17 November 2021

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

Dear Sir/Madam,

United Malt Group Limited 2021 (FY21) Annual Report

United Malt today announced its results for the full year ended 30 September 2021 (FY21). Attached is the Appendix 4E and 2021 Annual Report including:

- Directors' report
- Remuneration report
- FY21 Financial report

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

Yours sincerely,
United Malt Group Limited

Lisa Jones

Lisa Jones
Company Secretary

APPENDIX 4E- Preliminary Final Report
Under ASX Listing Rule 4.3A

Current Reporting Period	**1 October 2020 to 30 September 2021**
Prior Corresponding Period	**1 October 2019 to 30 September 2020**[1]

RESULTS FOR ANNOUNCEMENT TO THE MARKET
To be read in conjunction with the FY21 Financial Report.

Key information

	% change		$M (AUD)
Revenue from ordinary activities	(4%)	to	1,235.0
Net profit after tax attributable to members for United Malt Group Limited	(70%)	to	13.8
Net profit after tax before significant items	(41%)	to	34.0
Earnings before depreciation, amortisation, interest, tax, and significant items	(21%)	to	123.3
Basic earnings per share (cents per share)	(73%)	to	4.6

Details relating to dividends

	Record Date	Payment Date	Cents per share	$M (AUD)	Franked %
FY20 Final dividend per share	14 December 2020	30 December 2020	3.9	11.7	0%
FY21 Interim dividend per share	3 June 2021	18 June 2021	2.0	6.0	0%
FY21 Final dividend per share	2 December 2021	17 December 2021	3.5	10.5[2]	0%
Total FY21 dividend			**5.5**	**16.5**	**0%**

Net tangible assets per share

	30 September 2020	30 September 2021
Net tangible assets per share	$2.56	$2.69

Additional information

Additional Appendix 4E disclosure requirements and further information including commentary on significant features of the operating performance, trends in performance and other factors affecting the results for the current period is contained in the FY21 Annual Report and accompanying Investor Presentation.

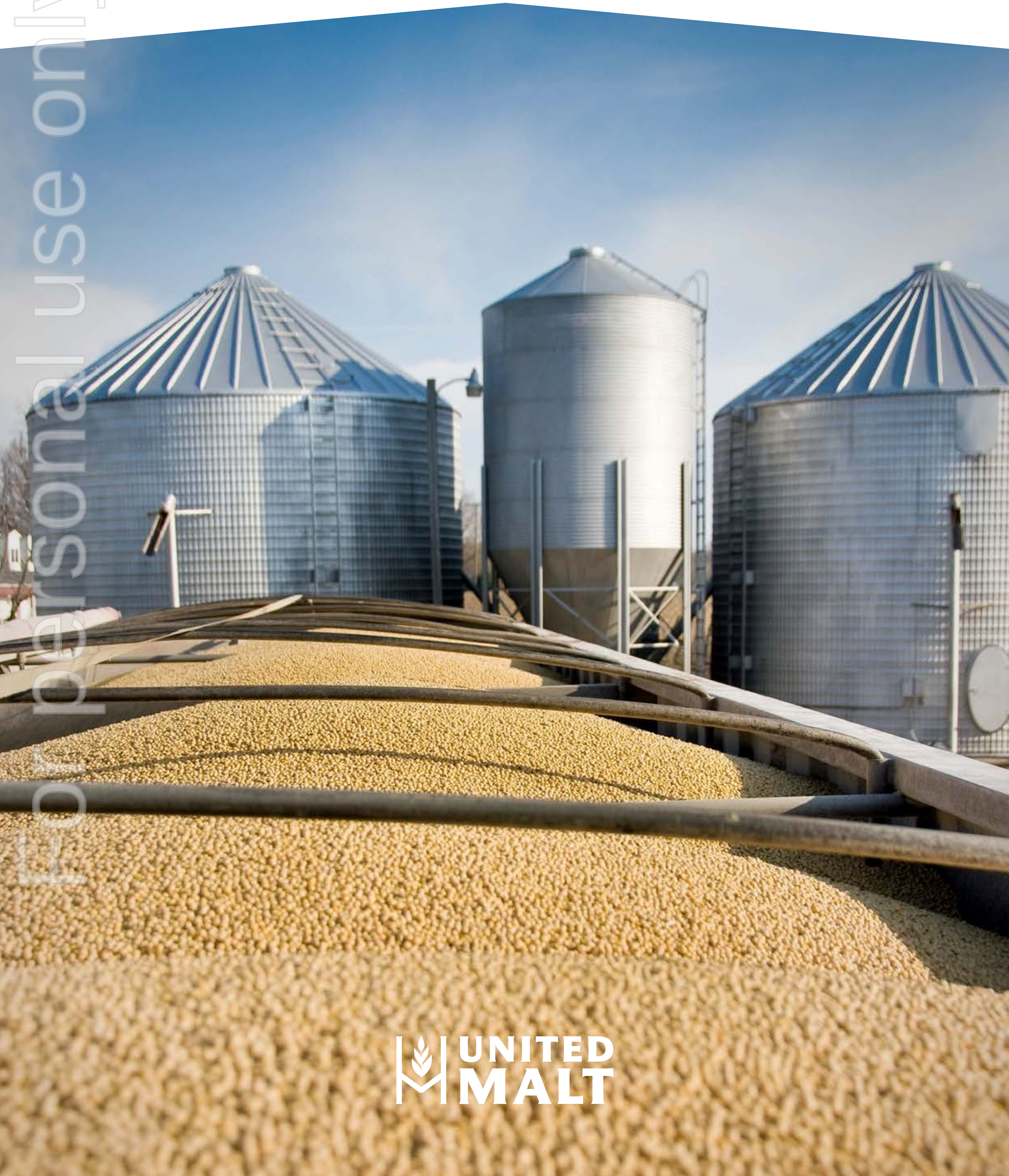
This report is based on the consolidated financial statements and notes which have been audited by PricewaterhouseCoopers.
Further information regarding the company and its business activities can be obtained by visiting the Company's website at www.unitedmalt.com

[1] United Malt Group Demerged from Graincorp and listed on the ASX on 23 March 2020

[2] Represents the anticipated dividend based on shares on issue at the time of this report. This value will change if there are any shares issued between the date of this report and the ex-dividend report.

Annual Report

2021



Contents

Our Purpose

Creating ingredients that bring people together

Our Company purpose sits at the centre of everything we do to create value for our stakeholders. It provides the foundation of our business strategy.

Our Values

Safety

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

Safety extends to the health and wellbeing of ourselves and everyone around us and to the environment in which we operate. It is part of everything that we do as well as the way that we do it.

It is our way of coming together as a community.

Quality

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

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

Passion

We are proud of our industry, our business and our people.

We are proud to be part of a wider community and are positive stewards in the way we work.

We bring a spirit of innovation and continuous improvement to everything that we do.

Integrity

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

Chairman's
Letter

As near-term market conditions stabilise, we remain well placed to leverage improving malt demand trends.

Graham Bradley AM
Chairman and Non-Executive Director

Fellow Shareholders,

United Malt faced significant challenges over the past year caused by COVID-19-related extended lockdowns in most of our key markets leading to reduced on-premise beer consumption, and also by disruption to our supply chain and our ability to ship product to customers.

The Board and I are very pleased, however, with the way our management team and employees across the world have adapted to changing customer and supply chain dynamics and demonstrated agility, ingenuity and strong customer focus.

Financial Result

While our full-year financial result for FY21 was adversely affected by these evolving COVID-related disruptions across our markets, relaxed lockdown restrictions in North America and the UK spanning the northern hemisphere summer resulted in improved operating performance in the second half of the financial year. This improvement was reflected in an 18 per cent increase in full-year Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in our Warehouse and Distribution business (27 per cent on a constant currency basis). Pleasingly, this momentum appears to be continuing into FY22.

The arrival of the COVID Delta variant in Australia and Asia, however, resulted in curfews and extended lockdowns in those markets in the second half which softened sales, as did ocean freight disruption and significant increases in shipping rates.

Group EBITDA was $123.3 million, down 21 per cent on the prior year. FY21 EBITDA included one-off costs related to the Grantham site closure, our transformation programme and also the new IFRIC accounting pronouncement which required costs incurred for our new Enterprise Resource Planning and Transport Management systems being expensed when incurred rather than capitalised. Underlying EBITDA, excluding these one-off items, was $137.2 million, down 11 per cent on the prior year.

Regrettably, as reported in our September 2021 market update, the Company incurred two Significant Items which reduced our reported result for FY21. These were provisions for possible write-downs on debts owed by a longstanding Asian customer and for grain stored at a UK warehouse that went into administration. These significant items totalled $21.1 million and are detailed in the Managing Director and CEO's Review and also in the Operating and Financial Review.

With the inclusion of these significant items, our Statutory Net Profit After Tax (NPAT) was $13.8 million compared to $45.6 million for FY20. Underlying Net Profit After Tax was $34.0 million compared to $57.4 million for FY20.

Dividend

United Malt's dividend policy is to distribute approximately 60 per cent of Underlying NPAT. Consistent with this policy, and notwithstanding the challenges experienced during the year, the Board resolved to pay a final dividend of 3.5 cents per share (unfranked), bringing the full year dividend to 5.5 cents per share. The dividend payout in FY21 totalled 48 per cent of Underlying NPAT, increasing from 40 per cent in FY20.

Subject to trading conditions, we aim to provide shareholders with a steady increase in dividends as profits grow.

Other FY21 Achievements

In response to the pandemic, we maintained our focus on the health and well being of our employees, and the safe operations of our sites for employees, customers and visitors. We not only implemented initiatives to keep our people safe and support them during the pandemic, but we also made good progress in the development of our longer-term safety strategy.

Pleasingly, COVID-related constraints did not slow our internal improvement initiatives. During the year, we announced a transformation programme to renew our organisational and technology platforms to create a simplified, more efficient and effective organisation. The aim of this programme is to keep the customer at the centre of everything we do, and to reshape the business to drive growth, enhance customer experience and increase efficiency by improving our systems and processes, and streamlining our organisation structure. Despite being launched against the backdrop of significant disruption caused by the pandemic, the Board is pleased with the progress that has been achieved to date.

The Board is confident that these measures will position the business to capitalise on the expected improvements in market conditions as our core markets enter the recovery phase, return to growth, and generate enhanced shareholder returns over the medium term.

Sustainability

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

During FY21 we established specialist working groups across our business to develop our sustainability strategy, focused on a number of priorities that we have identified as being fundamental to our business and important to our stakeholders. Enhancing our management of food security standards was one key focus for FY21.

Recognising the risks and opportunities that climate change presents for all businesses, including ours, we have also commenced work towards aligning our climate change reporting with the recommendations of the Task Force on Climate-related Financial Disclosures.

During FY21, the Company commenced a detailed assessment of the potential physical and transitional climate-related risks and opportunities facing the business. We also enhanced our supplier on-boarding and due diligence, our compliance training and our review of modern slavery risks in our supply chain before lodging our first modern slavery statement in March 2021.

Our Sustainability Report which is available on our website details the specific initiatives we have undertaken over the past year and the targets we have set for the year ahead.

Governance

Again this past year our Board and management were focused on implementing policies and procedures appropriate for a standalone listed entity following our demerger from GrainCorp.

Recognising the importance of ensuring that United Malt's risk management policies are fit for purpose in the current operating environment, we undertook a comprehensive review of our risk management framework and risk appetite. This culminated in the Board approving a revised risk appetite statement and the identification of initiatives which will be implemented to enhance the Company's management of operational, financial, strategic, environmental and social risks.

Outlook

While we now see welcome improvements in sales outlook in our major markets, and 'green shoots' in some Asian countries, COVID-19 continues to create unexpected challenges across our markets. We are encouraged, however, by the increasing vaccination rates globally and government commitments to removing lockdowns. United Malt has demonstrated its ability to adapt to these challenges to provide quality products and services to our strong and diversified customer base.

As market conditions improve, we believe we are well-placed to take full advantage of rebounding malt demand. We continue to focus on optimising our core business by upgrading our capabilities and footprint to target growth in the craft beer and distilling markets.

In the meantime, we continue to implement our transformation strategy to deliver approximately $30 million in net benefits in EBITDA by FY24.

Conclusion

I would like to thank my fellow Directors for their ongoing dedication in navigating the Company through another year of progress despite limited opportunities to meet in person or visit our facilities.

On behalf of the Board I want to acknowledge our executive team and employees across the world for their dedication and hard work in what has been a difficult year. I also extend thanks to our shareholders for their continued support. I look forward to providing a further update on the Company's progress at the Annual General Meeting in February 2022.

Yours sincerely,

Graham Bradley

Graham Bradley AM
Chairman and Non-Executive Director

Managing Director

and CEO's Review

We continued to implement our strategy to optimise and strengthen our business, and we have emerged from FY21 in a stronger and more competitive position.

Mark Palmquist
Managing Director and CEO

Introduction

United Malt has spent its first 18 months as a listed company managing through the continued impact of COVID-19. While FY21 was a challenging year, our team at United Malt continued to respond and adapt to the ongoing disruptions to our operations and supply chain across our business resulting from the global pandemic. I would like to acknowledge the efforts of all of our employees for their ongoing commitment.

At the same time, we continued to implement our strategy to optimise and strengthen our business. We have emerged from FY21 in a stronger and more competitive position to leverage the improving customer and market trends across our core geographies as we enter FY22.

Safety

The safety of our people remains paramount. During FY21 we made good progress in the development of our longer-term safety strategy, 'Safe for Life', which is focused on improving safety at our sites and our safety management systems.

During FY21 we reduced both the total number of injuries and also the frequency rate of injuries across our workplace. The number of recordable injuries reduced from 16 in FY20 to 14 in FY21, while the Recordable Injury Frequency Rate for FY21 was 1.42, down from 1.45 in the prior year. However, the Lost Time Injury Frequency Rate (LTIFR) increased from 3.63 in the prior year to 4.04 for FY21. Whilst the LTIFR increase is disappointing, we remain committed to improving our performance.

FY21 Financial Results

While our financial results in FY21 continued to be impacted by COVID-19, we did see an improvement in performance in our North American and UK markets in the second half of the year where high vaccination rates and northern hemisphere summer weather supported improved malt demand.

Export sales volumes to Asia were, however, negatively affected by stringent COVID-19 restrictions in that region, including strict stay at home orders and curfews, as well as significant disruption to container freight availability, shipping delays and increased freight costs; and the extended COVID-19 lockdowns in Australia affected on-premise demand. Although important strategic markets for us, these markets make up less than 20 per cent of total sales revenue.

Total revenue in FY21 declined by 4 per cent compared to FY20 and was in line with the prior year revenue on a constant currency basis.

EBITDA was $123.3 million, down 21 per cent on the prior year. EBITDA in FY21 includes $3.1 million in costs associated with the

Grantham site closure, transformation costs of $4.3 million and also the negative impact of $9.1 million related to the ~10 per cent appreciation in the Australian dollar compared to the US dollar for the prior year affecting the translation of earnings into Australian dollars. On a constant currency basis, EBITDA declined by 16 per cent.

The EBITDA result also includes the impact of the new IFRIC accounting pronouncement which required expensing costs associated with the Enterprise Resource Planning and Transport Management Systems which would previously have been capitalised. This accounting change decreased FY21 EBITDA by $6.5 million.

As announced on 1 September 2021, the statutory earnings in FY21 were impacted by two Significant Items. One related to a UK grain storage contractor who has entered administration and the other related to a bad debt provision from one Asian customer. A provision for stock loss of $4.7 million and a provision for a bad debt of $16.4 million were booked in the year. United Malt is actively pursuing all legal and commercial avenues on both of these Items.

Segment Results

In the **Processing** segment, revenue declined by 5 per cent to $938 million reflecting volume declines compared to the prior year as a result of the reduction in on-premise consumption.

Segment EBITDA declined by 29 per cent to $89.5 million, reflecting lower volume, a change in customer mix, additional costs associated with enhanced COVID-19 hygiene and social distancing measures and related one-off costs.

Earnings were also affected by global freight delays and higher freight costs which delayed sales and shipments to customers.

Revenue in the **Warehouse & Distribution** segment was $330 million compared to $329 million in FY20.

Segment EBITDA increased by 18 per cent to $40.8 million as demand for malt increased in the second half in the North American craft beer market, with a corresponding improvement in sales mix and greater demand for specialty malts. The Warehouse & Distribution segment also benefited from our optimisation programme which is driving lower costs and enhancing our operational efficiencies.

Company-wide Underlying Net Profit After Tax was $34.0 million compared to $57.4 million for FY20.

Net debt at 30 September 2021 was $312.4 million compared to $344.1 million at 31 March 2021. Our gearing ratio (net debt/ Underlying EBITDA) was 2.1 times which is towards the lower end of our target range of 2.0-2.5 times and also reflects the seasonal impact of lower working capital at year end compared to the first half.

We remain in a strong financial position to manage in the current environment and to continue our investment in strategic growth initiatives.

New Leadership Appointments

During the year, we strengthened our Executive Leadership Team with the appointments in July 2021 of a Chief Operating Officer and Vice President of Human Resources.

Tiago Darocha joins United Malt as COO, a role that brings together leadership of our Canadian and US processing operations. This role reflects the implementation of our business transformation programme to create a simplified, more efficient and effective organisation. Our aim is for our worldwide network of 12 malting production facilities to operate as one network. Tiago has over 20 years' industry experience in process optimisation for large scale brewing and malting operations having worked for Anheuser-Busch InBev in a variety of senior positions.

As VP HR, Erika Morgan is responsible for the Group's Human Resource strategy and operations. Her priorities are to ensure her teams develop and lead programmes that equip, engage and empower the highest levels of team performance and business success. Erika's priorities include building a Group-wide workforce with the capability to create value and operate as an integrated business, reflecting the continued implementation of our business transformation. Prior to joining United Malt, Erika held various HR leadership positions with global and multi-national companies, including Nike, in the consumer goods, services and food and beverage industries.

Strengthened risk management, governance and oversight

The Chairman has referred to our comprehensive review of our risk management framework. In FY21, management reviewed a number of key corporate governance policies and practices which underpin our risk management programme, to ensure that accountability for compliance is clearly articulated and that management is operating within the risk appetite set by the Board. This review has led to

Results Snapshot

$123.3m
EBITDA

$1,235bn
Revenue

$34.0m
Underlying NPAT

$312.4m
Net Debt

2.1 times
Gearing Ratio

5.5cents
Dividend

clarification of roles and responsibilities for governance and risk within the Group based on organisational and individual capability as we continue our journey to become a more integrated business. I look forward to continuing this work in FY22 to strengthen our governance and risk culture to ensure that risk issues are properly identified, evaluated, managed and integrated into our strategy.

Further details about the important work undertaken during the year in relation to evaluating our ESG risks are included in the Sustainability Report.

Progressing Strategic Priorities

I am pleased to report continued progress on our strategic initiatives during the year.

In the UK, we remain focused on servicing the Scottish whisky market which requires malt to meet the long-term requirements of distillers to produce aged whisky. The expansion at the Arbroath facility is now complete and has delivered an additional 22,000 tonnes of production capacity and is performing to our expectations.

Meanwhile, the new facility in Inverness will provide an additional 57,000 tonnes of capacity to service the distilling market. The site is expected to be operational by July/August 2022, slightly behind schedule due to ongoing social distancing requirements on-site.

The revised overall cost to complete the Scottish project is ~A$127 million. The higher cost estimate is driven by construction delays, higher material and supply chain costs and a tight labour market resulting from the COVID-19 environment, and also by some adverse foreign exchange movements. Notwithstanding increased project costs, the 79,000 tonne capacity expansion is underpinned by expanded contracts with major customers and based on the current forward orders secured, project return rates will be preserved.

The Grantham facility in England was closed in March 2021, with customers' orders now being supplied from our Witham facility and from the additional volume coming online at the Arbroath facility.

In Australia, we continue to progress the $27 million project to replace the existing kiln at our Welshpool facility with a new and indirect heating source kiln. This renewal provides operating efficiencies and safer technology. We expect to achieve a 10 per cent reduction in gas and electricity usage. It also provides an opportunity to expand the facility's capacity with further capital investment.

The project is scheduled for commissioning by February 2022, slightly behind schedule due to COVID-19 related travel restrictions to Western Australia.

Our new 9,100sqm craft Warehouse & Distribution centre in Derrimut, Victoria is now operational and provides an expanded range of ingredients and a 'one-stop-shop' experience for customers.

We have expanded our partnership with our Mexican distribution partner to further grow our penetration into the region. Our partner opened its third warehouse in October 2021.

During the year we announced our transformation programme which is focused on renewing our organisation and technology platforms to create a simplified, more efficient and effective organisation. This project is expected to deliver ~$30 million of net benefits in EBITDA by FY24. One-off costs of $4.3 million were incurred in FY21 as part of the project.

We have also commenced the development of our new Enterprise Resource Planning (ERP) and implementation of a Transport Management System to enhance our data analysis and process improvement. Total expense on these systems is expected to be ~$20 million over three years with $6.5 million incurred in FY21.

Looking Forward

We remain well positioned to continue navigating and adapting to the near- term challenges facing our business. We enter FY22 with optimism based on the opening up across key geographies, higher vaccine roll-outs, governments' desire to limit future lockdowns and the continuing recovery in beer consumption. We are confident in the implementation of our strategy to set the business up for a return to growth by investing in our capability, delivering on our strategic initiatives and capitalising on the improving market trends.

Crop conditions in Canada have deteriorated due to the drought which has impacted the size and quality of the barley crop and has elevated global barley prices. We are proactively sourcing barley from Denmark and Australia to supplement our locally-sourced supply. The imported barley will support our requirements to meet our customers' demands in both quality and supply. We expect to receive our first cargo early in calendar 2022.

As vaccination rates increase and lockdown restrictions ease, we expect to capitalise on increased on-premise consumption with a corresponding improvement in product mix and demand for speciality malts.

Over the medium term, we are well positioned to return to growth supported by our strong market positions, strategically located malting assets and our market leading distribution platform which services customers' ingredient requirements.

Our growth will be further enhanced by the strategic initiatives we are implementing to equip our business by enhancing our capabilities to operate more sustainably and to create a more streamlined and efficient operating model to generate higher returns for shareholders.

Mark Palmquist
Managing Director and CEO

Investment Proposition

Focused, pure play malting business leveraging strong growth fundamentals.

- Attractive market dynamics in established areas of strength
- Strong market position and malting assets that are strategically located
- Leading craft brewing distribution platform
- Integrated supply chain with strong barley sourcing capabilities
- High quality customer base diversified by product, end market and geography
- Transformation program established with ~$30 million in net benefits delivered by 2024
- Growth strategy focused on high value end markets where growth is expected to continue

Exposure to high growth craft beer and Scotch whisky market

4th largest commercial maltster globally
UMG has ~900 employees.

Full service
25 warehouses & distribution facilities for craft brewers, distillers and food producers, providing malt, hops, yeast, adjuncts and related products.

12 processing facilities
across Canada, the US, Australia and the UK

United Malt Overview

United Malt is the fourth largest commercial maltster globally, producing ingredients for the brewing, distilling and food markets.

United Malt's operational headquarters are in Vancouver, Washington, US and the Company is listed on the Australian Securities Exchange (ASX: UMG). United Malt predominantly services the brewing, distilling and food markets with processing facilities and warehouses in Canada, the US, Australia, the UK and New Zealand. Our products are sold in these markets as well as export markets across Asia, South America, Europe and Africa.

We are one of the leading malt suppliers to the craft brewing sector, supported by a distribution network comprising 25 warehouses (both Company-operated and through third party logistics providers) and international craft distribution partnerships throughout North America, South America, Europe, Asia and Australia.

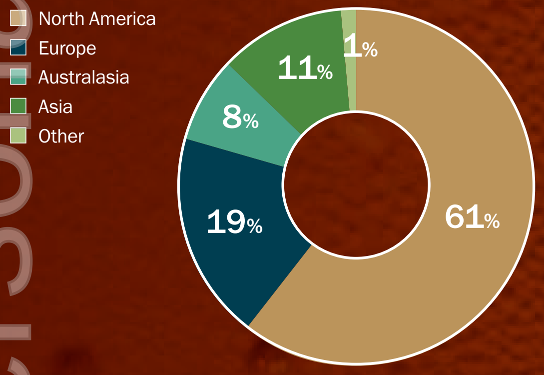
Our strategy is focused on keeping our customers at the centre of everything we do, whilst targeting those high value markets where the long-term outlook for growth remains supportive.

Our customer base is diversified by product, end-market and geography, and comprises a range of high quality customers including global brewers, craft brewers, distillers and food companies.

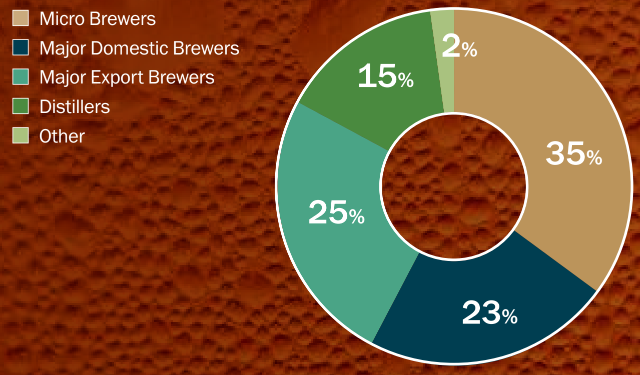
We sell into domestic and export markets. Export markets (particularly Asia) are an important source of demand for malt produced in Australia.

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

Revenue by customer geography



Revenue by customer group



Our long history of established brands

In each or our operating geographies we have local brands that represent United Malt.
Each of these brands has a long and rich history within the malting industry and represents who we are today as a Company.

1823 – 1902 – 1912 – 1934 – 1995 – 1995 – 2013

Value Creation

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

Selection of the highest quality barley

We maintain a diverse range of grower relationships, over multiple growing regions. We contract directly with growers for production acres and planting of specific varieties to meet the needs of our customers.

Quality & providence preservation

We have capabilities to store our barley in the right conditions to maintain quality prior to processing.

We segregate our barley to preserve its unique identity and key quality attributes to meet our customers' requirements.

Processing Conversion to Malt

Our processing facilities are in close proximity to barley crops, reducing transportation and handling requirements along with reducing greenhouse gas emissions.

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

Distribution

Distribution is a further step in our value creation, as we connect our customers to our malts in the format that meets their requirements.

Our Processing division distributes our malt products in a bulk format via rail car, road and containers to major food and beverage producers.

Our Warehouse & Distribution division provides our malts in a smaller format to meet the needs of craft producers. We complement our malt ingredient offering with the provision of the full range of other brewing and distilling ingredients. We provide our customers with products including hops, yeast, adjuncts, flavours and packaging materials – providing the one stop shop for craft producers.

We strive to be our customers' preferred partner in quality, service and innovation

Where We Operate

Malting assets that are strategically located in close proximity to barley growing regions and customer demand.

Key

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

Processing

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

Our malting assets are strategically located across major barley growing regions providing access to high quality barley and in close proximity to critical transport infrastructure proving better access to customers. The Processing division services over 600 customers including major brewers, national craft brewers, distillers and food companies with high visibility of earnings underpinned by long-term contracts.

~750kt Production capacity — Canada Malting Co. Limited; Great Western Malting (The heart of your craft)

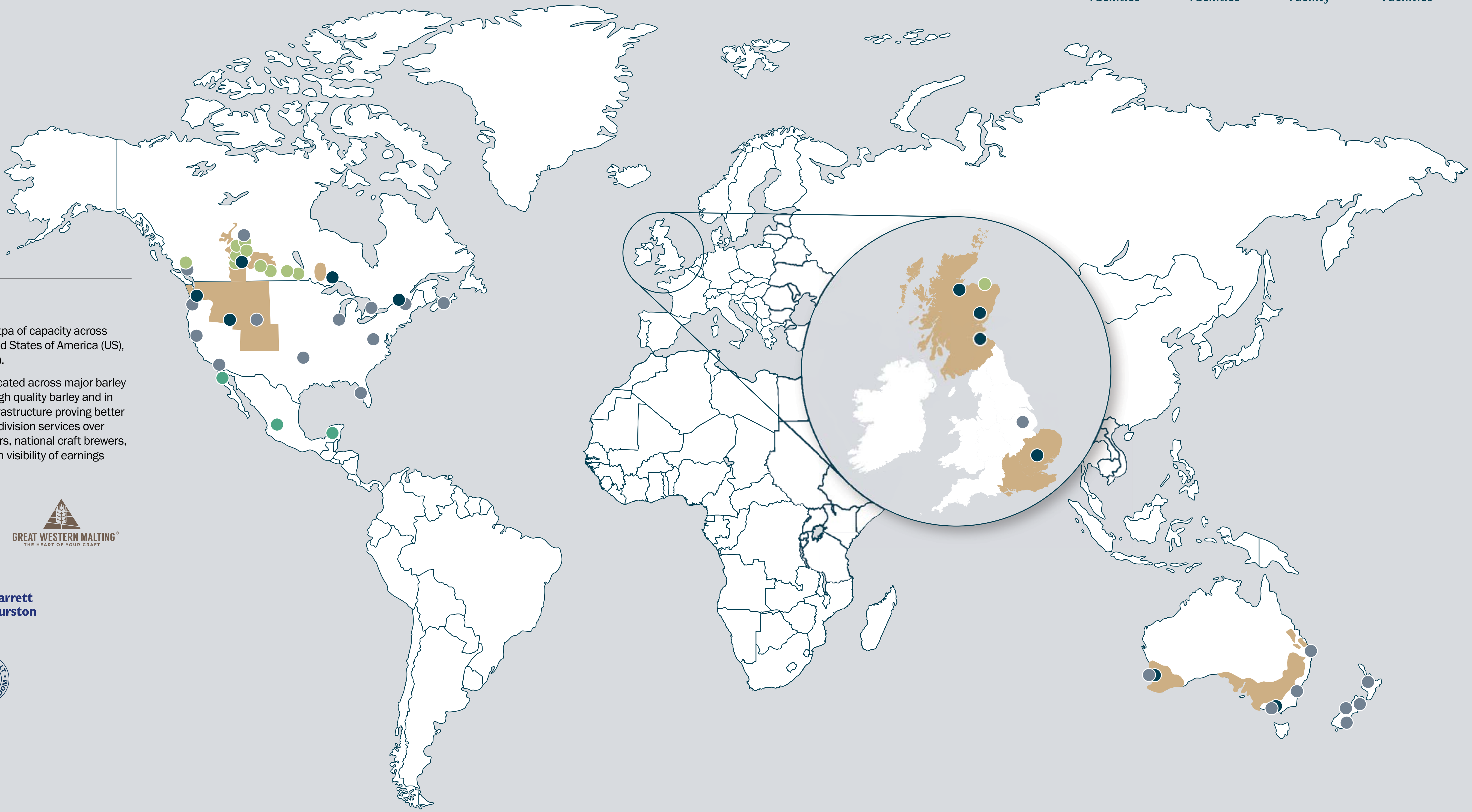
~250kt Production capacity — Barrett Burston

~250kt Production capacity — Bairds Malt United Kingdom

Warehouse & Distribution

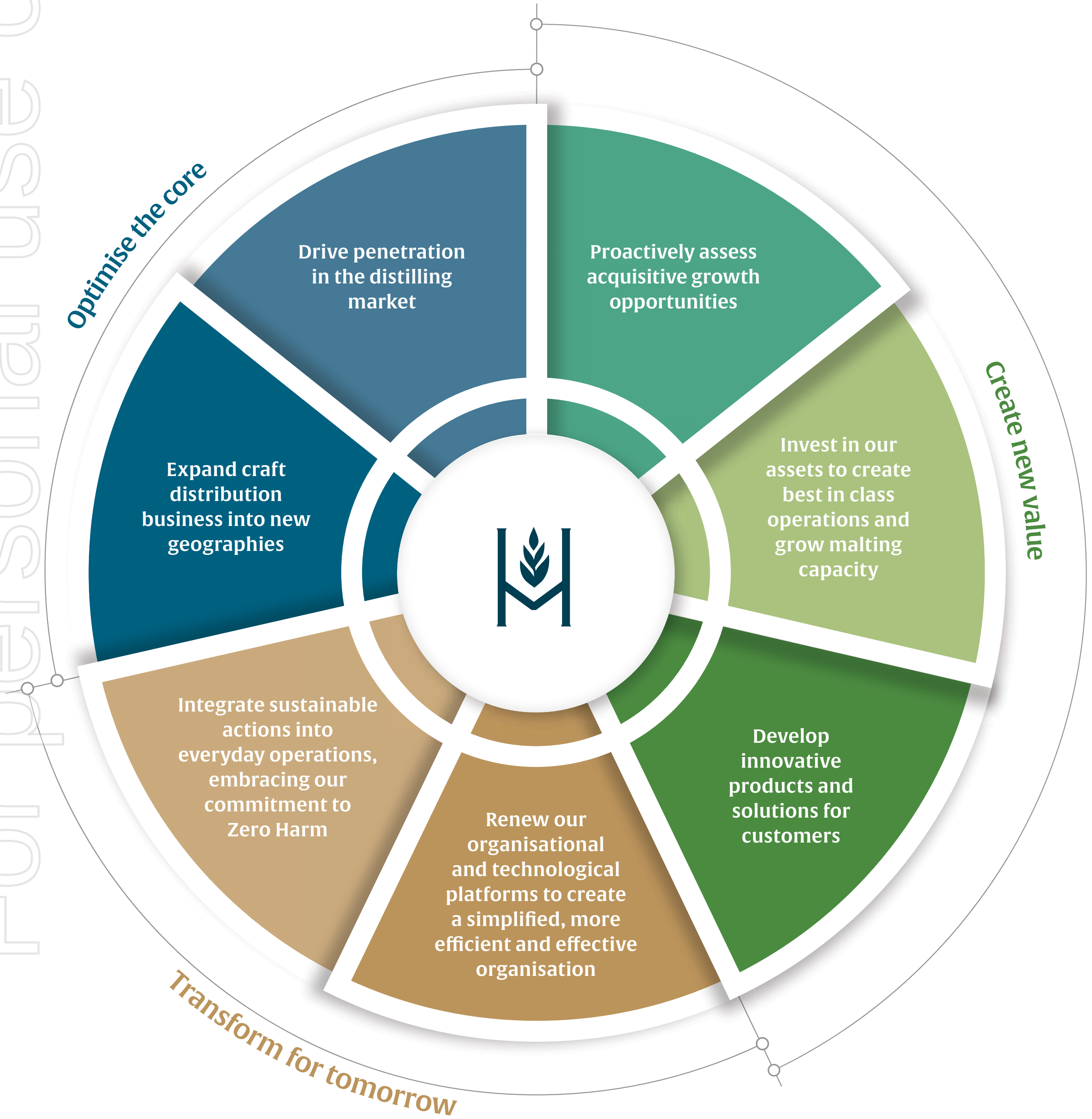
Our Warehouse & Distribution segment generates revenue from the sales and distribution of bagged malt, hops, yeast, adjunctions and related products. The Company owned distribution network is supported by international craft distribution partners focused on regions exhibiting growth in craft. United Malt's competitive advantage is its ability to deliver all ingredients to the brewer on a just-in-time basis.

Country Malt Group	Cryer Malt	Brewers Select	BeerMex
13 Facilities	8 Facilities	1 Facility	3 Facilities



Our Strategy

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



Optimise the core

Drive penetration in the distilling market

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

Expand craft distribution business into new geographies

Expand into the growing craft beer market in Latin America and Asia by leveraging extensive craft distribution experience.

Supported by other bolt-on acquisitions, start-up opportunities and new distribution partnerships.

Transform for tomorrow

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

Redesign our organisation to simplify our operations to create an organisational design reflecting a standalone malting company.

Embrace process changes to improve capabilities by implementing simplified and standard processes, skills and systems.

Strengthen operational management by harnessing our network of production facilities and Warehouse & Distribution centres as one global network to deliver better outcomes for customers.

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

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

Create new value

Proactively assess acquisitive growth opportunities

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

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

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

Targeted expansion of malting capacity.

Develop innovative products and solutions for customers

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

Strategic Delivery

We continue to optimise our asset footprint including upgrading capacity to create best in class operation enhancing customer experience.

Scottish Expansion

Growth capital
Targeted completion by mid 2022
79,000 tonne capacity increase over two facilities

In late 2018 the expansion of the Inverness and Arbroath sites in Scotland was announced in response to long term customer demand for distilling malt. This expansion will allow us to support the local distilling industry and farmer base with malt products that are sown, grown and malted in Scotland.

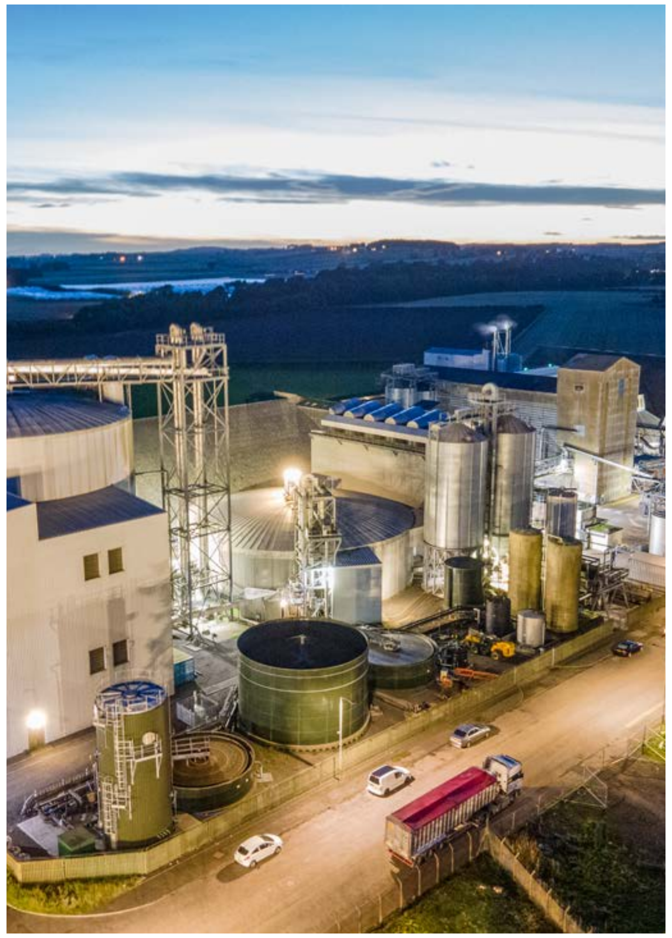
Global demand for aged whisky continues to grow, United Malt is well positioned to support the Scottish distilling industry in supplying Scottish malt. The capacity expansion is underpinned by long term customer agreements.

The first stage of the project was completed in March 2021, with 22,000 tonnes of additional capacity commissioned in Arbroath.

The expansion at United Malt's Inverness site in underway, with the addition of a new malting tower of 57,000 tonnes per annum with expected completion in July/August 2022.

In addition to increasing production capacity, sustainability has been at the forefront of this project.

The plant control system has been designed to incorporate energy monitoring technology and process control that allows both consistent production quality and data-led analysis of energy consumption. The kilning equipment uses the best available technology to limit gas and electricity consumption. In addition, the installation of an anerobic digestion module that treats effluent from both malting facilities at the site will significantly reduce the strength of effluent flows by 80% and reduce suspended solids by 50%.



Perth Kiln

Stay in business capital
Targeted completion early 2022

United Malt's Australian-based business is replacing the existing kiln at its Welshpool facility with a new and indirect heating source kiln. This renewal provides operating efficiencies and safer technology.

The project replaced the site's ageing direct fired, double floor kiln with an indirect fired single deck kiln, which will remove reliability and inefficiency issues and reduce maintenance costs and plant emissions.

The Welshpool facility is strategically located in close proximity to Western Australia's high-quality barley growing region and is also well situated to meet demand both domestically and through exports to Asia.

Mexico Warehouses

In FY20 United Malt announced its intention to expand its presence in Mexico.

Mexico is an emerging craft market, with demographics to support craft proliferation. Demand for reliable and readily available craft brewing ingredients is increasing.

United Malt has expanded its distribution partnership to further grow United Malt's brand presence and one-stop-shop service offering into the Mexican craft market.

With our local partner Beermex, we provide the growing craft market in Mexico a wider product offering, enhanced customer experience and more efficient logistics.

Three warehouses are now operational in Mexico. Merida, Guadalajara and Tijuana. Guadalajara will serve as the primary supply hub for Tijuana and other satellite distribution points as we expand our presence in the Northern and Central areas of Mexico.

Mexico has not been immune to the impact of COVID-19. However over 1,200 craft brewers are operational, and we expect our market share to continue to grow.

Melbourne Warehouse

In June 2021 United Malt opened a new distribution facility in the greater Melbourne area, which is its first Company operated distribution centre in Australia. The 9,100 square metre distribution centre, leverages the experience of the Company run distribution centre network across North America, providing an expanding range of ingredients and a 'one-stop-shop' experience for customers.

The new distribution centre allows United Malt to work more closely with its customers as their key partner in providing the finest brewing and distilling ingredients, which create the foundations of excellent beer and whisky.

The site has capability for both cold and ambient storage on one site, offering customers all key beverage ingredients: malt, hops, yeast and an expanded range of adjuncts.

The new facility is the result of numerous years of planning and has significantly strengthened United Malt's distribution network and supports our strategy of being easy to do business with. This enables us to serve the needs of our customers, through faster dispatch and an expanded range of ingredients.

Transformation

Transforming our business and renewing our organisational and technology platforms to create a simplified, more efficient and effective organisation.

During FY21 we commenced a program of work to transform our business and renew our organisational and technology platform to create a simplified, more efficient and effective organisation.

The specific areas of focus and initiatives that form part of the transformation include:

- Organisational redesign – transitioning to a simplified operation to create an organisational design reflecting a standalone malting company
- Process changes – Improving capabilities by implementing simplified and standard processes, skills and systems, enabling United Malt to become more data informed
- Operational management – harnessing our network of malting production facilities and warehouse & distribution centres as one global network to deliver better outcomes for our customers

The transformation program is being delivered over the coming periods and is targeted to deliver ~$30 million in annualised net benefits by FY24.

During the year significant progress was made on our focus areas including:

- The uniting of the US and Canadian processing operations under a single leadership structure
- The commencement of the implementation of the new Enterprise Resource Planning software and Transportation Management Solution supporting improved logistics solutions for our customers
- Enhancing the Warehouse & Distribution operations including SKU, freight and pricing optimisation.

Sustainability Highlights

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

Our People

Our priorities in FY21 remained on initiatives to promote health and safety across all our work sites, including mental health and our ongoing response to COVID-19, policies to promote diversity and inclusion throughout our workforce and continued investment in our employees' learning and development to equip them with the knowledge and skills to perform their roles.

Safety

▼ 2%

Recordable injury frequency rate

2021	1.42
2020	1.45

~11.5K

Safety leader observations

Diversity & Inclusion

In FY21, the level of female participation across the Company was 27% compared to 26% in FY20, while the level of female participation at the Senior Leader level was 46% compared to 35% for the prior year.

Female participation at the Senior Leader level was 46%

▲ 1%

Female representation in United Malt (up from 26% in FY20)

2021	27%
2020	26%

Environment

United Malt remains committed to minimising the impact of our operations on the environment. Our value chain impacts the environment through both sourcing and process of raw materials, packaging and distribution. We recognise the impact of our operations, including energy consumption, water consumption, wastewater management, waste generation and emissions and the impact this can have on the environment.

At our operations, we continue to assess, monitor and reduce our impact on the environment with focus on energy consumption and Scope 1 and 2 greenhouse gas emissions. We continue to monitor and evaluate energy efficiency improvements across our assets, and implement options to reduce the water and energy required in our malting processes.

Sustainable Agriculture: We work to ensure that our agricultural partners' supply chain and businesses embed sustainable agricultural practices that protect the environment and maintain and improve soil fertility to ensure longevity of supply, and improve the social and economic conditions of farmers, their employees and local communities.

In Australia, 30% of the malting barley utilised is procured from grain suppliers that are International Sustainability and Carbon Certification (ISCC).

30%

Australian grain suppliers that have International Sustainability & Carbon Certification

Governance

United Malt is committed to a high standard of corporate governance and to fostering a culture of ethical behaviour and compliance, and to promoting the Company's values of safety, integrity, passion and quality.

Modern Slavery

United Malt acknowledges the risk that modern slavery practices may exist within the value chains in which we do business, and that we hold a moral responsibility to take actions which contribute to mitigating such risks and remediating harm.

We conducted modern slavery training for 275 key personnel in management positions, as well as staff involved in procurement practices and supplier selection and onboarding.

Communities

One of our Company values is Passion. This passion extends to our people, our customers and our communities. Our community approach is dedicated to making a positive social impact and community engagement. We continue to act responsibly within the communities where we operate to encourage and gain their ongoing support.

We continued to support the local communities where we operate through corporate donations, sponsorships, fundraising and volunteering activities. Collectively, United Malt donated approximately $100,000 in FY21.

Indspire

Indigenous education, Canada's future. | L'éducation des autochtones. L'avenir du Canada.

Indspire recognises that First Nations, Inuit and Métis students encounter additional barriers to completing and funding their education. They have established the Building Brighter Futures program which provides scholarships, bursaries and awards to Indigenous students every year. United Malt via its Canadian operations, Canada Malting is continuing to support Indspire's scholarship program for students from Indigenous communities by sponsoring the 'Canada Malting Indigenous Student Award'. In 2021 this award helped support two students from the provinces of Alberta or Ontario who are studying in the post-secondary academic programs in Sciences and Business. Canada Malting has been a proud supporter of this program since 2018.

Board
of Directors

Mr Graham Bradley AM

Independent Chairman and Non-Executive Director

BA, LLB (Hons. Sydney University), LLM (Harvard)

Appointed to the Board on 13 January 2020.

Skills and experience
Mr Bradley has over 30 years of business, executive leadership and governance experience at senior executive and board levels across banking and financial services, manufacturing, infrastructure, resources, agribusiness and corporate strategy consulting.
Mr Bradley has previously held the position of Managing Director of Perpetual and senior roles at Blake Dawson and McKinsey & Company.

Mr Bradley is currently Chairman of Energy Australia Holdings (since June 2012), Virgin Australia International Holdings (since March 2012), Shine Justice Limited (since May 2020), Volt Corporation Ltd and Volt Bank Limited (Since June 2021).

Mr Bradley is also a Director of Hongkong and Shanghai Banking Corporation (since November 2012), the Chairman of Infrastructure NSW (since July 2013), a member of the Advisory Council of the Australian School of Business at UNSW and was made a member of The Order of Australia in 2009.

He is a former Chairman of GrainCorp (March 2017 until March 2020). Mr Bradley was the President of the Business Council of Australia and the Deputy President of the Takeovers Panel, among other notable roles.

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

Mr Mark Palmquist

Managing Director & Chief Executive Officer

Bec, GAICD

Appointed to the Board on 13 January 2020.

Skills and experience
Mr Palmquist has over 30 years experience in food processing and agricultural sectors and has held a number of senior leadership roles prior to commencing his role at United Malt. Mr Palmquist is focused on building a sustainable business aligned to meeting the needs of our customers in each of our markets, whilst ensuring strong governance, risk management and continued innovation.

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

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

Ms Barbara Gibson

Independent Non-Executive Director

B.Sc MAACB FTSE MAICD

Appointed to the Board on 13 January 2020.

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

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

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

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

Board Committee memberships:
Chair of the Environment, Health and Safety Committee

Member of the Audit and Risk Committee

Mr Terry Williamson

Independent Non-Executive Director

MBA, BEc, FCANZ, FGIA, FAICD

Appointed to the Board on 23 March 2020.

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

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

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

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

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

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

Member of the Environment, Health and Safety Committee

Ms Jane McAloon

Independent Non-Executive Director

BEc (Hons), LLB, GDip CorpGov, FAICD

Appointed to the Board on 13 January 2020.

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

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

Ms McAloon is currently a Non-Executive Director of Energy Australia (since December 2012), Home Consortium (since October 2019), Allianz Australia (since July 2020) and Newcrest Mining (since July 2021). Jane is also a board member of the Allens Advisory Board (since September 2019).

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

Board Committee memberships:
Chair of the Nominations and Remuneration Committee

Member of the Audit and Risk Committee

Mr Gary W. Mize

Independent Non-Executive Director

BA (Marketing and Finance) Michigan State University and Advance Executive Program, Northwestern University

Appointed to the Board on 23 October 2020.

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

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

Mr Mize is currently Lead Director of Darling Ingredients (a company listed on NYSE) (appointed in Feb 2021), an Independent Director of Gevo Inc (a company listed on NASDAQ) (since September 2011) and Ceres Global (a company listed on TSX) (since September 2013).

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

Member of the Nominations and Remuneration Committee

Mr Simon Tregoning

Independent Non-Executive Director

BCom, FAICD

Appointed to the Board on 13 January 2020.
Resigned on 18 February 2021

Skills and experience
Mr Tregoning has over 30 years of experience at senior executive and board level across the fast moving consumer goods, agriculture and energy sectors.

He was previously Vice President of Kimberly-Clark Corporation and has extensive overseas senior executive experience and is an experienced Company Director.

Mr Tregoning is a former director of GrainCorp (December 2008 until March 2020) and Capilano Honey (July 2006 until November 2018).

Executive
Leadership Team

Mr Mark Palmquist

Managing Director & Chief Executive Officer

Bec, GAICD

For Bio, see page 18.

Ms Amy Spanik

Chief Financial Officer

Qualifications
Bachelor of Arts in Education from the University of Portland and Post Baccalaureate Certificate in Accounting from Washington State University. Licensed CPA.

Appointed in March 2020.

Priorities
Amy is responsible for the Group's finance, treasury, tax, investor relations, environmental, health & safety, and risk functions. Her priorities are ensuring her team provides accurate, independent and objective analysis to drive decision making, performance and value creation for all the Group's stakeholders.

Experience
Prior to the demerger of United Malt, Amy held the position of Chief Financial Officer of GrainCorp Malt since 2015. Previously, Amy was Global Financial Controller and Assistant Controller at GrainCorp Malt.

Amy started her career with Ernst & Young where she had nine years' experience.

Mr Tiago Darocha

Chief Operating Officer

Qualifications
Bachelor of Science, Mechanical Engineering, M.S. Industrial and Organizational Psychology, Masters in Business Administration (MBA).

Appointed in July 2021.

Priorities
Tiago has comprehensive management responsibility for all elements of the United Malt Group commercial and production activities including all malt production and barley procurement. His focus is centered on delivering operational excellence to ensure customer satisfaction with the highest quality products and service, the supporting the execution of the Company's transformation agenda and the development of the Company's long-term strategy that will drive continued performance and growth.

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

Mr Bryan Bechard

President, Warehouse & Distribution

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

Appointed in March 2020.

Priorities
Bryan is responsible for the Warehouse & Distribution operations of United Malt serving the needs of its craft brewing, distilling and food customers. Providing market leading services, and outcomes for the Group's customers in the craft segment, is a primary focus. His priorities are to ensure the Group's warehouse and distribution business continually provides the one-stop-shop of ingredient solutions of branded and innovative products through its network of distribution facilities and a portfolio of services geared to the needs of its customers.

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

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

Ms Erika Morgan

Vice President, Human Resources

Qualifications
Bachelor of Arts in International Business & Marketing
SHRM – Senior Certified HR Professional.

Appointed July 2021.

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

Experience
Prior to United Malt, Erika has held various leadership positions within HR for global and multi-national companies in the consumer goods, services and food & beverage industries. She has extensive experience in the assessment and implementation of Global HR Service Delivery Models to support scale and growth sustainably.

Erika started her career with Nike Inc. where she led HR teams and implemented enterprise-wide transformation initiatives across North and Latin America, Europe and Asia Pacific.

Mr Donald McBain

Chief Strategy and Transformation Officer

Qualifications
Bachelor of Arts in Marketing and Communications from the Glasgow Caledonian University.

Appointed in March 2020.

Priorities
Donald is responsible for overseeing the formulation and implementation of Group-wide strategies including mergers and acquisitions and major Group-wide programs. He also has responsibility for leading UMG's transformation program which encompasses commercial analytics and program management.

Experience
Prior to the demerger of United Malt, Donald was a member of GrainCorp's Corporate Strategy team and held the position of GM Customer Experience since 2015. Previous to that, Donald held several senior marketing and strategy positions in the UK, Europe and Australasia. These included Lion (Brewing and Beverage company), General Motors (UK & Europe) and the Suncorp Financial Services Group.

Ms Nina Palludan

Chief Information Officer

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

Appointed in March 2020.

Priorities
Nina is responsible for the Group's Information technology function. Her priorities are driving agility through technology, data and process optimisation.

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

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

Directors' Report

Directors

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

Name	Position held	Period as Director during FY21
Graham Bradley AM	Chairman and Independent Non-Executive Director	1 October 2021 – 30 September 2021
Mark Palmquist	Managing Director and Chief Executive Officer	1 October 2021 – 30 September 2021
Barbara Gibson	Independent Non-Executive Director	1 October 2021 – 30 September 2021
Gary W. Mize	Independent Non-Executive Director	Appointed 23 October 2020
Jane McAloon	Independent Non-Executive Director	1 October 2021 – 30 September 2021
Terry Williamson	Independent Non-executive Director	1 October 2021 – 30 September 2021

Details of current Directors, including their experience, qualifications, special responsibilities, and term of office are included on pages 18 to 19 of the Annual Report.

During the Financial Year, the following Director retired:

Name	Position held	Period as Director during FY21
Simon Tregoning	Independent Non-Executive Director	Retired 18 February 2021

Company Secretary

Ms Lisa Jones

Qualifications: LLB, University of Sydney

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

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

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

Board and Board Committee Composition

The Composition of the Board and Board Committees at the date of this report are:

Name	Membership
Environment, Health and Safety Committee	Barbara Gibson (Chair)
	Gary W. Mize*
	Terry Williamson
Audit and Risk Committee	Terry Williamson (Chair)
	Barbara Gibson
	Jane McAloon
Nominations and Remuneration Committee	Jane McAloon (Chair)
	Graham Bradley
	Gary W. Mize*

Notes:

Mr Simon Tregoning was a member of the Environment, Health and Safety and Nominations and Remuneration Committees until his retirement on 18 February 2021.

*Mr Gary W. Mize was appointed to the Environment, Health and Safety and Nominations and Remuneration Committees on 17 February 2021.

Board and Board Committee Meetings

The number of United Malt Board meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company to 30 September 2021 are set out below:

Name	Board		Environment, Health and Safety Committee		Audit and Risk Committee		Nominations & Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Graham Bradley AM	10	10					5	5
Mark Palmquist	10	10						
Barbara Gibson	10	10	4	4	5	5		
Gary W. Mize (1)	10	10	4	2			5	3
Jane McAloon	10	10			5	5	5	5
Simon Tregoning (2)	10	4	4	2			5	2
Terry Williamson	10	10	4	4	5	5		

Notes:

1. Gary W. Mize was appointed to the Board on 23 October 2020.
2. Simon Tregoning retired on 18 February 2021.

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

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

Operating & Financial Review

About United Malt

Overview

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

We are one of the leading malt suppliers to the craft brewing sector, supported by a distribution network comprising 25 warehouses (both Company-operated and through third party logistics providers) and international craft distribution partnerships throughout North America, South America, Europe, Asia and Australia.

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

Our customer base is diversified by product, end-market and geography, and comprises a range of high quality customers including global brewers, craft brewers, distillers and food companies.

We sell into both domestic and export markets. Export markets (particularly Asia) are an important source of demand for malt produced in Australia.

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

Our Business Model

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

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

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

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

Our Strategy

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

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

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

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

Group Financial Summary

Key Results ($M)		2021	2020	Change %
Revenue		1,235.0	1,289.1	(4.2)%
EBITDA		123.3	156.1	(21.0)%
EBIT		62.7	92.0	(31.8)%
Net finance costs		(9.8)	(14.6)	32.9%
Significant Items		(21.1)	(11.8)	(78.8)%
Tax expense		(18.0)	(20.0)	10.0%
Net Profit After Tax		**13.8**	**45.6**	**(69.7)%**
Add back Significant Items		21.1	11.8	(78.8)%
Tax recovery on Significant Items		(0.9)	-	nm
Underlying Net Profit After Tax		**34.0**	**57.4**	**(40.8)%**
Shareholder Returns				
Basic earnings per ordinary share	cents	4.6	16.8	(72.6)%
Return on equity	%	1.3%	4.4%	(3.1)pts
Return on capital employed (ROCE)	%	4.8%	7.5%	(2.7)pts
Dividend per ordinary share	cents	5.5	3.9	41.0%

Segment results

Segment Results ($M)	2021 Revenue	2021 EBITDA	2020 Revenue	2020 EBITDA	% Change Revenue	% Change EBITDA
Processing	938.1	89.5	989.4	126.0	(5.2)%	(29.0)%
Warehousing & Distribution	330.1	40.8	328.9	34.6	0.4%	18.1%
Corporate and eliminations	(33.2)	(7.0)	(29.2)	(4.5)	(13.7)%	(54.7)%
Total	**1,235.0**	**123.3**	**1,289.1**	**156.1**	**(4.2)%**	**(21.0)%**

Reconciliation of EBITDA to Statutory NPAT and Underlying NPAT

Reconciliation of EBITDA to Statutory NPAT	2021	2020	% Change
EBITDA	123.3	156.1	(21.0)%
Net Interest	(9.8)	(14.6)	32.9%
Depreciation and Amortisation	(60.6)	(64.1)	5.5%
Significant items	(21.1)	(11.8)	(78.8)%
Profit Before Tax	31.8	65.6	(51.5)%
Income tax Expense	(18.0)	(20.0)	10.0%
Net Profit After Tax	**13.8**	**45.6**	**(69.7)%**
Add back Significant Items	21.1	11.8	(78.8)%
Tax recovery on Significant Items	(0.9)	-	nm
Underlying Net Profit After Tax	**34.0**	**57.4**	**(40.8)%**

Financial Analysis and Commentary

United Malt's operating environment experienced significant challenges during the year ending 30 September 2021, due to COVID-19-related extended lockdowns in most of our key markets leading to reduced malt demand with the restrictions impacting on-premise beer consumption and also disrupting our supply chain and ability to ship product to customers.

Relaxed lockdown restrictions in North America and the UK, as a result of the northern hemisphere summer and higher vaccination rates, resulted in an improved operating performance in the second half of the year.

The onset of the COVID-19 Delta variant in Australia and Asia, however, resulted in curfews and extended lockdowns in those markets in the second half of the year which depressed volumes, as did ocean freight disruption and significant cost increases in shipping rates.

Group Financial Results

Revenue was down 4 per cent to $1.2 billion for the full year, and in line with prior year revenue on a constant currency basis.

EBITDA was $123.3 million; down 21 per cent on the prior year. EBITDA in FY21 includes $3.1 million in costs associated with the Grantham site closure and transformation costs of $4.3 million and also the negative impact of $9.1 million related to the ~10 per cent appreciation in the Australian dollar compared to the US dollar for the prior year affecting the translation of earnings into Australian dollars.

EBITDA also includes the impact of the adoption of the new IFRIC accounting pronouncement which resulted in costs associated with the Enterprise Resource Planning (ERP) and Transport Management Systems, which were previously capitalised, being expensed. The result of this accounting change decreased FY21 EBITDA by $6.5 million.

In addition, the Group results reflected an increase in corporate costs, associated with being a separately listed entity for its first full year of standalone operations.

Significant Items impacting reported FY21 result

As announced on 1 September 2021, the statutory earnings in FY21 were impacted by two significant one-off items. One related to a UK grain storage contractor who entered administration, and the other related to a bad debt provision from one Asian customer. A provision for stock loss of $4.7 million and a provision for a bad debt of $16.4 million have been booked in the year. United Malt is actively pursuing all legal and commercial avenues on both of these items.

The Company delivered an Underlying Net Profit After Tax of $34.0 million compared to $57.4 million for FY20.

Statutory Net Profit After Tax for the period was $13.8 million. Earnings per share were 4.6 cents compared to 16.8 cents in the prior year, reflecting lower net profit.

Segment Financial Results

In the **Processing segment**, revenue fell by 5 per cent to $938 million reflecting volume declines compared to the prior year. Segment EBITDA declined by 29 per cent to $89.5 million as a result of the impact of COVID-19 in key markets.

EBITDA margin was impacted by sales mix and lower volumes as a result of rolling COVID-19 trading conditions in our key markets, including higher costs associated with hygiene and social distancing measures put in place to keep our workforce safe. In addition, there were some higher costs associated with operating at reduced utilisation and continued delays with freight containers and higher freight costs attributable to COVID-19.

Revenue in the **Warehouse & Distribution segment** was in line with prior year at $330 million. Segment EBITDA increased by 18 per cent to $40.8 million, with improving volume and mix, particularly in the second half, driving margins as craft breweries re-opened.

The EBITDA margin benefited from the realisation of the optimisation programme and freight initiatives driving lower costs, whilst still managing the elevated container freight costs for imported products.

Financial Position and Balance Sheet

United Malt remains in a strong financial position to manage in the current environment and to continue our investment in strategic growth initiatives.

Net debt at 30 September 2021 was $312.4 million compared to $344.1 million at 31 March 2021. The gearing ratio (net debt / Underlying EBITDA) was 2.1[1] times, which is within the Company's target ratio of 2.0 to 2.5 times, reflecting the seasonal impact of working capital.

The Company maintains comfortable headroom within its banking covenants and has no significant near-term refinancing commitments. The maturity date of the term debt facilities was extended to November 2024, with the terms of the debt remaining materially unchanged. Customary annual refinancing of inventory and working capital facilities was completed in November 2021.

Dividend

The Board has resolved to pay a final dividend of 3.5 cents per share (unfranked), bringing the full year dividend to 5.5 cents per share. Dividends for FY21 totalled 48% of Underlying NPAT.

Operating Cash Flow

Operating cash flow remained positive during FY21. Working capital in the second half was lower, reflecting the typical seasonal unwinding with higher inventory and prices offsetting higher payables due to timing of harvest at year end.

Interest paid was lower in FY21, reflecting the full year post demerger capital structure.

Tax paid was higher due to timing of payments.

[1] Based on a 12 month rolling EBITDA excluding the impact of AASB16, Significant Items and net debt excluding finance lease commitment. The impact of AASB16 on the 12 month rolling EBITDA is $14.9m.

Future Business Prospects

United Malt continues to implement its strategy for growth.

In the UK, we remain focused on servicing the Scottish whisky market, which requires malt to meet the long-term requirements of distillers to produce aged whisky. The expansion at the Arbroath facility is now complete and has delivered an additional 22,000 tonnes of production capacity and is performing to our expectations.

Meanwhile, the new facility in Inverness will provide an additional 57,000 tonnes of capacity to service the distilling market with a significant proportion of the new capacity already underpinned by expanded contracts with major customers. The site is expected to be operational by July/August 2022, slightly behind schedule due to ongoing social distancing requirements on-site.

The revised overall cost to complete the Scottish project is ~A$127 million. The higher cost estimate is driven by construction delays, higher material and supply chain costs and a tight labour supply resulting from the COVID-19 environment, and also by some adverse foreign exchange movements. Notwithstanding the increased projects costs, the 79,000 tonne capacity expansion is underpinned by long-term customer agreements and based on the current forward orders secured, project return rates will be preserved.

In Australia, we continue to progress the $27 million project to replace the existing kiln at our Welshpool facility in Perth with a new and indirect heating source kiln. This renewal provides operating efficiencies and safer technology. We expect to achieve a 10 per cent reduction in gas and electricity usage. It also provides an opportunity to expand the facility capacity with further capital investment. The project is scheduled for commissioning in February 2022, slightly behind schedule due to the COVID-19 related travel restrictions to Western Australia.

In our Warehouse & Distribution segment, we have opened a new 9,100sqm craft warehouse and distribution centre in Derrimut, Victoria. It provides an expanded range of ingredients and a 'one-stop-shop' experience for customers. We have also expanded our partnership with our Mexican distribution partner, Beermex, to further grow our penetration into the region. Our partner opened its third warehouse in October 2021.

During the year we announced our transformation programme, which is focused on renewing our organisation and technology platforms to create a simplified, more efficient and effective organisation. This project is expected to deliver ~$30 million of net benefits in EBITDA by FY24. One-off costs of $4.3 million were incurred in FY21 as part of the programme.

We have also commenced the development of our new ERP and implementation of a Transport Management System to enhance our data analysis and process improvement. Total expense on these systems is expected to be ~$20 million over three years, with $6.5 million incurred in FY21.

As part of the Transformation programme, we have commenced the redesign of our organisational structure, including the appointment of a new Chief Operating Officer, allowing the amalgamation of our US and Canadian processing operations.

We remain well positioned to continue navigating and adapting to the current short term challenges facing our business. We are also implementing our strategy to set the business up for a return to growth by investing in our capability, delivering on our strategic initiatives and capitalising on the improving market trends.

Crop conditions in North America have deteriorated due to the drought which has impacted the size and quality of the barley crop and has elevated global barley prices. We are proactively sourcing barley from Denmark and Australia to supplement our locally-sourced supply. The imported barley will support our requirements to meet our customers' demand in both quality and supply. We expect to receive our first cargo early in calendar 2022.

As vaccination rates increase and lockdown restrictions ease, we expect to capitalise on increased on-premise consumption with a corresponding improvement in sales mix with increased demand for speciality malts.

Over the medium term, we remain well positioned to return to growth supported by our strong market positions, strategically located malting assets and our market leading distribution platform which services customers' ingredient requirements.

Our growth will be further enhanced by the strategic initiatives we are implementing to equip our business by enhancing our capabilities to operate more sustainably and to create a more streamlined and efficient operating model to generate higher returns for shareholders.

Rounding of amounts

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

Risks

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

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

Risks affecting United Malt's business

Risk	Risk overview	Actions
COVID-19	The COVID-19 pandemic will continue to adversely impact the global economy and our customers, suppliers, and employees. It has the potential to temporarily close a production facility if a worker became infected. Also, the impact on global and regional economic conditions could disrupt the supply chain, operations, industries or production capabilities of our customers. Moreover, the pandemic can reduce consumption of our customers' product through closing of pubs, restaurants and large public sporting or music events. All of these could reduce demand for our products.	United Malt has a strong balance sheet and has strengthened its position to respond to the ongoing pandemic. Our people are a key asset, and their safety has been of paramount concern to us during the pandemic. We have taken consistent and measurable steps to keep them safe in order to keep our production facilities open. This includes pre-shift screening, contract tracing, cohort working, partnerships with expert vendors and pre-negotiated testing agreements. We have also formed a standing committee of the ELT who meet regularly to monitor the pandemic and calibrate our response. We closely monitor customer offtake of products and conditions in their markets to identify potential changes in demand for our goods.
Climate and Environmental Risks	We are intrinsically linked to the barley crops grown around the globe. Climate Change can imperil the global barley supply which we depend on for our core functions of processing and distributing malted products. Climate Change could lead to higher costs, lower margins and potentially increased costs associated with our business functions.	Our reporting is guided by the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and climate risk is emerging as a consideration in our customer and supplier contracts as well as in our future capital expenditure projects. We are also tracking proposed policy, legal and technological changes that are on the horizon during the transitional phase of a coordinated global response to climate change. We continue to review and, where possible, reduce our consumption of water and fossil fuels. This includes finding alternative sources to heat our plants or power our kilns, including cogeneration capabilities or investigating geothermal heating opportunities. Future capital expenditures managed by the Project Management Office do actively review opportunities for reduced consumption.
Water Access Risks	Water is an essential component of the malting process. Access to high quality water may be impacted by Climate Change, long-term drought or wide-spread contamination of local aquifers. This could lead to adverse financial impacts in the form of higher costs or reduction in product quality.	We understand the critical importance of water to us all. United Malt is focused on consumption reduction strategies, recycle, reclamation and effluent management regimes; all to reduce our consumption of water and creation of wastewater. Each of our processing facilities closely monitors and reports their consumption of water. We are committed to evaluating and rating the impact of our future capital expenditure projects' changes to water consumption and effluent treatment. Furthermore, all capital expenditure projects are evaluated for their access to water supplies.

Risks affecting United Malt's business

Risk	Risk overview	Actions
Customer and Supplier Relationship Risks	There is a risk to United Malt that a loss of key customers or suppliers could result in an adverse impact on our financial performance through either a reduction in revenue or an increase in costs associated with running the business.	We enjoy strong partnerships with key customers and suppliers in our production and distribution businesses. Many of these relationships are codified in the form of long-term agreements. They provide us with the stability in the form of forward orders that allow us to control costs and deliver savings to our customers, while also providing our suppliers with certainty. Our senior leaders regularly engage with their counterparts to find innovative ways to improve our commercial relationships. Our Malt Innovation Centre (MIC) is driving product development, improving processes and quality; all with the goal of maintaining key customers. A recent marketing and branding refresh, combined with customer segmentation work, has also been a key focus during the current fiscal year.
Seasonal Fluctuation in Working Capital Risk	We face variations throughout the year in the draw on our working capital, relating to harvest purchasing requirements, customer purchasing behaviour, payment terms and commodity prices. Historically, United Malt's working capital levels have peaked around 31 March and unwind in the second half to 30 September.	We closely monitor and manage our receivables and the timing of receipt of payment throughout the year. We are also mindful of, and constantly review, our inventory levels during harvest in each of the jurisdictions in which we operate, the requirements of our processing facilities and the timeliness of accounts payables to ensure that we meet our obligations.
Transportation and Supply Chain Risks	We rely on our supply chain to store and transport barley to our production sites and finished products to our customer. There is a risk that disruption to the supply of raw materials to our processing plants, and/or finished goods through our network, could adversely impact our financial results or increase the costs associated with running the business.	Our warehouse and distribution business has implemented a Transportation Management System (TMS) in North America and will roll it out in the processing segment and other jurisdictions. The TMS will ensure timely and safe delivery tracking of our products to our customers. The TMS will allow us to be nimbler and more responsive to potential disruptions to our supply chain, while giving our customers greater visibility into their shipments. All warehouses and production facilities are subject to audit procedures relating to Food Safety and Quality Management (FSQM) standards. Food safety risks have been identified and are covered by Statements of Procedure (SOP) or contract. Also, where possible, we are shifting towards using company managed facilities, instead of 3PLs, to give us greater control of this risk. Inventory and stock controls that United Malt has in place include procedures such as inventory reconciliation against third-party logistics, stocktakes/cycle counts, site visits, due diligence conducted for new facilities and audit procedures. When United Malt purchases stock that is held at a third-party location, we secure certificate of ownership or title of the goods. We also purchase appropriate insurances against physical damage to our stock in transit, stored at our sites or stored at third party sites.

Risks affecting United Malt's business

Risk	Risk overview	Actions
Capital Requirement Risk	Like most businesses, we require significant capital to operate and fund capital expenditures. If United Malt is unable to generate sufficient cash flows or raise sufficient external financing, then we may be forced to limit our operations and growth plans.	United Malt strives to ensure strict cash management and has built-up cash reserves, and, when appropriate, will continue to build up those reserves. We look to pay down debt when doing so is prudent. Our Group Strategy and Group Finance teams actively seek to optimise portfolio management. Meetings are held to review, prioritise and select capital projects based on an assessment of business needs and financial benefits.
Commodity Pricing and Agricultural Risks	Barley growing and procurement are subject to a variety of agricultural factors beyond our control, such as disease, pests, rainfall, and extreme weather conditions. To the extent that any of these factors impact the quality 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, leveraging its strong supplier relationships, importing barley in each jurisdiction in which it operates, if necessary, all in an effort to respond to local variations of agricultural yields. We enter forward contracts with multiple growers, co-operatives and grain companies in all geographies where we currently source barley, and we seek to renew these well in advance of expiry. We continually review options to diversify our procurement footprint. We also malt other cereal grains, which further mitigates this risk.
Project Management Risks	There is a risk that a lack of proper oversight or controls, delays to or increased costs of construction projects, or changes to government or regulatory approval regimes could result in future projects failing to achieve their intended benefits.	United Malt has a track record of managing large capital expenditure projects. This includes expansions and upgrades to production facilities, as well as the continued deployment of our distribution businesses. We created a Project Management Office (PMO) to oversee large capital expenditure projects. This office works with local stakeholders, including specifically assigned construction and installation managers, to oversee the day-to-day progress of our expansion and improvement builds. For our larger projects, we form steering committees, which include ELT members and technical experts, and they meet on a regular basis before, during and after the build. The cadence of meetings is designed to ensure that our strategic objectives are met, and the estimated returns are achieved. The post-completion meetings are important to extract key learnings that can be implemented in future projects. We utilise internal and external auditing support, as well as, engage with technical experts including engineers, consultants and other third parties as part of the PMO process.

Risks affecting United Malt's business		
Risk	**Risk overview**	**Actions**
Cyber Security Risks	United is exposed to Cyber Security risks posed to it by malicious third parties, and by unintended outcomes from actions taken by employees or delivered by existing programmes. Each of these risks has the potential to disrupt our systems, production or distribution capabilities which would damage United Malt's reputation, impact customers, suppliers, and financial performance.	United Malt is working towards operating with a low overall cyber-risk range. United Malt has committed to address cyber-risk by employing industry cybersecurity best practices and in seeking ISO 27001:2013 certification for its Information Security programmes. United Malt deploys many methods to protect its systems, including but not limited to, security infrastructures such as firewalls, virus scanning, data back-up systems, network performance monitoring, improved and geographically dispersed redundancies, an Information Security Management System, Access Control Standards, Global Disaster Recovery and Business Continuity Plans. Last year, United Malt completed an internal audit focusing on Information Technology General Controls (ITGC), the learnings from the ITGC audit were incorporated into this year's IT business plan in aligning with ISO 27001. United Malt is partnering with private vendors and government partners for support in this space. Some of those partnership include penetration, resilience, and response plan testing. United Malt also provides training to employees and Board members on internet and email best practices to reduce the risk to United Malt of email-based threats.
Strategy Implementation Risks	United Malt has and is implementing a strategy for sustainable growth that provides value to customers, suppliers and shareholders. There is a risk that if this Strategy is static and not iterative or is not thoughtfully communicated at all levels of the company, that United Malt could fail to successfully implement this strategy which would damage United Malt's reputation, and impact customers, suppliers and financial performance.	United Malt has augmented its senior leadership structure to include a new Transformation Office led by a Chief Strategy and Transformation Officer, as well as a more robust Communications Team led by a Director of Communications. The Transformation Office and Communications Department are responsible for continuously updating employees on the course United Malt has set. These updates include memoranda, videos or question and answer sessions with senior leadership including the CEO, CFO or Chief Strategy Officer. The Transformation Office is also responsible for continuous improvement and implementation of Board approved initiatives such as the recently implemented Transportation Management System (TMS) discussed in the Transportation and Supply Chain Risks.
Market and Substitution Risks	United Malt faces the risk that integration of Customers, Suppliers or Competitors could disadvantage the competitiveness of United Malt relative to its peers. Moreover, innovations in beverage production technologies could lead to substitution of malted products for other carbohydrates in beverages. Each of these risks could result in an adverse impact on our business and financial performance.	United Malt invests in market intelligence to better understand its customers, suppliers, and competitors. United Malt leverages insights from its Warehouse and Distribution network as well as experimentation at our own MIC to stay abreast of end-consumer preferences that our customers are trying to meet.

Risks affecting United Malt's business		
Risk	**Risk overview**	**Actions**
Product and Food Safety Risks	United Malt operates an international network of malting and warehouse facilities and is subject to food and stock handling risks. These include spoilage, contamination, misappropriation, damage to food and stock through insurable and non-insurable risks, incorrect grading, product tampering, product recall, changes to government, industry or destination standards regarding product specification, product liability claims or perceived obsolescence of stock. Any of these occurrences could result in an adverse impact on our business and financial performance.	Over the past two years, United Malt worked with internal auditors and external parties to undertake a review of the Food Safety Quality Management (FSQM) processes and procedures of our production and distribution businesses. We have implemented the findings of that review to include quality assurance accreditation and ISO9001 compliance, improved plant and warehouse housekeeping and hygiene procedures. We are also investing in increased staff training and assessments. The goals of the review were to deliver more consistent higher quality products to our customers and to strengthen our resilience while reducing potential business and financial performance impacts.
Position and Credit Risk	We take large holding positions of commodities at various times of the year. In addition to these, United Malt also hedges energy and utilities prices, interest rates and foreign exchange rates. There is a risk that our hedging management strategies might not successfully minimise exposure to these risks. Moreover, there is the risk that an inadequate segregation of duties or improper oversight of these positions could lead to an adverse impact on United Malt's business and financial performance.	United Malt has a robust Position & Trading Risk Management Policy (PTRMP) that is overseen by the company CFO and the Audit and Risk Committee. We continually monitor the positions and associated risks of each geography through daily tracking and weekly meetings of senior leadership. United Malt utilises a Credit Policy to manage exposure from customers in each jurisdiction it operates in. This policy is also overseen by the Company CFO and the Audit and Risk Committee. We also utilise enterprise risk management software programmes to track and hedge these risks. In addition, we have implemented a clear Segregation of Duties protocol between the front, middle and back offices that clearly delineates the authority levels of all decision makers as sanctioned by the Audit and Risk Committee.
Systems, Reporting and Controls Risks	There is a chance that a major system outage to one of the business' core software or system platforms could increase United Malt's costs and could lead to regulatory or government intervention in the form of costs, investigations, penalties or liabilities. We rely on IT systems that, if they fail, could lead to a loss of confidential data, deterioration in reputation and impacts on suppliers or customers. All of these outcomes would have an adverse impact on our business and financial performance.	United Malt deploys many methods to maintain the functionality of its systems, including but not limited to, data back-up systems, network performance monitoring, improved and geographically dispersed redundancies, an Information Security Management System, Access Control Standards, Global Disaster Recovery. United Malt catalogues and manages physical and software end of life systems and has a plan to phase them out.

Risks affecting United Malt's business		
Risk	**Risk overview**	**Actions**
Taxation and Regulatory Change Risks	Changes in taxation laws (or their interpretation) where we have operations could materially affect our financial performance. In addition, governments may review and impose additional or higher excise or other taxes on beer or whisky, which may have an adverse effect on consumer buying patterns and may adversely impact United Malt's financial results.	United Malt works closely with our advisors in all geographies to thoughtfully consider and confirm that we adhere to tax regulations and potential liabilities associated with doing business in each of the countries in which we operate. Our legal counsel provides guidance on compliance and governance matters and consults with us on ramifications of any potential changes in the jurisdictions where we operate. Where appropriate, our obligations and consent registers are maintained and reviewed. Moreover, clearly defined compliance oversight responsibilities are assigned to specific job roles. Lastly, our internal audit programme reviews compliance matters as required.
Consumer Preference Risks	United Malt supplies food and beverage companies, specialising in the production of malted products for brewing and distilling customers. There is a risk that we may not optimally align with consumers, or that beer consumption could fall or that our products could be used less often in customers' end products. These risks could lead to a reduction in market demand which could have an adverse impact on United Malt's business and financial performance.	United Malt is actively involved in industry forums and trade groups that shape and influence consumer trends. In addition, market research and competitor intelligence are incorporated into the Strategic Planning Process at all levels of the company. The use of the Net Promotor Score tracking methodology gives us early warning systems to see where we could better align with market or consumer trends. Our employees gather and act on customer feedback at all times. This includes formal research (utilising NPS and other research methods), as well as, providing training to members of staff in managing customer relationships.
Skills and Capabilities Risks	People capability or capacity could impact the effective execution of United Malt's strategic plans and future operation of the business.	United Malt significantly strengthened its ELT with the appointment in July 2021 of a Vice President of Human Resources. A priority for United Malt is to ensure we develop programmes that engage, equip and empower the highest levels of team performance and business success. United Malt is keenly focused on building a culture of development and continuous improvement. United Malt has enhanced how employees set and achieve their annual goals and is aligning those goals to overall Group level targets, furthering integration in the business. United Malt continues to investigate systems and processes that improve data gathering and reporting on employee productivity, satisfaction and growth.
Foreign Exchange Risks	United Malt and its related entities enter into foreign currency transactions, typically in the purchase of raw materials or in the sale of malt. Additionally, a significant proportion of United Malt's income is denominated in foreign currency. Therefore, our reported net income in Australian dollars will fluctuate inversely to the Australian dollar's relationship with the other foreign currencies in which we do business.	United Malt leverages a multi-desk foreign exchange processing platform to facilitate entering and sourcing of foreign exchange trades to improve operating efficiency and reduced foreign exchange exposure in purchases or sales. These actions and procedures are reviewed by the Audit and Risk Committee and monitored by internal audit for efficacy and compliance. Translation risk of the earnings of the overseas subsidiaries is mitigated by the fact that the assets and liabilities of those businesses, including external debt, are held in local currencies. Any change in exchange rates will not impact a business unit's ability to repay its debts or suppliers in its local currency.

Risks affecting United Malt's business		
Risk	**Risk overview**	**Actions**
Utility Pricing	Some of our largest expenditures are power and natural gas utilities costs. There is a risk that these costs could substantially increase due to factors largely outside of our control, and these higher costs could impact the business.	United Malt reviews utilities pricing in each geography. We have local expert energy brokers work with us to manage the volatility of these costs. At times, United Malt hedges these costs in an effort to further mitigate this risk. As part of a longer-term strategy, a management working group has been formed which is developing a wholistic energy management plan and is reviewing alternative and renewable sources of energy.

General Risks

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

Economic Risks

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

Market Conditions Risks

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

Significant Events Risks

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

Global, Regional and Country Specific Sovereign Risks

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

Subsequent Events

Other than the term debt refinancing, as described in the financial report note 2.1(b), no matters or circumstances have arisen since 30 September 2021 which have significantly affected or may significantly affect: a) The Group's operations in future financial years; b) The results of those operations in future financial years; or c) The Group's state of affairs in future financial years.

Additional Disclosures

Indemnification and Insurance of officers

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

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

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

Indemnification of auditors

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

No proceedings

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

Audit services

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

Non-audit services

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

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

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

A copy of the external auditor's independence declaration as required by s307C of the *Corporations Act 2001* (Cth) is set out on page 56 and forms part of this report.

Corporate Governance Statement

During the year ended 30 September 2021, the Company's corporate governance framework was consistent with the 4th edition of the ASX Corporate Governance Council. United Malt's corporate governance statement can be viewed at www.unitedmalt.com//corporate-governance.

Remuneration Report

Remuneration Report

Introduction

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

This report outlines the remuneration outcomes and structures in place for the financial year ended 30 September 2021 and refinements planned for FY22. This is the first full-year Report since United Malt's listing on 23 March 2020.

FY21 Overview

a) FY21 Year in Review

Whilst FY21 has been a challenging year, it has also been one of consolidation for the Company in its first full financial year since listing as a standalone entity. United Malt has continued to respond and adapt to both the evolving needs of our customers and the ongoing impacts of COVID-19 across our business. Key areas to note have been:

- Steady progress in the development of our longer-term safety strategy 'Safe for Life' which is focused on the ongoing improvement of safety management systems, aimed at reducing both the total number of injuries and the frequency rate of injuries across our workplaces.
- Significant milestones achieved to increase production capacity in Arbroath and Inverness in the UK, to expand our distribution partnership in Mexico and to establish a new distribution centre in Victoria, Australia.
- Strengthened capabilities across the Company including:
  - Progressing implementation of our new Enterprise Resource Planning and Transport Management Systems to enhance our data analysis, process improvement, customer service and decision making;
  - Commencing work towards aligning our climate change reporting with the Task Force on Climate-related Financial Disclosures (TCFD); and
  - Designing and implementing the transformation programme aimed at achieving an annualised target of $30 million in net benefits by FY24 creating a simplified and more efficient and effective global organisation.
- Strengthened the Executive Leadership team with appointments to the key positions of Chief Operating Officer and Vice President, Human Resources.

b) United Malt Financial Performance

Our financial result for FY21 reflected the different impacts and timing of COVID-19 and various countries' response to the pandemic across our markets. Performance in the North America and the UK improved in the second half of the year, but extended lockdowns have impacted both performance and logistical challenges in Australia and Asia generally. This has resulted in the following:

- Processing EBITDA declined by 29 per cent to $89.5 million, reflecting lower volumes, changes in customer mix and additional costs associated with COVID-19.
- Warehouse & Distribution EBITDA increased by 18% per cent to $40.8 million due to increased demand for malt, with a corresponding improvement in sales mix.
- As advised in September 2021, two significant one-off items impacted the Company's statutory results for FY21. These included a $4.7 million provision related to one of United Malt's longstanding grain storage contractors which entered administration and a separate bad debt provision related to one Asian customer of $16.4 million.
- As a result of these one-off significant items, Reported Statutory Net Profit After Tax (NPAT) was $13.8 million, compared to $45.6 million for 2020. Reported EBITDA for FY21 was $123.3 million (EBIT $62.7 million).
- The Board resolved to pay a final dividend of 3.5 cents per share, bringing the full year dividend to 5.5 cents per share.

c) FY21 Remuneration outcomes

The following were the key remuneration outcomes and decisions for 2021. They continue to demonstrate the strong alignment between the Company's performance and executive remuneration outcomes, where the decrease in the Company's financial performance relative to FY20 resulted in a reduction in performance-related payments to Executive KMPs. Key points are:

- The moderate FY21 short-term incentive payments reflect the decreased financial result relative to 2020. The average Executive KMP STI payment was 35% of target (23% of maximum), with the MD&CEO receiving a payment of 33% of target (22% of maximum). Of this payment, 50% will be delivered as deferred equity which vests half in one year and half after two years.
- The One-off award granted to the MD&CEO in FY20 will lapse with no vesting because United Malt's absolute total shareholder return (aTSR) and Return on Capital Employed (RoCE) performance did not reach the required thresholds for vesting.
- There were no salary increases to any Executive KMP in FY21.
- There were no changes to Non-Executive Director base or committee fees.

Importantly, this year also reflects the first full-year reporting of remuneration outcomes in the Remuneration Report. However, the FY21 outcomes are not directly comparable to FY20. In the prior year remuneration outcomes reflected part-year remuneration for the MD&CEO and were impacted by a voluntary five-month salary base pay reduction to the MD&CEO and a similar fee reduction for our Non-Executive Directors to reflect the initial impact of COVID-19 on the business.

d) Remuneration in 2022

The overall remuneration structure in FY22 will not change significantly in comparison to FY21. The key issues to note are set out below (with further detail in Section 8 of this Report).

- No Executive KMP will receive a base salary increase or other change in overall remuneration other than the President, Warehouse & Distribution. Following a benchmarking review, his salary will increase by approximately 15% and his STI opportunity will increase from 50% to 60%. This also aligns the package more closely with other Executive KMP.
- There will be no changes to Non-Executive Director base fees, committee fees or the aggregate fee pool in FY22.
- The FY22 STI programme will change slightly to allow greater focus on individual KPIs for Executive KMP. This will reweight the Corporate Scorecard to either 50% or 60% of Executive KMP's target opportunity, with the remaining STI tied to objectives aligned with the Executive's direct responsibilities.
- The FY22 LTIP will remain broadly consistent with the awards made in FY21. ROCE remains the primary hurdle, with 50% of the award. Absolute TSR and strategic measures make up the remaining hurdles, each with a 25% weighting. In FY22 the focus of the strategic measures will be on the Company's transformation strategy, major project delivery efficiency and the identification and execution of sustainable and profitable growth opportunities.

1. Key Management Personnel (KMP)

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

Non-Executive Directors	Role
Graham Bradley AM	Chairman and Non-Executive Director
Barbara Gibson	Non-Executive Director
Jane McAloon	Non-Executive Director
Gary W. Mize	Non-Executive Director
Terry Williamson	Non-Executive Director
Former Non-Executive Directors	
Simon Tregoning	Non-Executive Director (retired from the Board on 18 February 2021)

Executive KMP	Role
Mark Palmquist	Managing Director and Chief Executive Officer
Amy Spanik	Chief Financial Officer
Bryan Bechard	President, Warehouse & Distribution
Tiago Darocha	Chief Operating Officer (appointed 12 July 2021)
Former Executive KMP	
Darren Smith#	President, Processing (ceased employment on 25 March 2021)

Darren Smith gave notice of resignation post FY20 balance date and ceased to be a KMP on 1 October 2020. He had a six-month notice period.

2. FY21 Executive Remuneration Outcomes

FY21 Base Salary

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

There were no increases to any Executive KMP salaries in FY21.

FY21 Short Term Incentive

The United Malt Corporate Scorecard outcomes were measured across the full FY21. The FY21 Scorecard was designed to reflect the standalone United Malt business and to align with United Malt targets, allowing STI participants to be measured against performance for the full year. Performance against the FY21 metrics is set out below in Table 1.

In determining the FY21 STIP outcomes, the Board reviewed the key metrics that drive the performance of the Company in key areas. Financial metrics are critical, hence the 50% weighting given to the Company's EBIT performance. Customers and Environment, Health and Safety initiatives are central to the Company's operations so performance in these areas is tracked throughout the year and makes a material contribution to STIP outcomes.

Each Executive KMP has their own individual metrics approved by the Board which align to their respective areas of responsibility. For the MD&CEO key individual objectives include the management and performance of key internal projects delivering the transformation of the business and key growth initiatives, together with key initiatives regarding the management of the Company's assets, as well as executive talent development and succession planning.

FY21 Executive KMP STI Performance

Executive KMP*	Financial measures weighting (%) and performance	Environment, Health & Safety weighting (%) and performance	Customer weighting (%) and performance	Individual weighting (%) and performance
Name Position Title	EBIT	RIFR, EH&S Engagements and Critical Risk Reviews	NPS and Customer performance and insight	Agreed objectives tailored to the Executive KMP's role.
Mark Palmquist MD&CEO	(50%) 🔴	(15%) 🟡	(15%) 🟡	(20%) 🟡
Amy Spanik Chief Financial Officer	(50%) 🔴	(15%) 🟡	(15%) 🟡	(20%) 🟡
Bryan Bechard President, Warehouse & Distribution	(50%) 🔴	(15%) 🟡	(15%) 🟡	(20%) 🟢
Tiago Darocha Chief Operating Officer	(50%) 🔴	(15%) 🟡	(15%) 🟡	(20%) 🟢

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

* Mr Smith, a former Executive KMP, was ineligible for a FY21 STI payment.

In determining the final scorecard results, the Board believes the right outcome for Executive KMP and shareholders was to award a modest, well below target STI that reflected the Company's lower financial results which were adversely affected by significant items. The outcomes for the Executive KMP have been assessed at between 33-37% of target STI.

There are a number of reasons for this outcome:

- The global COVID-19 pandemic continued to disrupt our business, including the disruptions in supply chains and ongoing negative impact on malt demand as on-premise consumption was affected by the various lockdown restrictions across our core markets. As outlined in the Annual Report, our employees and executives have worked hard and effectively to meet these challenges and adapt to the changing market conditions. The overall result, while disappointing, did reflect good performances across elements of the business. This effort, teamwork and financial outcomes are also taken into account in the Board's final assessment of performance, particularly in the individual component on the scorecard.
- The EBIT target was not achieved, which was very disappointing. This was due in part to the impact of the significant items outlined in the financial results. However, the Board is satisfied with executive contributions to a variety of initiatives commenced in FY21 which will underpin our financial performance in future years. Examples include major projects to increase malt production, greater capacity to service our customers in the warehouse and distribution area, and our transformation programme to create a simplified business with standardised processes, skills and systems.
- Environment, Health and Safety performance during FY21 was steady with a pleasing reduction in both the total number of injuries and also in the frequency rate of injuries across our workplaces. The frequency rate of lost time injuries increased, primarily as a result of reduced hours due to site consolidation and closures during the year. There was also significant work done to adjust to new COVID-19 requirements. Overall the Board assessed performance between threshold and target.
- Customers continued to be the focus of our operations across the year and this has been a strength of United Malt. However, COVID related transport and delivery issues were a factor contributing to a decline in our Net Promoter Score (NPS) relative to 2020. The Board and Executive KMP are focused on improving the end-to-end customer experience with key initiatives launched to enable us to understand our customer needs and work with them to deliver the outstanding service they deserve. Overall, the customer objectives were scored at threshold.
- The Board also undertakes a detailed assessment of the individual performance of each Executive KMP. For the MD&CEO and Chief Financial Officer the impact of significant items on the financial result of the Company was taken into account.

After reviewing the performance of United Malt and our Executive KMP individually, the Board believes the outcome was appropriate and balanced and these results fairly reflect both Company and individual Executive KMP performance in a challenging year.

FY21 Executive KMP STI outcomes

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

Executive KMP	2021 Target / maximum	2020 Target / maximum
Mark Palmquist	33% / 22%	42% / 28%
Amy Spanik	33% / 22%	46% / 31%
Bryan Bechard	37% / 24%	46% / 31%
Tiago Darocha[i]	37% / 24%	n/a

[i] Mr Darocha's FY21 STI award was pro-rated based on his start date in July 2021.

3. Executive KMP statutory remuneration outcomes for FY21

The table below sets out the total remuneration for Executive KMP in FY21 and FY20, calculated in accordance with statutory accounting requirements.

FY21 and FY20 statutory remuneration outcomes for Executive KMP

Amount A$[i]		Short-Term Benefits			Post-Employment Benefits		Share-based Payments		
	Financial Year	Base Salary	Cash STI	Non-Monetary benefits[iii]	401k	Termination Benefits	Rights - STI deferral[v]	Rights - LTI awards[iv v]	Full Year Total
Current Executive KMP									
Mark Palmquist[ii]	**2021**	$1,178,674	$191,535	$16,779	$9,114	–	$292,567	$538,853	$2,227,523
	2020	$550,766	–	$10,660	$12,267	–	$144,453	$347,807	$1,065,953
Amy Spanik	**2021**	$432,602	$42,179	$24,273	$11,221	–	$69,003	$71,113	$650,391
	2020	$437,787	–	$31,193	$13,134	–	$34,840	$37,884	$554,838
Bryan Bechard[vii]	**2021**	$393,628	$31,641	$24,752	$7,602	–	$40,408	$56,999	$555,030
	2020	$396,067	$10,729	$31,193	$8,812	–	$18,617	$20,861	$486,279
Tiago Darocha[vii]	**2021**	$185,116	$14,394	$3,919	$2,050	–	$2,015	–	$207,494
Former Executive KMP									
Darren Smith[ix]	**2020**	$605,380	–	$21,151	$12,301	–	$51,278	$88,771	$778,881

Explanatory notes to the Statutory Remuneration outcomes table:

i. Amounts have been converted using the average exchange rate for the period the remuneration is reported. In FY21 the exchange rate used was USD = AUD1.3319.

ii. Mr Palmquist's annual base salary remained unchanged at US$885,500 (A$1,178,674). For FY20 the MD&CEO is reported from his commencement as MD&CEO of United Malt on 23 March 2020, a period of just over six months (noting that for five months from May 2020 to September 2020 he elected to take a 20% reduction in base salary due to the impact of COVID on United Malt's business). Prior to March 2020 he was not a KMP of the Malt business of GrainCorp Limited.

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

iv. The FY20 LTI Awards amounts for Amy Spanik and Darren Smith include an award relating to FY18 STI deferred equity.

v. The value of the STI deferral and the LTI awards represents the accounting value rather than the cash value to participants. In 2021, all Executive KMP STI awards were paid 50% in cash and 50% in STI deferral awards. In FY20 all STI awards were made as 100% STI deferral awards. Please also note the FY21 figures include the amortised accounting value of awards made in FY20.

vi. For FY20 remuneration the Executive KMP, excluding Mr. Palmquist, have been reported for the full FY20 in accordance with AASB 124.

vii. The FY20 Cash STI payment for Bryan Bechard is related to a FY18 STI deferred cash payment.

viii. Mr Darocha commenced employment on 12 July 2021 and his FY21 remuneration is shown from that date. The amount shown includes assistance paid to Mr Darocha for his relocation. Mr Darocha's FY21 STI payment is also pro-rated based on the portion of the year he was employed.

ix. No FY21 remuneration is shown for Mr Smith as he resigned from United Malt effective 1 October 2020 and ceased to be a KMP.

United Malt Group Limited **Remuneration Report**

The proportion of each Executive's KMP's remuneration for FY21 that was fixed, and the portion that was subject to a performance measure, is set out below. The percentages are based on the FY21 statutory remuneration disclosures above (including the STI deferral and LTI awards values which are determined in accordance with accounting standards) and do not correspond to the target remuneration percentages set out below.

Mix of fixed and variable remuneration based on FY21 statutory remuneration outcomes for Executive KMP

Executive KMP	Fixed	Variable (including short-term and long-term incentive payments)
Mark Palmquist	54%	46%
Amy Spanik	72%	28%
Bryan Bechard	77%	23%
Tiago Darocha[i]	92%	8%

[i] In FY21 Mr Darocha received no LTI awards and an STI award pro-rated to his start date in July 2021.

4. Executive Remuneration Policy

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

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

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

Remuneration framework

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

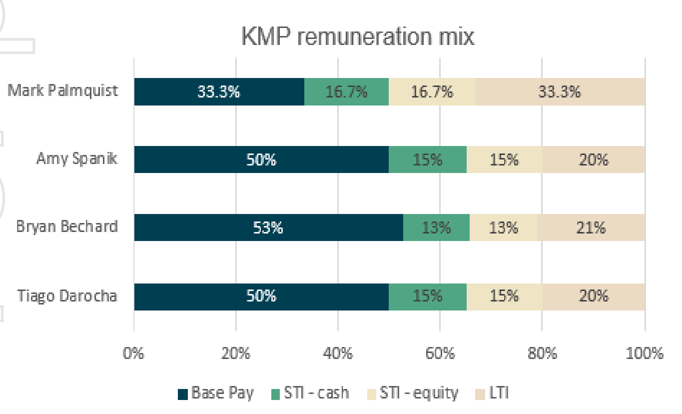
The executive remuneration framework elements and their links to performance are outlined below.

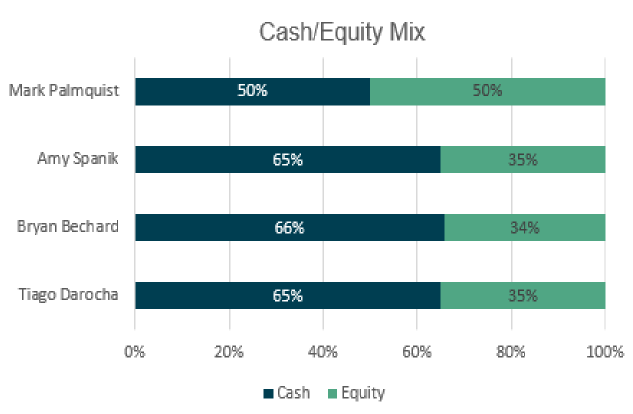
	Base Salary	Variable Remuneration (At-Risk)	
Elements	Salary (and benefits as relevant to local conditions).	Short Term Incentive (STI)	Long Term Incentive (LTI)
Delivery Method	Cash	Cash and Equity (Deferred Rights)	Equity (Performance Rights)
Intent	Attract and retain talent by providing competitive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

Remuneration mix

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

Executive KMP remuneration mix at target





5. Variable Remuneration – Short-term Incentive

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

Term	Details
Eligibility	All Executive KMP are eligible to participate in the STI. The United Malt Board determines the employees who are eligible to participate in the STI from time to time.
Opportunity	The opportunity is set as a percentage of base salary. Maximum opportunity is 1.5 times target (150%). The CEO has a target opportunity of 100% and a maximum opportunity of 150%. The opportunity for the remaining Executive KMP ranges from a target of 50% up to 60% and a maximum opportunity from 75% to 90%.
Form of award	The proportion of the STI award that vests is delivered: • 50% as cash; and • 50% deferred into rights to acquire United Malt shares. Deferred rights do not carry any voting or dividend rights, but dividend equivalent payments (which may be delivered in cash or additional shares) may be made on vesting of the rights.
Deferred STI award and deferral period	The deferred rights will vest in two tranches – 50% of the deferred awards vest after 12 months and 50% after 24 months.
Performance period	Performance was tested over one financial year, 1 October 2020 to 30 September 2021.
Performance measures	The United Malt STI scorecard measures four key financial and non-financial elements and each element is weighted the same for the CEO and the other KMP. Financials (EBIT) — 50% weighting Environment, Health & Safety (RIRF, EH&S Engagements and Critical Risk Reviews) — 15% weighting Customers (NPS and Customer Feedback, Customer performance and insight) — 15% weighting Individual performance (including people leadership, project completion) — 20% weighting
Malus	The United Malt Board in its discretion may determine that some, or all, of an employee's deferred STI should be forfeited for gross misconduct, material misstatement or fraud.
Cessation of employment	Unless the United Malt Board determines otherwise, STI awards will: a. Remain on foot to be paid, or be awarded in full, at their normal payment or grant date for cessation of employment due to any other reason (including redundancy, disability, death or retirement), or b. Lapse where the participant ceases employment due to resignation or termination for cause.
Change of Control	All deferred STI awards will vest upon a change of control unless the United Malt Board determines otherwise.

6. Variable Remuneration – Long-term Incentive

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

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

Term	Details
Eligibility	The United Malt Board determines the employees who are eligible to participate. Currently, the LTI is open only to Executive KMP.
Instrument	Performance rights, each being a right to acquire a United Malt share for nil consideration, upon specified performance measures being satisfied over the relevant performance period. Performance rights will not carry voting or dividend rights. The Board retains discretion to settle Vested Rights in cash by making a cash payment equal to the Cash Equivalent Value in lieu of an allocation of Shares.
Opportunity	The number of Performance Rights granted to each participant is determined by dividing the dollar value of a participant's LTI opportunity by the Volume Weighted Average Price (VWAP) of shares over a defined period. For the FY21 LTI the VWAP was the 20 trading days immediately following the date on which the Company's full-year results were released for the financial year ended 30 September 2020. For FY21 the LTI opportunity is as follows: • CEO - 100% of base salary. • All other Executive KMP - 40% of base salary.
Performance period	The FY21 LTI performance period commenced on 1 October 2020 and ends on 30 September 2023.
Performance conditions	Vesting of Performance Rights under the FY21 LTI plan will be subject to the participant's continued employment with United Malt and satisfaction of specified performance conditions. The performance conditions applicable to the FY21 award under the LTI plan are as follows: *a. Return on Capital Employed (ROCE) - 50% of the FY21 LTI grant* Defined as EBIT divided by capital employed. Earnings before interest and taxes (EBIT) divided by capital employed (being the sum of United Malt's total borrowings net of cash assets and average shareholders' equity). An average of the three financial year ROCE outcomes will be calculated to determine the ROCE over the three-year vesting period and then measured against the applicable ROCE targets. *b. Absolute total shareholder return (aTSR) - 25% of the FY21 LTI grant* Defined as the compound annual growth rate (CAGR) of United Malt's TSR over the performance period measured against the applicable aTSR targets. *c. Strategic execution - 25% of the FY21 LTI grant* Realisation of the pre-determined agreed metrics that will demonstrate the achievement of United Malt's Strategic Plan. There are a variety of quantified metrics predominately designed to increase revenue or manage costs in the following key areas. • Profitability and customer performance – realign and enhance our marketing and decision-making capabilities with a focus on customer efficiencies and increased profitability. • Operating Model – reposition our operating model to reflect the needs of United Malt as a stand-alone, listed Company involved in Malt and beverage ingredient products. • Growth – establishing and executing strategic growth opportunities. The precise strategic measures are commercially sensitive and the Company's performance against these measures will be outlined following the completion of the three-year performance period in the FY23 Remuneration Report.

Term	Details
FY21 Vesting schedules	a. The proportion of rights that may vest based on ROCE performance is determined by the Board, based on the following vesting schedule.

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

b. The proportion of rights that may vest based on aTSR performance is determined by the Board based on the following vesting schedule.

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

c. The proportion of rights that may vest based on the execution of Strategic measures is determined by the Board based on the following vesting schedule.

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

In determining whether the strategic measures are achieved the Board will primarily examine the performance against the defined financial targets associated with the applicable measures, but also take into consideration qualitative factors such as execution against agreed timeframes.

Term	Details
Vesting	Based on performance relative to the performance conditions, the relevant number of performance rights will vest, and each participant will receive a United Malt share in respect of each vested performance right (unless the United Malt Board, in its sole discretion, determines to settle vested performance rights by making a cash equivalent payment in lieu of the allocation of United Malt shares).
Disposal restrictions	In accordance with the Minimum Shareholding Policy (MSP), a participant must seek approval to sell or transfer any Shares allocated on Vesting of the Rights. Approval will be granted if the participant meets or exceeds the minimum holding level set under the MSP (and would continue to satisfy the holding requirements immediately after the disposal). However, a participant may seek approval to dispose of Shares at any time if compliance with the MSR will cause severe financial hardship (including meeting a tax obligation in connection with participation in the Plan) or could prevent a participant from complying with an order from a court of law.
Malus	The United Malt Board in its discretion may vary downwards the number of an employee's shares due to vest, if the Board determines that the performance of the Group, any member of the Group, any business, area or team, and the conduct, capability, or performance of the Participant, justifies the variation.

Term	Details
Cessation of employment	Unless the United Malt Board determines a different treatment, where a participant ceases employment with United Malt: a. as a result of resignation or termination for cause, all unvested performance rights will lapse; or b. for any other reason (including redundancy, disability, death or retirement), a pro-rata number of the participant's unvested performance rights (based on the proportion of the performance period that has elapsed at the time of cessation) will remain on foot and will be eligible to vest on the original vesting date. To the extent the relevant performance hurdles are satisfied the shares will then vest.
Change of Control	In the event of a change of control all unvested performance rights will vest unless the United Malt Board determines otherwise.

7. Legacy Equity awards

As a stand-alone Company from 24 March 2020, there are no United Malt prior year LTI awards able to vest in FY21.

One-off Award

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

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

There were two performance hurdles, ROCE and absolute TSR, each applying to 50% of the One-off award.

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

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

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

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

All other terms and conditions, including the definition of the performance conditions, are as per the FY21 LTI.

One-off award vesting outcomes

ROCE

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

Absolute TSR

United Malt's aTSR performance over the period of 24 March 2020 to 30 September 2021 was 0.77% versus a threshold of 8.6% and so no portion of this award will vest.

FY20 Long Term Incentive

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

There were two performance hurdles, ROCE and absolute TSR, each applying to 50% of the FY20 LTI award. The performance conditions and vesting schedule are the same as the One-off Award described above. All other terms and conditions are as per the FY21 LTI.

8. Remuneration in FY22

Base salary

There will be no changes to the base salary for the MD&CEO. There are no proposed changes to any Executive KMP base salaries for FY22, other than an increase in base salary for the President, Warehouse & Distribution. Following a benchmarking review, his salary will increase by approximately 15% to align the remuneration for this role more closely to other Executive KMP.

Short-term incentive

There will be no change to STI quantum for any Executive KMP in FY22, other than the President, Warehouse & Distribution whose target opportunity increases from 50% to 60%, in line with the other Executive KMP (aside from the MD&CEO).

The Board reviewed the structure of the STIP to ensure an appropriate balance between corporate and individual outcomes. This has resulted in a small number of changes proposed in FY22 to better align the STI programme with executive accountabilities. The Corporate Scorecard will be maintained, with EBIT remaining as the largest measure along with safety, environment and other non-financial measures, but the weighting of the Corporate Scorecard reduces from 80% to 60% (MD&CEO and Chief Financial Officer) or 50% (Chief Operating Officer and President, Warehouse & Distribution). The increased emphasis on Environmental, Social and Governance objectives in the Corporate Scorecard includes a new Waste Management and Landfill reduction objective and also revised safety objectives.

There will be increased weighting for individual executive performance objectives. Individual objectives will be assessed according to Individual Scorecards with each Executive KMP being assessed on those objectives for which they have direct responsibility and accountability. This will include customer advocacy and satisfaction, capital project execution, executing process improvement initiatives and the development and delivery of strategic growth opportunities. Both Corporate and Individual Scorecard metrics will be outlined in the FY22 Remuneration Report.

Long-term incentive

As described in our overview section at the beginning of the report, the Board and management team believe that there are critical strategic projects that must continue to be delivered over the next three years. The Board has determined that to continue to drive the Company's transformation strategy and ensure appropriate returns to shareholders the existing structure of LTI measures will remain.

ROCE is a measure of profitability and the efficient use of capital efficiency. Both are critical to our business. Absolute TSR is a measure of shareholder value. The strategic measure aligns with the key transformative objectives of the business to create a simplified and efficient organisation over the next three years, and also assesses delivery of major capital projects and management's success in identifying and executing growth opportunities. An overview of the weightings and definitions for our FY22 LTI measures is set out below.

Measure	Weighting	Definition
ROCE	50%	Earnings before interest and taxes (EBIT) divided by capital employed (being the sum of United Malt's total borrowings net of cash assets and average shareholders' equity). An average of the three financial year ROCE outcomes will be calculated to determine the ROCE over the three-year vesting period. The FY21 LTI threshold and stretch metrics will be retained for the FY22 LTI awards. The targets are set bearing in mind the Group's three-year ROCE targets, with threshold not less than the Company's post-tax weighted average cost of capital. As in 2021, only 25% of the award vests on achieving threshold, vesting on a straight-line basis up to the stretch hurdle.
aTSR	25%	The compound annual growth rate of United Malt's TSR over the performance period. The FY21 LTI threshold and stretch metrics will be retained for the FY22 awards. As in FY21, only 25% of the award vests on achieving threshold, vesting on a straight-line basis up to the stretch hurdle.

Measure	Weighting	Definition
Strategic Measures	25%	In assessing performance against pre-set Strategic measures, the Board will evaluate how well management has delivered against key projects and goals over the three-year performance period from 1 October 2021 to 30 September 2024. A major focus will be Transformation strategy and the drive to create a more streamlined and efficient organisation and improve capabilities by implementing simplified and standardised processes, skills and systems. In addition, Executive KMP will also be assessed regarding the on-time and on-budget delivery of major capital projects and management's success in identifying and executing growth opportunities, including greenfield business developments in new geographies. The key criteria to be used by the Board is as follows: • Achieving annualised EBITDA benefits (savings or revenues). • Achieving the agreed benefits within the timeframes and financial goals • Demonstrating teamwork to achieve good customer and stakeholder management. • Adapting to any material changes in circumstances impacting the timeframes and estimated benefits. Performance against these measures including detail regarding the annualised benefits achieved, the status of the capital projects delivered and the progress on the identification and execution of organic growth opportunities will be disclosed in the FY24 Remuneration Report.

Non-Executive Director fees

No changes are proposed to any Non-Executive Director fees in FY22.

9. Non-Executive Director fees

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

Fees are paid from the $1,500,000 aggregate annual fee pool. This pool value was set to allow for growth and changes within the structure of the United Malt Board over time. This fee pool was approved as part of the Scheme approved by shareholders in November 2019 and remained unchanged at the 2020 AGM. Total Director fees paid during FY21 was $993,591. These fees represented 66% of the fee pool.

In view of the continuing business environment, no changes to Board fees will be made for FY22.

FY21 Non-Executive Director fees

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

Superannuation contributions are made in accordance with Australian superannuation legislation at a rate of 9.5%, and 10% from 1 July 2021. Superannuation is included in the fees presented above.

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

FY21 and FY20 Non-Executive Director fees (statutory remuneration outcomes)

The following table sets out the audited Non-Executive Director fees in FY21 and FY20 calculated in accordance with statutory accounting requirements and which reflect the actual remuneration received during the year. Non-Executive Directors are not eligible to receive any cash-based or equity-based incentives.

	Financial Year	Board and Committee Fees[i]	Superannuation	Other Benefits	Total Fees
Current Non-Executive Directors					
Graham Bradley AM	2021	$310,149	$29,851	–	$340,000
	2020	$137,736	$13,085	–	$150,821
Barbara Gibson	2021	$140,023	$13,477	–	$153,500
	2020	$62,184	$5,907	–	$68,091
Jane McAloon	2021	$153,500	–	–	$153,500
	2020	$62,184	$5,907	–	$68,091
Gary W. Mize[ii]	2021	$133,508	–	–	$133,508
	2020	–	–	–	-
Terry Williamson	2021	$140,023	$13,477	–	$153,500
	2020	$62,184	$5,907	–	$68,091
Former Non-Executive Directors					
Simon Tregoning[iii]	2021	$54,414	$5,169	–	$59,583
	2020	$57,930	$5,503	–	$63,433

i. FY20 Fees and superannuation are for the period commencing on 23 March 2020. While most Non-Executive Directors were appointed to the United Malt Board on 13 January 2020 (Terry Williamson was appointed from 23 March 2020), no payment was received by any Non-Executive Director from United Malt for the period between appointment and formalisation of the demerger in March 2020.
ii. Mr Mize was appointed 23 October 2020. His fees are paid in USD. The USD:AUD exchange rate used for these fees is 1:1.3319.
iii. Mr Tregoning resigned 18 February 2021. The fees paid are until that date.

10. Remuneration Governance

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

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

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

Minimum Shareholding Policy

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

Remuneration Advisers

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

In FY21 no remuneration recommendations relating to KMP remuneration were obtained.

Employment Terms

The Executive KMP are employed under employment contracts which are open-ended.

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

Executive KMP key employment terms

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

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

Darren Smith – President Processing

Mr Smith resigned from United Malt post the FY20 balance date and ceased to be a KMP of the Company from 1 October. He has a six-month notice period and ceased employment on 25 March 2021. On ceasing employment all Mr Smith's unvested LTI awards lapsed, as did his FY20 Deferred STI awards. He did not receive a FY21 LTI offer and no STI was payable to him in FY21.

Tiago Darocha – Chief Operating Officer

Mr Darocha was appointed on 12 July 2021 as Chief Operating Officer. Mr Darocha's contract included relocation assistance to assist with his move to Vancouver, Washington. Mr Darocha is entitled to a pro-rated FY21 payment and will be entitled to participate in the FY22 STI and LTI programmes.

11. Shareholdings and other mandatory disclosures

Movement of Rights held during the FY21 reporting period

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

Role	Balance as at 1 October 2020	Granted during the year	Exercised during the year	Forfeited or lapsed during the year	Balance as at the 30 September 2021	Vested and exercisable as at 30 September 2021
Current KMP						
Mark Palmquist	576,610	379,715	–	–	956,325	–
Amy Spanik	48,221	66,268	(2,861)	–	111,628	–
Bryan Bechard	36,358	45,931	–	–	82,289	–
Tiago Darocha	–	–	–	–	–	–
Former Executive KMP						
Darren Smith	119,186	39,579	(4,740)	(154,025)	–	–

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

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

	Equity granted					Vested in 2021		
	Plan	Number of rights	Grant date	Fair value at grant	Financial year in which rights may vest [i]	Vested in the year (%)	Forfeited in the year (%)	Number of ordinary shares
Current Executive KMP								
Mark Palmquist	FY21 LTI	268,218	11 Mar 2021	$ 869,697	2024	–	–	–
	FY20 Deferred STI	111,497	22 Dec 2020	$ 451,563	2022, 2023	–	–	–
	FY20 LTI	296,067	1 Sept 2020	$ 789,019	2023	–	–	–
	One-off Award [ii]	280,543	1 Sept 2020	$ 758,869	2022	–	–	–
Amy Spanik	FY21 LTI	39,377	11 Mar 2021	$ 127,680	2024	–	–	–
	FY20 Deferred STI	26,891	22 Dec 2020	$ 108,909	2022, 2023	–	–	–
	FY20 LTI	45,360	1 Sept 2020	$ 120,884	2023	–	–	–
Bryan Bechard	FY21 LTI	31,562	11 Mar 2021	$ 102,340	2024	–	–	–
	FY20 Deferred STI	14,369	22 Dec 2020	$ 58,194	2022, 2023	–	–	–
	FY20 LTI	36,358	1 Sept 2020	$ 96,894	2023	–	–	–
Former Executive KMP								
Darren Smith	FY20 Deferred STI	39,579	22 Dec 2020	$ 160,295	2022, 2023	–	(100)	–
	FY20 LTI	57,223	1 Sept 2020	$ 152,499	2023	–	(100)	–
	One-off Award	57,223	1 Sept 2020	$154,788	2022	–	(100)	–

i. This column reflects the financial year in which the award will vest, rather than the final year of the vesting period.
ii. Mark Palmquist's One-off Award will lapse in November 2021, as the performance hurdles for the Award have not been met.

Shares held by KMP

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

FY21

Role	Balance as at 30 September 2020	Vested	Purchased	Sold	Balance as at 30 September 2021
Executive KMP					
Mark Palmquist	427,473	–	10,000	–	437,473
Amy Spanik	8,183	2,861	–	697	10,347
Bryan Bechard	2,898	–	–	–	2,898
Tiago Darocha	–	–	–	–	–
Non-Executive Directors					
Graham Bradley AM	81,395	–	20,000	–	101,395
Barbara Gibson	29,895	–	5,000	–	34,895
Jane McAloon	12,076	–	10,734	–	22,810
Gary W. Mize[i]	–	–	17,696	–	17,696
Terry Williamson	34,586	–	15,000	–	49,586
Former Non-Executive Directors					
Simon Tregoning[ii]	72,895	–	–	–	72,895

FY20

Role	Balance as at 23 March 2020	Vested	Purchased	Sold	Balance as at 30 September 2020
Executive KMP					
Mark Palmquist	302,473	–	125,000	–	427,473
Amy Spanik	8,183	–	–	–	8,183
Bryan Bechard	2,898	–	–	–	2,898
Former Executive KMP					
Darren Smith[iii]	23,066	–	–	–	23,066
Non-Executive Directors					
Graham Bradley AM	58,500	–	22,895	–	81,395
Barbara Gibson	22,000	–	7,895	–	29,895
Jane McAloon	6,038	–	6,038	–	12,076
Simon Tregoning	40,000	–	32,895	–	72,895
Terry Williamson	5,000	–	29,586	–	34,586

i. Mr Mize was appointed to the Board effective 23 October 2020.
ii. Mr Tregoning retired from the Board as a Non-Executive Director on 18 February 2021. His FY21 balance shareholding is shown as at this date.
iii. Mr Smith ceased to be a KMP as at 1 October 2020. His shareholding balance on this date is as set out in the table above.

Link between United Malt financial performance and executive remuneration

Summary of performance over 2021 and 2020 and link to remuneration	2021	2020
EBIT	$62.7M	$92.0M
EBITDA	$123.3M	$156.1M
Dividends (cents per share)	5.5 cents	3.9 cents
Share price[i]	$4.10	$4.12
Share price (3-month average)[ii]	$4.38	$4.08
EPS	4.6 cents	16.8 cents
Average Executive KMP STI payout (relative to target)	35%	45%
LTI vesting outcomes	0%	n/a

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

Transactions and Loans to KMP

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

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

Graham Bradley AM
Chairman
17 November 2021

Auditor's Independence Declaration

As lead auditor for the audit of United Malt Group Limited for the year ended 30 September 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
17 November 2021

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Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 September 2021

	Note	2021 $ M	2020 $ M
Revenue	1.2	1,235.0	1,289.1
Other income / (loss)	1.3	6.0	4.5
Raw materials and consumables used		(925.1)	(956.0)
Employee benefits expense	1.3	(116.4)	(122.3)
Finance costs		(10.5)	(15.8)
Depreciation and amortisation	3.2,3.3,3.4	(60.6)	(64.1)
Occupancy costs		(3.0)	(4.5)
Repairs and maintenance		(18.0)	(17.8)
Other expenses	1.3	(75.6)	(47.5)
Profit before income tax		**31.8**	**65.6**
Income tax expense	1.4	(18.0)	(20.0)
Profit for the year attributable to equity holders of parent entity		**13.8**	**45.6**
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Remeasurement of retirement benefit obligations	3.6	18.4	(0.2)
Income tax relating to these items	1.4	(5.1)	(0.2)
Items that may be reclassified to profit and loss:			
Changes in fair value of cash flow hedges		7.6	5.6
Income tax relating to these items	1.4	(2.1)	(1.3)
Exchange differences on translation of foreign operations		19.7	(26.6)
Other comprehensive income for the year, net of tax		38.5	(22.7)
Total comprehensive income for the year attributable to the equity holders of the parent entity		**52.3**	**22.9**

	Note	2021	2020
Earnings per share			
Basic earnings per share (cents)	1.5	4.6	16.8
Diluted earnings per share (cents)	1.5	4.6	16.8

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

Consolidated Statement of Financial Position

As at 30 September 2021

	Note	2021 $ M	2020 $ M
Current assets			
Cash and cash equivalents	2.1	286.8	262.1
Trade and other receivables	3.1	206.0	245.4
Inventories	3.1	344.0	318.5
Derivative financial instruments	2.5	8.7	4.4
Current tax assets		4.3	5.2
Assets held for sale	3.2	2.5	-
Total current assets		**852.3**	**835.6**
Non-current assets			
Trade and other receivables		1.4	0.2
Derivative financial instruments	2.5	2.4	2.4
Deferred tax assets	1.4	24.7	21.7
Property, plant and equipment	3.2	679.6	620.8
Intangible assets	3.3	337.9	337.6
Right of use assets	3.4	77.4	66.4
Retirement benefit asset	3.6	16.8	2.1
Total non-current assets		**1,140.2**	**1,051.2**
Total assets		**1,992.5**	**1,886.8**
Current liabilities			
Trade and other payables	3.1	179.4	178.4
Borrowings	2.1	168.2	107.3
Lease liabilities	3.4	12.2	12.4
Derivative financial instruments	2.5	4.5	4.9
Current tax liabilities		0.2	0.7
Provisions	3.5	12.1	12.9
Total current liabilities		**376.6**	**316.6**
Non-current liabilities			
Income received in advance		18.5	19.1
Borrowings	2.1	349.5	348.1
Lease liabilities	3.4	69.3	56.0
Derivative financial instruments	2.5	3.2	5.2
Deferred tax liabilities	1.4	103.0	93.3
Provisions	3.5	3.0	4.0
Retirement benefit obligations	3.6	3.6	13.2
Total non-current liabilities		**550.1**	**538.9**
Total liabilities		**926.7**	**855.5**
Net assets		**1,065.8**	**1,031.3**
Equity			
Contributed equity	2.2	166.9	166.9
Reserves		492.0	452.6
Retained earnings		406.9	411.8
Total equity		**1,065.8**	**1,031.3**

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

Consolidated Statement of Changes in Equity

For the year ended 30 September 2021

	Hedging reserve $ M	Pension reserve $ M	Share option reserve $ M	Common Control reserve $ M	Trans-lation reserve $ M	Total reserves $ M	Cont-ributed equity $ M	Retained earnings $ M	Total equity $ M
At 30 September 2019	**(7.8)**	**(26.4)**	**-**	**14.5**	**67.2**	**47.5**	**-**	**366.2**	**413.7**
Profit for the year	-	-	-	-	-	-	-	45.6	45.6
Other comprehensive income:									
Exchange differences on translation of foreign operations	0.2	0.7	-	-	(27.5)	(26.6)	-	-	(26.6)
Changes in fair value of cash flow hedges	5.6	-	-	-	-	5.6	-	-	5.6
Remeasurements of retirement benefit obligations (note 3.6)	-	(0.2)	-	-	-	(0.2)	-	-	(0.2)
Tax effect of above items	(1.3)	(0.2)	-	-	-	(1.5)	-	-	(1.5)
Total other comprehensive income	**4.5**	**0.3**	**-**	**-**	**(27.5)**	**(22.7)**	**-**	**-**	**(22.7)**
Total comprehensive income for the year	4.5	0.3	-	-	(27.5)	(22.7)	-	45.6	22.9
Transactions with owners:							-		
Shares issued	**-**	**-**	**-**	**-**	**-**	**-**	166.9	**-**	**166.9**
Share-based payments (note 1.3)	-	-	0.8	-	-	0.8	-	-	0.8
Demerger-related loan extinguishment	-	-	-	427.0	-	427.0	-	-	427.0
At 30 September 2020	**(3.3)**	**(26.1)**	**0.8**	**441.5**	**39.7**	**452.6**	**166.9**	**411.8**	**1,031.3**
Opening balance adjustment[1]	-	-	-	-	-	-	-	(1.0)	(1.0)
Profit for the year	-	-	-	-	-	-	-	13.8	13.8
Other comprehensive income:									
Exchange differences on translation of foreign operations	0.1	(0.6)	-	0.5	19.7	19.7	-	-	19.7
Changes in fair value of cash flow hedges	7.6	-	-	-	-	7.6	-	-	7.6
Remeasurements of retirement benefit obligations (note 3.6)	-	18.4	-	-	-	18.4	-	-	18.4
Tax effect of above items	(2.1)	(5.1)	-	-	-	(7.2)	-	-	(7.2)
Total other comprehensive income	**5.6**	**12.7**	**-**	**0.5**	**19.7**	**38.5**	**-**	**-**	**38.5**
Total comprehensive income for the year	5.6	12.7	-	0.5	19.7	38.5	-	13.8	52.3
Transactions with owners:									
Share-based payments (note 1.3)	-	-	1.0	-	-	1.0	-	-	1.0
Employee shares purchased	-	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Dividends paid (note 2.3)	-	-	-	-	-	-	-	(17.7)	(17.7)
At 30 September 2021	**2.3**	**(13.4)**	**1.7**	**442.0**	**59.4**	**492.0**	**166.9**	**406.9**	**1,065.8**

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

[1] Opening balance adjustment relates to software as a service costs that were previously capitalised that would have been expensed in the prior period under the IFRIC pronouncement. Refer to Overview section C) for more information on newly amended accounting standards adopted.

Consolidated Statement of Cash Flows

For the year ended 30 September 2021

	Note	2021 $ M	2020 $ M
Cash flows from operating activities			
Receipts from customers		1,326.9	1,351.1
Payments to suppliers and employees		(1,202.6)	(1,191.1)
		124.3	160.0
Proceeds / (repayment) of inventory funding loans		58.9	(32.9)
Interest received		0.6	1.4
Interest paid		(8.8)	(10.0)
Lease payments (interest component)		(2.7)	(3.3)
Income taxes paid		(18.5)	(13.5)
Net inflow from operating activities	2.1	**153.8**	**101.7**
Cash flows from investing activities			
Payments for property, plant and equipment		(102.1)	(58.1)
Payments for computer software		(1.2)	(1.4)
Net outflow from investing activities		**(103.3)**	**(59.5)**
Cash flows from financing activities			
Proceeds from borrowings		-	220.1
Repayment of borrowings		-	(322.8)
Proceeds from capital raise		-	166.9
Lease payments (principal component)		(11.3)	(18.8)
Dividends paid	2.3	(17.7)	-
Shares purchased for employee share plan		(0.1)	-
Net (outflow) / inflow from financing activities		**(29.1)**	**45.4**
Net increase in cash and cash equivalents		**21.4**	**87.6**
Cash and cash equivalents at the beginning of the year		262.1	181.4
Effects of exchange rate changes on cash and cash equivalents		3.3	(6.9)
Cash and cash equivalents at the end of the year	**2.1**	**286.8**	**262.1**

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

Notes to the Consolidated Financial Statements

For the year ended 30 September 2021

Overview

The financial report includes consolidated financial statements for United Malt Group Limited ('United Malt' or the 'Company') and its controlled entities (collectively the 'Group'). United Malt Group Limited is a for-profit company incorporated and domiciled in Australia, limited by shares which are publicly traded on the Australian Securities Exchange. The financial report of United Malt Limited for the period ended 30 September 2021 was authorised for issue in accordance with a resolution of the Directors on 17 November 2021.

a) Basis of preparation

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

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

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

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

b) Impact of the COVID-19 pandemic

During the reporting period, the COVID-19 pandemic has impacted people and businesses across the globe. United Malt has considered the impact of COVID-19 on the disclosures included in this financial report. The financial performance of the Group was impacted throughout FY21 by the COVID-19 pandemic. Governments imposed containment restrictions adversely affecting on-premise alcohol consumption, particularly for small craft beer brands. While off-premise consumption increased, this was not sufficient to mitigate the decline in on-premise consumption. Despite this, United Malt remains in a strong financial position to manage in the current environment and to continue with investment in strategic growth initiatives.

c) New and amended standards adopted

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

Interest rate benchmark reform

The banking sector and global banking regulators have been working together to develop a replacement of benchmark interest rates which will replace Interbank Offered Rates (IBORs). One example is the London Interbank Offered Rate (LIBOR), which will cease to be a valid benchmark rate from 31 December 2021. The cessation of the USD LIBOR is expected to be on 30 June 2023.

AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2 was issued by the AASB in September 2020. The amendments apply only to those changes to financial instruments and hedging relationships that are a direct consequence of the IBOR reform and then cash flows are amended on an economically equivalent basis. The key amendments include a practical expedient for changes in contractual cash flows required by the reform, a hedge accounting transition clause to assist in maintaining a hedge accounting designation when changes are made to hedging instruments as a result of the reform, and additional required disclosures. The amendments will apply to the Group from 1 October 2021.

The Group completed a renewal of its inventory funding, working capital, and term debt facilities on 12 November 2021. As part of the renewal, all of the reference rates for the UK debt tranches were amended from LIBOR to Sterling Overnight Index Average (SONIA). Interest rate swaps related to the debt will be transitioned to reference the new rate. The Group is currently assessing the impact of the transition, noting that the refinancing has not resulted in a material change in terms or cash flows related to the debt. The impact related to the reference rate change is not expected to be material as the Group expects to utilise the transitional provisions permitted by AASB 2020-8.

c) New and amended standards adopted (continued)

IFRIC agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement

Previously the Group capitalised the costs incurred in configuring or customising supplier application software in a cloud computing arrangement (including software as a service) as an intangible asset on the basis that the group would benefit from the costs to implement the cloud-based software over the life of the asset. Following the IFRS Interpretations Committee agenda decision on Configuration or Customisation Costs in a Cloud Computer Arrangement in March 2021, the Group has reconsidered the accounting treatment and adopted the treatment set out in the IFRS Interpretations Committee decision, which is to recognise those costs as intangible assets only if these activities create an intangible asset that is separate from the software and the entity controls the asset and it meets the recognition criteria. Costs that do not meet the criteria of capitalisation are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significantly customise the product for the Group, in which case they are recorded as a prepayment for services and amortised over the expected term of the cloud computing arrangement.

Costs expensed related to software as a service in the current period were $6.5 million. Any previously capitalised amounts relating to prior periods have been adjusted in opening retained earnings in the Statement of Changes in Equity as the amount is not material.

d) Key judgements and estimates

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

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

e) Foreign currency

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

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

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

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

1. Group Performance

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

1.1 Operating segments

a) Description of segments

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

The operating segments are as follows:

- **Processing:** generates earnings from the production and sale of bulk malt to major brewers, craft brewers, distillers and food companies.
- **Warehouse & Distribution:** generates revenue for the distribution and sale of bagged malt, hops, yeast, adjuncts, and related products to craft brewers, distillers and food companies.

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

b) Performance of segments

2021	Processing $ M	Warehouse & Distribution $ M	Reportable segments $ M	Corporate & Eliminations $ M	Total $ M
Reportable segment revenue					
External revenue	904.9	330.1	1,235.0	-	1,235.0
Intersegment revenue	33.2	-	33.2	(33.2)	-
Total reportable segment revenue	938.1	330.1	1,268.2	(33.2)	1,235.0
EBITDA	89.5	40.8	130.3	(7.0)	123.3
Net interest	(0.5)	(1.9)	(2.4)	(7.4)	(9.8)
Depreciation and amortisation	(50.0)	(10.5)	(60.5)	(0.1)	(60.6)
Significant items [2]	(21.1)	-	(21.1)	-	(21.1)
Profit / (loss) before income tax	17.9	28.4	46.3	(14.5)	31.8
Other segment information					
Capital expenditure	99.7	3.6	103.3	-	103.3
Reportable segment assets	1,412.1	279.7	1,691.8	300.7	1,992.5
Reportable segment liabilities	(309.8)	(87.9)	(397.7)	(529.0)	(926.7)

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

United Malt Group Limited **Notes to the Consolidated Financial Statements**

1.1 Operating segments (continued)

2020	Processing $ M	Warehouse & Distribution $ M	Reportable segments $ M	Corporate & Eliminations $ M	Total $ M
Reportable segment revenue					
External revenue	960.2	328.9	1,289.1	-	1,289.1
Intersegment revenue	29.2	-	29.2	(29.2)	-
Total reportable segment revenue	**989.4**	**328.9**	**1,318.3**	**(29.2)**	**1,289.1**
EBITDA	**126.0**	**34.6**	**160.6**	**(4.5)**	**156.1**
Net interest	(0.7)	(1.9)	(2.6)	(12.0)	(14.6)
Depreciation and amortisation	(53.5)	(10.6)	(64.1)	-	(64.1)
Significant items [3]	-	-	-	(11.8)	(11.8)
Profit / (loss) before income tax	**71.8**	**22.1**	**93.9**	**(28.3)**	**65.6**
Other segment information					
Capital expenditure	54.2	5.3	59.5	-	59.5
Reportable segment assets	1,336.0	272.4	1,608.4	278.4	1,886.8
Reportable segment liabilities	(287.3)	(99.5)	(386.8)	(468.7)	(855.5)

c) Geographical information

	Revenue by customer location		Non-current assets [4]	
	2021 $ M	2020 $ M	2021 $ M	2020 $ M
North America	755.5	792.3	718.2	719.7
Europe	234.9	214.0	192.7	144.9
Australasia	94.4	91.1	185.4	160.4
Asia	141.7	175.2	-	-
Other	8.5	16.5	-	-
	1,235.0	**1,289.1**	**1,096.3**	**1,025.0**

1.2 Revenue

Total revenue from external customers	2021 Total $M	2020 Total $M
Revenue from sale of finished goods	1,217.0	1,273.2
Service and other revenue	18.0	15.9
Revenue from contracts with customers	**1,235.0**	**1,289.1**
Revenue recognised at point in time	1,235.0	1,286.4
Revenue recognised over time	-	2.7
Total revenue from external customers	**1,235.0**	**1,289.1**

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

[3] The Group defines significant items as those items not in the ordinary course of business, non-recurring and material in nature and amount. The amounts are included in other expense in the consolidated income statement and in 2020 relate to costs incurred to execute the demerger from GrainCorp Limited.
[4] Excludes derivative financial instruments, retirement benefit assets and deferred tax assets.

1.3 Other income and expenses

a) Other income

	2021 $ M	2020 $ M
Interest income	0.7	1.2
Net gain/(loss) on foreign currency derivatives	2.2	(2.5)
Sundry income	3.1	5.8
Total other income	**6.0**	**4.5**

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

b) Other expenses

	2021 $ M	2020 $ M
Employee benefits expense		
Defined contribution superannuation and defined benefit superannuation expenses	7.4	8.8
Share-based payment expense	1.0	0.8
Other employee benefits	108.0	112.7
Total employee benefits expense	**116.4**	**122.3**
Other expenses		
Bad debt expense[5]	16.8	1.7
Consulting[6]	12.5	7.8
Insurance	11.9	5.8
Software implementation costs[7]	6.5	-
Communication	5.7	6.7
Grain supplier provision[5]	4.7	-
Legal expenses[6]	2.3	2.1
Impairment[8]	2.0	-
Marketing costs	1.0	1.7
Travel	0.8	3.3
Financing arrangements restructuring[6]	-	5.3
Other	11.4	13.1
Total other expenses	**75.6**	**47.5**

[5] Some expense items in these categories in 2021 are included in note 1.1 as Significant Items.
[6] Some expense items in these categories in 2020 are included in note 1.1 as Significant Items, as they are included in transaction costs related to the demerger from GrainCorp Limited.
[7] Software implementation costs relates to software as a service costs that were expensed in the current period under the IFRIC pronouncement. Refer to Overview section C) for more information on newly amended accounting standards adopted.
[8] Impairment is largely related to the impairment of fixed assets at the Grantham site as a result of the closure of the operations, as announced to the ASX on 8 February 2021.

1.3 Other income and expenses (continued)

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

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

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

LTIP

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

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

Grant date	1 September 2020 One-off award	1 September 2020 LTIP	11 March 2021 LTIP
Fair value at grant date (aTSR)	$1.66	$1.72	$1.72
Fair value at grant date (ROCE)	$3.75	$3.61	$3.75
Fair value at grant date (Strategic)	N/A	N/A	$3.75
Estimated vesting date	Nov 2021	Nov 2022	Nov 2023
Share price at grant date	$3.85	$3.85	$4.00
Volatility	42%	42%	36%
Risk free interest rate	0.23%	0.25%	0.08%
Dividend yield	2.23%	2.96%	2.39%

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

Grant date	Expiry date	Balance at start of year	Granted during year	Exercised during the year	Forfeited during year	Balance at end of year	Exercisable at end of year
1 Sep 2020	Nov 2021	337,766	-	-	(57,223)	280,543	-
1 Sep 2020	Nov 2022	435,008	-	-	(57,223)	377,785	-
11 Mar 2021	Nov 2023	-	339,157	-	-	339,157	-
		772,774	**339.157**	**-**	**(114,446)**	**997,485**	**-**

DEP

All senior executives are required to have a portion of their short-term incentives deferred and awarded in the form of rights, subject to service conditions. The deferred component is awarded over two years as rights i.e. 50% deferred component vesting at the end of year one and 50% of deferred component vesting at the end of year 2. For the short-term incentive earned in 2021, the DEP grants will be issued in 2022.

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

In addition, there are 37,197 rights which have been issued as compensation for the FY18 DEP under GrainCorp on 1 September 2020, which were expensed in 2020 and vested during the period. The fair value used for determining the share-based payment expense was $3.85.

1.4 Taxation

a) Income tax expense

	2021 $ M	2020 $ M
Income tax expense recognised in the consolidated income statement		
Current tax	17.1	20.2
Deferred tax	(1.1)	(0.5)
Under / (over) provision in prior years	2.0	0.3
	18.0	**20.0**
Reconciliation to effective tax rate		
(Loss) / profit subject to tax	31.8	65.6
Income tax expense calculated at 30% (2020: 30%)	9.5	19.7
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Non-deductible / non-assessable items	1.4	4.7
Tax losses for which no deferred tax asset has been recognised	5.5	-
Change in substantially enacted tax rates	4.2	-
Adjustment for tax base reset	-	0.4
Under provision in prior years	2.0	0.3
Difference in overseas tax rates	(4.6)	(5.1)
Income tax expense	**18.0**	**20.0**
Effective tax rate [9]	**56.6%**	**30.5%**
Tax (credit) / expense relating to items of other comprehensive income		
Change in fair value of cash flow hedges	2.1	1.3
Remeasurement of retirement benefit obligations	5.1	0.2
	7.2	1.5
Unused tax losses for which no deferred tax asset has been recognised (not tax effected)	18.2	-

b) Deferred tax assets and liabilities

Deferred tax assets	2021 $ M	2020 $ M
The balance comprises temporary differences attributable to:		
Tax losses	6.4	6.0
Retirement benefit obligation	-	3.0
Provisions and accruals	3.5	3.7
Inventories	0.8	2.0
Lease liabilities	15.7	16.7
Other	10.1	2.1
Set-off deferred tax liabilities pursuant to set-off provision	(11.8)	(11.8)
Net deferred tax assets	**24.7**	**21.7**
Movements:		
Opening balance at 1 October	21.7	4.5
Recognised in the income statement	3.3	18.4
Recognised in other comprehensive income	(0.3)	(1.2)
Closing balance at 30 September	**24.7**	**21.7**

[9] Effective tax rate is calculated as the income tax expense divided by profit subject to tax. The effective tax rate is impacted in the current period by the unused tax losses for which no deferred tax asset has been recognised and the change in substantially enacted corporate tax rate in the UK from 19% to 25% effective April 2023.

1.4 Taxation (continued)

Deferred tax liabilities	2021 $ M	2020 $ M
The balance comprises temporary differences attributable to:		
Property, plant and equipment	98.4	88.1
Right of use assets	14.5	15.7
Intangible assets	1.3	1.3
Retirement benefit obligation	0.6	-
Set-off deferred tax liabilities pursuant to set-off provision	(11.8)	(11.8)
Net deferred tax liabilities	**103.0**	**93.3**
Movements:		
Opening balance 1 October	93.3	78.7
Recognised in the income statement	2.2	17.9
Recognised in other comprehensive income	6.9	0.3
Exchange differences	0.6	(3.6)
Closing balance at 30 September	**103.0**	**93.3**

c) Accounting policy

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

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

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

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

Tax consolidation

For the period up to 23 March 2020, United Malt's Australian entities were part of the GrainCorp group's taxation arrangements. Upon demerger, United Malt's Australian entities exited the GrainCorp Australian income tax consolidated group. The entities exited clear from any further income tax liability and any future tax obligations that may arise in respect of the period when they were members of the GrainCorp group. On 24 March 2020, the Company formed a new income tax group for its 100% Australian resident subsidiaries, with United Malt Group Limited being the head entity. The new tax consolidated group uses the group allocation approach whereby the current and deferred tax assets for the group are allocated among each entity within the group.

1.5 Earnings per share

	2021	2020
Basic earnings per share (cents)	4.6	16.8
Diluted earnings per share (cents)	4.6	16.8
Weighted average number of ordinary shares – basic	299,179,135	270,507,607
Add: adjustment for calculation of diluted earnings per share (performance rights)	1,052,111	64,354
Weighted average number of ordinary shares – diluted	300,231,246	270,571,961

Basic earnings per share (EPS) is calculated by dividing profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of ordinary shares for the year ended 30 September 2020 has been restated to reflect the change in the Company's capital structure as a result of the demerger from GrainCorp, as if the change had occurred at the start of the comparative period.

Diluted EPS is calculated on the same basis except that it includes the impact of any potential commitments the Group has to issue shares in the future. For the year ended 30 September 2021, these relate to the performance rights granted.

2 Capital and Financial Risk Management

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

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

2.1 Net debt

	2021 $ M	2020 $ M
Total borrowings (note 2.1(b))	517.7	455.4
Cash and cash equivalents (note 2.1(c))	(286.8)	(262.1)
Net debt	**230.9**	**193.3**
Lease liabilities (note 3.4)	81.5	68.4
Net debt including lease liabilities	**312.4**	**261.7**

a) Net debt reconciliation

	Cash and cash equivalents $M	Inventory funding facilities $M	Borrowing facilities $ M	Lease liabilities $ M	Loans with GrainCorp Ltd $M	Total $M
Net debt as at 1 October 2019	**(181.4)**	**142.8**	**260.0**	**-**	**633.8**	**855.2**
Cash flows	(87.6)	(32.9)	104.1	(18.8)	(206.8)	(242.0)
Extinguishment as a result of demerger	-	-	-	-	(427.0)	(427.0)
Additions for AASB 16	-	-	-	88.6	-	88.6
Foreign exchange movements	6.9	(2.6)	(16.0)	(1.4)	-	(13.1)
Net debt as at 30 September 2020	**(262.1)**	**107.3**	**348.1**	**68.4**	**-**	**261.7**
Cash flows	(21.4)	58.9	-	(11.3)	-	26.2
Net lease additions	-	-	-	24.7	-	24.7
Foreign exchange movements	(3.3)	2.0	1.4	(0.3)	-	(0.2)
Net debt as at 30 September 2021	**(286.8)**	**168.2**	**349.5**	**81.5**	**-**	**312.4**

b) Borrowings

	Facility limits		Drawn amounts	
	2021 $M	2020 $M	2021 $ M	2020 $ M
Current				
Working capital facilities	160.0	160.0	-	-
Commodity inventory funding facilities	227.6	210.3	168.2	107.3
Total current borrowings	**387.6**	**370.3**	**168.2**	**107.3**
Non-current				
Term debt facilities	349.5	348.1	349.5	348.1
Total non-current borrowings	**349.5**	**348.1**	**349.5**	**348.1**

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

On 12 November 2021, the maturity date of the term debt facilities was extended from November 2022 to November 2024. The term facility is an evergreen facility which provides an option to extend maturity dates on the anniversary of the facility. The terms of the debt remain materially unchanged from the previous terms, except for the change in reference rate for the UK based debt from LIBOR to SONIA.

The commodity inventory funding facilities are secured by the related inventory. The carrying amounts of inventory pledged as security at the reporting date is $168.2 million (2020: $109.9 million).

2.1 Net debt (continued)

b) Borrowings (continued)

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

c) Cash and cash equivalents

Cash and cash equivalents on hand at 30 September 2021 was 286.8 million (2020: 262.1 million). Cash and cash equivalents include cash on hand, deposits held at call with banks, and short-term investments with maturities three months or less.

Reconciliation of profit after income tax to net cash flow from operating activities

Note	2021 $ M	2020 $ M
Profit for the year	**13.8**	**45.6**
Net profit on sale of non-current assets	-	0.1
Non-cash employee benefits expense – share-based payments	1.0	0.8
Depreciation and amortisation	60.6	64.1
Impairment	2.0	-
Derivative mark-to-market	0.1	2.0
	77.5	112.6
Changes in operating assets and liabilities:		
Decrease / (increase) in inventories	39.1	(13.8)
Decrease / (increase) in deferred tax	7.1	(0.1)
(Increase) in derivatives	(0.9)	(5.1)
Decrease / (increase) in receivables	40.6	(24.7)
(Decrease) / increase in trade payables	(0.1)	17.1
Increase / (decrease) in other liabilities	12.8	(8.1)
Increase in provision for income tax	0.4	7.5
(Decrease) in defined benefit pension plan liability	(24.2)	(3.3)
Increase in provisions	1.5	19.6
Net cash inflow from operating activities	**153.8**	**101.7**

2.2 Contributed equity

Consolidated and Company	Ordinary shares	
	Number	$ M
At 1 October 2019	100	-
Shares issued as a result of the demerger from GrainCorp Ltd	254,283,932	-
New shares issued from capital raising	44,895,103	166.9
Balance at 30 September 2020	299,179,135	166.9
Balance at 30 September 2021	**299,179,135**	**166.9**

Ordinary shares

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

Capital raising

On 14 May 2020, the Group announced a capital raising comprising of both an Institutional Placement (IP) and a Share Purchase Plan (SPP). The IP completed on 15 May 2020 for a value of $140 million, and the SPP completed on 23 June 2020 for a value of $30.6 million. The costs ($3.7 million) associated with the capital raising are presented net of the funds raised in contributed equity.

2.3 Dividends

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

Dividends paid and declared	2021 $ M	2020 $ M
Dividends paid		
Prior year final dividend paid at 3.9 cents, 0% franked (2020: nil)	11.7	-
Current year interim dividend paid at 2.0 cents, 0% franked (2020: nil)	6.0	-
Total dividends paid	**17.7**	**-**
Dividends declared		
Current year final dividend declared at 3.5 cents, 0% franked (2020: 3.9 cents, 0% franked)	**10.5**	**11.7**

As the current year final dividend was declared after the reporting date, there is no liability recorded at 30 September 2021. No prior dividends were paid in 2020 as the Group was part of the GrainCorp group at that time prior to the demerger.

Franking credits available

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

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

2.4 Commitments and guarantees

Financial commitments

	2021 $ M	2020 $ M
Capital expenditure commitments		
Total capital expenditure contracted for at the reporting date but not provided for in payables:		
- Not later than one year	44.6	35.9
Total capital expenditure commitments	**44.6**	**35.9**

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

Financial guarantees

Financial guarantees are provided by Group entities as follows:

The Group enters into guarantees as part of the normal course of business. At 30 September 2021, these guarantees amounted to $7.3 million (2020: $5.1 million). The Directors do not believe any claims will arise in respect of these guarantees.

United Malt Limited and the wholly owned entities listed in note 4.1 are parties to a deed of cross guarantee as described in note 4.2. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees, to each creditor, payment in full of any debt in accordance with the deed of cross guarantee. No deficiency of net assets existed for the Group as at 30 September 2021.

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

2.5 Financial instruments and risk management

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

- **Market risk** (refer to note 2.5(b))
- **Liquidity risk** (refer to note 2.5.(c))
- **Credit risk** (refer to note 2.5(d))

a) Classification of financial instruments

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

$M	30 September 2021		30 September 2020	
	Current	Non-current	Current	Non-current
Derivative assets				
Derivative financial instruments – fair value through profit and loss Commodity futures and options	0.5	-	-	-
Foreign currency derivatives	3.6	0.9	2.9	0.6
Derivative financial instruments – cash flow hedge Foreign currency derivatives	4.6	1.5	1.5	1.8
Total derivative assets	**8.7**	**2.4**	**4.4**	**2.4**
Derivative liabilities				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	-	-	0.1	-
Foreign currency derivatives	3.6	1.1	2.8	0.6
Derivative financial instruments – cash flow hedge Foreign currency derivatives	0.9	1.1	2.0	2.5
Interest rate swap contracts	-	1.0	-	2.1
Total derivative liabilities	**4.5**	**3.2**	**4.9**	**5.2**

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

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

- Interest rate swap contracts
- Forward foreign exchange contracts

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

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

- **Level 1** financial instruments held by the Group are instruments which are traded on an active market. The fair value of these financial instruments is the quoted market settlement price on the reporting date.
- **Level 2** financial instruments held by the Group are financial instruments that are not traded on an active market. The fair value is determined using valuation techniques which maximise observable market data and rely as little as possible on entity-specific estimates.

2.5 Financial instruments and risk management (continued)

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

All derivative financial instruments are considered Level 2 financial instruments.

b) Market risk

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

Commodity price risk

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

Foreign currency risk

The Group has exposure to movement in exchange rates through:

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

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

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

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

2020	Exposure at reporting date $M	Impact on profit / (loss) after tax $ M		Impacts on other components of equity $ M	
Movement in exchange rate		**+10%**	**-10%**	**+10%**	**-10%**
US Dollar	(38.8)	(16.2)	16.2	13.5	(13.5)
Canadian Dollar	278.9	16.6	(16.6)	2.9	(2.9)
UK Pound Sterling	73.2	1.0	(1.0)	4.1	(4.1)
New Zealand Dollar	3.1	0.2	(0.2)	-	-
Euro	9.8	0.7	(0.7)	-	-
Yen	(28.3)	(2.0)	2.0	-	-
Total	**297.9**	**0.3**	**(0.3)**	**20.5**	**(20.5)**

2.5 Financial instruments and risk management (continued)

Interest rate risk

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

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

At 30 September 2021, after taking into account the effect of interest rate swap contracts, approximately 74% ($258.2 million) of the Group's long-term borrowings are at a fixed rate of interest (2020: 74%, $257.2million).

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

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

	2021		2020	
	Weighted average interest rate %	Balance $ M	Weighted average interest rate %	Balance $ M
Current instruments				
Commodity inventory facilities	0.95%	(168.2)	0.97%	(107.3)
Non-current instruments				
Term debt facilities	1.53%	(349.5)	1.63%	(348.1)
Interest rate swaps (notional principal amount)	0.15%	258.2	0.25%	257.2
Net exposure to cash flow interest rate risk	**1.16%**	**(259.5)**	**1.27%**	**(198.2)**

Interest rate sensitivity analysis

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

	2021		2020	
	Profit / (loss) $ M	Increase / (decrease) in equity $ M	Profit / (loss) $ M	Increase / (decrease) in equity $ M
+ 100 basis points	(2.6)	2.6	(2.3)	2.6
– 100 basis points	2.6	(2.6)	2.3	(2.6)

2.5 Financial instruments and risk management (continued)

c) Liquidity risk

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

Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. At balance date, the Group had approximately $219.4 million of unused credit facilities available for immediate use.

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

30 September 2021	Carrying Value $M	Total $M	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M	Over 5 years $ M
Non-derivatives:						
Borrowings [10]	(517.7)	(521.7)	(168.2)	(353.5)		-
Trade and other payables	(177.5)	(177.5)	(177.2)	(0.3)		-
Lease liabilities [11]	(81.5)	(98.8)	(11.7)	(9.0)	(26.9)	(51.2)
Derivatives:						
Interest rate swap contracts	(1.0)	(1.0)	-	(1.0)	-	-
Foreign currency derivatives						
(Outflow)	(6.7)	(270.4)	(199.7)	(56.0)	(14.7)	-
Inflow		263.7	195.2	54.7	13.8	-

30 September 2020	Carrying Value $M	Total $M	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M	Over 5 years $ M
Non-derivatives						
Borrowings [10]	(455.4)	(466.3)	(112.5)	-	(353.8)	-
Trade and other payables	(176.4)	(176.4)	(176.4)	-	-	-
Lease liabilities [11]	(68.4)	(81.4)	(13.0)	(8.7)	(26.2)	(33.5)
Derivatives						
Interest rate swap contracts	(2.1)	(2.1)	-	-	(2.1)	-
Foreign currency derivatives						
(Outflow)	(7.9)	(362.8)	(242.5)	(85.9)	(34.4)	-
Inflow		354.9	237.6	83.5	33.8	-
Commodity futures and options						
(Outflow)	(0.1)	(14.1)	(14.1)	-	-	-
Inflow		14.0	14.0	-	-	-

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

2.5 Financial instruments and risk management (continued)

d) Credit risk

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

Trade receivables

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

The Group applies the simplified approach to provision for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. Under this method, determination of the loss allowance provision and expected loss rate incorporates past experience, forward-looking information, and market data. In FY21 the Group considered the impact of the COVID pandemic on the forward-looking information and market data when applying these rates.

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

	2021		2020	
	Gross $ M	Loss allowance $M	Gross $ M	Loss allowance $M
Current	180.2	-	201.9	(0.7)
More than 30 days past due	2.4	-	8.6	(0.1)
More than 60 days past due	1.3	(0.3)	6.5	(0.2)
More than 90 days past due	21.8	(17.5)	9.9	(0.4)
Total	**205.7**	**(17.8)**	**226.9**	**(1.4)**

The movement in the allowance for doubtful debts was:

	2021 $M	2020 $M
Balance at 1 October	(1.4)	(2.0)
Provisions made during the year	(17.1)	(1.9)
Loss recognised during the year	0.4	2.4
Provisions reversed during the year	0.4	-
Exchange differences	(0.1)	0.1
Balance at 30 September	(17.8)	(1.4)

Financial instruments and cash deposits

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

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

3 Operating Assets and Liabilities

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

3.1 Working capital

	2021 $ M	2020 $ M
Trade receivables	206.0	245.4
Inventories	344.0	318.5
Trade and other payables	(179.4)	(178.4)
	370.6	385.5

a) Trade and other receivables

	2021 $ M	2020 $ M
Trade receivables	205.7	226.9
Allowance for doubtful receivables	(17.8)	(1.4)
	187.9	225.5
Prepayments	16.9	15.7
Other receivables	1.2	4.2
Total current trade and other receivables	**206.0**	**245.4**

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

b) Inventories

	2021 $ M	2020 $ M
Raw materials	200.9	185.1
Work in progress	11.1	9.9
Finished goods	132.0	123.5
Total inventories	**344.0**	**318.5**

Inventories are valued at lower of cost and net realisable value, unless stated otherwise. Cost includes direct labour, other direct costs, and production overheads, where applicable. Net realisable value is the estimated selling price less cost of completion and variable selling expenses. Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 September 2021 amounted to $3.6 million (2020: $6.6 million), which is included in raw materials and consumables used in the consolidated income statement.

c) Trade and other payables

Current	2021 $ M	2020 $ M
Trade payables	109.4	90.0
Accrued expenses	67.8	86.4
Income received in advance	2.2	2.0
Total current trade and other payables	**179.4**	**178.4**

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

3.2 Property, plant and equipment

	Land $ M	Buildings and structures $ M	Leasehold improvements $ M	Plant and equipment $ M	Capital works in progress $ M	Total $ M
At 30 September 2019						
Cost	33.9	207.0	21.0	618.8	32.1	912.8
Accumulated depreciation	-	(40.3)	(7.4)	(255.3)	-	(303.0)
Net book value	**33.9**	**166.7**	**13.6**	**363.5**	**32.1**	**609.8**
Movement						
Transfer between asset categories	-	6.5	2.8	22.3	(31.6)	-
Additions	1.5	1.9	-	1.8	63.7	68.9
Transfer from leased assets (note 3.4)	11.0	-	-	-	-	11.0
Disposals	-	-	-	(0.2)	-	(0.2)
Depreciation	-	(7.9)	(0.9)	(37.1)	-	(45.9)
Exchange differences	(1.1)	(7.3)	(0.3)	(11.5)	(2.6)	(22.8)
Net book value	**45.3**	**159.9**	**15.2**	**338.8**	**61.6**	**620.8**
At 30 September 2020						
Cost	45.3	206.2	23.2	622.1	61.6	958.4
Accumulated depreciation	-	(46.3)	(8.0)	(283.3)	-	(337.6)
Net book value	**45.3**	**159.9**	**15.2**	**338.8**	**61.6**	**620.8**
Movement						
Transfer between asset categories	-	3.6	0.5	22.2	(26.3)	-
Assets transferred to held for sale	(2.5)					(2.5)
Additions	-	-	-	0.1	102.3	102.4
Disposals	-	(0.2)	-	(0.1)	-	(0.3)
Depreciation	-	(7.4)	(1.0)	(35.9)	-	(44.3)
Impairment	-	-	-	(1.9)	-	(1.9)
Exchange differences	1.1	0.2	-	2.2	1.9	5.4
Net book value	**43.9**	**156.1**	**14.7**	**325.4**	**139.5**	**679.6**
At 30 September 2021						
Cost	43.9	210.5	23.7	648.3	139.5	1,065.9
Accumulated depreciation	-	(54.4)	(9.0)	(322.9)	-	(386.3)
Net book value	**43.9**	**156.1**	**14.7**	**325.4**	**139.5**	**679.6**

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

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

- Buildings and structures: 30-50 years
- Leasehold improvements: Term of lease
- Plant and equipment: 5-20 years

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

In 2021, the Group announced the closure of one of its sites in the UK. This site is classified as an **asset held for sale** on the statement of financial position. The asset is valued at the lower of cost or fair value less cost to sell at $2.5 million (2020: nil).

3.3 Intangible assets

	Computer software $ M	Trade name $ M	Customer relationship $ M	Goodwill $ M	Capital works in progress $M	Total $ M
At 30 September 2019						
Cost	27.4	1.5	122.2	336.2	5.5	492.8
Accumulated amortisation	(18.0)	(0.6)	(120.5)	-	-	(139.1)
Net book value	**9.4**	**0.9**	**1.7**	**336.2**	**5.5**	**353.7**
Movement						
Transfer between asset categories	0.1	-	-	-	(0.1)	-
Additions	-	-	-	-	2.1	2.1
Amortisation charge	(3.9)	(0.1)	(1.7)	-	-	(5.7)
Exchange differences	(0.2)	-	-	(11.9)	(0.4)	(12.5)
Net book value	**5.4**	**0.8**	**-**	**324.3**	**7.1**	**337.6**
At 30 September 2020						
Cost	26.6	1.5	118.7	324.3	7.1	478.2
Accumulated amortisation	(21.2)	(0.7)	(118.7)	-	-	(140.6)
Net book value	**5.4**	**0.8**	**-**	**324.3**	**7.1**	**337.6**
Movement						
Transfer between asset categories	7.4	-	-	-	(7.4)	-
Additions	-	-	-	-	1.4	1.4
Amortisation charge	(4.0)	(0.1)	-	-	-	(4.1)
SaaS adjustment [12]	(0.1)				(0.9)	(1.0)
Exchange differences	0.1	-	-	4.1	(0.2)	4.0
Net book value	**8.8**	**0.7**	**-**	**328.4**	**-**	**337.9**
At 30 September 2021						
Cost	34.5	1.5	120.2	328.4	-	484.6
Accumulated amortisation	(25.7)	(0.8)	(120.2)	-	-	(146.7)
Net book value	**8.8**	**0.7**	**-**	**328.4**	**-**	**337.9**

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

- **Computer software** is costs capitalised in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits. Amortisation is calculated on a straight-line basis over an estimated useful life of 3 to 7 years. Capitalised costs exclude software as a service (SaaS) arrangements, where the fee for use of the application software is expensed over the life of the service contract. Customisation costs related to SaaS are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significant customise the product for the Group, in which case they are recorded as a prepayment for services and amortised over the expected term of the service contract.
- **Trade names** are acquired as part of a business combination and recognised separately from goodwill. Trade names are carried at fair value at the date of acquisition less accumulated amortisation, which is calculated on a straight-line basis over an estimated useful life of 3 to 9 years.
- **Customer relationships** are acquired as part of a business combination and recognised separately from goodwill. They are carried at the fair value at the acquisition date less accumulated amortisation. Amortisation is calculated on a straight-line basis over an estimated useful life of 5 to ten years.
- **Goodwill** is measured on acquisition as part of a business combination as the difference between the consideration paid and the fair value of the net assets acquired. Goodwill is tested for impairment as described in note 3.3 a).

[12] SaaS adjustment relates to software as a service costs that were previously capitalised that would have been expensed in the prior period under the IFRIC pronouncement. Refer to Overview section C) for more information on newly amended accounting standards adopted.

United Malt Group Limited **Notes to the Consolidated Financial Statements**

3.3 Intangible assets (continued)

a) Impairment test for goodwill

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

	2021 $ M	2020 $ M
Processing	228.3	224.9
Warehousing & Distribution	100.1	99.4
Total goodwill	**328.4**	**324.3**

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

In assessing VIU, estimated future cash flows are based on the Group's most recent Board approved business plan covering a period of five years. Projected cash flows are based on past performance and management's future expectations, taking into account the Group's production capacity, long-term customer agreements, and market information in key geographies. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 2.01% (2020: 2.04%) for the Processing CGU and 2.04% (2020:2.02%) for the Warehousing & Distribution CGU. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate.

In performing the VIU calculations for each CGU, the Group has applied pre-tax discount rates to the discount the forecasted future cashflows; 8.96% (2020: 8.83%) for the Processing CGU and 9.10% (2020:8.72%) for the Warehousing & Distribution CGU. These discount rates reflect the current market assessment of the time value of money and risks specific to the relative segment and its country of operation, as well as an additional Asset Risk Premium to ensure conservatism in the outputs of the testing. Any reasonably possible change to the above key assumptions would not cause the carrying value of a CGU to exceed its recoverable amount.

3.4 Leases

a) Right of use assets

	Property leases $M	Equipment leases $M	Motor vehicle leases $M	Total $M
Opening balance arising from the adoption of AASB 16	**8.0**	**50.0**	**11.0**	**69.0**
Movement				
Additions to right of use asset	11.0	9.9	3.2	24.1
Transfers to property, plant, and equipment (note 3.2)	(11.0)	-	-	(11.0)
Depreciation expense	(1.1)	(6.7)	(4.7)	(12.5)
Exchange rate differences	(0.2)	(2.5)	(0.5)	(3.2)
Net book value	**6.7**	**50.7**	**9.0**	**66.4**
At 30 September 2020				
Cost	7.7	57.1	13.5	78.3
Accumulated depreciation	(1.0)	(6.4)	(4.5)	(11.9)
Net book value	**6.7**	**50.7**	**9.0**	**66.4**
Movement				
Additions to right of use asset	7.6	18.5	-	26.1
Disposals	-	(2.4)	-	(2.4)
Depreciation expense	(0.9)	(6.8)	(4.5)	(12.2)
Exchange rate differences	0.1	(0.6)	-	(0.5)
Net book value	**13.5**	**59.4**	**4.5**	**77.4**
At 30 September 2021				
Cost	15.4	71.3	13.8	100.5
Accumulated depreciation	(1.9)	(11.9)	(9.3)	(23.1)
Net book value	**13.5**	**59.4**	**4.5**	**77.4**

3.4 Leases (continued)

b) Lease liabilities

	Total $M
Opening balance arising from the adoption of AASB 16	**69.0**
Interest expense	3.3
Additions	19.6
Repayments	(22.1)
Exchange rate differences	(1.4)
Lease liabilities at 30 September 2020	**68.4**
Interest expense	2.7
Additions	27.1
Repayments	(14.0)
Disposals	(2.4)
Exchange rate differences	(0.3)
Lease liabilities at 30 September 2021	**81.5**
Current	12.2
Non-current	69.3

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

For a qualifying lease, there is a right of use asset and a lease liability recorded based on the present value of the future lease payments, excluding variable payments. Fixed lease payments are discounted using the Group's incremental borrowing rate, which is the rate of interest that a lessee would have to pay to borrow over a similar term, with a similar security, the funds necessary to purchases an asset of similar value to the right of use asset in a similar economic environment. The incremental borrowing rate has been used when the rate implicit in the lease is not readily determinable. The weighted average incremental borrowing rate applied to the lease liabilities at 30 September 2021 is 3.6% (2020: 3.6%).

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

3.5 Provisions

	Employee benefits $ M	Other $M	Total $M
At 1 October 2020	**12.5**	**4.4**	**16.9**
Additional provisions	7.9	2.3	10.2
Amounts used	(9.0)	(1.6)	(10.6)
Unused amounts reversed	(0.1)	(1.5)	(1.6)
Exchange differences	-	0.2	0.2
At 30 September 2021	**11.3**	**3.8**	**15.1**
Current	9.6	2.5	12.1
Non-current	1.7	1.3	3.0

Provisions are:

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

3.6 Retirement benefit obligations

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

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

	2021 $ M	2020 $ M
Present value of the defined benefit obligations	(182.6)	(201.6)
Fair value of defined benefit plans assets	195.8	190.5
Net defined benefit asset / (obligation)	**13.2**	**(11.1)**
Recognised in the consolidated statement of financial position as:		
Retirement benefit asset	16.8	2.1
Retirement benefit obligation	(3.6)	(13.2)
Net defined benefit asset / (obligation)	**13.2**	**(11.1)**

b) Categories of plan assets

	2021 %	2020 %
The major categories of plan assets are as follows:		
Cash	3%	2%
Equity instruments	28%	38%
Debt instruments	65%	59%
Other assets	4%	1%
Total	**100%**	**100%**

c) Reconciliations

	2021 $ M	2020 $ M
Reconciliation of the present value of the defined benefit obligations:		
At 1 October	201.6	211.4
Current service cost	1.3	1.5
Interest cost	4.0	4.4
Scheme participants contributions	0.1	0.1
Remeasurements	(14.9)	4.4
Benefits paid	(16.8)	(16.1)
Past service cost	0.4	1.1
Exchange differences	6.9	(5.2)
At 30 September	**182.6**	**201.6**
Reconciliation of fair value of plan assets:		
At 1 October	190.5	197.0
Interest income	3.8	4.1
Remeasurements	3.5	4.2
Contributions by Group companies	8.3	6.5
Scheme participants contributions	0.1	0.1
Actual plan administration expense	(0.4)	(0.4)
Benefits paid	(16.8)	(16.1)
Exchange differences	6.8	(4.9)
At 30 September	**195.8**	**190.5**

3.6 Retirement benefit obligations (continued)

d) Amounts recognised in the consolidated income statement

	2021 $ M	2020 $ M
The amounts recognised in the income statement are as follows:		
Current service cost	1.3	1.5
Net interest expense	0.2	0.3
Past service cost	0.4	1.1
Total expense included in employee benefits expense	**1.9**	**2.9**

e) Amounts recognised in other comprehensive income

	2021 $ M	2020 $ M
Remeasurements of retirement benefit obligations	18.4	(0.2)
Cumulative remeasurements recognised	(12.9)	(31.3)

f) Principal actuarial assumptions

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

2020	North America	UK	Australia
Principal actuarial assumptions used (expressed as weighted averages):			
Discount rate	2.61%	1.70%	1.90%
Future salary increases	2.00%	2.80%	3.00%

g) Sensitivity analysis

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

	2021 $ M Increase/(decrease)	2020 $ M Increase/(decrease)
Discount rate:		
0.25% increase	(6.6)	(7.6)
0.25% decrease	6.8	8.0
Inflation:		
0.25% increase	2.3	3.1
0.25% decrease	(2.3)	(3.1)

The sensitivity information has been derived for all plans using projected cash flows valued using the relevant assumptions and membership profiles as at 30 September 2021. Extrapolation of these results beyond the sensitivity figures shown may not be appropriate.

3.6 Retirement benefit obligations (continued)

h) Employer contributions

Based on the recommendations of the plans' actuaries, total employer contributions expected to be paid by the Group for the year ended 30 September 2022 are $6.0 million (2021: $6.6 million).

i) Accounting treatment

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

- Are denominated in the currency in which the benefits will be paid; and
- Have terms to maturity approximating the terms of the related pension liability.

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

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

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

4 Group Structure & Other

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

4.1 Subsidiaries

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

Controlled entities are fully consolidated from the date control is obtained until the date that control ceases. All subsidiaries incorporated in Australia, along with the United Malt Group Limited, form part of the Closed Group (note 4.2). All entities were wholly owned at 30 September 2021 unless otherwise stated.

Subsidiaries controlled at 30 September

Name of entity	Country of incorporation	% controlled 2021	% controlled 2020
Australia Malt Finco Pty Limited	Australia	100	100
Australia Malt Holdco Pty Limited	Australia	100	100
Barrett Burston Malting Co. Pty. Limited	Australia	100	100
Barrett Burston Malting Company WA Pty Limited	Australia	100	100
Malt Real Property Pty Limited	Australia	100	100
Security Superannuation Fund Pty Limited	Australia	100	100
United Malt Australia Pty Limited	Australia	100	100
Canada Malting Co. Limited	Canada	100	100
Schill Malz GmbH Co. KG[13]	Germany	-	100
Schill Malz Verwaltungs-GmbH[13]	Germany	-	100
Barrett Burston Malting Co (NZ) Limited	New Zealand	100	100
Bairds Malt Limited	UK	100	100
Bairds Malt (Pension Trustees) Limited	UK	99	99
Brewers Select Limited	UK	100	100
Malt UK Holdco Limited	UK	100	100
Maltco 3 Limited	UK	100	100
Mark Lawrence (Grain) Limited	UK	100	100
Moray Firth Maltings Limited	UK	100	100
Norton Organic Grain Limited	UK	100	100
Scotgrain Agriculture Limited	UK	100	100
Ulgrave Limited	UK	100	100
United Malt (Canada) Holdings UK Limited	UK	100	100
United Malt UK Limited	UK	100	100
Great Western Malting Co	USA	100	100
Malt US Holdco Inc	USA	100	100
Metropolitan Insurance Group[14]	USA	100	-
United Malt Holdings USA	USA	100	100
United Malt USA	USA	100	100

[13] This entity has been liquidated during the year.
[14] This entity was incorporated on 11 August 2021.

4.2 Deed of cross guarantee

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

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

Statement of Comprehensive Income and Retained Earnings (Closed Group)	2021 $ M	2020 $ M
Revenue	183.2	204.8
Other income	2.1	142.1
Raw materials and consumables used	(153.8)	(167.1)
Employee benefits expense	(17.1)	(17.5)
Depreciation and amortisation	(11.3)	(12.8)
Finance costs	(2.4)	(3.7)
Repairs and maintenance	(3.8)	(4.5)
Other expenses	(31.5)	(9.0)
Profit before income tax	(34.6)	132.3
Income tax benefit	1.9	2.7
Profit/(loss) for the year	**(32.7)**	**135.0**
Other comprehensive income:		
Changes in the fair value of cash flow hedges	1.8	2.2
Remeasurements of retirement benefit obligations	0.1	(0.1)
Income tax (expense) / benefit relating to components of other comprehensive income	(0.4)	(1.1)
Other comprehensive income for the year, net of tax	1.5	1.0
Total comprehensive income/(expense) for the year	**(31.2)**	**136.0**
Summary of movements in consolidated retained earnings		
Retained losses at the beginning of the financial year	(20.9)	(155.9)
Income for the year	(32.7)	135.0
Dividends paid	(17.7)	-
Retained losses at the end of the financial year	**(71.3)**	**(20.9)**

4.2 Deed of cross guarantee (continued)

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

Consolidated Statement of Financial Position (Closed Group)	2021 $ M	2020 $ M
Current assets		
Cash and cash equivalents	34.5	116.7
Trade and other receivables	37.5	53.5
Inventories	46.9	58.8
Derivative financial instruments	3.4	2.2
Current tax assets	0.1	0.4
Total current assets	**122.4**	**231.6**
Non-current assets		
Trade and other receivables	338.6	337.8
Investment in subsidiaries	309.1	238.6
Property, plant and equipment	148.6	134.8
Intangible assets	23.9	24.0
Lease assets	12.9	1.4
Derivative financial instruments	0.2	0.8
Total non-current assets	**833.3**	**737.4**
Total assets	**955.7**	**969.0**
Current liabilities		
Trade and other payables	23.5	35.0
Borrowings	39.2	-
Derivative financial instruments	1.1	1.5
Lease liabilities	1.1	0.5
Current tax liabilities	-	0.5
Provisions	3.0	4.2
Total current liabilities	**67.9**	**41.7**
Non-current liabilities		
Borrowings	349.5	348.1
Lease liabilities	11.9	0.9
Derivative financial instruments	1.4	2.3
Provisions	1.7	2.7
Deferred tax liabilities	0.2	2.8
Retirement benefit obligations	-	0.1
Total non-current liabilities	**364.7**	**356.9**
Total liabilities	**432.6**	**398.6**
Net assets	**523.1**	**570.4**
Equity		
Contributed equity	166.9	166.9
Reserves	427.5	424.4
Retained losses	(71.3)	(20.9)
Total equity	**523.1**	**570.4**

4.3 Parent entity financial information

Summary financial information for the Company is set out below:

	2021 $ M	2020 $ M
Non-current assets	513.0	547.1
Total assets	**513.0**	**547.1**
Non-current liabilities	-	-
Total liabilities	-	-
Shareholders' equity		
Contributed equity	166.9	166.9
Reserves	393.0	393.0
Retained earnings in 2020 and subsequent periods	110.0	144.1
Retained losses in prior periods	(156.9)	(156.9)
Total shareholders' equity	**513.0**	**547.1**
(Loss)/Profit for the year	**(16.4)**	**144.1**
Total comprehensive (loss) / income	**(16.4)**	**144.1**

The parent entity is party to the Deed of Cross Guarantee and is subject to the terms of the deed as described in note 4.2. At 30 September 2021, the parent entity did not provide any other guarantees (2020: nil), contingent liabilities (2020: nil) or capital commitments (2020: nil).

4.4 Related party transactions

a) Transactions with GrainCorp Limited and its controlled entities (GrainCorp Group)

The ultimate parent entity of the Group is United Malt Group Limited, which is domiciled and incorporated in Australia. Prior to the demerger from GrainCorp and subsequent listing as a standalone entity on the ASX, the ultimate parent entity of the Group was GrainCorp Limited. Transactions with entities as part of the GrainCorp Group have been identified as related party transactions up until the date of demerger on 23 March 2020.

Prior to Demerger, the Group had a number of intercompany loan agreements where interest was payable to the benefit of the GrainCorp Group. These loans have been extinguished prior to the Demerger on 23 March 2020. The impact of the loans extinguished is recognised in a separate reserve within equity.

Transactions with GrainCorp Group entities:

	Consolidated	
	2021 $'000	2020 $'000
Sale of goods	-	2
Purchase of raw materials and services	-	16,087
Interest expense	-	440
Other charges	-	3,031
Loan extinguishment	-	427,065

b) KMP compensation

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

	2021 $'000	2020 $'000
Short-term employee benefits	3,471	2,477
Post-employment benefits	92	83
Share-based payments	1,071	745
Total KMP compensation	**4,634**	**3,305**

4.5 Remuneration of auditor

	2021 $'000	2020 $'000
PricewaterhouseCoopers Australia		
Audit and review of financial reports	450	420
Total remuneration of PricewaterhouseCoopers Australia	**450**	**420**
Overseas PricewaterhouseCoopers firms		
Audit and review of financial reports	797	1,697
Total audit and review of financial reports	**1,247**	**2,117**
Overseas PricewaterhouseCoopers firms		
Other non-audit services (company secretarial services)	19	19
Total auditors' remuneration	**1,266**	**2,136**

4.6 Events subsequent to reporting date

Other than the term debt refinancing as described in note 2.1 b), no significant events subsequent to the balance date have occurred.

Directors' Declaration

In the Directors' opinion:

a) The financial statements and notes set out on pages 57 to 90 are in accordance with the *Corporations Act 2001*, including:

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

ii. Giving a true and fair view of the consolidated entity's financial position as at 30 September 2021 and of its performance for the financial year ended on that date; and

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

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

The Basis of Preparation note as disclosed on page 62 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

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

Graham Bradley AM
Chairman

Sydney
17 November 2021

Independent auditor's report

To the members of United Malt Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Group's financial position as at 30 September 2021 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 September 2021
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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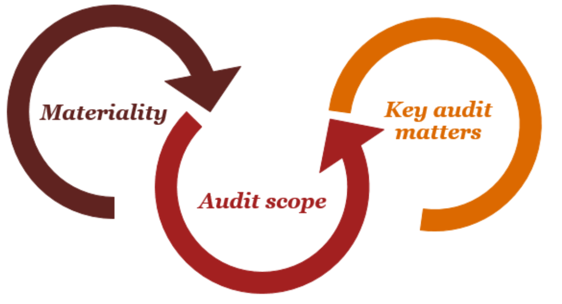
Our audit approach

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

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



Materiality

- For the purpose of our audit we used overall Group materiality of $2.6 million, which represents approximately 5% of the Group's adjusted profit before tax.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We adjusted for the inventory provision in relation to the storage contractor in administration and the bad debt provision related to the impact of COVID-19 impairment as they are unusual or infrequently occurring items impacting profit and loss.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Local component auditors in the United States and the United Kingdom assisted in the audit work performed, acting under instruction from the group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessments *(Refer to note 3.3 in the financial report)* The Group holds indefinite lived intangible assets totalling $328.4m as at 30 September 2021, across its Processing, and Warehousing & Distribution Groups of cash generating units (Group of CGUs). Under Australian Accounting Standards, the Group is required to assess goodwill for impairment at least annually. The Group performed the annual impairment assessments on the carrying value of the Processing, and Warehousing & Distribution Groups of CGUs at 30 September 2021. This was performed by calculating the value in use for each Group of CGUs using discounted cash flow models (the models). The models estimated cash flows for each Group of CGUs for 5 years, with a terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the Group's discount rates, taking into account the specific countries in which the Group of CGUs operates. This was a key audit matter due to the financial size of the goodwill balance and the significant judgements required by the Group including: • Estimated future cash flows • Discount rates • Long term growth rates	We performed the following procedures, amongst others, in respect of the Processing and Warehousing & Distribution Groups of CGUs: • Assessed whether the Group of CGUs were consistent with our understanding of the Group's operations and internal Group reporting. • Considered whether the methodology applied in the models was consistent with the basis required by Australian Accounting Standards. • Tested the mathematical accuracy of the calculations in the models used to assess impairment. • Assessed whether the forecast cash flows in the impairment assessments were appropriate by performing the following procedures, amongst others: ○ Compared the 2022 forecasted cash flows used in the models with the forecast formally approved by the Board. ○ Evaluated the historical accuracy of the Group's forecasts by comparing the forecasts used in prior year models to the actual performance. ○ Assessed the forecast growth assumptions used in the models by reference to our understanding of the key drivers for future growth, with reference to third party information including economic and industry forecasts, and historical results. ○ With the assistance of PwC valuation experts, assessed whether the discount rates used in the models were appropriate by comparing them to market data, comparable companies and industry research. ○ Evaluated the appropriateness of the long term growth rates in the models by comparison to the long term growth rates of the countries that the Group operates in. • Evaluated the reasonableness of the disclosures made in note 3.3, including key assumptions, in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Taxation *(Refer to note 1.4)* Income taxes and deferred tax balances were a key audit matter because the Group operates across multiple jurisdictions with different tax laws, regulations and authorities.	Together with tax experts in Australia and the United States, we performed the following procedures, amongst others: • For the Group tax consolidation agreed key inputs to supporting documentation including underlying entity tax calculations. Tested the mathematical accuracy of the consolidation model. • For those individual entities identified with significant income tax expense or recorded tax payable, agreed the key inputs in the tax calculations to the relevant general ledger balance and assessed adjustments between accounting and taxable profits with reference to temporary and permanent differences included in the calculation of the income tax expense and accounting and tax bases included in the calculation of deferred tax assets and liabilities. • Evaluated the analysis conducted by the Group for significant judgements made in respect of the ultimate amounts expected to be paid to tax authorities. This included comparing prior year tax provisions to actual tax filings in the current year. • Assessed the reasonableness of the Group's disclosure in the financial report in light of Australian Accounting Standard requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2021, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 37 to 55 of the directors' report for the year ended 30 September 2021.

In our opinion, the remuneration report of United Malt Group Limited for the year ended 30 September 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brett Entwistle
Partner

Sydney
17 November 2021

Shareholder Information

Listing Information

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

Unless otherwise stated all information set out below is current as at 3 November 2021.

The Company has on issue 299,179,135 ordinary fully paid shares and a total of 17,420 shareholders.

Substantial shareholders

The following organisations have a substantial shareholding in United Malt Group Limited based on substantial holding notices lodged on or before 3 November 2021.

Name	Notice date	Shares held	Issued capital %
GrainCorp Limited	29 June 2020	25,428,404	8.50
Ethical Partners	5 May 2020	17,141,967	6.74

Twenty largest ordinary fully paid shareholder as at 2 November 2021

Rank	Name	Shares held	Issued capital %
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	58,409,412	19.52
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	49,027,840	16.39
3	CITICORP NOMINEES PTY LIMITED	45,468,365	15.20
4	NATIONAL NOMINEES LIMITED	29,187,549	9.76
5	GRAINCORP LIMITED	25,428,404	8.50
6	CS THIRD NOMINEES PTY LIMITED	8,632,408	2.89
7	CITICORP NOMINEES PTY LIMITED	4,799,487	1.60
8	BNP PARIBAS NOMS PTY LTD	4,408,306	1.47
9	BNP PARIBAS NOMINEES PTY LTD	2,810,205	0.94
10	FIRST SAMUEL LTD ACN 086243567	1,728,520	0.58
11	JARJUMS HOLDINGS PTY LIMITED	1,700,000	0.57
12	MRS INGRID KAISER	1,133,976	0.38
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-A/C 2	905,411	0.30
14	BRISPOT NOMINEES PTY LTD	863,780	0.29
15	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	789,792	0.26
16	BNP PARIBAS NOMINEES PTY LTD	541,596	0.18
17	MARK PALMQUIST	437,473	0.15
18	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	382,431	0.13
19	BNP PARIBAS NOMINEES PTY LTD	275,000	0.09
20	VERBENA BEE PTY LTD	266,848	0.09
Total for top 20 shareholders		**237,196,803**	**79.28**

Holding distribution as at 2 November 2021

Range	Securities	%	No. of Holders	%
100,001 and Over	241,677,162	80.78	54	0.31
10,001 to 100,000	26,117,140	8.73	1,220	7.00
5,001 to 10,000	12,262,646	4.10	1,693	9.72
1,001 to 5,000	15,865,453	5.30	6,438	36.96
1 to 1,000	3,256,734	1.09	8,015	46.01
Total	**299,179,135**	**100.00**	**14,142**	**100.00**

There were 1,442 shareholders holding less than a marketable parcel of shares.

Voting rights

On a show of hands, every member present in person or by proxy shall have one vote, and upon each poll, each share shall have one vote.

Unquoted Equity Securities

The Company has a total of 1,161,909 unquoted rights issued pursuant to the Company's Long Term Incentive Offers, One-off Award offer and Deferred STI Awards as further described the Remuneration Report. There were a total of five holders of the unquoted rights.

Corporate Governance Statement

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

The 2021 corporate governance statement was approved by the Board on 16 November 2021 and reflects the corporate governance practices in place for year ending 30 September 2021. United Malt's 2021 corporate governance statement and key governance documents such as charters, policies and United Malt's Appendix 4G Key to Disclosures under the Corporate Governance Principles and Recommendations can be viewed at www.unitedmalt.com/corporate-goverance.

Glossary

Term	Description
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
ACN	Australian Company Number
AGM	Annual General Meeting
AM	Member of the Order of Australia
ARC	Audit and Risk Committee
ASX	Australian Securities Exchange
ASIC	Australian Securities and Investments Commission
aTSR	Absolute total shareholder return
AUD	Australian Dollar
Board	The Board of Directors of United Malt Group Limited, details of which are on pages 18 to 19
Capex	Capital Expenditure
CFO	Chief Financial Officer
COO	Chief Operating Officer
Constant currency	Prior period results translated into Australian dollars at the actual monthly exchange rates applicable in the current period, so as to show relative performance between the two periods
COVID-19	An acute respiratory illness in humans caused by a coronavirus, capable of producing severe symptoms and in some cases death, especially in older people and those with underlying health conditions. It became pandemic in 2020.
Cth	Commonwealth
DEP	Deferred equity plan
D&O	Directors & Officers
EBIT	Earnings before interest, tax, and excluding significant items
EBITDA	A non-IFRS measure representing earnings before net interest, tax, depreciation and amortisation, and excluding significant items
EH&S	Environment, Health & Safety
EIP	Employee Incentive Plan
ELT	Executive Leadership Team
EPS	Earnings per share
ERP	Enterprise Resource Planning System
ESG	Environmental, Social & Governance
Executive KMP	CEO and other executives considered KMP
FSQM	Food safety quality management
FY20	2020 financial year
FY21	2021 financial year
GRI	Global Reporting Initiative
Group	United Malt Group Limited
HY	Half-year
IFRS	International Financial Reporting Standards
IP	Institutional Placement
ITGC	Information Technology General Controls
KMP	Key Management Personnel
Ltd	Limited
LTI	Long-term incentive
LTIFR	Lost Time Injury Frequency Rate
LTIP	Long-term incentive plan
MD & CEO	Managing Director & Chief Executive Officer
Mtpa	Million Tonnes Per Annum

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

Corporate Directory

Board of Directors

Graham J Bradley AM
(Chairman)

Mark L Palmquist
(Managing Director & CEO)

Barbara J Gibson
(Non-Executive Director)

Terry Williamson
(Non-Executive Director)

Jane McAloon
(Non-Executive Director)

Gary W Mize
(Non-Executive Director)

Company Secretary
Lisa Jones

Registered Office

Citigroup Centre
Level 18
Suite C, 2 Park Street
Sydney NSW 2000

Tel: + 61 2 8073 3160

Company website
www.unitedmalt.com

Share Registry

Link Market Services Limited
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Sydney South NSW 1235
Tel: +61 1300 554 474

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