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ASX ANNOUNCEMENT

2 July 2021

ENTITLEMENT OFFER NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

Attached is a copy of the notification being sent to ineligible retail shareholders today in relation to Costa's pro rata accelerated renounceable entitlement offer (with retail entitlements trading) of new fully paid ordinary shares in Costa, announced on Wednesday, 23 June 2021 ("**Entitlement Offer**").

Further information

If you have any questions in relation to the Entitlement Offer, please contact the Costa Shareholder Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) at any time between 8:30am and 5:30pm (AEST) Monday to Friday, or visit the offer website at <https://events.miraqle.com/cgc-offer>.

Release authorised by David Thomas, Company Secretary, Costa Group Holdings Limited.

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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 seven mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and three berry farms in China.

For further information contact:

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This announcement has been prepared for publication in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of any offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, any person in the United States or any person that is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws. The entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States to persons that are not acting for the account or benefit of persons in the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act. In addition, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade entitlements on ASX or otherwise, or take up or exercise entitlements purchased on ASX or otherwise, or transferred from another person.



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Friday, 2 July 2021

Dear Shareholder

COSTA GROUP HOLDINGS LIMITED \$190 MILLION RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On Wednesday, 23 June 2021, Costa Group Holdings Limited ("**Costa**") announced a fully underwritten pro rata renounceable entitlement offer of new Costa ordinary shares ("**New Shares**") (with retail entitlements trading) to raise approximately \$190 million ("**Entitlement Offer**"). The offer price is \$3.00 per New Share ("**Offer Price**").

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

The Entitlement Offer and use of proceeds

The Entitlement Offer comprises an institutional entitlement offer and an offer to eligible retail shareholders to participate at the same Offer Price and offer ratio ("**Retail Entitlement Offer**"). The Entitlement Offer is being made in accordance with section 708AA of the Corporations Act 2001 (Cth) ("**Act**") (as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that the Entitlement Offer is not being conducted by way of a prospectus.

UBS AG, Australia Branch is acting as underwriter to the Entitlement Offer ("**Underwriter**").

Proceeds raised from the Entitlement Offer will be used to partly fund the acquisition of the assets of 2PH Farms Pty Ltd and its related entities, a Central Queensland based citrus grower.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to eligible shareholders on the basis of 1 New Share for every 6.33 existing Costa ordinary shares held as at 7.00 pm (Sydney time) on Monday, 28 June 2021 ("**Record Date**") ("**Entitlement**"). New Shares issued under the Offer will rank equally with existing Costa shares in all respects. An offer booklet in relation to the Retail Entitlement Offer ("**Retail Information Booklet**") will be despatched to Eligible Retail Shareholders (as defined below) on or around Friday, 2 July 2021.

Eligibility Criteria

"**Eligible Retail Shareholders**" are those persons who are a holder of existing Costa ordinary shares as at 7.00pm (Sydney time) on the Record Date and who:

- have a registered address on the Costa share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Costa ordinary shares for the account or benefit of such person in the United States);

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- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the institutional entitlement offer and were not treated as ineligible institutional investors under the institutional entitlement offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Shareholders who are not Eligible Retail Shareholders and who did not participate in the institutional entitlement offer are “**Ineligible Shareholders**” and are consequently unable to participate in the Retail Entitlement Offer.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing Costa ordinary shares they hold and the relatively low value of New Shares to which they would otherwise be entitled.

Costa has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act (as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84), that it would be unreasonable to make offers to shareholders in certain countries under the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by Costa with reference to a number of matters. Costa, the Underwriter, their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, Costa wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

However, as the Entitlement Offer is renounceable, you may receive value for entitlements you would have received had you been eligible to participate in the Retail Entitlement Offer. Arrangements have been made for the New Shares that would have represented the entitlements of Ineligible Shareholders to be sold via a retail shortfall bookbuild on Thursday, 22 July 2021, which is to be undertaken by the Underwriter. You will receive any proceeds in excess of the Offer Price in respect of each entitlement to subscribe for New Shares sold in the retail shortfall bookbuild that you would have received under the Retail Entitlement Offer if you were eligible to participate, net of any applicable withholding tax. However, there is no guarantee that you will receive any value as a result of the retail shortfall bookbuild.

The retail entitlements of Eligible Retail Shareholders will be tradeable on ASX. The assignment, transfer and exercise of retail entitlements trading on ASX will be restricted to persons meeting certain eligibility criteria. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States will not be eligible to purchase or trade retail entitlements or to exercise retail entitlements they acquire. If you buy retail entitlements during the trading period, but you do not meet the eligibility criteria, you will not be able to take up or exercise those entitlements and, as a result, you may receive no value for them.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, you can call the Costa Offer Information Line on 1300 407 677 (Australia) or +61

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1300 407 677 (International callers) from 8.30am to 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of Costa, I thank you for your continued support.

Yours faithfully



Costa Group Holdings Limited

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Important Information:

This letter is issued by Costa Limited (ABN 68 151 363 129). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Costa in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Costa ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or New Shares in any jurisdiction outside Australia and New Zealand. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold directly or indirectly, to, persons in the United States unless they have been registered under the Securities Act (which Costa has no obligation to do so or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Entitlements and New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States to persons that are not acting for the account or benefit of persons in the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the Securities Act.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Please read the Retail Information Booklet, and if you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

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