

Chairman's speech

I would like to start by talking about how we as a company are dealing with COVID-19 and how we are preparing for the recovery.

We have not only been focused on ensuring the company's financials remain strong, in particular our liquidity, we have also been intensely focused on supporting the health and well-being of our employees, their families and the communities in which we operate. Indeed, we are extremely thankful for the efforts of our entire workforce during such challenging times. I also note the tremendous job done by our suppliers, including labour suppliers, input and material suppliers and our transport and logistics providers.

As you would be aware, 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.

The company operates across more than 50 locations, and the fact that we have continued performing at a high level also highlights the importance of our presence in the local communities in which we operate. We have been able to not only maintain employment but, in many instances, offer employment opportunities to those in local communities who have been unfortunate enough to lose their jobs due to COVID-19.

In mid-April the company withdrew its earnings guidance for CY20, we believe this was the prudent thing to do given the high level of uncertainty and volatility in the social and economic environment generally, where it is not possible to provide meaningful forward financial forecasting with any reliable accuracy. To this end Harry will provide a more detailed review of business operations in his address.

As we enter what might be described as the initial recovery phase from COVID-19, the company is well placed to meet the needs of our customers and any changing market dynamics. The company was proactive in addressing COVID-19 and implemented a number of actions to deal with the virus, including temperature testing of employees and strict hygiene protocols, with this activity continuing to remain in place.

I also want to acknowledge the role of Federal and State governments in their handling of the country's response to COVID-19. Under difficult circumstances they have recognised the need to enable essential service industries to operate as effectively as possible in order to maintain supply chains and productivity. In particular, their decision to allow visa extensions for seasonal workers has helped to ensure uninterrupted labour supply for Costa and the broader agricultural sector, meaning that crops could continue to be harvested and that nutritious and fresh produce could be supplied to all Australians.

Firstly, to financial performance for the calendar year 2019 year, and this saw the company deliver a \$28.4million underlying Net Profit After Tax (NPAT-SL before material items). This was in line with our amended forecast from late October 2019 and this result reflected what was a very challenging year for the company in which we faced issues relating to drought and weather, and market conditions in some categories.

The Board also declared a fully franked final dividend of 2.0 cents per share for the second half of CY19, bringing the total dividend payment for CY19 to 5.5 cents per share, fully franked.

In order to ensure we continue to deliver on our growth initiatives and maintain a strong balance sheet, the company undertook a successful \$176 million capital raising in November 2019 through a fully underwritten accelerated renounceable pro-rata entitlement offer, with retail rights trading.

Costa's strategy is growth oriented, with management maintaining a prudent and disciplined approach to capital allocation and generally targets a minimum return on capital of 20% on new investments over the three to five year horizon and typically the company targets a long term leverage range of one to two times net debt to EBITDA.

Fellow shareholders, the Board and management team have remained focused on building medium to long term profit growth through a number of strategic initiatives. In relation to our blueberries, this includes our enlarged blueberry breeding program, with current trial sites in Morocco, China and multiple Australian states, aimed at developing sub-tropical and tropical varieties to underpin our existing Australian and international operations as well as other potential growing regions, in addition to enhancing our global licensing program. The IP we continue to develop, including the leading premium Arana blueberry variety, gives us the advantage of superior product genetics and positions us as the world's leading blueberry company.

In avocados we are trialling high density, trellised and protected cropping which has shown promising early results. This is designed to change the economic farming model with improvement in crop yield and quality, water consumption and early cropping.

Continuing automation of our citrus packing operations has seen the doubling of our Spectrim vision sorting line in our Renmark South Australia packhouse to 16 lanes as well as installing robotic carton consolidation and palletising. The Spectrim technology is proving very accurate with respect to colour and blemish and the co located infra-red system also grades the quality of the fruit. This is crucial for markets such as the US, Japan, Korea and China where the appearance and taste of the fruit is a key differentiator for consumer preference and being able to obtain premium pricing.

Our international operations continue to grow both in plantings and market penetration and have become a significant contributor to revenues and earnings, as well as providing valuable diversification.

These initiatives and investments are not only about making our company more productive, they also build and capitalise on our strengths and competitive advantages, including our agronomic practices, superior products, market leading position in our core produce categories, geographical diversity, production scale and the considerable agronomic and farming skills.

Underpinning the company's growth is our commitment to sustainability and in particular sustainable commercial farming, encompassing key activities focused on environmental, economic, people and community.

The Board oversees the company's sustainability performance and those policies relating to sustainability and progress toward achieving our sustainable commercial farming goals.

In our most recent Sustainability Report for the calendar year 2019, which is available on our investor centre website, the Board committed to progressively incorporate over time the Taskforce on Climate related Financial Disclosure framework, or TCFD. This is a voluntary framework and deals

with governance, strategy, risk management and metrics and targets. Although some reporting of climate-related information looks at the company's past performance such as greenhouse gas emissions, climate-related reporting under the TCFD framework is also focused on a company's future risks and opportunities which may have financial implications in the short, medium- and long-term.

Our long held commitment to actively managing the implications of climate change is not only about seeking to reduce our carbon footprint through using renewable energy and improving our water use efficiency, it is also about addressing the financial risks of climate change and the associated impacts. For example, the 5,000 panel solar farm we have installed at our Monarto mushroom production facility, not only reduces both our reliance on non-renewable energy and our carbon emissions, but it also seeks to mitigate the risk of power grid outages and the financial damage this could have with respect to losing our crop.

The challenging 2019 year placed significant and relentless strain on our management and all employees, who were outstanding in their leadership and dedication across all of the business. As I have mentioned, this has carried through to how the company has responded and deals with COVID-19 and on behalf of all of our stakeholders I want to recognise the tremendous effort of all who have stood side by side to ensure our business has remained resilient.

During 2019 the Board approved a companywide Human Rights policy. The Costa business relies on labour as the key input, and we are committed to maintaining a workplace that recognises, respects and protects the human rights of our employees. The company also takes human rights considerations into account when selecting suppliers and we expect them to comply with our Supplier Code of Conduct, by actively working with third parties who support our approach and standards in this area.

Over the past year it has also been more important than ever to maintain a positive presence in the communities in which we operate. We not only owe this to our employees, but also to the many local people who rely on our company to have both a positive economic and social impact on their communities.

Our company and employees have continued to actively support a variety of community and charity initiatives, both in our domestic and international operations. This has included providing materials and labour to establishing fruit and vegetable gardens in local primary schools, donating fresh produce for school breakfast programs, supporting fundraising events to promote inclusion for those with disabilities and sponsoring a number of local sporting clubs and competitions, including a soccer tournament in Yunnan Province China, where our farms are located.

The company also continues to provide scholarships for young people in regional and remote areas to undertake tertiary studies in agriculture. This is something I make regular mention of, because it highlights the company's need to not only ensure we have a skilled workforce into the future, but it also allows young people to remain in the regional and rural communities in which they have grown up and to pursue a meaningful career without having to uproot themselves from family and friends. The opportunity to be able to do this is even more important given the significant upheaval that has been and will be caused by COVID-19.

Moving to the work of the Board, consistent with the Board's view that its interaction with the company's operations adds real value in furthering our understanding of it at an operational level, the Board visited the China operations in April 2019 and the expanded Monarto facility in October 2019.

I speak on behalf of all board members when I say how beneficial these visits are, particularly the opportunity it provides us with to see first-hand our operations and to interact with those employees who are directly responsible for the growing and harvesting of our crops.

During 2019, we welcomed Dr. Jane Wilson to your Board. Jane was elected as a director by shareholders at our last AGM and we are highly valuing her contribution to the company.

In 2019 we had two retirements from the board, namely Frank Costa and Kevin Schwartz. Kevin's excellent contribution to the company was noted at our last AGM, but I want to particularly recognise Frank, who as we are all aware spent a lifetime's work building Costa into a successful company that is highly respected as a major force in Australia's fresh produce industry.

On behalf of the Board and shareholders, I sincerely thank Frank for his invaluable contribution to the Board and the Costa business over so many decades and wish he and his family all the very best for the future.

CEO Retirement

As part of our succession and development planning process, the Board is currently in discussions with our CEO, Harry Debney, in relation to an orderly retirement transition plan.

The Board acknowledges the outstanding leadership which Harry has provided to the company over the last 10 years and is particularly pleased with the extremely capable and stable leadership team which Harry has put in place.

Harry has indicated that it is his current intention to retire as CEO of the company within the next 9 months and that he would also make himself available beyond that point in a reduced capacity subject to the company's requirements.

The Board is therefore enacting a plan which will establish a formal assessment and recruitment process with consideration to both internal as well as external candidates and will update shareholders as the plan progresses.

I would now like to ask Harry to speak in more detail about the calendar year 2019, our current growth activities and to provide an update on our performance and how we are dealing with COVID-19.

Thank you.

END.

AGM CEO Speech

Ladies and gentlemen 2019 was a very challenging year for a number of reasons, not least the effect of drought and weather events on our crops which impacted our domestic and international business.

Despite these challenges, the company's fundamentals remain strong and our performance over the first five months of 2020 are evidence of this, especially so given the uncertainty surrounding COVID-19, both of which I will talk to in more detail later.

Moving to our 2019 performance, which has been well covered elsewhere, there were a number of events over the 2019 year relating to a combination of cyclical one off and structural issues that impacted our performance.

Many of these events were unforeseen, including those related to weather and included:

- Delayed timing of our Moroccan blueberry crop.
- Reduced yield and fruit size in our avocado, blueberries, and later season citrus crop due to a lack of rain.
- Discovery of a fruit fly at one of our Riverland citrus farms.
- A genetic issue with our leading Driscoll's raspberry variety which reduced yield and increased harvest costs.
- Our Taradale blueberry farm at Tumbarumba New South Wales suffered damage from bushfires over the new year.

With respect to specific segment and category performance during 2019, some of the key issues to note include:

- A prolonged warm autumn period resulted in lower mushroom demand and pricing which remained the case for much of 2019.
- Blueberry performance was impacted by industry peak volumes remaining higher than expected going into our own peak period.
- We were able to maintain full production in our tomato category through undertaking a number of water efficiency measures, including improving the rate of use of recycled water and
- Our China operations delivered another solid year, with our third commercial harvest completed. Market demand for blueberries remained strong, particularly for our jumbo product.

Moving to the key financial results for the 2019 calendar year, our revenue of \$1.048 billion for the full calendar year was a 5.8% increase on the prior comparative period CY18. This revenue growth was led by the new Colignan citrus farm sales and increased table grape marketing volume.

EBITDA before SGARA, leasing and material items (EBITDA-SL) was \$98.3 million, a reduction of 21.5% on the prior year. Net Profit After Tax before SGARA and leasing (NPAT-SL) was \$28.4 million, while Statutory NPAT was a \$33.8 million loss, inclusive of material items and amortisation of intangibles in the mushroom category and African Blue. As at end of December our net debt was \$178.8 million with leverage of 1.82.

I want to touch on some of the key initiatives and investments we have in train to highlight just how focused we are on delivering medium to long term growth and financial benefits, even during such unprecedented times.

Those of you who have followed our company for a number of years are well aware of the strategic priorities and advantages that underpin our business model. These are fundamental to our success and ensuring we are able to navigate through any challenges and deliver on medium to long term growth.

These include operating a diversified category portfolio and a market spread based on a geographic footprint both domestic and international, facilitating multiple sales channels across different markets.

Our protected cropping mitigates environment risk and enhances our ability to optimise yield and quality. The IP we have and continue to develop gives us the advantage of superior product genetics and our focus on technology is part of our low-cost mindset.

Underpinning this is a workforce that boasts some of the finest horticultural and agronomic thinkers and practitioners not only in Australia, but also the world. For evidence of this you only have to look at what we have been able to do in China in such a short period of time.

Finally, our year-round production capability sets us apart from our competitors. It means we are at a commercial advantage, especially outside of the main growing seasons during the shoulder periods. Indeed, I take this opportunity to remind you that only Costa currently achieves year-round production and supply of blueberries and raspberries in Australia.

The company is highly focused on major initiatives to ensure strong delivery from 2020 through 2022 and beyond.

In our berry category the tropical variety program at our Atherton Tableland site in Far North Queensland aims to create a new range of blueberries suited to low latitude environments, including southern China and Agadir - Morocco. Expansion of our premium Arana variety also continues, allowing us to differentiate our blueberry offering during both peak and shoulder periods.

Our strong export performance in citrus remains a highlight, with over 70% of our crop exported in 2019 and continued reductions in tariffs in the Korean market bodes well for greater volumes to be sold into that market into the future. As our Chairman noted further automation of our packing operations has occurred with robotic packing technology having been installed in our citrus packhouse at Renmark in the South Australian Riverland.

In avocados the continuing tree maturity on our farms will contribute to volume growth and see tray volumes increase. Our two million tray production target remains on course to be achieved over the next three to four years. Export opportunities continue to open up and we are well positioned to capitalise on this, including through the upgrading of our Childers Central Queensland avocado packing facility.

The expansion of our Monarto South Australia mushroom facility and our brown mushroom sub category will play an important role in developing our category offering and capitalising on the premium pricing that these mushrooms attract.

Although our Perino brand snacking tomatoes remain a standout in their category and new branding and marketing will help to retain and build further on its market leading position, ongoing R&D evaluation of snacking and cocktail cultivars continues, as well opening up new sales channels beyond the retail setting.

In our international segment, a seasonal extension program is well underway in Morocco. We now have a production presence in the south of the country at Agadir, with 66 hectares as at the end of 2019. From this we are producing a blueberry crop from December through March which is ahead of other growing regions and therefore provides an advantage with respect to early season supply into the European and UK markets.

Our China footprint continues to grow with jumbo blueberries proving highly popular and delivering a strong price premium. Planting of the new 62 hectare site at Guangmen was completed in April and in CY21 we will also be planting a further 50 hectares at new site at Pupiao, which is also located in Yunnan Province where our other established farms are located.

Underpinning all of this is our Sustainable Commercial Farming objectives. We released our 2019 Sustainability Report in early April and our business is committed to making our operations sustainable so they can both withstand environmental risk, including unforeseen and extreme weather events, and maximise opportunities with respect to improving our economic efficiency and profitability over the medium to long term. The Sustainability Report is available on our investor centre website and I would encourage you all to read it.

As we expand our operations internationally it is important that we consistently apply the same high standards across our workforce. To this end our 2019 reporting on key health and safety metrics includes those of our Moroccan operations for the first time as part of the overall group reporting and this will continue to be the case going forward.

Other important health and safety developments during the past year in these locations included defibrillators being deployed across all of our China sites and the introduction of an incentive system to reward safety conscious staff. In Morocco, an employee safety induction program was introduced along with safety leadership training.

Ladies and gentlemen before I move to our performance to date in 2020, as noted the company withdrew its forecast guidance in April, which reflected the reality that it is not possible to provide meaningful forward financial forecasting with any reliable accuracy due to the current economy wide challenges associated with COVID-19.

I also take this opportunity to remind you that the company flagged at the time of our CY19 results that we intended to transition to the provision of qualitative guidance as from CY21, this was principally in recognition of the industry's inherent forecasting challenges, which were so prevalent in CY19.

The dominant issue of 2020 has of course been COVID-19.

Due to our China operations in Yunnan Province, we experienced our first challenges of dealing with the impact of the virus in January and February. This included implementing an action plan covering daily temperature testing of our workers, heightened hygiene protocols and social distancing procedures. We also had to initially deal with a fractured supply chain, from logistics through to ensuring we had an adequate labour force to meet our harvest needs.

This experience proved to be positive for the rest of our business as we were able to learn from our China experience and implement a company-wide action plan, including within our Australian and African Blue Morocco operations.

The company is intensely focused on supporting the health and wellbeing of our employees. The key goal of our plan is to achieve a response that is proportionate to the level of risk and ensures that we as a business do everything, we can to prevent the spread of the virus in our workforce and the general community. We are doing this while acknowledging that as more information becomes available, then further appropriate actions will be put in place, as necessary.

In our domestic operations, as with so many other industries, fresh produce has been operating in a period of high volatility. In general, demand and consequent pricing for Costa's portfolio of products is solid, with this being particularly so in the retail sector which remains our primary market and focus.

Wholesale demand has reduced but is showing signs of levelling albeit at a lower level of demand. Trading in Costa Farms & Logistics has seen some impact from a reduction in wholesale demand mainly in the foodservice sector as a result of the closure of restaurants and cafes in response to COVID-19. In particular, low food service activity and school closures have impacted consumption of snacking tomatoes.

CY20 commenced with significant early headwinds in the Berry and Tomato categories caused by crop and yield loss due to drought. This included the removal of 80 hectares of raspberry crop at our Corindi farm. At our Guyra glasshouses it was necessary to whitewash our glasshouse roofs which affected the level of light on the crop whilst we were also reliant on emergency water sources which were of a reduced quality. Some of this impact has been recovered in the year to date, however, yield and trading outcomes for the remainder of the year will determine whether this shortfall can be fully recovered.

On the issue of water security, we reported at our full year results that there had been excellent rainfall in particular at our Corindi berry farm and Guyra tomato glasshouses. I am pleased to further report that following months of above average rainfall, we now have excellent water security across all sites for the 2020 year.

In October 2019 we announced a pause on the construction of our new 10 hectares of glasshouse at Guyra. This was due to concerns about water security. Based on our current assessment of improved ongoing water security including our plans to build further water capture capacity, I am pleased to announce today that the Board has approved recommencement of the project.

A satisfactory Tasmanian berry season has just been completed and our focus now turns to the blueberry harvest in north Queensland and Western Australia. Importantly the first commercial long cane raspberry and blackberry crops at Corindi have commenced harvest and we look forward to the key learnings and experience we will gain from this production system in order to smooth out our harvest period.

In the Avocado category the early season Shepard variety harvest has been completed in line with expectations and harvesting of the Hass crop has commenced. Yield and quality are both in line with expectations.

Our Mushroom category is experiencing an improved year with strong consumer demand and pleasing yield and quality from our streamlined three site operations following the closure late last year of aged facilities in Queensland and Tasmania.

The Monarto expansion project has been completed following successful commissioning of the new Phase 1 composting plant during April. Production is ramping up with optimum output expected from late July.

The citrus season commenced positively in April with Satsuma mandarin exports to Japan attracting excellent pricing. We have earlier reported on the impact of the hail storm in November 2019 with the latest crop evaluation undertaken by our agronomists indicating that financial impact from the hail damage will be generally in line with the higher end of estimates.

The company also previously flagged the industry wide likelihood of a lighter citrus crop in 2020 due to smaller fruit sizing noting that fruit sizing is variable across varieties and has been somewhat mitigated by recent rains in the Riverland. Forward tonnage estimates at this time are well below original expectations and financial outcomes are likely to be impacted notwithstanding positive benefits flowing from a combination of lower water costs, favourable FX and expected favourable export pricing. The net impact of all of these factors can only be quantified as the season progresses.

With respect to our international operations, I can report that as at the end of May, the 2020 harvest at our berry operations in Morocco & China is almost complete.

I want to particularly recognise the outstanding job done by our teams in both Morocco & China in effectively dealing with the major dislocation to operations and markets as a result of COVID-19. They worked tirelessly under difficult conditions to ensure both the health and safety of our workers and optimising the harvesting of our crops.

As we entered the main part of our China harvest the COVID-19 situation became more normalised with the overall results being positive. This included exceptional yield from all of our farms contributing to our financial results being well ahead of plan.

In Morocco, the first harvest from our Agadir plantings in the south of the country has been promising in terms of timing and price. As a result of this the company will continue to expand its plantings in this region.

This year the major harvest cycle in the north of the country returned to more normal timing. The COVID-19 impact in the UK, Europe & Morocco has adversely impacted the main harvest season. However, due to the excellent work by our Moroccan team, coupled with good yields and quality, financial performance is well ahead of last year.

Noting the confirmed strong contribution from our international segment, on balance the company's performance year to date has been pleasing considering some early headwinds.

As noted these included the impact of drought on the Berry & Tomato categories which have been partially mitigated over the early months of the year, with subsequent yield and trading outcomes to determine whether this is fully recovered during the remainder of the year.

The performance from the Citrus category in CY20 remains a work in progress given fruit sizing and hail impacts and now that the international segment results are known, the citrus category will likely be the most significant determining factor in achieving our full year plan.

The majority of our core produce categories are now experiencing positive demand and pricing from the retail sector. Farming operations are meeting yield and quality expectations and have not been adversely affected by COVID, although mitigation costs are considerable.

The second half of the year will also see some significant activity, including our main berry season at Corindi, in which we will have further offerings of our premium Arana blueberry variety and the peak demand period in the year for mushrooms which occurs over the cooler winter months.

The company's balance sheet is healthy as we continue to generate good levels of cash flow and the maintenance of excellent liquidity. The company's leverage as measured by net debt to EBITDA-SL remains within our target range.

As I mentioned in my introduction, the company's fundamentals remain strong and will deliver meaningful benefits over the medium to long term. They include our portfolio of market leading premium fresh produce, the utilisation of protected cropping across several of our categories, the geographical diversity of our production footprint and our growth program covering both domestic and international operations.

In closing, I want to acknowledge the contribution of our former CFO Linda Kow who left the company on 1 May after almost 10 years of service and the valuable contribution currently being made by our Deputy CFO, Amin Ikram in the acting CFO role.

We look forward to welcoming Wayne Johnston, who brings a breadth of senior finance experience to the company as our new CFO effective from 29 June 2020

Finally, I want to recognise the outstanding efforts and leadership of the Costa management team and all of our committed staff over the past year, particularly through the difficult times brought on by the COVID-19 crisis. All of our teams have gone above and beyond to ensure the availability and quality of the products we supply, and we thank them for their dedication.

Thank you ladies and gentlemen and I now hand back to our Chairman.

END.



Costa

Annual General Meeting

29th May 2020



Neil Chatfield
Chairman & Non-Executive Director



Harry Debney
CEO & Managing Director



Peter Margin
Independent Non-Executive Director



Janette Kendall
Independent Non-Executive Director



Dr Jane Wilson
Independent Non-Executive Director



Tim Goldsmith
Independent Non-Executive Director

CY19 - challenging year

Drought and weather events impacted domestic and international business

Despite these challenges, company's fundamentals remain strong

Performance year to date in CY20 evidence of this - especially so given the uncertainty surrounding COVID-19



CY19 – Key Events

- **Delayed timing of our Moroccan blueberry crop**
- **Reduced yield and fruit size in avocado, blueberry, and later season citrus crop due to a lack of rain**
- **Discovery of a fruit fly at one citrus farm**
- **Genetic issue with our leading Driscoll's raspberry variety**
- **Taradale blueberry farm at Tumbarumba New South Wales suffered damage from bushfires over the new year**



Key Highlights - segment and category performance



- Prolonged warm autumn period resulted in lower mushroom demand and pricing, remaining the case for much of 2019
- Blueberry performance impacted by industry peak volumes remaining higher than expected going into our own peak period
- Full production in tomato category maintained through undertaking a number of water efficiency measures, including improving the rate of use of recycled water and utilising bores
- China operations delivered another solid year, with our third commercial harvest completed. Market demand for blueberries remained strong, particularly for our jumbo product

Financial Performance

Revenue

\$1.048 billion for the full calendar year was a 5.8% increase on the prior comparative period CY2018

EBITDA -SL

EBITDA before SGARA, leasing and material items (EBITDA-SL) was \$98.3 million, a reduction of 21.5% on the prior year

NPAT - SL

Net Profit After Tax before SGARA and leasing (NPAT-SL) was \$28.4 million
Statutory NPAT was a \$33.8 million loss, inclusive of material items and amortisation of intangibles in the mushroom category and African Blue



Strategic priorities and advantages



- **Diversified category portfolio and a market spread based on geographic footprint both domestic and international**
- **Protected cropping mitigates environment risk and enhances our ability to optimise yield and quality**
- **IP gives us the advantage of superior product genetics and our focus on technology is part of our low-cost mindset**
- **Underpinned by a workforce boasting some of the finest horticultural and agronomic thinkers and practitioners not only in Australia, but also the world**
- **Year-round production capability. Provides a commercial advantage, especially outside of the main growing seasons during the shoulder periods**

Major initiatives

- **Tropical variety program in Far North Queensland aims to create a new range of blueberries suited to low latitude environments, including southern China and Morocco**
- **Expansion of premium Arana variety, allowing us to differentiate our blueberry offering during both peak and shoulder periods**
- **Further automation of citrus packing operations has occurred with robotic packing technology installed in citrus packhouse at Renmark in the South Australian Riverland**
- **Export opportunities continue to open in avocados, including through the upgrading of our Childers Central Queensland avocado packing facility**

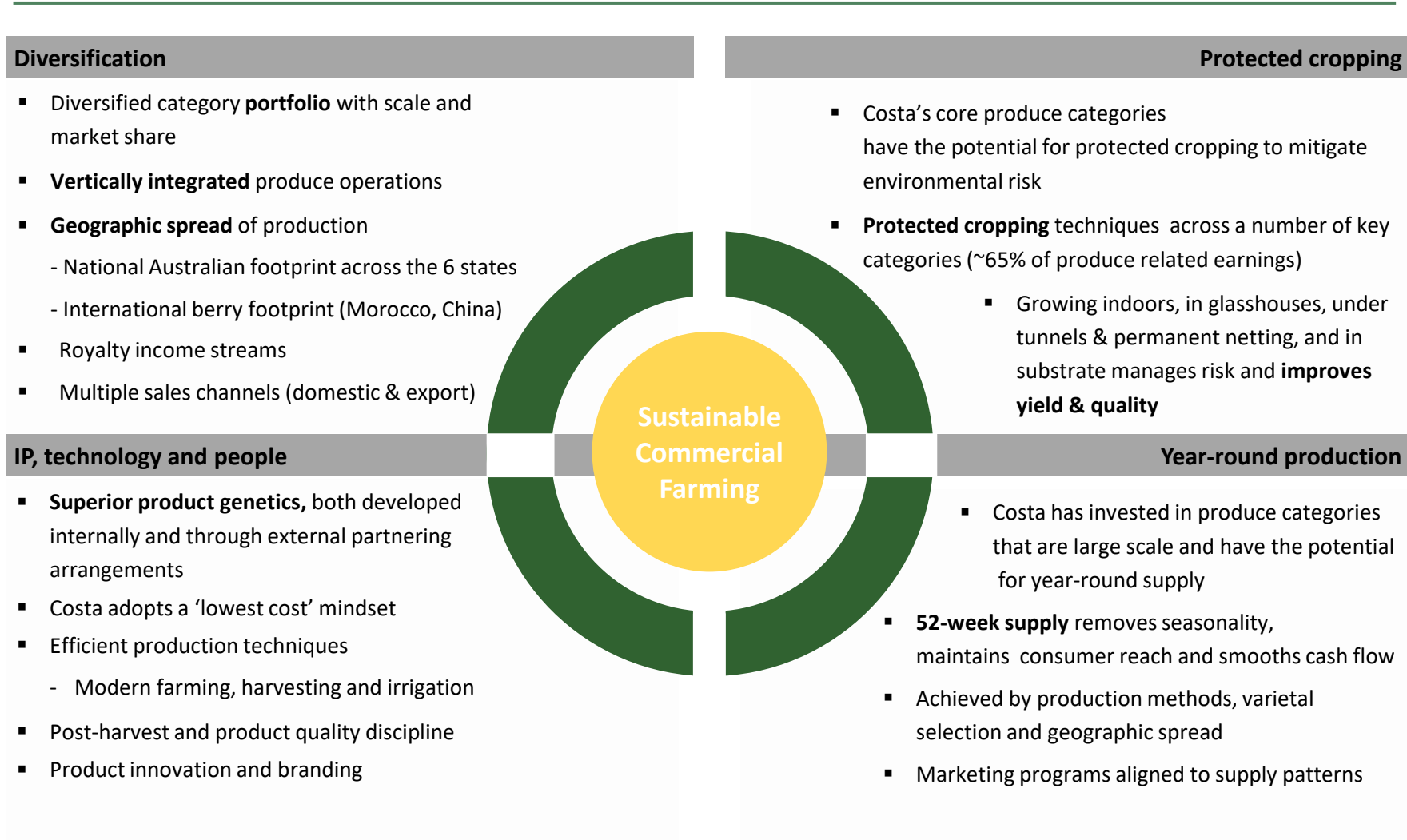


Major initiatives



- **Monarto South Australia mushroom facility expansion and brown mushroom subcategory to play an important role in developing our mushroom offering**
- **Ongoing R&D evaluation of snacking and cocktail tomato cultivars continues and opening up new sales channels beyond the retail setting**
- **Seasonal extension program is well underway in Morocco with 66 hectares at Agadir in the country's south**
- **China footprint continues to grow with jumbo blueberries proving highly popular and delivering a strong price premium**
- **Planting a further 50 hectares in CY21 at new site at Pupiao, Yunnan Province**

Sustainability



COVID-19

- Experienced first challenges of dealing with COVID-19 in our China operations in January and February
- Implemented an action plan covering daily temperature testing of workers, heightened hygiene protocols and social distancing procedures
- Able to learn from this experience and implement a company-wide action plan, including within our Australian and African Blue operations
- Intensely focused on supporting the health and wellbeing of our employees
- Ensuring we do everything we can to prevent the spread of the virus in our workforce and the general community



COVID-19



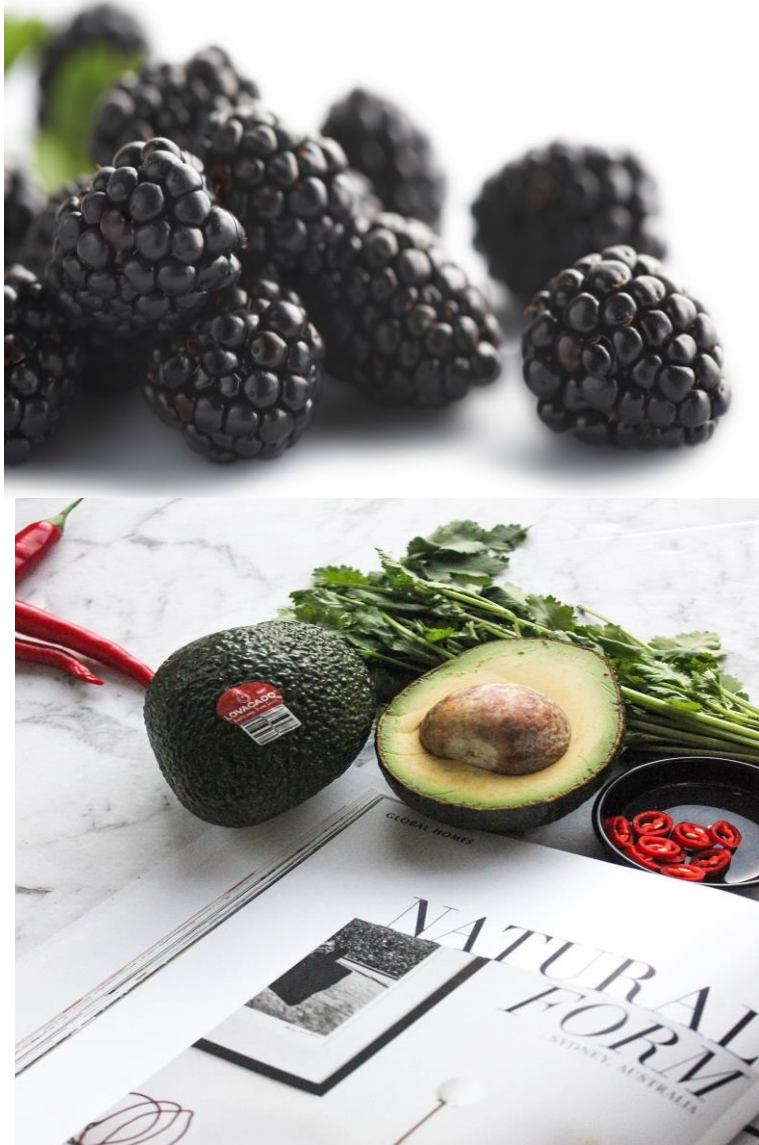
- **Domestic operations - fresh produce has been operating in a period of high volatility**
- **Demand and consequent pricing for Costa's portfolio of products is solid - particularly so in the retail sector which remains our primary market and focus**
- **Wholesale demand has reduced but is showing signs of levelling - albeit at a lower level of demand**
- **CF&L trading has seen some impact from a reduction in wholesale demand mainly in the foodservice sector as a result of the closure of restaurants and cafes in response to COVID-19**
- **Low food service activity and school closures have impacted consumption of snacking tomatoes**

CY20 YTD

- **CY20 commenced with significant early headwinds in the Berry and Tomato categories caused by crop and yield loss due to drought**
- **Guyra tomato glasshouses - necessary to whitewash roofs which affected the level of light on the crop. Also reliant on emergency water sources which were of a reduced quality**
- **Some of this impact has been recovered in the year to date, however, yield and trading outcomes for the remainder of the year will determine whether this shortfall can be fully recovered**
- **Water security update - following months of above average rainfall, we now have excellent water security across all sites for the CY20 year**
- **Recommencement of construction of new 10 hectares of glasshouse due to improved ongoing water security**



CY20 YTD



- A satisfactory Tasmanian berry season has just been completed with focus now on North Queensland and WA blueberry harvests
- First commercial long cane raspberry and blackberry crops at Corindi have commenced harvest
- Early season Shepard avocado variety harvest has been completed in line with expectations and harvesting of the Hass crop has commenced. Yield and quality are both in line with expectations
- Mushroom category is experiencing an improved year with strong consumer demand, yield and quality from our streamlined three site operations
- Monarto expansion project completed - successful commissioning of the new Phase 1 composting plant during April. Production ramping up with optimum output expected from late July

CY20 YTD

- Citrus season commenced positively in April - Satsuma mandarin exports to Japan attracting excellent pricing
- Update on the Nov. 2019 hail storm - latest crop evaluation indicating financial impact will be generally in line with the higher end of estimates
- Previously flagged industry wide likelihood of a lighter crop in CY20 due to smaller fruit sizing noting that fruit sizing is variable across varieties. Somewhat mitigated by recent rains in the Riverland
- Forward tonnage estimates at this time well below expectations and financial outcomes likely to be impacted despite positive benefits from a combination of lower water costs, favourable FX and expected favourable export pricing
- Net impact of all of these factors can only be quantified as the season progresses



CY20 International Operations



- As at the end of May, the 2020 harvest at our berry operations in Morocco & China is almost complete
- China season delivered exceptional yield from all of our farms contributing to our financial results being well ahead of plan
- First harvest from our Morocco, Agadir plantings in the south of the country has been promising in terms of timing and price. The company will continue to expand its plantings in this region
- This year the major harvest cycle in the north of the country returned to more normal timing. COVID-19 impact in the UK, Europe & Morocco has adversely impacted the main harvest season
- However, due to the excellent work by our Moroccan team, coupled with good yields and quality, financial performance is well ahead of last year

CY20 YTD

- On balance performance year to date has been pleasing considering some early headwinds - impact of drought on berries & tomatoes partially mitigated over the early months of the year
- Subsequent yield and trading outcomes to determine whether this is fully recovered during the remainder of the year
- Citrus category performance remains a work in progress given fruit sizing and hail impacts. With international segment results now known - citrus category will likely be the most significant determining factor in achieving our full year plan
- Majority of our core produce categories are now experiencing positive demand and pricing from the retail sector
- Farming operations are meeting yield and quality expectations, no adverse effects from COVID-19 although mitigation costs are considerable



CY20 Second Half



- Second half of the year will see significant activity - including main berry season at Corindi - further offerings of our premium Arana blueberry variety
- Peak demand period in the year for mushrooms occurring over the cooler winter months
- Balance sheet is healthy as we continue to generate good levels of cash flow and the maintenance of excellent liquidity
- The company's leverage as measured by net debt to EBITDA-SL remains within our target range
- Company's fundamentals remain strong and will deliver meaningful benefits over the medium to long term

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Costa

Annual General Meeting

29th May 2020