

1 September 2020

Dear Shareholder

The Company has released its results for the 2020 financial year. The Statutory Audited Annual Accounts are now accessible on our website www.ctilogistics.com. The Annual Report to shareholders, with the addition of the Company's Corporate Governance Statement, Chairman's Report and Shareholder Information, will be available on our website in October. Printed copies will be mailed in October to those shareholders who have not opted to receive their Annual Report by email.

Revenue from operations for the year ended 30 June 2020 was up 1.5% to \$215,209,363.

Excluding the \$579,969 impact of implementing the requirements of AASB 16 Leases as well as a non-cash impairment of \$5,771,500 on the value of the vacant land at Hazelmere due to the current economic climate, the profit before tax for the year was \$2,470,799, down 40.2% on the previous year and EBITDA was \$14,006,120, down 7.9%.

The impact of AASB 16 on the profit and loss arises after adding back of property and vehicle lease costs of \$14,798,987 and then deducting depreciation of \$11,986,277 relating to the right-of-use assets as well as deducting finance costs of \$3,392,679 relating to the corresponding lease liability.

Including the effects of AASB 16 and the non-tax deductible, non-cash impairment of \$5,771,500 on the vacant land, the reported net loss after tax was \$4,348,839, which represents a loss per share for the year of 5.79 cents.

The 2020 financial results have been impacted by the effects of the COVID 19 pandemic, floods and bush fires earlier in the year as well as the overall state of the economy, with continued margin pressure across a wide range of clients. Given the above results for the year, the directors have not declared a final dividend.

Although current market conditions have been challenging, the Company continues to generate strong cash flow and is poised to take advantage of and benefit from any uplift in the economy.

Yours faithfully



David Watson
EXECUTIVE CHAIRMAN

This announcement was authorised to be given to the ASX by the CTI Logistics Limited board.