ASX Announcement

15 May 2024

Letter to A Class Shareholders and Riverina rice growers

Enclosed is a letter from the Chairman to A Class Shareholders and Riverina rice growers regarding a revision to the CY23 Riverina rice pool range and an update on the CY24 Riverina rice pool range. The letter also provides a crop planting update for CY25.

Authorised by Kate Cooper, General Counsel and Company Secretary

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About SunRice's structure

The structure of SunRice contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice constitution. No person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

B Class Shares are quoted on ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not generally have the right to vote at general meetings of SunRice. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see: https://corporate.sunrice.com.au/investors/

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Dear fellow rice growers

CY23 and CY24 Riverina rice pool range and CY25 planting updates

With more favourable harvest conditions over recent months, I trust that you were able to complete the harvest with less interruptions than last year.

CY23

On 7 March 2024, we informed you of an updated range for the CY23 rice pool, currently being processed and marketed, of $415 to $440 per tonne for medium grain Reiziq.

As we approach the finalisation of the Financial Year 2024 accounts and audit over the coming weeks, this updated range reflects greater certainty of the impact of several competing market dynamics. We are pleased to provide a further update of an additional increase to the lower end of the range from $415 to $425 and a reduction in the higher end of the range from $440 to $435 (meaning a new range of $425 to $435 per tonne for medium grain Reiziq). Given this increase to the lower end of the range, a one-off payment of $10 per tonne will be made to participating growers by Friday, 24 May 2024.

CY24

The 2024 (**CY24**) Riverina rice pool range for the rice harvest almost completed remains unchanged at $370 to $430 per tonne for medium grain Reiziq.

Any range provided at this early stage of a crop cycle remains broad, due to the uncertainty which can arise from prevailing factors. This year, these factors include increased rice supply from Northern Hemisphere markets returning from drought conditions, the disruption to the global shipping industry, particularly in the Red Sea, and lower quality scores from the CY24 crop.

CY25 Planting Update

Following the feedback received from many of you at recent industry events, we also wanted to provide growers with an update prior to the planting window for the CY25 crop, which will commence in October this year (and be harvested from March 2025 and marketed from January 2026).

While it's not possible to provide an indication of paddy pricing 20 months in advance of marketing this crop, we are able to provide an update on SunRice's desired crop plantings, at a time when many of you are considering your winter cereal plantings.

Some of our traditional export markets are no longer able to afford Australian rice. SunRice continues to grow our premium markets and it is important that we match the supply of Australian rice to the demand from these markets (rather than selling excess crop into lower returning markets). This is the best way to maximise paddy returns each year. After four strong crop years in the Riverina, SunRice carried out a healthy crop volume from CY23 to CY24 to enable us to efficiently service our markets in the event that forecast drier conditions returned. This carried over paddy was retained to enable SunRice to prioritise Riverina rice for our premium markets as part of our commitment to maximise your returns in the current market conditions, rather than electing to on-sell it into lower value markets.

As a result of these successively large crops we have full carry over levels, and to maximise paddy returns, we strongly recommend a CY25 planting base from growers that is 30% less than last year's crop (CY24). This

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crop size should assist us to maximise paddy prices for our Riverina growers in light of the carry over volumes and current market conditions. A crop size above this level could materially reduce grower paddy returns.

We will actively monitor the CY25 crop outlook as the planting window approaches and will keep you updated. We hope this information is helpful as you make commercial decisions about the year ahead.

Please don't hesitate to contact me on 0428 500 232, or feel free to reach out to your local Grower Director, if you would like to discuss the matters raised in this letter, or any other topics.

Sincerely,



Laurie Arthur
Chairman