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Dear Shareholder

SHAREHOLDER UPDATE – FIRST HALF BUSINESS PERFORMANCE

I am pleased to provide you with an update of STL's performance for the first half of the Financial Year 2024, resulting in a profit for this period of \$15.9 million, which was in line with expectations. Directors have declared an interim dividend of 4.0 cents per share (fully franked), an increase of 2.6% over the previous corresponding period.

This half-year result reflects another solid performance achieved through STL's ongoing focus on safe, efficient and reliable management of the business, an unwavering emphasis on cost control, high levels of service for customers and ongoing investment in these critical industry assets to ensure their ability to service the needs of industry for many years to come.

Key first half highlights

Other key highlights for the first half of the financial year have included:

- over 3.5 million tonnes of sugar received during the 2023 season across the 6 bulk sugar terminals, with the safety of employees and operational performance remaining a clear focus.
- successfully installed and commissioned the new 12 kilometre conveyor belt at the Lucinda wharf, undertaken within budget and on time without any disruption to customer shipping requirements.
- completed construction of the Common User Infrastructure (CUI) conveyor system at the Port of Bundaberg in October 2023. Final costs are expected to be within budget despite challenging conditions in the construction environment. The CUI will provide an opportunity to better utilise STL assets at the Bundaberg Terminal whilst at all times ensuring the priority for servicing the needs of the local raw sugar industry.

Strategic Matters

Inactive Growers

As shareholders would be well aware, whilst STL has actively encouraged increased ownership of the G Class shares in the Company by active sugar cane growers, we also constantly remind inactive G Class shareholders of the requirement to sell their shares so that they can be purchased by active growers.

In recognition of the challenges to ensuring this occurs in compliance with the STL Constitution, the Board has recently established a Sub Committee, chaired by independent Director Leanne Muller and assisted by G Class Directors Tony Bartolo and Steve Kirby along with M Class Director Rohan Whitmee.



This sub-committee has been tasked with not only identifying inactive growers in the first instance, but also considering the steps necessary to ensure that such shares are disposed of and facilitating their redistribution in an equitable manner, to enable active growers that have an interest in acquiring shares being given fair opportunity to do so.

STL will be engaging with individual shareholders as well as the various key industry associations to seek their views, and to ensure they are consulted in the process as it develops.

Insourcing of Operations

As shareholders would be aware, STL has decided to insource terminal operations with effect from 30 June 2026 or such earlier date as agreed.

This reflects STL's desire to remove unnecessary duplication, reduce costs and ultimately drive greater efficiency which will benefit all of the Industry by increasing cost competitiveness in international markets.

STL continues to actively plan for this transition and looks forward to engaging with QSL to ensure this is achieved smoothly without disruption to any of our stakeholders. Transition planning is well underway, with a focus on critical support functions like finance, payroll and IT amongst others.

I would like to thank you for your ongoing support of STL in the first half of this financial year and wish you all the best as you commence your preparations for the 2024 crushing season.

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
Chair