



Sugar Terminals Limited
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31 March 2022

Dear Shareholder

SHAREHOLDER UPDATE

I am pleased to provide you with an update of STL's performance for the first half of FY22, which has resulted in a 1.3% increase in profit to \$13.8 million. Directors have declared an interim dividend of 3.7 cents per share, an increase of 2.8% over the previous corresponding period.

This result is consistent with STL's ongoing aim to achieve steady, reliable and sustainable returns to investors, whilst maintaining responsible cost control and high levels of service for customers.

I'd also like to take this opportunity to update you on STL's recent activities.

In February, we undertook a major review of our strategic plans to confirm our future direction. As part of this review, we examined the impact on the future viability of our terminals in the light of recent mill closures and related challenges facing the sugar industry.

We also considered international competitive pressures and cost factors, including the significant increases in insurance costs affecting most sectors of the economy.

As a result, the Board has reaffirmed its focus on achieving greater efficiencies in its operations, with the goal of driving down unit costs without compromising the quality of our services.

We must ensure that STL's business is sufficiently robust, responsive and adaptive to meet future challenges.

STL's core business is the ownership and management of valuable storage and handling assets which contributes significantly to the competitiveness of the Australian sugar industry in international markets.

With our 10-year roof replacement program coming to an end, we are undertaking a comprehensive review of the condition of our assets. We want to ensure future capital expenditure plans are focussed squarely on enhancing the reliability and longevity of these assets which are a critical part of the industry supply chain.

In summary, we will continue to work tirelessly to improve STL's business for the long-term benefit of the sugar industry. In the coming months, we will be consulting widely with stakeholders about their issues of concern, including broad strategic issues raised in the context of the development of a new Storage and Handling Agreement with customers.

Franking announcement

STL's interim dividend of 3.7 cents per share, paid to shareholders on 31 March 2022 is fully franked.

However, as STL's tax payments have been temporarily reduced due to the full expensing provisions implemented by the Federal Government in response to COVID, future dividends are forecast to be partially franked on a temporary basis.

Our purpose is to be a
sustainable, globally
competitive provider
of storage and handling
solutions for bulk sugar
and other commodities.

SUGAR TERMINALS.COM.AU

If shareholders have not already done so, you are encouraged to update your Tax File Number or Australian Business Number with STL's share registry (Link Market Services) in order to avoid paying withholding tax on any future unfranked dividend payments. This can be done via the following weblink:

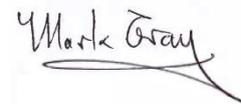
<https://investorcentre.linkmarketservices.com.au/Login/Login>

We encourage shareholders to elect electronic communications by providing an email address via the above weblink. This enables the fastest possible flow of information to you in the most secure, sustainable and cost-effective manner where electronic communications are possible.

If you have any questions don't hesitate to contact STL on info@sugarterminals.com.au or Link Market Services on 1300 554 474.

I'd like to thank you for your ongoing support and wish you all the best for the 2022 season.

Yours sincerely

A handwritten signature in black ink that reads "Mark Gray". The signature is written in a cursive style with a long horizontal stroke at the end.

Mark Gray
Chairman