

## ASX ANNOUNCEMENT

16 April 2020

### **COSTA GROUP STATEMENT ON COVID-19 TRADING UPDATE AND GUIDANCE**

Costa Group Holdings Limited (ASX: CGC), Australia's leading grower, packer and marketer of fresh fruit and vegetables today provided an update on trading and the impacts of COVID-19 and advises the withdrawal of previous forecast earnings guidance.

Food supply has been granted essential or priority status within Australia and the other countries in which we grow our produce. With a full complement of employees committed to meeting production and quality targets, we continue to support our customers within Australia and internationally with all farms operating and observing heightened hygiene and social distancing protocols, whilst maintaining our normal operational productivity. This also recognises the critical role that fresh produce is playing in the wellbeing of our communities.

The company is intensely focussed on supporting the health and wellbeing of our employees, their families and the communities in which we operate during this period of unprecedented disruption and we are extremely thankful for the efforts of our entire workforce.

The company has experienced a robust trading performance year to date with the Group performing above budget for Q1 2020 and significantly ahead of Q1 last year. Current trading remains positive overall whilst noting some supply chain and market volatility exists across the different product segments of the portfolio.

Notwithstanding the pleasing trading performance to date, with the current high level of uncertainty and volatility in the social and economic environment generally, it is not possible to provide meaningful forward financial forecasting with any reliable accuracy. While we were initially hopeful of a relatively quick economic and business recovery in Australia and internationally, in recent days it has become clear that restrictions, and the impacts from them, will continue for longer than initially hoped and will vary significantly in the different markets for our products. Accordingly, the ongoing uncertainty regarding the extent, duration and potential impact of future government restrictions relating to COVID-19 both in Australia and internationally significantly hampers our ability to provide reliable and accurate forecasting. On that basis, and although the company has made a very positive start to the year, it is appropriate that Costa withdraws its previous guidance for the 2020 financial year.

The company's balance sheet, cashflow and liquidity remains strong and supports current ongoing operations including new plantings and farm development.

The company will continue to update the market as required.

END.

Authorised by Costa's Disclosure Committee.



***About Costa (ASX:CGC)***

*Costa is Australia's leading grower, packer and marketer of fresh fruit & vegetables and operates principally in five core categories: berries, mushrooms, glasshouse tomatoes, citrus and avocados. Operations include approximately 4,500 planted hectares of farmland, 30 hectares of glasshouse facilities and three mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and four berry farms in China.*

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