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NSX Announcement

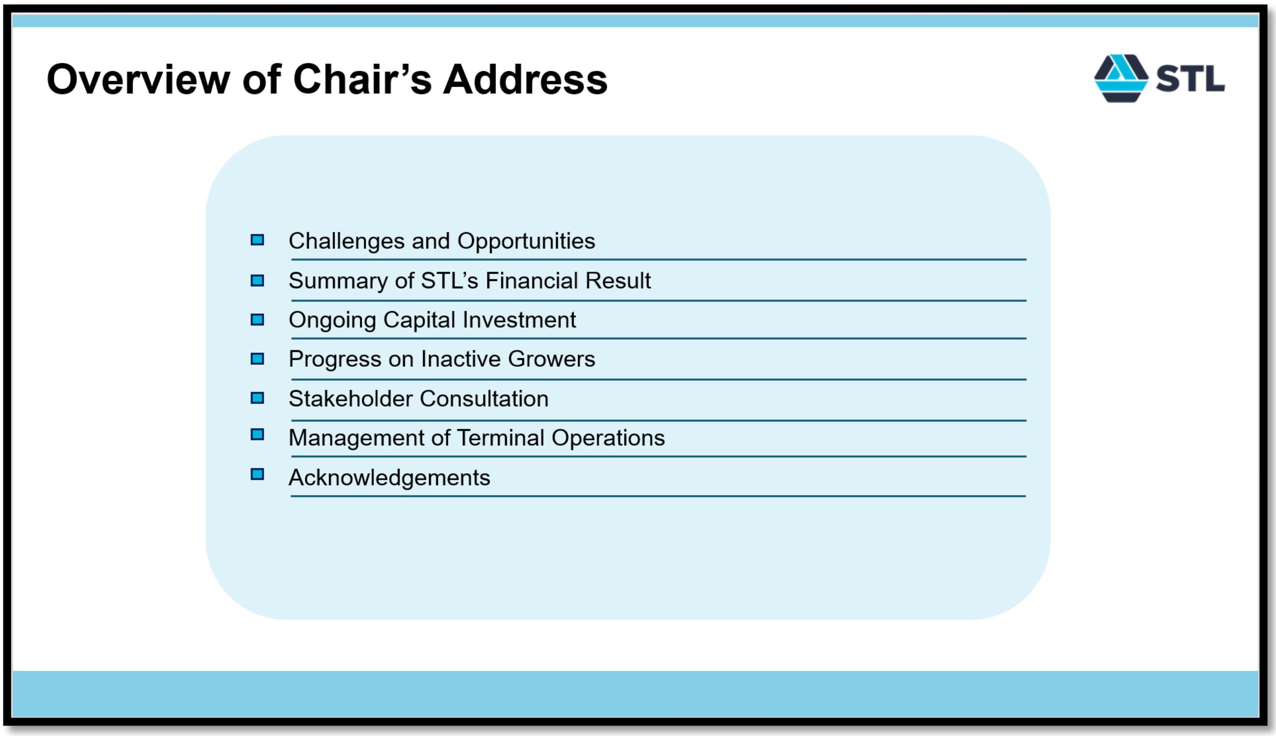
Chair’s Address – 2024 Annual General Meeting

20 November 2024

Today’s Annual General Meeting is my eighth as the independent Chair of Sugar Terminals Limited.

I’m pleased to report that your Company continues to make steady progress towards achieving its strategic objectives.

OVERVIEW OF CHAIR'S ADDRESS



In my address today, I'll provide you with an overview of the financial performance of STL over the past 12 months. I'll also outline some of the key strategic activities that your Board has initiated or continues to support as we look towards the future.

Following my address our CEO, David Quinn, will provide some additional detail at a more operational level. He will also outline immediate priorities that will be progressed over the coming 12 months.

At the outset, it is important to restate STL's strategic objectives, which are as follows:

- To provide globally competitive storage and handling services to the sugar industry at an efficient price.
- To explore opportunities to diversify our business, develop additional income streams and help to defray costs without compromising core sugar functions.

These objectives are based on sound, widely accepted business principles and continue to be applied consistently to ensure a viable and sustainable service for industry going forward.

ONGOING CHALLENGES AND LOCAL OPPORTUNITIES

The Sugar Industry currently faces a number of challenges at an international level. At the same time, there are opportunities that should give us all optimism for the future.

As they say, we certainly do live in 'interesting times'.

The Sugar Industry has always had to be responsive and agile to navigate the ever-changing environment within which we operate. Some of the many challenges we currently face as an industry include:

- active competition from a host of international competitors, some of whom receive significant subsidies from their governments

- ongoing challenges of extreme weather events and the financial burden of trying to mitigate their impacts
- inflationary pressures remaining stubbornly high and volatile, which is impacting upon the cost of doing business
- ongoing geo-political tensions, highlighted by conflicts in Europe and the Midde East, and a level of instability in the Asia Pacific Region
- challenges of resourcing labour, particularly in regional locations
- uncertainty around a new administration in the United States and its impacts on world trade
- potential implications of the push towards Sustainable Aviation Fuel
- further consolidation in the Milling Sector following the unfortunate problems of Far Northern Milling and the uncertainty growers in that region continue to face

Whilst this list is by no means exhaustive, many of these items could also pose opportunities.

For our part, STL remains focussed on getting on with the job of providing quality services to our customers at the lowest cost, and delivering sound returns for our shareholders.

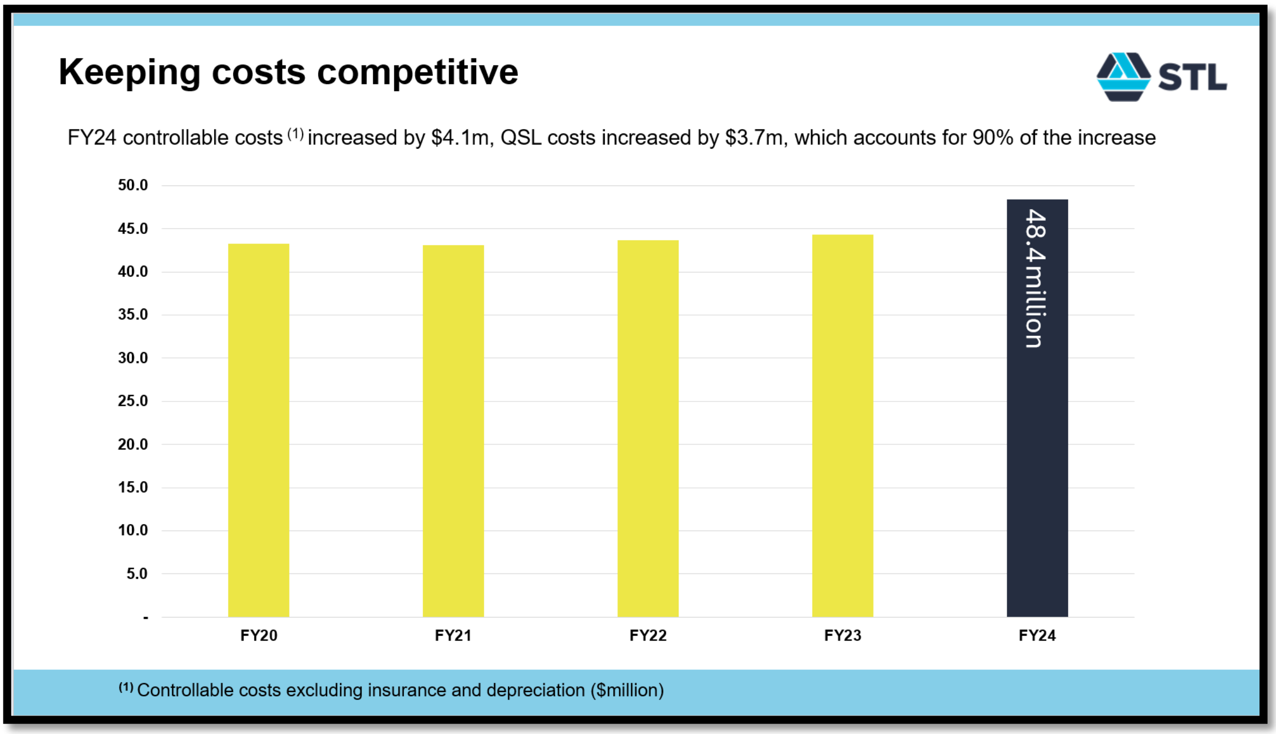
Let me now turn to our performance over the past year.

FINANCIAL PERFORMANCE

FY24 was another year of steady, reliable performance by STL – directed towards continuous improvement in the operational efficiency of our core sugar activities, and the realisation of income diversification opportunities in pursuit of our key strategic objectives.

We have maintained a strong focus on cost control, and we are keenly aware of repeated reminders on this point in our many meetings with stakeholders.

We have also ensured that we have fully met all of our legal and governance obligations that are fundamental to a listed company environment – obligations which we cannot abrogate or delegate to another party.

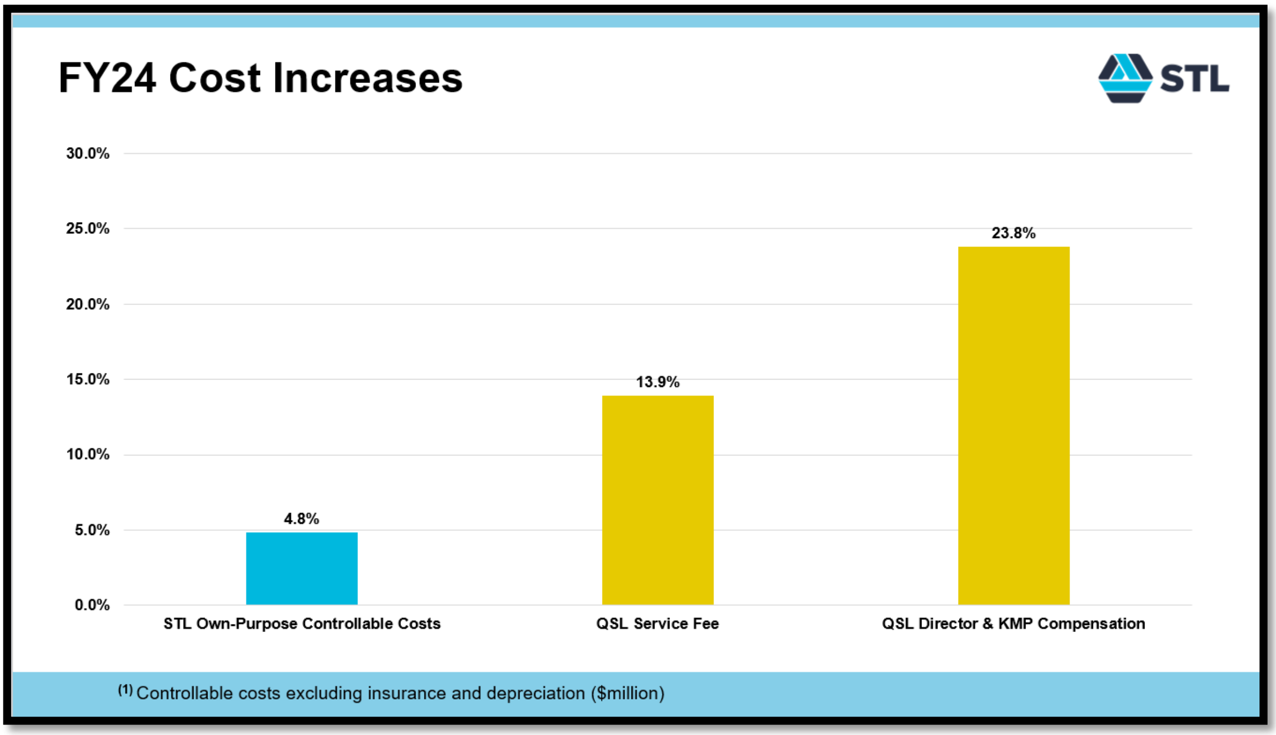


Over recent years, despite high and persistent inflation, we have been successful in keeping cost increases to modest levels, although increases in insurance costs – due to market pressures outside of our control – have made this task more difficult.

Unfortunately, total costs increased by 9.2% in FY24. Over 90% of this increase was due to the QSL Service Fee, our largest single cost item, which increased by $3.7 million.

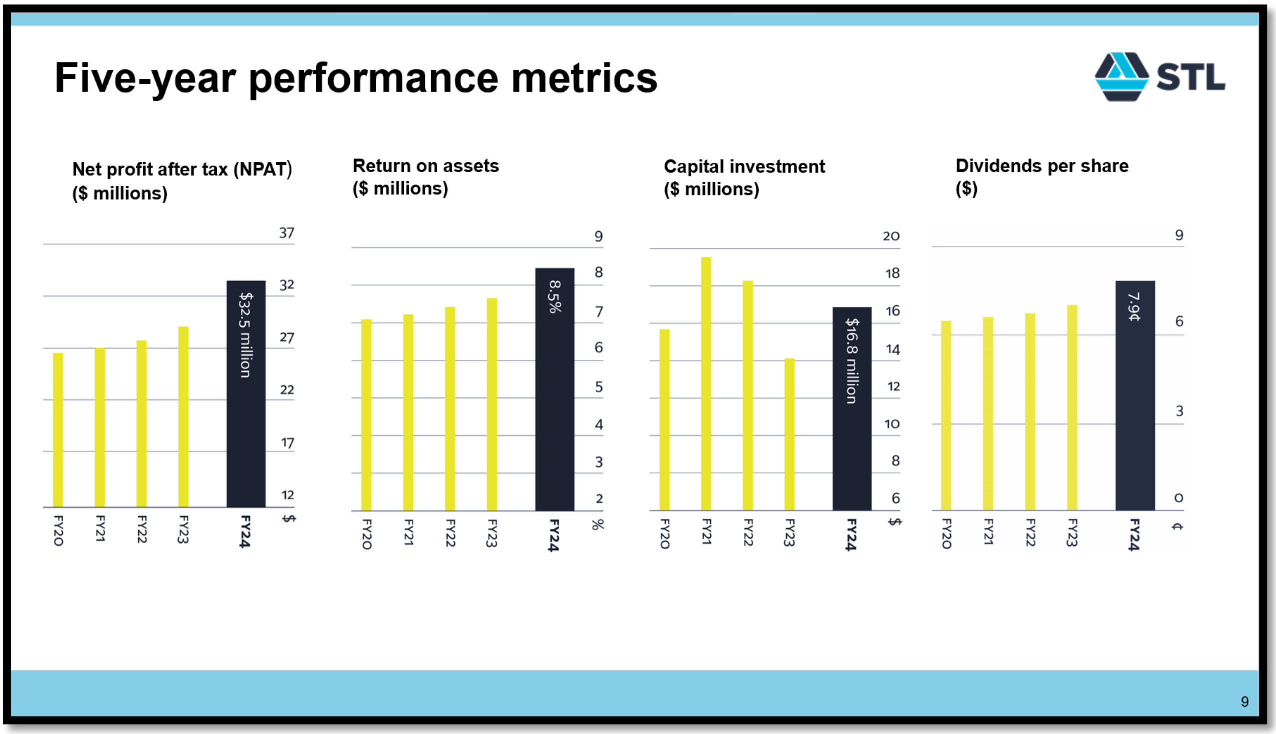
Indeed, a further dissection of costs as displayed on the screen shows that:

- STL own-purpose controllable costs increased by 4.8%
- The QSL Service Fee increased by 13.9%, well in excess of the rate of inflation, and almost three times the increase in STL costs.
- QSL Director and KMP compensation costs increased at an even higher rate of 23.8%.



Overall, we have recorded another solid financial result, with the business having achieved:

- an increase of 9.4% in total revenue, with a promising contribution made by non-sugar activities, whilst at all times fully supporting the needs of our raw sugar customers.
- Capital investment of $16.8 million across the six terminals, including a carryover of uncompleted work from FY23 and other STL funded capex.
- a net profit after tax result of $32.5 million, an 11.4% improvement from the previous year.



Importantly, the Company remains debt free, and has a strong balance sheet to support our strategic endeavours.

We are always conscious of the need to strike an equitable balance between costs to our customers, returns to our shareholders and capital investment to maintain and upgrade vital industry assets for which we have stewardship.

With this in mind, we provided a one-off rebate of $1.8 million on the activity charge to address cost pressures being experienced within the industry.

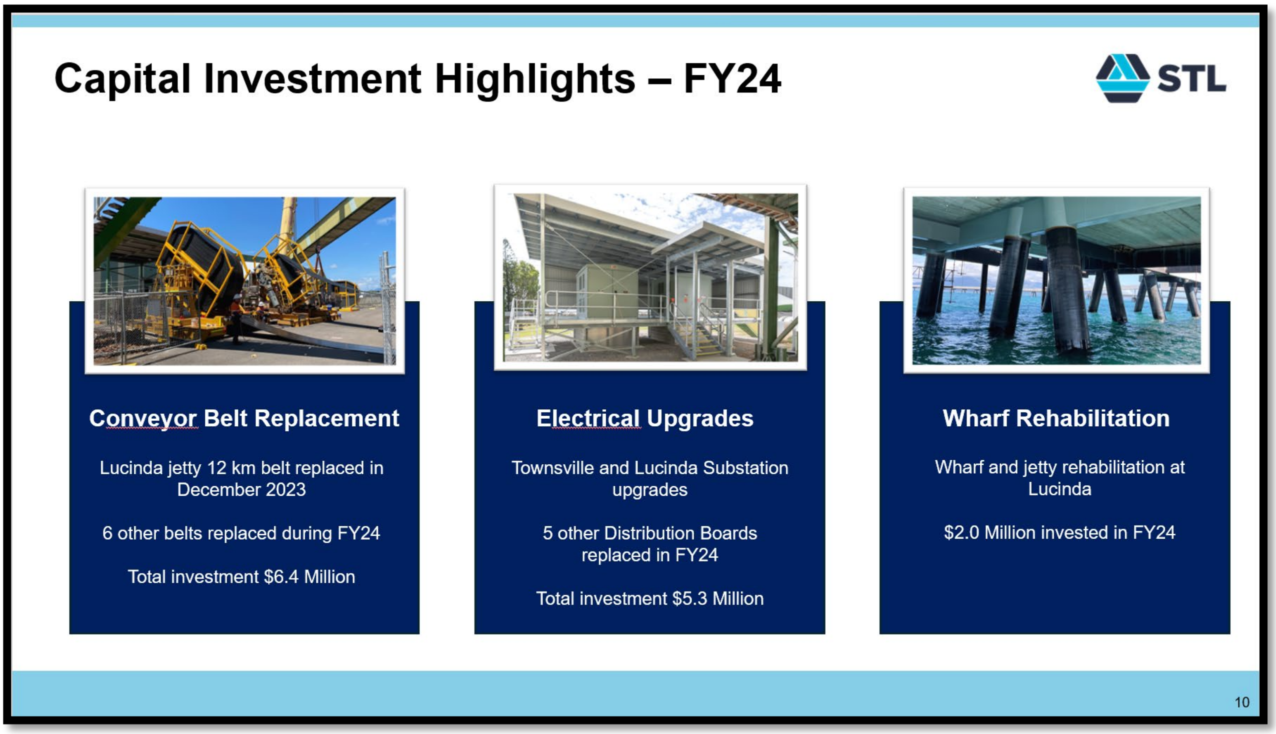
This rebate was made possible by several one-off factors, including unplanned non-sugar activity, higher interest income received and reversal of a bad debt provision from last year.

We trust that this rebate has been of assistance to our customers and that growers in turn have also derived some benefit, as customers of our customers.

This is tangible evidence of the commitment of STL to drive better outcomes for the sugar industry, by balancing the interests of customers and shareholders, noting the significant overlap between the two, given the industry-based nature of our share register.

Let me now move onto Capital Investment.

<u>CAPITAL INVESTMENT</u>



Your Board is always mindful of the importance of these industry assets for which we have legal responsibility and stewardship.

Property, plant and equipment assets are valued in our books at an historic cost of almost $339 million. However, a more realistic value is the depreciated optimised replacement value, which is $1,671 million.

These assets form a critical element in the industry supply chain. We place a high priority on the need to constantly but prudently invest in them to ensure they remain a competitive advantage for the Sugar Industry for decades to come.

On screen, you will see displayed just a number of high-profile projects either completed or commenced in 2024.

Naturally, the investment that has attracted the most attention for last financial year was the replacement of the main shipping conveyor belt at Lucinda.

This 12km long belt was replaced over a 3 week period in December 2023.

After extended negotiations between STL and the 2 customers who ship out of Lucinda, this was all completed safely and without any disruption to either Company's shipping program.

An interesting fact is that the new belt was made in the same factory in Melbourne that manufactured the original belt installed way back in 1977 We hope we can look forward to a similar length of service before requiring another replacement.

Other projects include the completion of the Substation at Lucinda and the commencement of similar preparations at Townsville. These upgrades are designed to eliminate electric arc risk to maintenance staff.

Additionally, they significantly improve reliability and continuity of power supply to the terminals particularly in periods of high draw, for example during shiploading events.

Wharf rehabilitation at Lucinda is ongoing. It features heavily in the program of works planned for the FY25 financial year which our CEO will shortly outline.

As I indicated earlier, ongoing prudent investments in our terminals is one of the key decisions that the STL Board makes each year in conjunction with Management.

In FY24, STL approved a capital budget of $23.1M across 122 Capital Projects. Unfortunately, less than half that number of projects were in fact completed during the year, with a total spend of $14.7M – representing just 64% of the Budget.

There have been some suggestions that underspends on capital and maintenance should be viewed favourably as a saving.

This is certainly not the case. Indeed, it is 'false economy'. I'm sure such a comment would not be made in relation to mills.

Our primary concern remains that, in some instances, building up a 'maintenance and capital' deficit by not progressing projects as planned can actually result in higher costs to address the backlog at a later point.

In addition, there is the risk of reduced asset availability in the future.

Underspends of this nature are a 'red flag' or advance warning of potential problems of asset reliability and performance down the track.

As a result, we view this matter seriously and we have been working with our Operations Contractor to improve project management and delivery.

To add further context, STL is not reluctant to approve appropriate higher capital budgets. In fact, including the carry-over from FY24, the Capital Budget for FY25 is just over $30M, more than double the actual capital expenditure achieved in FY24.

What we want to see is projects delivered as planned, or else a more realistic approach to planning and scheduling of capital projects.

PROGRESS ON INACTIVE GROWERS

During the year, a major focus of attention for STL has been the issue of Inactive Growers. I'd like to outline the progress that has been made.

Progress on Inactive Growers

STL

- Inactive Grower Sub Committee established consisting of both G Class Directors, 1 M Class Director and chaired by Independent Director
- Like all Committee's it deliberates but makes recommendations to the Board for endorsement
- The 3 Key Objectives of this Committee are to:
    1. identifying the Inactive Growers and remind them of their obligations
    2. assess options to redistribute these shares into the hands of active 'grass root' Cane Farmers
    3. implement a practical long-term solution
- Significant work has already been completed including:
    - significant industry consultation
    - revised Member Status Declaration distributed
    - questionnaire released seeking input on key matters
    - targeted letters to ~90 Regional Accounting, Financial Planning and Legal Firms who may have Inactive Growers as clients
    - ongoing engagement with almost all Industry Associations
    - further follow up letter distributed on 11 November 2024
- Simply pursuing Objective 1 in isolation will **NOT** provide an enduring solution

At the outset, I reiterate that STL has consistently reminded Inactive Growers of their obligations to dispose of their shares whether that be via correspondence, stakeholder briefings, briefings of Industry Associations, updates in Industry Magazines and AGM addresses to name but a few.

At the same time, the challenge of identifying Inactive Growers has increased materially due to privacy legislation which no longer makes it possible for STL to simply ask for details of Cane Supply Agreements from the Mills.

Of course, a clear and defensible process must be followed to help mitigate outcomes where Growers may simply and inadvertently not return their Member Status Declaration or have not tidied up family financial affairs.

STL is satisfied that its actions in this regard, which are ongoing, are consistent with its legal obligations and advice on the issue.

Likewise we have previously been advised that withholding of dividends from suspected inactive growers was also something we were not permitted to do.

Suggestions by some commentators that this should be a simple process that could be very quickly addressed fundamentally underestimates the complexity and challenges involved.

We note there is general support for enforcing the Constitution in relation to inactive growers.

However, it needs to be acknowledged that there is a diversity of views on the nature of the problem and how to solve it. This has encouraged us to be quite deliberative in the steps we are taking.

We have established three objectives to deal with the issue of inactive growers, as shown on the screen:

1. Identify Inactive Growers and remind them of their obligations
2. Assess options to redistribute shares from inactive growers into the hands of active ‘grass roots’ cane farmers in a fair and equitable manner
3. Implement a practical long term solution.

These objectives cannot be achieved by a ‘band aid’ or quick fix solution.

Rather, we are approaching the issues in a methodical and measured way.

An initial letter was sent to all 4,671 shareholders on 1 July 2024, requesting shareholders to complete a revised Member Status Declaration (MSD), along with a questionnaire on related issues.

On 11 November, a second letter was despatched directly to 3,200 shareholders who have not yet provided their MSDs.

Correspondence has also been sent to over 80 Regional Accounting, Financial Planning and Legal Firms asking them to remind their clients of the obligations of inactive growers. We have also held numerous briefings of shareholders, growers and Industry Associations.

Disposal of STL G class shares by an inactive grower can be facilitated by a sale through the NSX or through direct transfer to an active grower (through an authorised broker of choice).

STL is also currently progressing a further mechanism that will enable Inactive Growers to sell their G class shares at market prices via an authorised NSX-licensed broker.

The intent is for the broker to match the sale of Inactive Grower G class shares to Active Growers who currently hold no or only a relatively small number of STL G class shares in order for those Active Growers to apply for and receive an allocation of STL G class shares.

This will involve a registration process for both Inactive Growers required to dispose of their G class shares, and also interested Active Growers who wish to purchase G class shares through this structured and equitable process.

Such a mechanism gives effect to the intent of the STL Constitution for STL shares to be widely held, rather than concentrated in the hands of a few. It will enable grass roots Growers to gain greater access to STL ownership of these critical industry assets.

It will also assist in ensuring an orderly process, rather than causing a potential flood of shares on to the market, which may cause unnecessary instability and volatility in the share price.

We are also investigating whether a financing facility may be able to be put in place to assist Active Growers to fund the acquisition of G class shares.

Further details will be provided to Growers (both active and inactive) once we have a better understanding of the size of the inactive grower issue.

Importantly it is also designed to get the shares into the hands of Active Growers, something we are committed to achieving.

As we have consistently indicated in our meetings with Shareholders, Industry Associations and even more recently Regional Roadshows, this process will take some time and this has been widely acknowledged.

As we move into 2025, these activities and the work of the Inactive Grower Committee will continue.

<u>STAKEHOLDER ENGAGEMENT</u>

Whilst STL is only a small team, your Board and Management dedicate a significant amount of time to regularly get out into the Regions and engage directly with a wide variety of stakeholders – be they shareholders, growers, customers, terminal staff, industry associations, local government, Port Authorities to name but a few.

In talking with Shareholders, these updates are designed to provide an overview of STL activities, areas of priority for the business, and to give an update on key strategic matters.

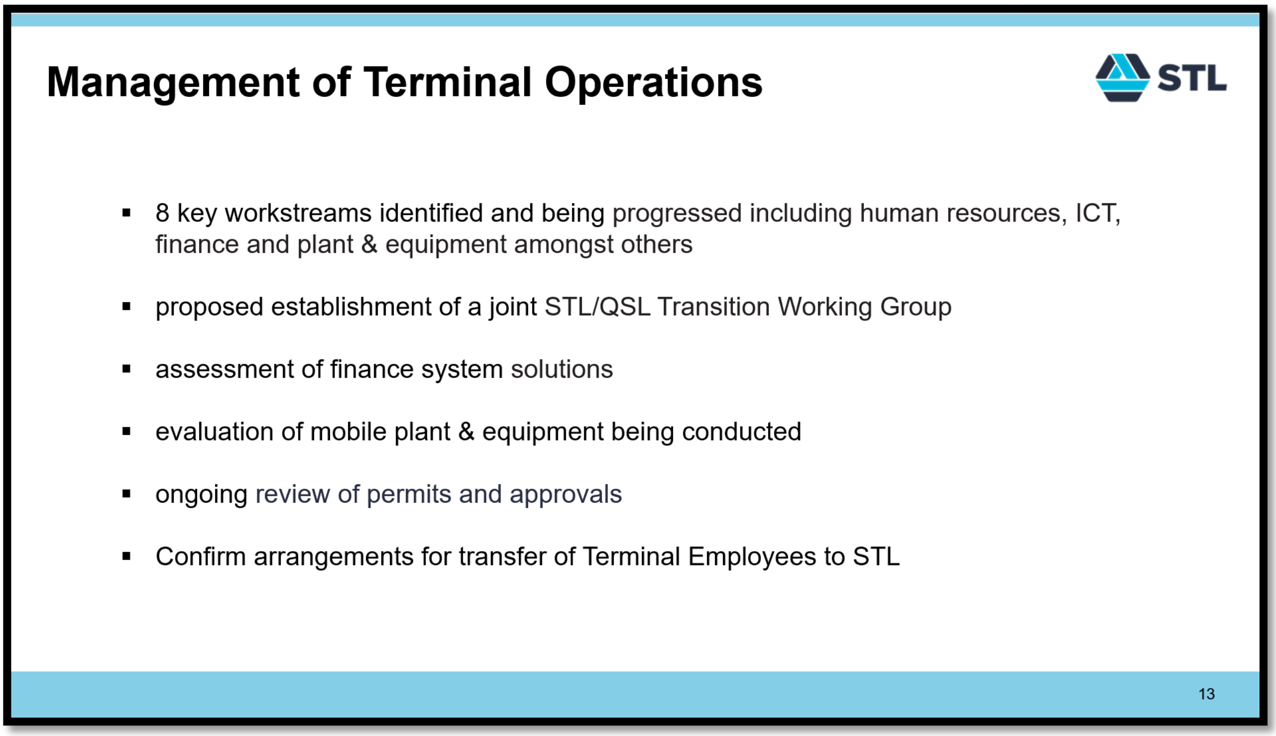
Most importantly, they're also an opportunity for questions and discussion. We've had some robust sessions, and there is certainly no shortage of widely differing views on topics.

As a listed company, we are required as Directors to take into account the views of all shareholders in our deliberations.

Whilst we acknowledge timing is never perfect, despite the challenges of the crush, weather, planting or fertilising, we are committed to continuing to hold such sessions and we encourage you to participate.

You will also note we issue a monthly STL Newsletter online and have just finalised a full update of our website which has been recently released.

MANAGEMENT OF TERMINAL OPERATIONS



As I outlined in my AGM Address last year, insourcing of operations will remove unnecessary duplication of corporate Head Office costs, drive productivity improvements and deliver better cost outcomes for customers to further boost international competitiveness.

This will deliver a lean and more streamlined management structure to sit over the top of terminal operations.

During the year, STL has made steady progress with transition arrangements to assume full responsibility for terminal operations as from 1 July 2026, if not before. This is the handover date under the termination provisions of the Operating Agreement.

There have been some suggestions that QSL is entitled to a further transition period of 6 months beyond the handover date.

This reflects a misunderstanding of the transition arrangements in the Operating Agreement.

There is certainly a provision for QSL to provide transition services for 6 months after 1 July 2026, but this is entirely at STL's discretion.

To reiterate, any provision of services by QSL beyond the handover date is a matter for STL to determine, not its Operations contractor.

STL's detailed Transition Project Plan is focussed around key work streams including:

- Assets
- Customers
- Finance
- Government / Regulatory Compliance
- Human Resources
- ICT

To assist in the transition process, STL has proposed to QSL the establishment of a Joint Transition Working Group, typically utilised in such projects to oversee the successful implementation of the project plan, and to enable any items of concern to be escalated to senior management of both organisations to resolve in a timely manner.

Despite multiple approaches, QSL so far has declined to participate.

This is disappointing, but we are pressing on regardless.

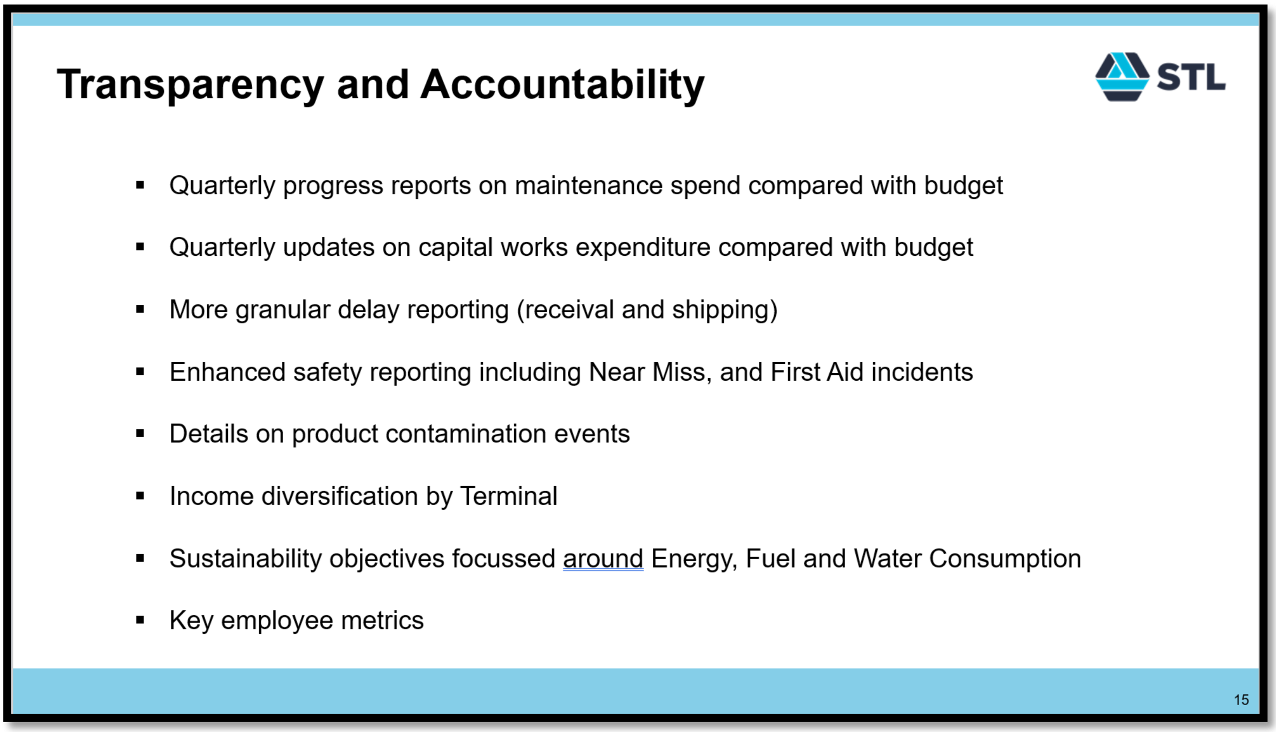
For QSL, there is a risk that they will not have an input into decisions impacting their business.

STL remains focussed on ensuring this transition is achieved smoothly and without disruption to terminal operations.

We are confident that this can and will be achieved.

Let me now briefly touch on commitments STL has made when it assumes full operational responsibility for our terminals.

TRANSPARENCY & ACCOUNTABILITY



As I outlined at last year's AGM, I restate our commitment to publishing key operational metrics to provide you with a greater understanding on how the business is performing.

You can see on screen just some of the detail that we are committed to providing, including:

- Quarterly progress reports on maintenance spend compared with budget
- Quarterly updates on capital works expenditure compared with Budget
- More granular delay reporting (receival and shipping)
- Enhanced safety reporting including Near Miss, and First Aid incidents
- Details on product contamination events
- Income diversification by Terminal
- Sustainability objectives focussed around energy, fuel and water Consumption
- Key employee metrics, including labour turnover

All this information could be readily available now. Indeed, we have encouraged our Operations Contractor to provide it, but so far this has not occurred.

ACKNOWLEDGEMENTS

All of the achievements and progress that I have outlined today would not have been possible without the full support of my fellow Directors and also the STL Management Team.

All STL Directors have worked tirelessly and have dedicated significant amounts of their time and energy to assist in achieving our strategic objectives.

Whilst I am always reluctant to call out individual Directors, it is appropriate however that I acknowledge today the retirement of 2 long serving Directors namely Leanne Muller and Tony Bartolo.

Leanne joined the STL Board back in December 2017 as an independent Director. Throughout her time on the Board, she has been instrumental in providing leadership and insights particularly around financial and commercial matters.

Throughout her time on the Board, Leanne has also chaired the Finance & Audit Committee and has been the key interface with our External Auditors, initially PwC but more recently BDO. In this role, she has dealt with a number of complex accounting and taxation issues 'behind the scenes' with a quiet efficiency.

During the course of this year, Leanne has also chaired the Inactive Growers Committee.

Thank you Leanne for your dedicated service, and we will certainly miss your wise counsel around the Board table.

Tony is the other Director we also farewell today. Tony joined the STL Board as one of two G Class Directors in 2018. Throughout his time, Tony has brought a combination of financial rigour as well as a Cane Famers grass roots perspective to all of our discussions.

Tony has been tireless in reaching out to Growers in all regions, seeking feedback and communicating the views of Cane Farmers around our Board room table.

Tony has also been a member of the Finance & Audit Committee where his forensic questioning and scrutiny of our financial performance has been invaluable. Additionally, Tony is one of 2 G Class Directors who have been sitting on the Inactive Grower Committee.

Tony also leaves the Board with our best wishes, and thanks for his thoughtful and considered contributions to our deliberations.

In conclusion, I would like to acknowledge the tireless efforts of our small STL team, led capably by our CEO, David Quinn.

His team has delivered so much for our shareholders, our customers and the industry as a whole.

It's an unusual set of circumstances to have more people on the Board than in the Management team, so it's essential to have strong, trusted and open relationships. I'm pleased to say that is indeed the case.

I'd like to acknowledge the ongoing efforts of our Operations Contractor and also contractors engaged at our terminals within specific project teams.

In closing, I'd like to thank you all for your ongoing loyalty and support of STL.

A recording of this AGM presentation will be uploaded to the STL website in coming days.

Please share it among your networks, especially fellow shareholders who may not have been able to attend today's meeting, with harvesting being your top priority.

That concludes my formal address.

I will now handover to David for his address.

Mark Gray

Mark Gray

Chair | Brisbane | 20 November 2024

CEO's Report – 2024 Annual General Meeting

20 November 2024

Thank you Mark for the introduction and also my thanks to those shareholders who have taken the time to attend this AGM either in person or online.

As Mark has already foreshadowed, there are a number of matters which he raised during his address that I will provide further detail on during the course of my report today.

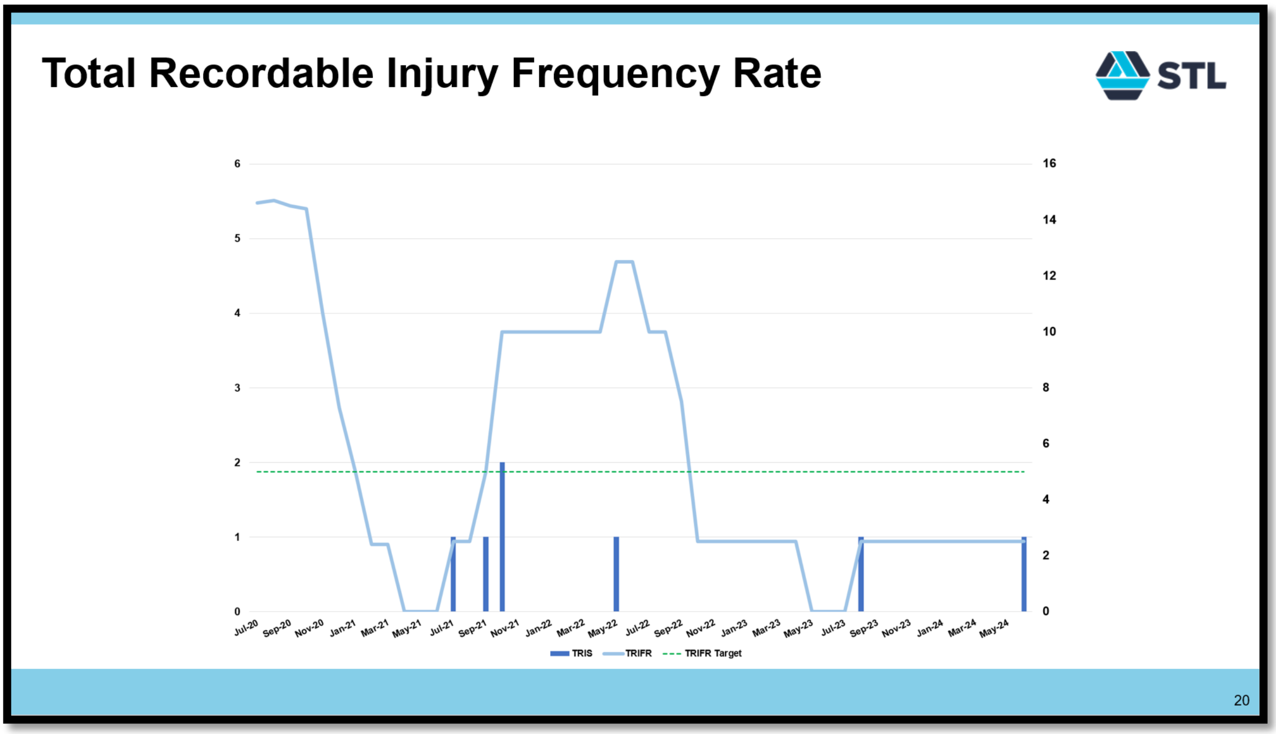
OVERVIEW

The items I will specifically cover off on are naturally more granular and operational and will include:

- Safety and the Environment
- Overview of operational performance
- Capital Investment in FY25
- Income Diversification Initiatives
- Storage and Handling Agreement Update
- Consultation and Stakeholder Engagement

Let me start with Safety.

<u>SAFETY AND ENVIRONMENT</u>



One thing I am sure we can all agree is the importance of ensuring that any person working at our Terminals whether they be employees or Contractors complete their shift each day injury free.

This is our most important obligation and is something that STL along with its Operations Contractor place considerable focus on every day.

As you can see on the graph displayed, the Recordable Injury frequency rate is below target and whilst this is commendable, there were still 2 recordable injuries sustained last year.

Whilst I am advised that both employees have since returned to their full duties which is good news, the nature of their injuries demonstrate how a relatively minor incident can have longer term implications.

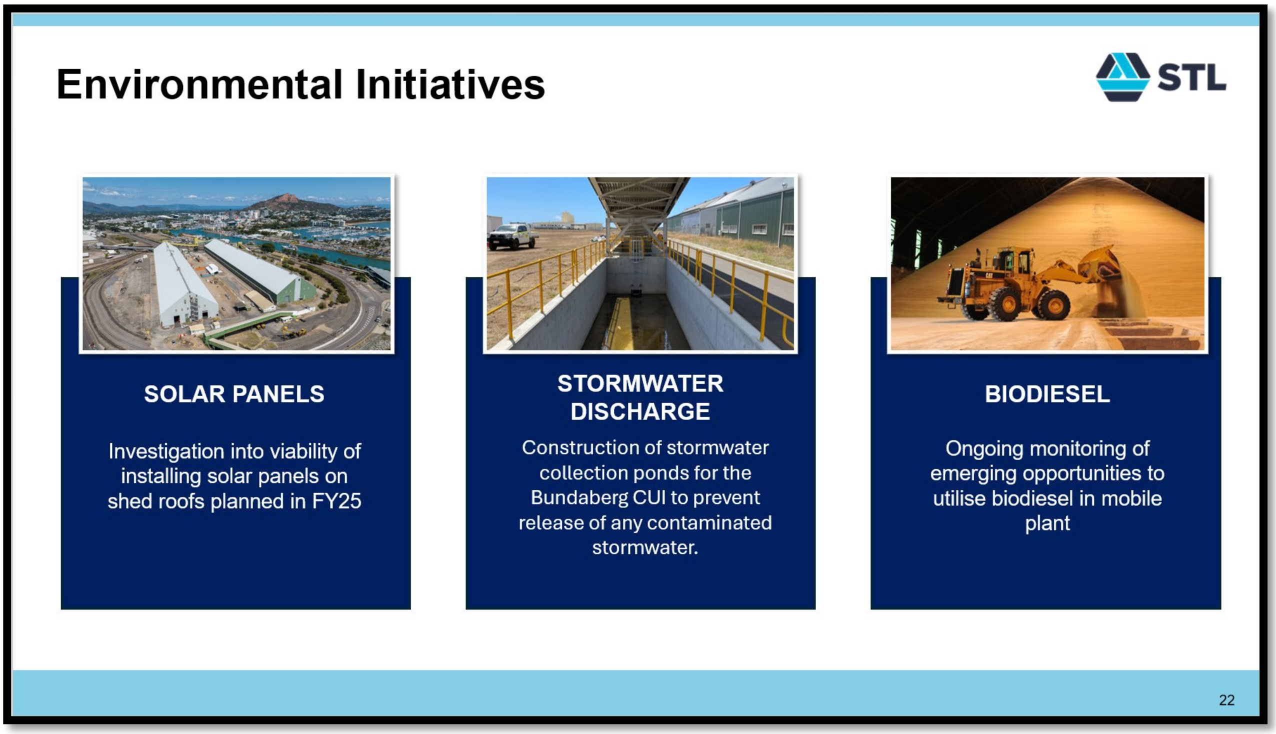
With an ageing workforce, combined with 24 x 7 operation, often in inclement weather and in a dynamic operating environment it is critical that we always look towards areas for improvement.

STL is not interested in just ‘talking about Safety’ but rather we want to be able to demonstrate by concrete actions what we are doing about it.

Outside of the measures adopted at a terminal level around adherence to operational procedures along with reinforcing personal responsibility both of which go a long way towards making sure we are operating safely, STL continues to invest heavily in safety improvements to protect both people and plant.

As you can see on screen these are just 3 of multiple safety related projects that STL continues to fund in order to ‘lift the safety bar’.

INVESTING IN OUR ENVIRONMENT



A close second to Safety is ensuring that we are at all times meeting or ideally exceeding all of our environmental obligations. This requires very deliberate actions rather than knee jerk responses to the latest idea or initiative.

As shareholders, you should be confident that this is the reality.

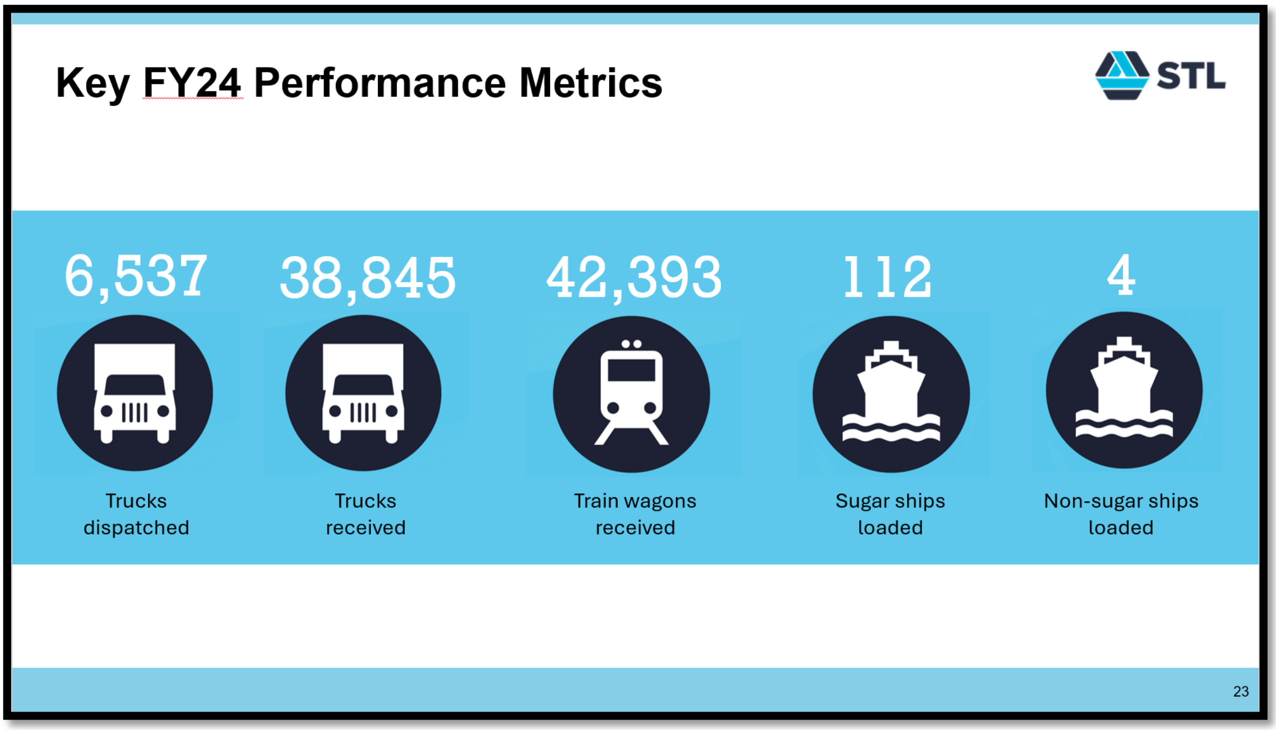
We remain particularly conscious of this noting the pristine environment within which we operate, on the door step to one of the natural wonders of the world in the form of the Great Barrier Reef. We must ensure we ‘tread lightly’ at all of our locations.

The environmental initiatives outlined, like Safety, are simply a snapshot of recent examples and we continue to look at diverse range of opportunities as technology evolves and we assess is suitability for use in our operating environment.

Any transition to new technology or initiatives will of course be done in a commercially responsible way, but the reality we simply cannot sit still.

Let me know move onto Operational Performance

OPERATIONAL PERFORMANCE



Just a few of the metrics relating to operational performance and some of the highlights in the FY24 financial year are displayed. Shipping remained strong as evidenced by low stock levels and again we saw an increasing portion of shipping occurring 'in season' rather than outside of the crush. Possibly not a longer term structural shift but maybe simply related to international demand and supply.

As I often say when engaging with any of our stakeholders, the role of STL is pretty simple, we Receive, we Store, we Ship. I don't say this to over simplify the business or the efforts of the team that make this happen 365 days of the year but rather, simply to reinforce our key objectives.

We ended last Financial Year with some of the lowest stock levels experienced in our sheds in many years. Without going into specifics, stored volumes even at today's date are still only sitting at approximately half of available capacity.

This of course should not be viewed negatively but is rather a reflection of a host of factors including:

- strong demand reflected in higher prices
- weather delays
- some challenging issues at Mills with industrial action
- maintenance outages

Our job is always to ensure ‘our gates are open’ when Mills are crushing, and I am satisfied we have and continue to fully meet this obligation.

Overall throughput for the year was 7.2 million tonnes which is slightly down on the previous year due to various factors including the late finish to the previous year’s crush.

The shining light is of course the robust sugar price. Whilst the $900 plus pricing levels we saw back in December 2023 are now but a distant memory, the price seems to have settled around the low $700 mark which is still a number that we could only have dreamed about in years gone by.

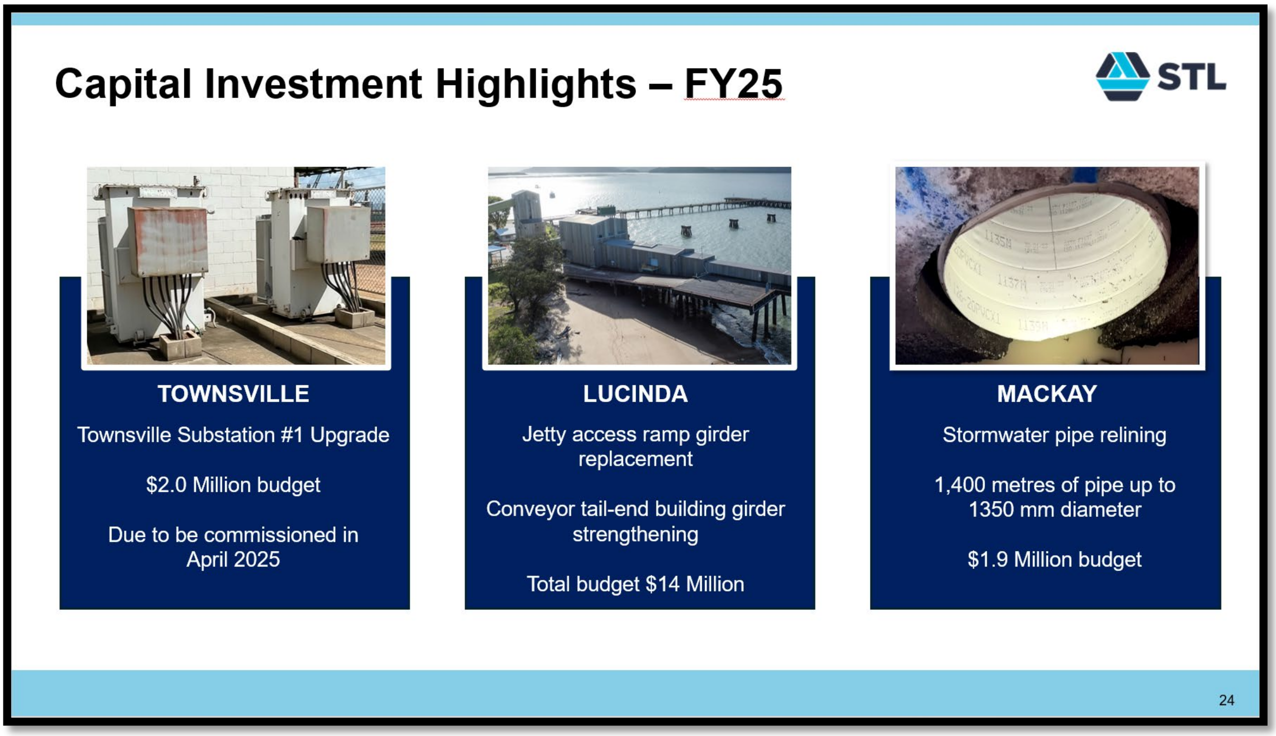
As outlined in the Chair’s Address, the need to keep our costs under control at all times is vital and something we continue to actively review on an almost daily basis.

Whilst STL does not want to overstate its role, we appreciate we are a vital link in making sure our Industry remains competitive in the face of stiff international competition. As such please be assured we fully recognise this.

Noting the Chair addressed some of the FY24 Capital highlights and challenges in his earlier commentary let me now talk about investments in these industry assets planned for FY25.

Lets now turn Capital Investment

CAPITAL INVESTMENT



As was reinforced in the Chair's earlier message, an area of particular focus for STL is ensuring we invest appropriately, cost effectively and in a timely fashion to ensure the longevity of these assets.

STL has budgeted just over $30M for capital works in FY25, which is a significant increase as compared to past years. This is reflective of ageing assets requiring more funds to be expended to ensure they meet required performance metrics.

However, we are anxious to see the work being done. Approving a large capital number is of little value if the work is not completed and backlogs develop.

Whilst I acknowledge there are a host of reasons that can impact completion, some within our control and some not, we should always focus upon the deliverability of the program.

As you can see on the slide and noting my emphasis on looking towards the future, I will now take you through just a few examples of key capital works scheduled in FY25.

The substation activities are a continuation of similar projects completed at other locations. Not only does it significantly improve safety, which in itself is compelling but secondly it is critical in maintaining reliability of energy supply to key systems to support operations.

Townsville as you can see is the next location to be addressed.

Capital expenditure at Lucinda continues to feature heavily in our annual capital program. Whilst it is a very unique asset supporting the sugar industry in the important Herbert Region, it creates its own unique challenges which must be addressed.

Whilst the work done immediately post Cyclone Yasi has improved the asset, we are now identifying significant works that need to be addressed closer to the shore.

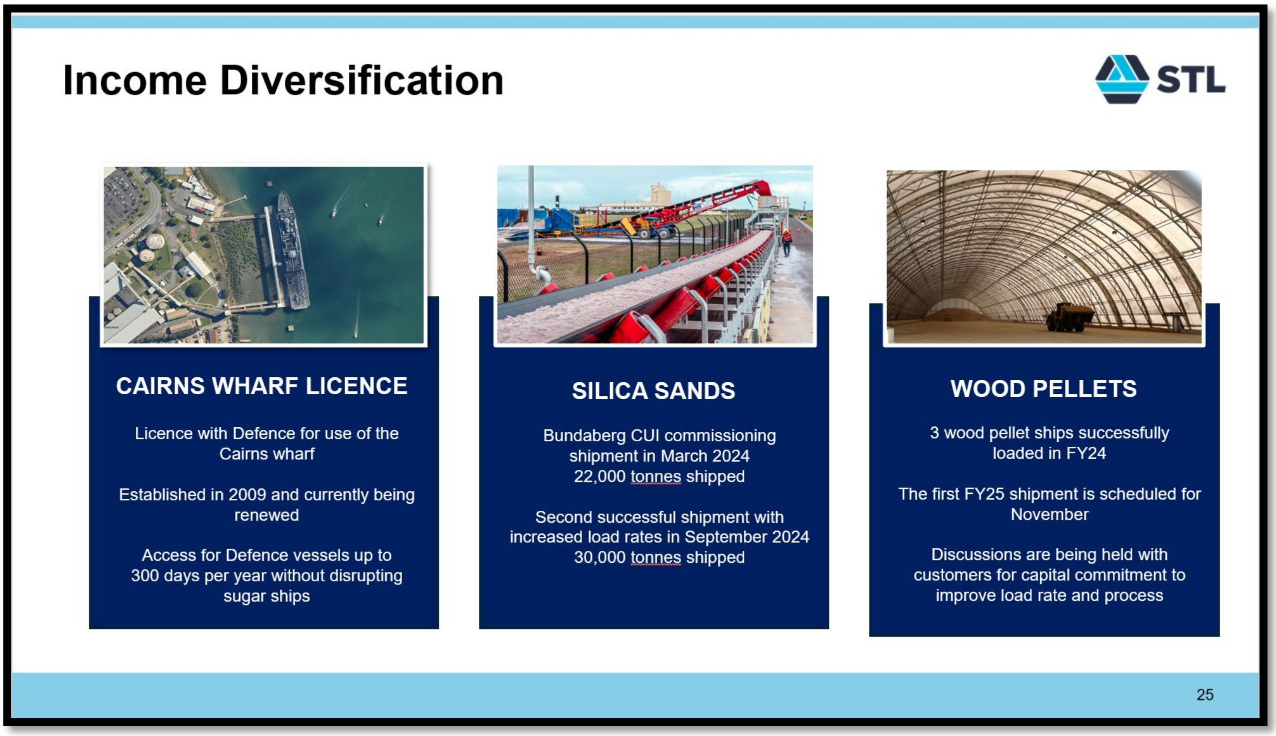
The final example which in many senses will remain unseen is the stormwater relining that must be addressed initially at the Mackay Terminal.

The need to reline is due to the acidic effect of sweetwater on concrete stormwater pipes particularly at Mackay. An investment of just under $2M is required and demonstrates the cost of what on the face of it would seem a fairly straightforward and unseen activity is still a material spend.

What I have outlined here is just 3 of a suite of some 146 projects approved by STL for this financial year.

Let’s now move onto Income Diversification.

INCOME DIVERSIFICATION INITIATIVES



Whenever I talk about income diversification, I always start by reinforcing that receival, storage and shipping of Raw Sugar remains our key priority.

Whilst there would be nothing I would like to do more than simply service the Sugar Industry, this is unfortunately unrealistic and would simply ignore the benefits that diversification could bring to STL and more broadly the industry.

Such an approach also fails to take into account the very real risk of diminishing volumes in certain regions and uncertainty around Mills as evidenced with the recent closure of Mossman.

With reference to the examples onscreen let me discuss the opportunity that each present:

Cairns Wharf Licence

As shareholders would be aware, STL is party to a Wharf Licence at Cairns with the Department of Defence which permits the Navy (both Australian and overseas) to berth at the Sugar wharf when it's not required for sugar or molasses loading.

The fee charged is a material sum, and we are in the process of renegotiating this Licence for a further 15 year term. Noting the increased utilisation of the wharf by Navy vessels and also possibly larger vessels, we will also look to secure an uplift in the amount payable.

Export of Silica Sands

The Common User Infrastructure in Bundaberg is in many respect our flagship project when it comes to our income diversification activities.

STL successfully project managed the delivery of this new infrastructure under budget, a feat in itself in these inflationary times and despite challenges with our construction contractor.

The facility was commissioned in March 2024 and we have already loaded 2 silica sand export vessels using the new infrastructure.

Whilst Silica Sand appears to be the most likely initial tonnage to use the CUI, we are talking to parties around the possible export of chick peas through Bundaberg along with a variety of mineral products.

Wood Pellets

Altus (as they were previously known) has also been a long-standing exporter of wood pellets through Bundaberg destined for the Japanese markets.

Unfortunately, they went into Voluntary Administration in late 2023. However, the positive is they have since been acquired by a French headquartered company called Albioma, who are a leading renewable energy provider.

As a result of their acquisition, we continue to export the wood pellets however rather than being destined for Japan they are now being shipped to various French territories including Reunion Island.

These examples all make a positive contribution to STL financial performance, demonstrates diversification in action and do not in any way, derogate from our obligations to the Sugar Industry.

Whilst we continue to engage with other parties at other locations these are at this point less advanced, but I hope to be able to brief you on such additional opportunities that come to fruition into the future.

<u>STORAGE & HANDLING AGREEMENT UPDATE</u>

As the Storage & Handling Agreement is such a key commercial and operational obligation between STL and its Customers, it's appropriate that I keep you updated on developments.

As you are possibly aware, QSL elected not to sign the SHA in June 2022 as they were unsatisfied with a number of the commercial and related matters within the Agreement.

Despite this, STL continued to provide services to QSL, consistent with our commitment to both customers and industry to ensure continuity of service.

However, this situation was far from ideal, and STL initiated ongoing negotiations over a protracted period in an attempt to resolve outstanding issues.

We were pleased that QSL eventually executed the SHA, without amendment, in June 2024.

Under the current SHA, there is provision for a 12 month extension of the 3-year agreement, but this option has not been taken up by our customers, so negotiations will soon commence on a new SHA to apply from 1 July 2025.

SHA Customers have very recently advised STL that they would like to collectively negotiate the new SHA and have made an application to the ACCC seeking their approval.

Whilst STL is keen to understand the implications of such an approach, we would on balance support any process that is going to enable agreement to be reached in a more efficient, cost-effective and timely manner in order to avoid unnecessary cost to customers and growers.

We hope that by being permitted to collectively negotiate, it will also enable customers to engage directly with each other and hopefully reach an agreed position on some items which to date have been contentious between customers.

We will keep you updated as necessary on the progress of the new SHA which will come into effect on 1 July 2025.

CONSULTATION & STAKEHOLDER ENGAGEMENT

The past 12 months has been a busy time engaging across the industry and whilst it is certainly time consuming, I see it as vital way to gain feedback and insights from our various stakeholders.

For those of you in this room or online who have been good enough to give up some of your time to meet with me, can I reiterate my appreciation for the insights you were able to provide.

From my perspective all of these engagements have been conducted in a constructive and respectful way and whilst we may at times disagree, or an alternate opinion is expressed, I am satisfied that ultimately, we all share one goal, namely the advancement of this industry.

As always, I look forward to ongoing engagement and welcome constructive feedback at all times.

As we approach the start of 2025, I see this commitment increasing even further as it's critical that we hear about your issues or take the opportunity to explain the STL position on various matters first hand.

To assist in communicating across Industry, we have continued to publish in house a monthly newsletter which is designed to provide a short sharp update on STL activities.

I encourage you to subscribe and of course welcome the feedback.

<u>THANKS & ACKNOWLEDGEMENTS</u>

Can I again take this opportunity to express my genuine appreciation to the STL Board and the small STL Team for all of their support, guidance and efforts over the past 12 months.

In particular, I would also like to acknowledge the constructive advice and helpful insights that both Leanne Muller and Tony Bartolo have extended to me on multiple occasions during their time at STL.

Thanks also to our Operations Contractor, key contractors, suppliers, business partners, neighbours, authorities and local communities.

Let me also thank the STL team who have organised today's meeting and to the team at Clayton Utz who have provided their valuable support and agreed to again host us for today's meeting.

Thanks also to our new auditors BDO and to Link Market Services who manage our share register.

I will now hand back to our Chair Mark Gray.

David Quinn

CEO | Brisbane | 20 November 2024