



Sugar Terminals Limited
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12 October 2022

Dear Shareholder

UPDATE - 2022 ANNUAL GENERAL MEETING

Ahead of this year's Annual General Meeting (AGM), which is to be held on 26 October 2022, I would like to take the opportunity to provide a brief update on STL's recent activities and encourage shareholder participation at the AGM.

In August 2022, STL announced another solid financial performance with profit growth of 2.7% to \$27.9 million. This result is a continuation of the STL's Board careful, reliable and consistent stewardship of the business. Over the past five years, STL's share price has increased by more than 20% and the Company has delivered to shareholders average returns of 12.5%. At the same time, excluding insurance, STL's total operating costs were lower in FY22 than in FY18, which was the first year of the new business model – after allowing for inflation this is a significant decline in real terms.

In September 2022, we completed the Townsville Shed 1 roof replacement which is the last stage of this 10-year program. This \$100 million investment in the program has extended the operating life of STL's critical Industry assets by another 40 years. We are now focused on determining capital investment priorities for the next 10 years, to ensure the reliability and longevity of the Sugar Industry supply chain.

It has been a privilege to act as the Independent Chairman of STL over the past 5 years. However, much work remains to be done. The Board continues to guide STL's strategic direction, so it is responsive to industry challenges, especially the declining sugarcane production in some regions and the need to find ways to deliver a more cost-effective service to customers without impacting the safety of people, the environment or our service offering to the Industry.

I look forward to providing shareholders with additional detail on STL's future direction at the AGM, to be held in Brisbane, and to answer shareholder questions. We recognise that October is a critical time for the crushing season and I encourage all shareholders who cannot attend the AGM in person to participate via webcast (refer link: <https://meetings.linkgroup.com/SUG22>). A detailed guide on how to participate is available on our website at www.sugarterminals.com.au.

On behalf of all the Directors of STL, we look forward to your participation at the AGM and your ongoing support for the company.

Yours sincerely

A handwritten signature in black ink that reads 'Mark Gray'. The signature is written in a cursive style with a long, sweeping underline.

Mark Gray
Chairman