Deed means the scheme implementation deed dated on or about 1 July 2023 between the Bidder and the Target relating to (among other things) implementation of this Scheme.

Issuer Sponsored Holding has the meaning given to that term in the ASX Operating Rules.

Marketable Parcel has the meaning given to that term in the ASX Operating Rules.

Permitted Dividend has the meaning given to that term in the Implementation Deed.

Record Date means 7.00pm on the date that is two Business Days after the Effective Date, or such other date as may be agreed in writing between Bidder and Target or as may be required by ASX.

Registered Address means, in relation to a Target Shareholder, the address of the Target Shareholder shown in the Target Register as at the Record Date.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Representative means, in respect of a party, an employee, agent, officer, director or adviser of that party (or of a Related Body Corporate of that party), and, in the case of advisers, includes partners, employees, officers and agents of the adviser (as applicable).

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by the Bidder and the Target (including in accordance with clause 4.2 of the Implementation Deed).

Scheme Consideration has the meaning given to that term in clause 4.1.

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Scheme Shares means the Target Shares on issue as at the Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of the Bidder as transferee, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day of hearing of an application made to the Court by the Target for orders under section 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Target Performance Rights means a performance right granted by Target under a Target long-term incentive plan, which entitles the holder to receive a Target Share in certain circumstances.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

Target Registry means Link Market Services Limited (ABN 54 083 214 537) in its capacity as provider of registry services in respect of the Target Register, or such other registry provider engaged by the Target from time to time.

Target Share means a fully paid ordinary share in the Target.

Target Shareholder means a person or entity who is registered in the Target Register as a holder of Target Shares from time to time.

Trading Day has the meaning given in the ASX Listing Rules.

Trust Account means an Australian dollar denominated trust account held with an Australian bank operated by the Target (or by the Target Registry on behalf of the Target) as trustee for the Scheme Shareholders.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.

- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) Nothing in this Scheme is to be interpreted against a party solely on the ground that the party put forward this Scheme or a relevant part of it.
- (d) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity, as well as an individual.
 - (v) A reference to a clause is a reference to a clause of this Scheme.
 - (vi) A reference to an agreement or document (including a reference to this Scheme) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Scheme or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
 - (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
 - (viii) A reference to a person includes the person's successors, permitted substitutes and permitted assigns (and, where applicable, the person's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to *conduct* includes an omission, statement or undertaking, whether or not in writing.
 - (xi) A reference to an *agreement* includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a *document* includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
 - (xii) If a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day.
 - (xiii) A reference to *dollars* or \$ is to Australian dollars, the lawful currency of Australia.
 - (xiv) A reference to time is to Sydney, Australia time.
 - (xv) A reference to a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

2 Conditions

2.1 Conditions precedent to this Scheme

This Scheme is conditional upon, and will have no force or effect (and will not become Effective) unless and until, the satisfaction of each of the following conditions precedent:

- (a) as at 8am on the Second Court Date, each of the conditions precedent set out in clause 3.1 of the Implementation Deed (other than the condition precedent relating to Court approval of this Scheme set out in clause 3.1(d) of the Implementation Deed, and the condition precedent requiring an office copy of the Court order approving the Scheme under section 411(4)(b) of the Corporations Act to be lodged with ASIC set out in clause 3.1(e) of the Implementation Deed) has been satisfied or, if applicable, waived in accordance with the terms of the Implementation Deed;
- (b) as at 8am on the Second Court Date, neither the Implementation Deed nor the Deed Poll has been terminated in accordance with its terms;
- (c) the Court makes orders approving this Scheme under section 411(4)(b) of the Corporations Act (either unconditionally and without alteration or with such alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and that are agreed to by the Target and the Bidder); and
- (d) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme come into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date.

2.2 Certificates

- (a) Each of the Target and the Bidder will provide to the Court on the Second Court Date a certificate (or such other evidence as the Court may require) confirming (in respect of matters within its knowledge), as at 8:00am on the Second Court Date, whether or not the conditions precedent in clauses 2.1(a) and 2.1(b) have been satisfied (but in the case of the condition precedent in clause 2.1(a), only in respect of those conditions precedent in clause 3.1 of the Implementation Deed (other than the conditions precedent in clause 3.1(d) and clause 3.1(e) of the Implementation Deed) included for that party's benefit).
- (b) The giving of the certificates referred to in clause 2.2(a) to the Court constitutes conclusive evidence that the conditions precedent in clauses 2.1(a) and 2.1(b) are satisfied, waived or taken to be waived as at 8:00am on the Second Court Date.

2.3 Lapsing

Without limiting any rights of the Bidder and/or the Target under the Implementation Deed, this Scheme will lapse and be of no further force or effect (and, if it has not already become Effective at the applicable time, will not become Effective) if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms, unless the Target and the Bidder otherwise agree in writing.

2.4 Scheme becoming Effective

Subject to this clause 2, this Scheme will take effect (and become Effective) on and from the Effective Date.

3 Implementation of this Scheme

3.1 Lodgement of Court orders

If the conditions precedent in clause 2.1 (other than the condition precedent in clause 2.1(d)) are satisfied, the Target must lodge with ASIC, under section 411(10) of the Corporations Act, an office copy of the Court orders approving this Scheme as soon as practicable, and in any event before 5.00pm, on the Business Day immediately following the day on which such office copy is received by the Target, or such other date as agreed in writing by the Bidder and the Target.

3.2 Transfer of Scheme Shares

On the Implementation Date, subject to, and after, the Bidder having satisfied its obligations in clause 4.3, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by the Target or any of its directors and officers as attorney and agent for Scheme Shareholders under this Scheme, or otherwise), by:

- (a) the Target delivering to the Bidder for execution duly completed (and, if necessary, stamped) Scheme Transfers to transfer all of the Scheme Shares to the Bidder, duly executed by the Target (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clause 7.6(b);
- (b) the Bidder executing the Scheme Transfers as transferee, attending to the stamping of the Scheme Transfer (if required), and delivering them to the Target for registration; and
- (c) the Target, immediately after receipt of the Scheme Transfers under clause 3.2(b), but subject to the stamping of the Scheme Transfer (if required), entering, or procuring the entry of, the name and address of Bidder in the Target Register as the holder of all of the Scheme Shares.

4 Scheme Consideration

4.1 Scheme Consideration

In this Scheme, the **Scheme Consideration** means, in respect of each Scheme Share:

- (a) a cash amount of A\$5.00; *less*
- (b) the cash amount (per Scheme Share) of any Permitted Dividend which Scheme Shareholders become entitled to receive on or before the Implementation Date in accordance with clause 4.6(b) of the Implementation Deed (but, for the avoidance of doubt, the Scheme Consideration will not be reduced by the value attributed to any franking credits attached to any Permitted Dividend).

4.2 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder.

4.3 Deposit of Scheme Consideration

- (a) The Bidder must on the date that is one Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds into the Trust Account an amount at least equal to the Aggregate Scheme Consideration (such amount to be held by Target on trust for Scheme Shareholders) provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to the Bidder's account.

- (b) The Bidder must notify the Target in writing as soon as practicable after it has complied with its obligations under clause 4.3(a).

4.4 Payment to Scheme Shareholders

- (a) On the Implementation Date, subject to clause 4.4(b) and the Bidder having satisfied its obligations in clause 4.3, the Target must pay or procure the payment, from the Trust Account, to each Scheme Shareholder the Scheme Consideration to which that Scheme Shareholder is entitled under this clause 4 in accordance with the terms of this clause 4.
- (b) The obligations of the Target under clause 4.4(a) will be satisfied by the Target (in its absolute discretion, and despite any election referred to in clause 4.4(b)(i) or authority referred to in clause 4.4(b)(ii) made or given by the Scheme Shareholder):
 - (i) where a Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the Target Registry to receive dividend payments from the Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (ii) if a Scheme Shareholder has otherwise nominated a bank account for the purpose of receiving the Scheme Consideration by an appropriate authority from the Scheme Shareholder to the Target, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to that bank account; or
 - (iii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 4.4(b)(i) or valid nomination referred to in clause 4.4(b)(ii), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.5).

4.5 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 4.4(b), any Scheme Consideration payable in respect of those Scheme Shares is payable to the joint holders of those Scheme Shares;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, the holder whose name appears first in the Target Register as at the Record Date or to the joint holders (in the Target's absolute discretion); and
- (c) any other document required to be sent under this Scheme, will be forwarded to either the holder whose name appears first in the Target Register as at the Record Date or to the joint holders (at the Target's absolute discretion).

4.6 Cancellation and re-issue of cheques

- (a) The Target may cancel a cheque issued under this clause 4 if the cheque:
 - (i) is returned to the Target or the Target Registry; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.

- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to the Target or the Target Registry (which request may not be made until the date which is 20 Business Days after the Implementation Date), the Target must reissue a cheque that was previously cancelled under clause 4.6(a).

4.7 Fractional entitlements

Where the calculation of the Scheme Consideration to be paid to a Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent (after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares), that fractional entitlement will be rounded down to the nearest whole cent.

4.8 Unclaimed monies

- (a) In the event that:

- (i) either:

- (A) a Scheme Shareholder does not have a Registered Address; or
- (B) the Target, as trustee for the Scheme Shareholders, believes that a Scheme Shareholder is not known at the Scheme Shareholder's Registered Address,

and no account has been notified in accordance with clause 4.4(b)(i) or clause 4.4(b)(ii) or a deposit into such an account is rejected or refunded; or

- (ii) a cheque issued under this clause 4 has been cancelled in accordance with clause 4.6(a),

the Target, as the trustee for the Scheme Shareholders, may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target (**Separate Account**) to be held until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW) (however, to avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW)).

- (b) Without limiting clause 4.8(d), if the Target credits an amount payable to a Scheme Shareholder to a Separate Account under clause 4.8(a), until such time as the amount is dealt with in accordance with the *Unclaimed Money Act 1995* (NSW), the Target must hold the amount on trust for the relevant Scheme Shareholder.
- (c) An amount credited to a Separate Account or Trust Account (as applicable) is to be treated as having been paid to the Scheme Shareholder when credited to the Separate Account or Trust Account (as applicable). The Target must maintain records of the amounts paid to or from the Separate Account, the Scheme Shareholders who are entitled to those amounts and any transfers of those amounts.
- (d) Subject to clause 4.8(b), the *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).

4.9 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of the Target's obligations under the other provisions of this clause 4 and provided the Bidder has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account (which, for the avoidance of

doubt, excludes any amount payable to a Scheme Shareholder (whether Scheme Consideration or otherwise)) under this Scheme (including, but not limited to, any amount payable to a Scheme Shareholder that the Target may credit to a Separate Account under clause 4.8(a)), then, subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by the Target (or the Target Registry on the Target's behalf) to the Bidder.

4.10 Orders or directions of a court or Government Agency

- (a) If written notice is given to the Target (or the Target Registry) of an order or direction made by a court or a Government Agency that:
 - (i) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by the Target in accordance with this clause 4, then the Target shall be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
 - (ii) prevents the Target from making a payment to any particular Scheme Shareholder in accordance with this clause 4, or such payment is otherwise prohibited by applicable law, the Target shall be entitled to retain an amount equal to the amount of the relevant payment until such time as payment in accordance with this clause 4 is permitted by that (or another) court or Government Agency or direction, or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 4.10(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the Scheme Shareholder in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to that Scheme Shareholder as required (including where the amount so deducted or withheld is subsequently permitted by the relevant (or another) court or Government Agency or direction, or otherwise by law).

4.11 Repayment of funds

If, following satisfaction of the Bidder's obligations under clause 4.3(a) but prior to the occurrence of all of the events described in clause 3.2, this Scheme lapses under clause 2.3(b):

- (a) the Target must immediately repay (or cause to be repaid) to or at the direction of the Bidder the funds that were deposited in the Trust Account plus any interest on the amounts deposited (less bank fees and other charges);
- (b) the obligation to transfer Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, to the Bidder under clause 3.2 will immediately cease; and
- (c) the Bidder must return the Scheme Transfer to Target if Target has provided it to the Bidder under clause 3.2(a).

5 Dealings in Target Shares

5.1 Dealings in Target Shares by Scheme Shareholders

- (a) To establish the identity of the Scheme Shareholders, dealings in Target Shares will only be recognised by the Target if:

- (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Register as the holder of the relevant Target Shares by the Record Date; and
- (ii) in all other cases, registrable transmission applications or transfers in respect of those dealings are received by the Record Date at the place where the Target Register is kept,

and the Target must not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders, nor for any other purpose (other than to transfer to the Bidder pursuant to this Scheme and any subsequent transfers by the Bidder and its successors in title), any transfer or transmission application in respect of Target Shares received after the Record Date, or received prior to the Record Date but not in actionable or registrable form (as appropriate).

- (b) The Target must register (or procure the registration of) valid registrable transmission applications or transfers of the kind referred to in clause 5.1(a)(ii) by no later than the Record Date (provided that, for the avoidance of doubt, nothing in this clause 5.1(b) requires the Target to register a transfer that would result in a Target Shareholder holding a parcel of the Target Shares that is less than a Marketable Parcel).

5.2 Target Register

- (a) The Target will, until the Scheme Consideration has been provided and the name and address of the Bidder have been entered in the Target Register as the holder of all of the Scheme Shares in accordance with this Scheme, maintain, or procure the maintenance of, the Target Register in accordance with this clause 5, and:
 - (i) the Target Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration; and
 - (ii) each entry on the Target Register as at the Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.
- (b) As from the Record Date (and other than for the Bidder following the Implementation Date), each entry in the Target Register as at the Record Date relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.
- (c) As soon as reasonably practicable after the Record Date, and in any event within two Business Days after the Record Date, the Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Target Register as at the Record Date are available the Bidder.

5.3 Effect of share certificates and holding statements

As from the time that the Scheme Consideration is provided to the Scheme Shareholders in accordance with this Scheme, (and other than for the Bidder following the Implementation Date), all share certificates and holding statements for Scheme Shares (other than statements of holding in favour of the Bidder) will cease to have effect as documents of title in respect of those Scheme Shares.

5.4 No disposals after Record Date

If this Scheme becomes Effective, each Scheme Shareholder must not dispose of or purport or agree to dispose of any Scheme Shares after the Record Date (other than to the Bidder in accordance with this Scheme and any subsequent transfers by the Bidder and its successors in

title), and any attempt to do so will have no effect and the Bidder shall be entitled to disregard any such disposal, purported disposal or agreement.

6 Quotation of Target Shares

- (a) The Target will apply to ASX to suspend trading on the ASX in Target Shares from the close of trading on the ASX on the Effective Date.
- (b) On a date after the Implementation Date to be determined by the Bidder and notified to the Target in writing, the Target will apply:
 - (i) for termination of the official quotation of the Target Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX,
 and any one or more of the Target and the Bidder must satisfy any conditions reasonably required by ASX for it to act on that application.

7 General Provisions

7.1 Further assurances

- (a) The Target will do all things and execute all deeds, instruments, transfers or other documents (whether on its own behalf or on behalf of each Scheme Shareholder) as may be required by law, the Court or are otherwise necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it.
- (b) Without limiting the Target's other powers under this Scheme, the Target has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

7.2 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions, the Target may, by its counsel or solicitors, and with the prior consent of the Bidder (whether in writing or by its counsel):

- (a) consent on behalf of all persons concerned, including each Target Shareholder, to those alterations or conditions; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which the Target has consented to under clause 7.2(a).

7.3 Scheme Shareholders' agreements and warranties

- (a) By operation of this Scheme, each Scheme Shareholder:
 - (i) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Bidder in accordance with the terms of this Scheme;
 - (ii) acknowledges and agrees that this Scheme binds the Target and all Scheme Shareholders (including those that did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting) and, to the extent of any inconsistency, overrides the Constitution;
 - (iii) agrees to the variation, cancellation or modification of the rights attached to their Target Shares constituted by or resulting from this Scheme;

- (iv) agrees that, after the transfer of their Scheme Shares to the Bidder in accordance with this Scheme, any share certificate or holding statement relating to the Scheme Shares will not constitute evidence of title to those Scheme Shares;
- (v) who holds their Target Shares in a CHESS Holding agrees to the conversion of those Target Shares to an Issuer Sponsored Holding and irrevocably authorises the Target to do anything necessary or expedient (whether required by the ASX Operating Rules or otherwise) to effect or facilitate such conversion; and
- (vi) irrevocably consents to the Target doing all things and executing all deeds, instruments, transfers or other documents (whether on its own behalf or on behalf of each Scheme Shareholder) as may be required by law, the Court or are otherwise necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Shareholder.

- (b) Each Scheme Shareholder is taken (by operation of this Scheme and without the need for any further act by that Scheme Shareholder) to have warranted to the Target and the Bidder on the Implementation Date, and appointed and authorised the Target as its attorney and agent to warrant to the Bidder, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are transferred to the Bidder under this Scheme will, at the time of that transfer, be fully paid and free from all:
 - (A) mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise; and
 - (B) restrictions on transfer of any kind;
 - (ii) they have full power and capacity to transfer their Scheme Shares to the Bidder together with any rights and entitlements attaching to those Scheme Shares; and
 - (iii) except as otherwise provided for or contemplated in the Implementation Deed, it has no existing right to be issued any other Scheme Shares, Target Performance Rights, or any other equity securities in Target.

The Target undertakes in favour of each Scheme Shareholder that it will provide each warranty in clause 7.3(b) to the Bidder on the Implementation Date on behalf of that Scheme Shareholder.

7.4 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to the Bidder will, at the time of transfer of them to the Bidder, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 4, the Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending

registration by the Target of the name and address of the Bidder in the Target Register as the holder of the Scheme Shares.

7.5 Appointment of sole proxy

- (a) Upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 4 and until Bidder is registered in the Target Register as the holder of all Scheme Shares, each Scheme Shareholder:
 - (i) without the need for any further act by that Scheme Shareholder, irrevocably appoints the Bidder as its proxy to (and irrevocably appoints the Bidder as its agent and attorney for the purpose of appointing any director or officer of the Bidder as that Scheme Shareholder's proxy and, where appropriate, its corporate representative to):
 - (A) attend shareholders' meetings of the Target;
 - (B) exercise the votes attaching to the Target Shares registered in the name of the Scheme Shareholder; and
 - (C) sign any Scheme Shareholders' resolution;
 - (ii) must take all other action in the capacity of a Target Shareholder as the Bidder reasonably directs; and
 - (iii) acknowledges and agrees that in exercising the powers referred to in clause 7.5(a), the Bidder and any person nominated by the Bidder under clause 7.5(a) may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.
- (b) Upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 4 and until the Bidder is registered in the Target Register as the holder of all Scheme Shares, no Target Shareholder may attend or vote at any meetings of Target Shareholders or sign any Target Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause 7.5.

7.6 Authority given to the Target

- (a) Each Scheme Shareholder, by operation of this Scheme and without the need for any further act, will be deemed to have authorised the Target, and each of its directors, officers and secretaries, to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder required by law or otherwise necessary, desirable or expedient to implement this Scheme, including (without limitation) executing, as agent and attorney of each Scheme Shareholder, the Scheme Transfer.
- (b) Each Scheme Shareholder, by operation of this Scheme and without the need for any further act, irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of:
 - (i) executing any document, and taking any other action, required by law or otherwise necessary, desirable or expedient to give effect to this Scheme, including without limitation, executing and delivering to the Bidder the Scheme Transfer; and
 - (ii) enforcing the Deed Poll against the Bidder.
- (c) The Target:
 - (i) accepts the appointment under clause 7.6(a) and 7.6(b); and

- (ii) as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.6 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8 General

8.1 Duty

- (a) The Bidder:
 - (i) must pay all Duty (including any related fines, penalties and interest) payable on or in connection with this Scheme or the Deed Poll and:
 - (A) any transaction effected under this Scheme or the Deed Poll; and
 - (B) steps to be taken under this Scheme or the Deed Poll; and
 - (ii) indemnifies the Target (in its own right and separately as trustee or nominee for each Scheme Shareholder) and each Scheme Shareholder against any liability arising from or in connection with any failure by it to comply with clause 8.1(a)(i).
- (b) The Target holds the Bidder's obligations under clause 8.1(a)(ii) as trustee or nominee for each Scheme Shareholder.

8.2 Consent

Each of the Scheme Shareholders (by operation of this Scheme and without the need for any further act by the Scheme Shareholders) consents to the Target doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, the Target or otherwise.

8.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to the Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the Target's registered office or at the office of the Target Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.4 Governing law

This Scheme is governed by laws of New South Wales. In relation to it and related non contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there and waives any right to object to the venue on any ground (including any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum).

8.5 No liability when acting in good faith

Each Scheme Shareholder agrees (by operation of this Scheme and without the need for any further act by the Scheme Shareholder) that neither the Target nor the Bidder, nor any of their respective Representatives, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Attachment

C

Deed Poll



ATTACHMENT C DEED POLL

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Deed Poll

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ATTACHMENT C

DEED POLL

Deed Poll

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This Deed Poll is made on September 6th 2023

Parties

- 1 Malteries Soufflet SAS (562 880 195 RCS Troyes) of Quai du Général Sarraill, 10400 Nogent-sur-Seine, France (**Bidder**).

In favour of

Each Scheme Shareholder

Recitals

- A The Bidder and United Malt Group Limited (ABN 61 140 174 189) (**Target**) have entered into the Implementation Deed.
- B The Target has agreed in the Implementation Deed to propose the Scheme, pursuant to which (among other things), subject to the satisfaction or waiver of certain conditions precedent, the Bidder will acquire all of the Scheme Shares from Scheme Shareholders for the Scheme Consideration.
- C Under the Implementation Deed, Bidder agreed to enter into this Deed Poll.
- D The Bidder is entering into this Deed Poll for the purpose of covenanting and undertaking in favour of the Scheme Shareholders that it will observe and perform the obligations contemplated of, and the actions attributed to, it under the Scheme.

It is agreed as follows.

1 Definitions and Interpretation

1.1 Definitions

In this Deed Poll:

- (a) **First Court Date** means the first day of hearing of an application made to the Court by Target for orders, pursuant to section 411(1) of the Corporations Act, convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing;
- (b) **Implementation Deed** means the scheme implementation deed entered into between the Bidder and the Target dated 1 July 2023 relating to (among other things) implementation of the Scheme;
- (c) **Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by the Bidder and the Target (including in accordance with clause 4.2 of the Implementation Deed);
- (d) **Target** has the meaning given in Recital A; and
- (e) unless the context requires otherwise, terms defined in the Scheme have the same meaning when used in this Deed Poll.

1.2 Interpretation

The provisions of clauses 1.2 and 1.3 of the Scheme form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this Scheme' in those clauses are references to 'this Deed Poll'.

2 Nature of Deed Poll

The Bidder acknowledges and agrees that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this Deed Poll against the Bidder on behalf of that Scheme Shareholder (and Target accepts such appointment).

3 Condition Precedent and Termination**3.1 Condition precedent**

The obligations of the Bidder under this Deed Poll are subject to the Scheme becoming Effective.

3.2 Termination

Subject to clause 3.3, the obligations of the Bidder under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, if:

- (a) the Implementation Deed is terminated in accordance with its terms before the Scheme becomes Effective;
- (b) the Scheme does not become Effective on or before the End Date; or
- (c) the Scheme terminates and ceases to be of any further force or effect in accordance with its terms,

unless the Bidder and the Target otherwise agree in writing (and, if required, as approved by the Court).

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) the Bidder is released from its obligations under this Deed Poll (except those obligations under clause 7.6); and
- (b) each Scheme Shareholder retains any rights, powers or remedies that Scheme Shareholder has against the Bidder in respect of any breach of its obligations under this Deed Poll that occurred before termination of this Deed Poll.

4 Scheme Obligations

Subject to clause 3, Bidder covenants and undertakes in favour of each Scheme Shareholder that it will:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and

Deed Poll

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- (b) perform all other actions and obligations attributed to and/or contemplated or required of, and give each acknowledgement, representation and warranty (if any) given by (or otherwise attributed to or required of), the Bidder under the Scheme, in each case, subject to and in accordance with the terms of the Scheme.

5 Representations and Warranties

The Bidder represents and warrants in favour of each Scheme Shareholder that:

- (a) **(Status)** It is a corporation validly existing under the laws of the place of its incorporation.
- (b) **(Power)** It has full capacity, power and lawful authority to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (c) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance by it of this Deed Poll and to carry out the transactions contemplated by this Deed Poll.
- (d) **(Document binding)** This Deed Poll constitutes valid and binding obligations on the Bidder and is enforceable in accordance with its terms.
- (e) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:
 - (i) a law, judgment, ruling, order or decree binding on it; or
 - (ii) its constituent documents.

6 Continuing Obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) the Bidder having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.

7 General

7.1 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the full name and position or title of the sender or person duly authorised by the sender);
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address below, or the email address or address last notified by the intended recipient to the sender:
 - (i) to the Bidder: C/- InVivo Group
83, Avenue de la Grande Armée
75016 Paris
France
Attention: Thierry Blandinières and Maha Fournier

Email: tblandinieres@invivo-group.com and
mfournier@invivo-group.com

copy to:

pharbula@invivo-group.com
alecomte@invivo-group.com
Andrew.Pascoe@Allens.com.au;
Charles.Ashton@Allens.com.au;
Judith.Fargeot@va-fr.com

- (c) will be conclusively taken to be duly given or made:
- (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country);
 - (iii) in the case of delivery by email, the earlier of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the email is first opened or read by the intended recipient, or an employee or officer of the intended recipient; and
 - (C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that two hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made on a day that is not a Business Day in the place specified by the intended recipient as its postal address under clause 7.1(b) or:

- (A) in the case of delivery by hand or by post, at a time that is later than 5.00pm; or
- (B) in the case of delivery by email, at a time that is later than 7.00pm,

in the place specified by the intended recipient as its postal address under clause 7.1(b), it will be conclusively taken to have been duly given or made at the start of business on the next Business Day in that place.

7.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by the Bidder or any Scheme Shareholder under or in connection with this Deed Poll operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing. Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right under or in connection with this Deed Poll unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

7.3 Remedies cumulative

The rights, powers and remedies of the Bidder and each Scheme Shareholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

7.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

- (a) either:
 - (i) before the First Court Date, the amendment or variation is agreed to in writing by the Target and the Bidder (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder); or
 - (ii) on or after the First Court Date, the amendment or variation is agreed to in writing by the Target and the Bidder (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder), and is approved by the Court (or the Court has otherwise indicated that the variation or amendment would not of itself preclude approval by the Court of the Scheme); and
- (b) the Bidder enters into a further deed poll in favour of the Scheme Shareholders giving effect to that amendment or variation.

7.5 Assignment

The rights and obligations of the Bidder and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior written consent of the Bidder and the Target. Any purported contravention of this clause is invalid.

7.6 Costs and Duty

The Bidder:

- (a) must pay all Duty (including any related fines, penalties and interest) payable on or in connection with the Scheme or this Deed Poll and:
 - (i) any transaction effected under the Scheme or this Deed Poll; and
 - (ii) steps to be taken under the Scheme or this Deed Poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from or in connection with any failure by it to comply with clause 7.6(a).

7.7 Governing law and jurisdiction

This Deed Poll is governed by the laws of New South Wales. In relation to it and related non contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there and waives any right to object to the venue on any ground (including any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum).

7.8 Further assurances

The Bidder must, at its own expense, do all things and execute all deeds, instruments, transfers or other documents as may be required by law, the Court or are otherwise necessary or desirable to give full effect to the terms of this Deed Poll and the transactions contemplated by it.

Deed Poll

Allens < Linklaters

Executed and delivered as a Deed Poll.

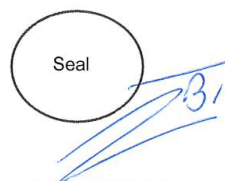
Signed Sealed and Delivered by Malteries
Soufflet SAS in the presence of:



Signature of Witness

Maha Fournier

Name of Witness



Signature of Authorised Signatory

Thierry Blandinier

Name of Authorised Signatory

Attachment

D

Notice of Scheme Meeting

ATTACHMENT D

NOTICE OF SCHEME MEETING

United Malt Group Limited (ACN 140 174 189)

Notice is hereby given that, by an order of the Federal Court of Australia (**Court**) made on Thursday, 7 September 2023 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of the holders of ordinary shares in United Malt Group Limited (ACN 140 174 189) (**United Malt**) will be held at 10:00am (Sydney time) on Thursday, 12 October 2023.

The Scheme Meeting will be held as a hybrid meeting. United Malt Shareholders and duly appointed proxies, attorneys and corporate representatives of United Malt Shareholders can attend, participate and vote at the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000 or through the Online Scheme Meeting Platform (details of which are set out below). United Malt Shareholders (and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders) who participate in the Scheme Meeting through the Online Scheme Meeting Platform will be able to listen to the Scheme Meeting and cast a vote and ask questions online through the Online Scheme Meeting Platform.

Business of the Scheme Meeting – the Scheme Resolution

To consider and, if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

“That pursuant to, and in accordance with, section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without alterations and/or conditions as approved by the Court and agreed to by United Malt and Malteries Soufflet).”

By Order of the Court



Lisa Jones

Company Secretary
United Malt Group Limited
Thursday, 7 September 2023

ATTACHMENT D

NOTICE OF SCHEME MEETING

EXPLANATORY NOTES AND VOTING INSTRUCTIONS

Chairperson of the Scheme Meeting

The Court has directed that Mr Graham Bradley act as Chairperson of the Scheme Meeting or, failing him, Mr Mark Palmquist.

Purpose of the Scheme Meeting and information about the Scheme

The purpose of the Scheme Meeting is to consider and, if thought fit, to pass the Scheme Resolution, which is set out above.

To enable United Malt Shareholders to make an informed decision on the Scheme Resolution, information about the Scheme is set out in the Scheme Booklet, of which this Notice of Scheme Meeting forms part.

Capitalised terms used, but not otherwise defined, in this Notice of Scheme Meeting have the same meaning as set out in the Glossary in Section 12 (**Glossary**) of the Scheme Booklet.

These explanatory notes should be read in conjunction with the Scheme Booklet.

The United Malt Directors unanimously recommend that United Malt Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

Subject to the same qualifications, each United Malt Director who holds United Malt Shares intends to vote, or cause to be voted, all United Malt Shares that he or she holds or Controls in favour of the Scheme Resolution.

The Relevant Interests of the United Malt Directors in United Malt Shares, and interests of the United Malt Directors (including Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt) in, the Scheme are disclosed in Section 11 (**Additional information**) of the Scheme Booklet. United Malt Shareholders should have regard to these interests when considering the United Malt Directors' unanimous recommendation in respect of the Scheme.¹

Requisite Majorities required to pass the Scheme Resolution

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- (a) a majority in number (more than 50%) of the United Malt Shareholders who are present and voting (either in person, by proxy or attorney or, in the case of a corporate holder, by duly appointed corporate representative) at the Scheme Meeting; and
- (b) at least 75% of the votes cast on the Scheme Resolution by United Malt Shareholders.

Voting at the Scheme Meeting will be conducted by poll.

1 As at the date of this Scheme Booklet, Mr Graham Bradley holds or controls 241,395 United Malt Shares (representing 0.08% of the United Malt Shares on issue), Mr Mark Palmquist holds or controls 622,511 United Malt Shares (representing 0.21% of the United Malt Shares on issue), Mr Gary W Mize holds or controls 48,200 United Malt Shares (representing 0.02% of the United Malt Shares on issue), Mr Terry Williamson holds or controls 56,586 United Malt Shares (representing 0.02% of the United Malt shares on issue), and Mr Patrick E. Bowe, Ms Christine Feldmanis and Ms Mary Clarke do not hold or control any United Malt Shares.

In addition:

- (a) as at the date of this Scheme Booklet, Mr Mark Palmquist, Managing Director and Chief Executive Officer of United Malt, holds 586,966 United Malt Performance Rights. If the Scheme becomes Effective, all of Mr Palmquist's United Malt Performance Rights (other than any United Malt Performance Rights that Mr Palmquist holds as at the date of this Scheme Booklet but which vest and convert into United Malt Shares, or lapse, in the ordinary course before the Scheme becomes Effective – see Section 11.6(b)(ii) for more information) will vest and convert into United Malt Shares, and those United Malt Shares will be acquired by Malteries Soufflet for the Scheme Consideration (along with all other Scheme Shares) under the Scheme (see Section 11.3 for more information); and
- (b) the treatment of Mr Palmquist's FY23 STI Award and FY24 STI Award in connection with the Scheme (and the extent to which those incentive awards are affected by the Scheme) is summarised in detail in Section 11.6(b).

The other United Malt Directors consider that, despite these arrangements and interests, it is important and appropriate for Mr Palmquist to make a recommendation to United Malt Shareholders in respect of the Scheme, given: (i) the importance of the Scheme and Mr Palmquist's role as a United Malt Director; (ii) Mr Palmquist's knowledge of United Malt and the industry in which it operates; and (iii) that, in their view, United Malt Shareholders would likely want to know Mr Palmquist's recommendation in respect of the Scheme. Mr Palmquist also considers that, despite these arrangements and interests described above, it is appropriate for him to make a recommendation to United Malt Shareholders in respect of the Scheme given the importance of the Scheme and his knowledge of United Malt and the industry in which it operates.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme Resolution put to the Scheme Meeting is passed by the Requisite Majorities described above and the other Conditions Precedent to the Scheme becoming Effective (other than final Court approval of the Scheme at the Second Court Hearing) are satisfied (or, if applicable, waived), United Malt intends to apply to the Court for approval of the Scheme.

Entitlement to vote at the Scheme Meeting

The Court has ordered that, for the purposes of the Scheme Meeting, United Malt Shares will be taken to be held by the persons who are registered United Malt Shareholders as at 10:00am (Sydney time) on Tuesday, 10 October 2023. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Jointly held United Malt Shares

If United Malt Shares are jointly held, only one of the joint United Malt Shareholders is entitled to vote at the Scheme Meeting. If more than one joint United Malt Shareholder votes, only the vote of the United Malt Shareholder whose name appears first on the United Malt Register will be counted.

Voting procedure at the Scheme Meeting

Voting at the Scheme Meeting will be conducted by way of a poll. The results of the Scheme Meeting will be announced to the ASX as soon as practicable after the Scheme Meeting.

The Chairman of the Scheme Meeting intends to vote all available proxies (as described below) in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

Voting at the Scheme Meeting

If you are a United Malt Shareholder entitled to vote at the Scheme Meeting, you may vote at the Scheme Meeting in any of the following ways:

- (a) by attending the Scheme Meeting in person at Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000;
- (b) by attending the Scheme Meeting through the Online Scheme Meeting Platform (details of which are set out below); or
- (c) by appointing a proxy, attorney or, if you are a body corporate, a duly appointed corporate representative to attend and vote at the Scheme Meeting on your behalf (whether in person or through the Online Scheme Meeting Platform).

Participation in, and voting at, the Scheme Meeting in person

United Malt Shareholders or their duly appointed proxies, attorneys or corporate representatives who are attending the Scheme Meeting in person may vote by either:

- (a) bringing their own mobile device and using this device to log in to the Online Scheme Meeting Platform on their mobile device; or
- (b) using a paper polling card, which will be made available to United Malt Shareholders and duly appointed proxies, attorneys or corporate representatives of United Malt Shareholders at the Scheme Meeting.

If you attend the Scheme Meeting in person and vote in your capacity as a United Malt Shareholder, any votes cast by your proxy or attorney (if any) will not be counted.

ATTACHMENT D

NOTICE OF SCHEME MEETING

Participation in, and voting at, the Scheme Meeting through the Online Scheme Meeting Platform

You will be able to attend and vote at the Scheme Meeting through an online platform by using a web browser at <https://meetings.linkgroup.com/UMGSM23>, on your smartphone, tablet or computer.

To access the Online Scheme Meeting Platform, United Malt Shareholders will need their Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) (which is shown on the front of their holding statement or Scheme Meeting Proxy Form), and their postcode (or country code, if outside Australia). The United Malt Share Registry will email proxyholders their login details 24 hours before the Scheme Meeting. Attorneys and corporate representatives can log in to the Online Scheme Meeting Platform using the SRN/HIN of the United Malt Shareholder that appointed them.

The Scheme Meeting Online Guide (a copy of which is attached to this Scheme Booklet at Attachment F) contains further details about the Online Scheme Meeting Platform. The Scheme Meeting Online Guide provides details about how to ensure that your browser is compatible with the Online Scheme Meeting Platform, as well as a step-by-step guide to successfully log in and navigate the Online Scheme Meeting Platform.

The Online Scheme Meeting Platform will allow United Malt Shareholders and their duly appointed proxies, attorneys and corporate representatives to listen to the Scheme Meeting, cast an online vote and ask questions online.

Online voting will be open between the start of the Scheme Meeting and the closing of voting as announced by the Chairman during the Scheme Meeting.

If you attend the Scheme Meeting through the Online Scheme Meeting Platform and vote in your capacity as a United Malt Shareholder, any votes cast by your proxy or attorney (if any) will not be counted.

Appointing a proxy

A United Malt Shareholder entitled to participate in and vote at the Scheme Meeting may appoint a person to participate in and vote at the Scheme Meeting (either in person or through the Online Scheme Meeting Platform) as their proxy. If you are unable to attend the Scheme Meeting, you are encouraged to appoint a proxy to attend the Scheme Meeting (either in person or through the Online Scheme Meeting Platform) and vote on your behalf.

United Malt Shareholders are notified that the following applies to proxy appointments:

- (a) a United Malt Shareholder who is entitled to attend and cast a vote at the Scheme Meeting may appoint a proxy to attend the Scheme Meeting (whether in person or through the Online Scheme Meeting Platform) and vote for the United Malt Shareholder;
- (b) the appointment of the proxy may specify the proportion or number of votes that the proxy may exercise on the appointing United Malt Shareholder's behalf;
- (c) a United Malt Shareholder who is entitled to cast two or more votes at the Scheme Meeting may appoint one or two proxies. If you wish to appoint a second proxy, a second hard copy proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. Both proxy forms should be returned together in the same envelope. If you wish to appoint two proxies using hard copy proxy forms, you will need to obtain a second proxy form. Please contact the United Malt Share Registry on +61 1300 554 474 or by email at vote@linkmarketservices.com.au to obtain an additional proxy form. You cannot appoint a second proxy online. Where two proxies are appointed, each proxy should be appointed to represent a specified proportion of the United Malt Shareholder's voting rights. If a United Malt Shareholder appoints two proxies and the appointment does not specify the proportion or number of the United Malt Shareholder's votes that each proxy may exercise, each proxy may exercise half of that United Malt Shareholder's votes (with any fractions of votes disregarded);
- (d) a proxy may be an individual or a body corporate and need not be a United Malt Shareholder. If an eligible United Malt Shareholder appoints a body corporate as a proxy, the body corporate will need to ensure that it appoints an individual as the corporate representative and provides satisfactory evidence of that appointment. If a body corporate is appointed as a proxy, it must ensure that it appoints an individual as its corporate representative in accordance with sections 250D and 253B of the Corporations Act to exercise its powers as proxy at the Scheme Meeting;
- (e) if you hold United Malt Shares jointly with one or more other persons, in order for your proxy appointment to be valid, either United Malt Shareholder may sign the Scheme Meeting Proxy Form; and

- (f) each proxy will have the right to vote on the poll conducted at the Scheme Meeting and also to ask questions at the Scheme Meeting (in each case, whether in person or through the Online Scheme Meeting Platform).

A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority.

Voting by proxy

You can direct your proxy to vote by following the instructions on the Scheme Meeting Proxy Form. You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the Scheme Meeting.

If you do not direct your proxy how to vote on the Scheme Resolution, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the United Malt Shares the subject of the proxy appointment will not be counted in computing the Requisite Majorities.

If the Chairman of the Scheme Meeting is appointed as your proxy (or is appointed as your proxy by default), he can be directed how to vote by ticking the relevant boxes next to the Scheme Resolution on the Scheme Meeting Proxy Form (i.e. 'for', 'against' or 'abstain'). The Chairman of the Scheme Meeting is required to cast all votes as directed. The Chairman of the Scheme Meeting intends to vote all undirected and other available proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

Any directed proxies that are not voted on a poll at the online Scheme Meeting by a United Malt Shareholder's appointed proxy will automatically default to the Chairman of the Scheme Meeting, who is required to vote proxies as directed on a poll.

If you return your proxy form:

- (a) without identifying a proxy on it, you will be taken to have appointed the Chairman of the Scheme Meeting as your proxy to vote on your behalf; or
- (b) with a proxy identified on it but your proxy does not participate in the Scheme Meeting, the Chairman of the Scheme Meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

If you have appointed a proxy and participate in and vote at the Scheme Meeting, the authority of your proxy to participate and vote, on your behalf, is automatically suspended. However, if you attend the Scheme Meeting (whether in person or through the Online Scheme Meeting Platform) but do not vote on the Scheme Resolution on your own behalf, you will not revoke (or suspend) your proxy appointment.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the United Malt Share Registry before the start of the Scheme Meeting (or, if the Scheme Meeting is adjourned or postponed, before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting) in any of the ways in the 'Lodging the Scheme Meeting Proxy Form' section below.

The United Malt Share Registry will email proxyholders their login details for the Online Scheme Meeting Platform 24 hours prior to the commencement of the Scheme Meeting.

Lodging the Scheme Meeting Proxy Form

Completed Scheme Meeting Proxy Forms must be received by United Malt or the United Malt Share Registry by 10:00am (Sydney time) on Tuesday, 10 October 2023 (or, if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the scheduled resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting). The completed Scheme Meeting Proxy Form may be submitted:

- (a) online to the United Malt Share Registry by:
 - (i) visiting the website, <https://investorcentre.linkgroup.com>. You will need your Holder Identifier (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) and your postcode (or country code, if outside Australia). You will be taken to have signed the Scheme Meeting Proxy Form if you lodge in accordance with the instructions on the website; and

ATTACHMENT D

NOTICE OF SCHEME MEETING

- (ii) by mobile device: If you have a smart phone, you can lodge your Scheme Meeting Proxy Form online by scanning the QR code on the Scheme Meeting Proxy Form. To scan the QR code, you will need a QR code reader application which can be downloaded for free on your mobile device. Log in using the SRN/HIN and postcode (or country code, if outside Australia) for your shareholding. You will be taken to have signed the Scheme Meeting Proxy Form if you lodge in accordance with the instructions on the website;
- (b) in respect of hard copy Scheme Meeting Proxy Forms, by mail (using the reply paid envelope provided by the United Malt Share Registry) to:
United Malt Group Limited
c/- Link Market Services Limited
Lock Bag A14
Sydney South NSW 1235 Australia;
- (c) in respect of hard copy Scheme Meeting Proxy Forms, by email to vote@linkmarketservices.com.au or by fax to the United Malt Share Registry on +61 2 9287 0309 (within or from outside Australia); or
- (d) in respect of hard copy Scheme Meeting Proxy Forms, by hand by delivering it to the United Malt Share Registry at Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 during business hours (Monday to Friday, 9:00am to 5:00pm (Sydney time)).

United Malt Shareholders should contact the United Malt Shareholder Information Line on 1300 381 572 (within Australia) or +61 2 9066 4082 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time) (excluding days which are public holidays in New South Wales, Australia) with any queries regarding the number of United Malt Shares they hold, how to vote at the Scheme Meeting or how to lodge the Scheme Meeting Proxy Form.

A replacement Scheme Meeting Proxy Form may be obtained from the United Malt Share Registry.

If a Scheme Meeting Proxy Form is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed Scheme Meeting Proxy Form unless the power of attorney or other authority has previously been received by the United Malt Share Registry.

For more information concerning the appointment of proxies and ways to lodge the Scheme Meeting Proxy Form, please refer to the Scheme Meeting Proxy Form itself.

Voting by corporate representative

A body corporate that is a United Malt Shareholder, or that has been appointed as a proxy, must appoint an individual to act as its representative at the Scheme Meeting. If you are a body corporate, you can appoint a corporate representative to attend and vote at the Scheme Meeting on your behalf. The appointment must comply with section 250D of the Corporations Act.

To vote by corporate representative, a corporate representative must provide written evidence of their appointment by obtaining and completing an 'Appointment of Corporate Representative' form from the Share Registry's website at <https://www.linkmarketservices.com.au/>. Corporate representative forms must be provided to the United Malt Share Registry by no later than 10:00am (Sydney time) on Tuesday, 10 October 2023. A corporate representative form may be submitted in the same manner as a completed Scheme Meeting Proxy Form, as described above, except that an appointment of corporate representative form cannot be lodged online or by mobile device.

If a certificate is completed by an individual or corporation under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been received by the United Malt Share Registry.

A validly appointed corporate representative wishing to attend and vote at the Scheme Meeting will require the name, SRN/HIN of the body corporate that appointed it in order to access the Online Scheme Meeting Platform.

Voting by attorney

You may appoint an attorney to participate in and vote at the Scheme Meeting on your behalf. Your attorney need not be another United Malt Shareholder. Each attorney will have the right to vote on the poll and also to speak at the Scheme Meeting.

The power of attorney appointing your attorney to participate in and vote at the Scheme Meeting must be duly executed by you and specify your name, the company (that is, United Malt), and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

Certified copies of powers of attorney must be received by the United Malt Share Registry by no later than 10:00am (Sydney time) on Tuesday, 10 October 2023. A certified copy of a power of attorney may be submitted in the same manner as a completed Scheme Meeting Proxy Form, as described above, except that the power of attorney or a certified copy of the power of attorney cannot be lodged online or by mobile device or fax.

A validly appointed attorney wishing to attend and vote at the online Scheme Meeting will require the name and SRN/HIN of the United Malt Shareholder that appointed it in order to access the Online Scheme Meeting Platform.

Questions about voting at the Scheme Meeting

United Malt Shareholders should contact the United Malt Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474, Monday to Friday, between 8:30am and 5:00pm (Sydney time); by email at registrars@linkmarketservices.com.au or by fax on +61 2 9287 0309 with any queries regarding the number of United Malt Shares held, how to vote at the Scheme Meeting, or how to vote by proxy.

Questions at the Scheme Meeting

United Malt Shareholders will have a reasonable opportunity to ask questions during the Scheme Meeting (whether in person or through the Online Scheme Meeting Platform).

United Malt Shareholders who prefer to register questions in advance of the Scheme Meeting are also invited to do so by submitting questions online at <https://investorcentre.linkgroup.com/>. Any such questions must be submitted to the United Malt Share Registry by 7:00pm (Sydney time) on Thursday, 5 October 2023.

The Chairman of the Scheme Meeting will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions asked. Please note that individual responses will not be sent to United Malt Shareholders.

Technical difficulties at the Scheme Meeting

Technical difficulties may arise during the course of the Scheme Meeting. The Chairman of the Scheme Meeting has discretion as to whether and how the Scheme Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman of the Scheme Meeting will have regard to the number of United Malt Shareholders impacted and the extent to which participation in the business of the Scheme Meeting is affected. Where the Chairman of the Scheme Meeting considers it appropriate, the Chairman of the Scheme Meeting may continue to hold the Scheme Meeting and conduct business, including conducting a poll and voting in accordance with valid proxy instructions.

Changes to the current arrangements

United Malt may be required to make changes to the arrangements for the Scheme Meeting. If there are any updates, United Malt will ensure that United Malt Shareholders are given as much notice as possible. Further information will also be made available on United Malt's website at www.unitedmalt.com.

Advertisement

Where this Notice of Scheme Meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone from the ASX's website (www.asx.com.au) or from United Malt's website (www.unitedmalt.com/scheme-overview/) or by contacting the United Malt Share Registry.

Attachment

E

Sample Scheme Meeting Proxy Form

ATTACHMENT E

SAMPLE SCHEME MEETING PROXY FORM



ABN 61 140 174 189

LODGE YOUR SCHEME MEETING PROXY FORM

	ONLINE https://investorcentre.linkgroup.com or by scanning the QR code or by entering the voting link on the next page of this form
	BY EMAIL vote@linkmarketservices.com.au
	BY MAIL United Malt Group Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
	BY FAX +61 2 9287 0309
	BY HAND* Link Market Services Limited Parramatta Square, Level 22, Tower 6 10 Darcy Street, Parramatta NSW 2150
	ALL ENQUIRIES TO Telephone: 1300 554 474 Overseas: +61 1300 554 474 Monday to Friday, between 8:30am and 5:00pm (Sydney time)



X99999999999

This Scheme Meeting Proxy Form should be read in conjunction with the Scheme Booklet dated 7 September 2023 issued by United Malt Group Limited (**United Malt** or the **Company**) (which includes the Notice of Scheme Meeting) (**Scheme Booklet**) that this Scheme Meeting Proxy Form accompanies. Words and expressions used in this Scheme Meeting Proxy Form have the same meanings given to them in the Scheme Booklet, unless the context requires otherwise.

SCHEME MEETING PROXY FORM

I/We being a United Malt Shareholder and entitled to attend and vote at the Scheme Meeting hereby:

APPOINT A PROXY

☐ the Chairman of the Scheme Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Scheme Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the Scheme Meeting.

Name

Email

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Scheme Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting to be held at **10:00am (Sydney time) on Thursday, 12 October 2023 (the Scheme Meeting)** and at any postponement or adjournment of the Scheme Meeting.

The Scheme Meeting will be conducted as a hybrid meeting. United Malt Shareholders and their duly authorised proxies, attorneys and corporate representatives can participate and vote by attending in person at **Warrane Theatre, Level 1, Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000** or logging in online at <https://meetings.linkgroup.com/UMGSM23> (refer to details in the Scheme Booklet, which attaches a copy of the Scheme Meeting Online Guide). You can view and download the Scheme Booklet (which attaches the Notice of Scheme Meeting) at United Malt's website at www.unitedmalt.com.

The Chairman of the Scheme Meeting intends to vote all undirected and other available proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of United Malt Shareholders.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Scheme Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Scheme Resolution

For Against Abstain*

1 To consider and, if thought fit, to pass the following resolution in accordance with section 411(4)(a) (ii) of the Corporations Act:

"That pursuant to, and in accordance with, section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without alterations and/or conditions as approved by the Court and agreed to by United Malt and Malteries Soufflet)."



* If you mark the Abstain box for the Scheme Resolution, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary/
Sole Director (delete one)

Director/Company Secretary (delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

UMG PRX2302N

ATTACHMENT E

SAMPLE SCHEME MEETING PROXY FORM

HOW TO COMPLETE THIS SCHEME MEETING PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the United Malt Share Register. If this information is incorrect, please make the correction on the form. United Malt Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your United Malt Shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Scheme Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Scheme Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a United Malt Shareholder.

DEFAULT TO CHAIRMAN OF THE SCHEME MEETING

Any directed proxies that are not voted on a poll at the Scheme Meeting by a United Malt Shareholder's appointed proxy will automatically default to the Chairman of the Scheme Meeting, who is required to vote proxies as directed on a poll. Any undirected proxies that default to the Chairman of the Scheme Meeting will be voted according to the instructions set out in this Scheme Meeting Proxy Form.

VOTES ON SCHEME RESOLUTION – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Scheme Resolution. All your United Malt Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Scheme Resolution by inserting the percentage or number of United Malt Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Scheme Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Scheme Resolution, your vote on the Scheme Resolution will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Scheme Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Scheme Meeting Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Scheme Meeting Proxy Form and the second Scheme Meeting Proxy Form, state the percentage of your voting rights or number of United Malt Shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both Scheme Meeting Proxy Forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either United Malt Shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Scheme Meeting on behalf of a body corporate which is a United Malt Shareholder, the appropriate "Certificate of Appointment of Corporate Representative" must be received prior to the Scheme Meeting in accordance with the instructions in the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A SCHEME MEETING PROXY FORM

This Scheme Meeting Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Sydney time) on Tuesday, 10 October 2023**, being not later than 48 hours before the commencement of the Scheme Meeting. Any Scheme Meeting Proxy Form received after that time will not be valid for the scheduled Scheme Meeting.

Scheme Meeting Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Log in to the Link website using the holding details as shown on the Scheme Meeting Proxy Form. Select 'Voting' and follow the prompts to lodge your Scheme Meeting Proxy Form online. To use the online lodgement facility, United Malt Shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your Scheme Meeting Proxy Form online by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code, you will need a QR code reader application which can be downloaded for free on your mobile device.



BY EMAIL

vote@linkmarketservices.com.au



BY MAIL

United Malt Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

* During business hours (Monday to Friday, 9:00am–5:00pm (Sydney time))

Attachment

F

Scheme Meeting Online Guide

ATTACHMENT F

SCHEME MEETING ONLINE GUIDE



Scheme Meeting Online Guide

Before you begin

Ensure your browser is compatible. Check your current browser by going to the website: **whatismybrowser.com**

Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 & OS X v10.10 and after
- Internet Explorer – 11 and up
- Microsoft Edge – 92.0 and after

To attend and vote you must have your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode.

Appointed Proxy: Your proxy number will be provided by Link before the meeting.

Please make sure you have this information before proceeding.

Corporate Markets

Scheme Meeting Online Guide

Step 1

Open your web browser and go to <https://meetings.linkgroup.com/UMGSM23>

Step 2

Log in to the portal using your full name, mobile number, email address, and participant type.

Please read and accept the terms and conditions before clicking on the blue **'Register and Watch Scheme Meeting'** button.

- On the left – a live webcast of the Scheme Meeting starts automatically once the Scheme Meeting has commenced. If the webcast does not start automatically please press the play button and ensure the audio on your computer or device is turned on.
- On the right – the presentation slides that will be addressed during the Scheme Meeting.
- At the bottom – buttons for 'Get a Voting Card', 'Ask a Question' and the Scheme Booklet (which includes the Notice of Scheme Meeting).

Note: If you close your browser, your session will expire and you will need to re-register. If using the same email address, you can request a link to be emailed to you to log back in.

1. Get a Voting Card

To register to vote – click on the 'Get a Voting Card' button.

This will bring up a box which looks like this.

If you are an individual or joint securityholder you will need to register and provide validation by entering your securityholder number (SRN/HIN) and postcode.

If you are an appointed Proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click the **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with the Scheme Resolution to be voted on by United Malt Shareholders at the Scheme Meeting (as set out in the Notice of Scheme Meeting).

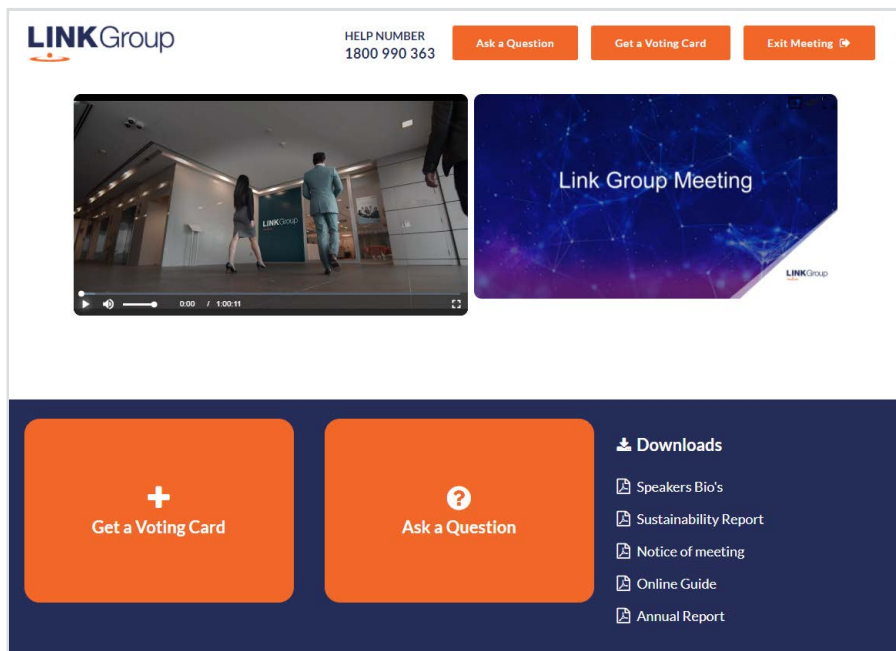
United Malt Shareholders and proxies can either submit a Full Vote or Partial Vote.

United Malt Shareholders who cast a proxy vote on the Scheme Resolution before the Scheme Meeting will still be entitled to attend the Scheme Meeting in person or through the online portal and vote on the Scheme Resolution at the Scheme Meeting, with the later vote overriding the earlier vote (i.e. the United Malt Shareholder will be able to revoke their pre-Scheme Meeting proxy vote by voting in person or through the online portal at the Scheme Meeting, but the United Malt Shareholder's pre-Scheme Meeting proxy vote will remain valid unless revoked at the Scheme Meeting in this way).

Link Group Scheme Meeting Online Guide • 2

ATTACHMENT F

SCHEME MEETING ONLINE GUIDE



Full Votes

To submit a full vote on the Scheme Resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Partial Votes

To submit a partial vote on the Scheme Resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes that you would like to vote on the Scheme Resolution. The total amount of votes that you are entitled to vote for will be listed under the Scheme Resolution. When you enter the number of votes it will automatically tally how many votes you have left.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the Scheme Resolution scroll down to the bottom of the box and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

Note: You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

At the conclusion of the Scheme Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time. Please make any changes and submit your voting cards.

Once voting has been closed all submitted voting cards cannot be changed.

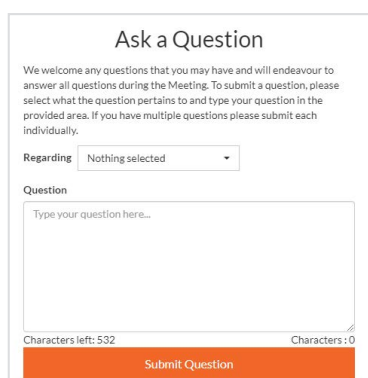
Scheme Meeting Online Guide continued

2. How to ask a question

Note: Only verified United Malt Shareholders, Proxyholders and Company Representatives are eligible to ask questions.

If you have yet to obtain a voting card, you will prompted to enter your securityholder number (SRN/HIN) or proxy details before you can ask a question. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

The 'Ask a Question' box will then pop up with two sections for completion.



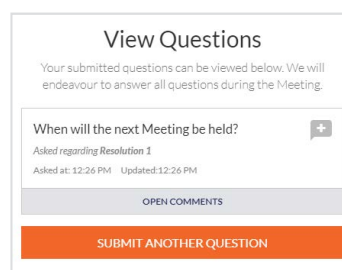
In the 'Regarding' section click on the drop down arrow and select the category/resolution for your question.

Click in the 'Question' section and type your question and click on 'Submit'.

A 'View Questions' box will appear where you can view your questions at any point. Only you can see the questions you have asked.

If your question has been answered and you would like to exercise your right of reply, you can submit another question.

Note that not all questions are guaranteed to be answered during the Scheme Meeting, but the Chairperson of the Scheme Meeting will endeavour to address as many relevant questions as practicable during the course of the Scheme Meeting (however, there may not be sufficient time available to address all of the questions asked during the Scheme Meeting).



3. Downloads

View the Scheme Booklet (which includes the Notice of Scheme Meeting) in the Downloads section.

4. Voting closing

Voting will close at the time announced by the Chairperson of the Scheme Meeting.

The Chairperson of the Scheme Meeting will advise the Scheme Meeting before closing voting on the Scheme Resolution to allow you time to submit your vote before voting on the Scheme Resolution closes. At this time, a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not submitted your vote, you should do so now.

Contact us

Australia
T +61 1800 990 363
E info@linkmarketservices.com.au

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