1HCY21 Results Presentation

26 August 2021

Glasshouses 3 & 4, Guyra, New South Wales

Costa Group Holdings Ltd (ASX:CGC)

costa well grown

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- **Non-IFRS measures:** Throughout this presentation, Costa has included reference to certain non-IFRS measures. Non-IFRS measures have not been subject to audit. A further explanation of these measures is provided in the Appendix.

1HCY21 Key Highlights

- Half year forecast earnings achieved
- Record international results
- Mixed domestic performance
- Balance Sheet remains strong
- Maintaining relentless focus on COVID-19 response
- Ongoing momentum in Sustainable Commercial Farming (ESG) strategy
- Post balance date completed 2PH acquisition supported by successful capital raising

Key Messages

- Strong international segment performance
  - Positive pricing, yield and demand maintained over the entire China season, reflecting increased production footprint and demand for our quality product
  - Favourable earlier fruit timing and stronger pricing in Morocco was supported by increased contribution from expanded southern plantings at Agadir
- Produce segment performance was mixed across the categories for the period
  - Avocado result was impacted by sustained higher industry volumes (+50% and own volume +15%) over the entire half, resulting in below price expectations. Foodservice channel contraction also affected demand
  - Berry performance was improved on the prior period with Corindi (NSW) raspberry production returning to normal and generally favourable pricing across the four berry varieties
  - New Year's day '21 Colignan (Sunraysia) hail storm progressively impacted over the half as initial table grape crop damage estimates deteriorated, having a significant impact on the season's table grape yield and reduced citrus yield

Key Messages

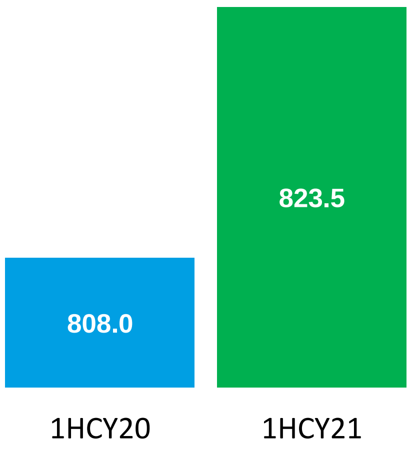
- Executed successfully on acquisition of quality assets over the period
  - 2PH & KW Orchards - increases total citrus group revenue contribution, further opens export market opportunities, expands production footprint and gains access to proprietary breeding program
  - Full season earnings impact to commence from CY22 for both acquisitions

- Growth plan objectives to drive revenue, increase yield, production efficiencies and innovation
  - Construction of new 10 hectares of tomato glasshouse to be completed on schedule, with planting already commenced
  - Further China expansion, with additional 50 hectares of blueberries planted and delivering increased international segment yield in CY22
  - Commercialisation of 40 hectares of protected substrate avocado cropping on schedule with preliminary planting to commence late CY21, with first harvested crop from CY23/24

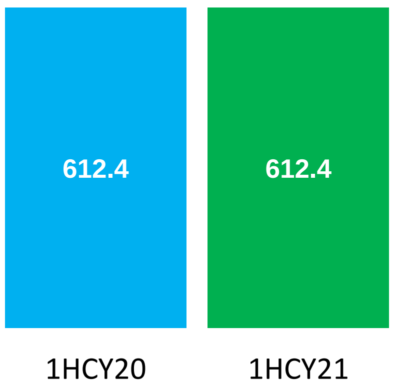
1HCY21 Financial Headlines

EBITDA-S: $124.4m +4.3% increase on 1HCY20	**NPAT-S: $44.4m +3.0% increase on 1HCY20**
Statutory NPAT: $37.5m	**Net debt: $208.0m +44.6% increase on Dec-20**
Leverage: 1.40x	**Interim dividend: 4.0 cents per share**

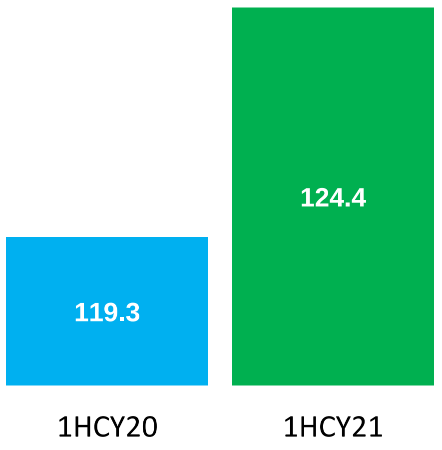
Transacted Sales ($m)



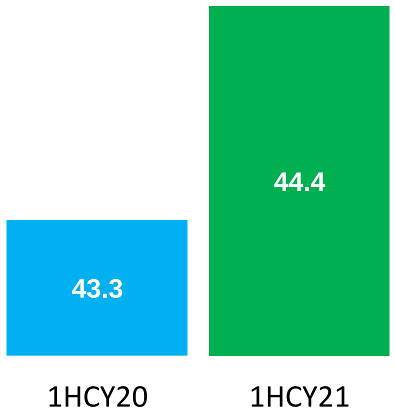
Total Revenue ($m)



EBITDA-S ($m)



NPAT-S ($m)



COVID-19 update

Labour

- Continue to effectively deal with border closures and ongoing travel restrictions.
- 1H workforce requirements were successfully met, including sourcing of sufficient people for citrus season across our multiple growing regions. Some short term constraints as previously flagged at Monarto.
- Promotion of local employment through targeted social media recruitment campaign will continue to be a focus across the categories going into 2H and expect to meet labour requirements over the period.

Health and Safety

- Comprehensive COVID-19 action plan continued in place across our entire business.
- In recognition of the public health priority and our status as an essential industry, Costa is encouraging staff to be vaccinated and assisting with the flexibility for them to do so.
- Focus on working with communities in which we operate to keep them safe and healthy.

Operations

- Committed to maintaining uninterrupted production and supply to our customers, despite rolling lockdowns in Vic and NSW and any retailer DC impacts.
- Significant supply side challenges in 1H, including shipping freight but successfully managing.
- As with the global COVID-19 situation, circumstances in Morocco and China remain fluid with appropriate protocols in place to manage this.

Costs

- Group expenditure of circa $2.5m on COVID related costs.
- Mainly travel and quarantine accommodation for seasonal workers.
- Other expenses included PPE, cleaning and sanitising.
- Similar range of costs likely to continue into 2H.

Sustainable Commercial Farming

Costa's vertically integrated business model continues to achieve competitive advantage and manage agricultural risk and sets the framework for our ESG initiatives

Diversification

- Diversified premium category portfolio with scale and market share
- Vertically integrated produce operations
- Geographic spread of production
- National Australian footprint across the 6 states
- International berry footprint (Morocco, China)
- Royalty income streams
- Multiple sales channels (domestic & export)

IP, technology and people

- Superior product genetics, both developed internally and through external partnering arrangements
- Costa adopts a 'lowest cost' mindset
- Efficient production techniques
  - Modern farming, harvesting and irrigation
- Post-harvest and product quality discipline
- Product innovation and branding
- Workplace that is both safe and healthy, recognises basic human rights and promotes diversity

Protected Cropping

- Focus on mitigating weather event risk and meeting the challenges presented by climate change
- Protected cropping techniques across a number of key categories (~65% of group related earnings)
- Vertical farming by growing indoors and in glasshouses
- Utilising protective tunnels & permanent netting, and substrate to manage climate risk, enhance water use efficiency, and improve yield & quality

Year-round production

- Costa has invested in produce categories that are large scale and have the potential for year-round supply
- 52-week supply removes seasonality, maintains consumer reach and smooths cash flow
- Achieved by production methods, varietal selection and geographic spread
- Focus on reducing water inputs per unit of crop output through efficiency of use and security
- Adopting the use of renewable energy resources where practical to do so

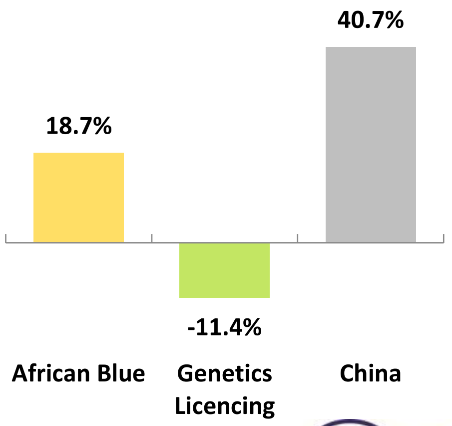
Segment Performance

International Segment

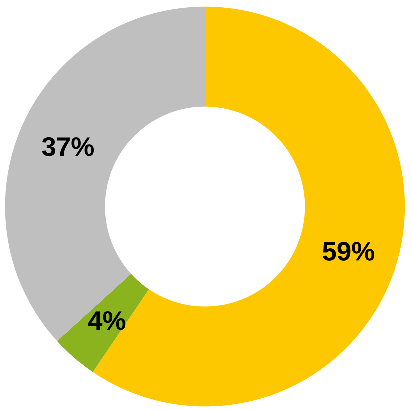
Segment financial and operating metrics for the half year to June

	Reported Currency			Constant Currency	
A$m	1HCY21	1HCY20	Variance (%)	1HCY20	Variance (%)
Revenue	149.4	119.5	25.0%	109.3	36.5%
EBITDA-S	82.1	64.1	28.1%	58.2	41.1%
EBITDA-S margin	55.0%	53.6%	1.4pts	53.5%	1.5pts
Transacted Sales	147.4	118.9	24.0%	108.7	35.6%

Revenue Growth: +25.0%



H1 CY21 share of revenue



Key Highlights

Record result with strong sales and EBITDA-S growth

Further development and market penetration of premium blueberry varieties and genetics across multiple regions

China

- Increased production footprint driving ongoing growth strategy, including pleasing first crop from the new Guangmen plantings (67ha).
- Pricing advantage throughout season from premiumisation, early COVID concerns on imported fruit and disrupted South American export season.
- Significant overall improvement in sales and earnings.

Morocco

- Increased Agadir contribution resulting in higher yields supported by favourable timing. Combined own and third party grower plantings in Africa amounted to an aggregate +1,456 tonnes of production, +19% versus pcp,
- Pricing improvements given delays in Spanish crop timing.

Emerging Regions (Genetics Licensing)

- Overall minor contribution to segment revenue for 1H, with greater 2H weighting.

International Segment

China	Morocco	Emerging regions
Higher volumes from increased plantings and lower imports of South American fruit into the market especially earlier in the year supporting strong pricing and demand over the season. Tonnage +1,093 versus pcp.	Early season plantings in Agadir (south) as well as earlier season higher volumes across our northern farms, together with strong pricing over the season contributed to a positive result. Tonnage +1,308[1] versus pcp.	Third party grower tonnage from Africa[2] was +148 tonnes versus pcp. Positive early start to Zimbabwe and South Africa licensed third party grower season. Planted hectares in these regions continuing to increase (1HCY21: 365ha versus pcp: 200ha) and building on 52 week supply volumes.
Overall yield finished in line with expectations, with jumbo variety volumes higher than budgeted toward the end of the season.	Performance also benefited from delayed timing (three weeks) of main Spanish blueberry season.	New long term exclusive agreement with Driscoll's signed in late CY20 for licensing of Costa blueberry genetics in the Americas.
Costa premium varieties, including Arana (jumbo) have gained further market recognition and continue to attract a significant price premium. This supports the continuing development of our China farming footprint.	Accelerated focus on scheduled replanting at northern farms. Replacement of legacy varieties with new premium Costa varieties.	Our international licensing program continues to build in importance, including expanding geographical reach across Africa, China and the Americas. This is in recognition of our superior blueberry genetics and consumer demand for premium quality fresh produce.

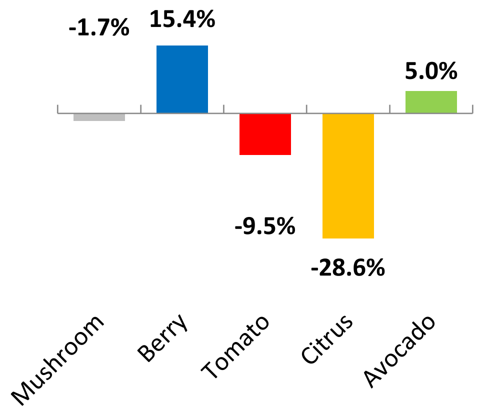
Notes:
1. Own tonnage, excludes third party growers
2. Morocco and Southern Africa third party growers

Produce Segment

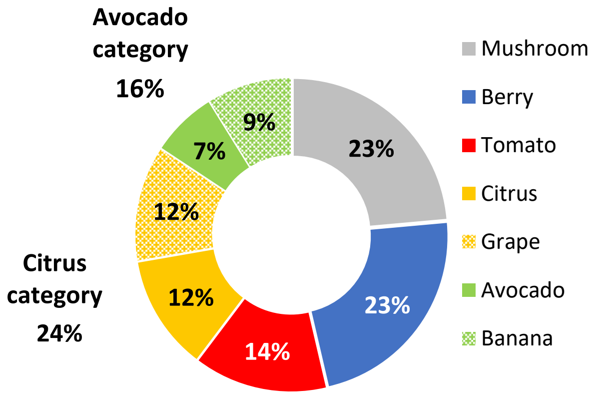
Segment financial and operating metrics for the half year to June

A$m	1HCY21	1HCY20	Variance (%)
Revenue	412.9	443.7	-6.9%
EBITDA-S	36.0	47.8	-24.7%
EBITDA-S margin	8.7%	10.8%	-2.1pts
Transacted Sales	627.8	642.2	-2.2%

Revenue Growth: -6.9%



H1 CY21 share of revenue



Key Highlights

Mixed performance across the categories resulting in lower revenue and reduced EBITDA-S versus pcp.

- **Mushroom** – Although demand was strong overall for the 1H, there was a small decline in revenue versus pcp, due to inconsistent Monarto volumes.
- **Berry** – Revenue was up on pcp due to Corindi raspberry crop returning to normal versus pcp drought impact. There was also favourable pricing across the four berry varieties.
- **Tomato** – Volumes and pricing were down versus pcp due to less than optimal growing conditions and increased field and truss supply.
- **Citrus** –Hailstorm significantly impacted the Colignan, Sunraysia 1H table grape crop yield in particular and also resulted in reduced citrus yield. Negative revenue impact of ~$25m vs pcp.
- **Avocado** – Although revenue was up versus pcp, this also reflected greater volume versus pcp, with pricing significantly below prior year.

Produce Segment

Mushroom	Berry
Short term labour constraints at Monarto (SA) contributed to inconsistent volumes from this site over the half.	Corindi raspberry crop returned to normal after prior period drought impact.
Demand conditions were strong overall, particularly going into cooler/winter months reflected in favourable retail and wholesale pricing. However, due to inconsistent production volumes the full benefit from this was not able to be realised	Generally favourable pricing across the four main berry varieties over the half and ultimately in line with expectations.
Retail sales mix over the period at circa 80%+ was in line with budget, with pre pack continuing to drive this segment.	Blueberry pricing was ultimately impacted by some quality issues. Stronger finish than usual to Tasmanian season, however overall volumes were down due to climatic conditions versus prior period and shortage of labour during peak harvest periods.
Pre pack product made up 56% of total sales, reflecting still strong consumer preference over loose during COVID-19.	Early Far North Queensland Arana variety volumes attracted a +23% price premium on average compared to other FNQ blueberry product. However overall yield was lower than forecast (circa 155 tonnes vs 237 tonnes), including impact from pest pressures.
Sourcing and retention of labour continues to be a key priority. Monarto harvest worker numbers have increased over recent weeks and this has contributed to higher harvested volumes.	Western Australian crop was impacted by weather, resulting in a 64 tonne shortfall against forecast. Relatively slow start to main Corindi (NSW) season due to poor weather, with majority of crop to be completed over second half.

Produce Segment

Avocado	Tomato
○ As previously noted, sustained higher volumes contributed to significantly lower pricing and category performance. COVID-19 contributed to foodservice sector contraction.	○ Increased field tomato and truss supply impacted short term pricing across all varieties, particularly truss and to a lesser extent snacking and cocktail. This resulted in a pricing impact in the range of 30% – 60%.
○ Total trays produced were circa +92,000 (+15.2%) versus pcp. Industry volumes are up circa 50% versus pcp. Third party marketed trays were +11.4% versus pcp.	○ Volumes were down due to poorer growing conditions, caused mainly by lower-than-normal light over the summer months and shortfall in sourcing quality truss from external growers. This resulted in a circa 4% reduction in yield (own and third party) versus pcp.
○ Western Australian (WA) avocado crop volumes are strong, further contributing to higher avocado supply and lower prices. Estimated WA production of circa 9 million trays.	○ Retail and wholesale pricing improved over May and June heading into second half.
○ Export activity has been positive year to date (circa 86,000 as at end August) with volumes already exceeding CY20 export volumes but coming off a low base (CY20 total exported trays 37,000) .	○ Forecasting yield improvements over second half and anticipating reduced reliance on external grower volumes going forward once new glasshouse fully comes on line in CY22.

Produce Segment

Citrus

- Impact of the previously advised New Year's day '21 hailstorm damage to our Colignan (Vic) table grape crop progressively increased, resulting in significantly lower production volumes from this farm and a subsequent earnings impact.
- Early citrus harvest through May and June delivered tonnage ahead of forecast due primarily to early timing of the mandarin harvest.
- Riverland fruit fly restrictions have impacted performance adding additional cost. Restrictions in place for remainder of season. Cold treatment is required for the majority of our export markets and is being well managed. Expected cost over season is between $6m to $8m.
- Riverland yield tracking close to forecast, with fruit quality above expectations and percentage of first grade fruit being packed ahead of same time versus prior year.
- 2PH season is progressing positively, with favourable pricing in all export markets, especially China. Product attracting a price premium above competing citrus brands in the Guangzhou and Shanghai wholesale markets


Renmark, Riverland packing facility and orchards

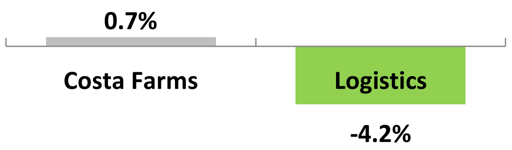
African Blue Driscoll's Kangara lady fingers LOVACADO MUSH BOOM! Perino 2.P.H. Vitor Vitor

Costa Farms & Logistics Segment

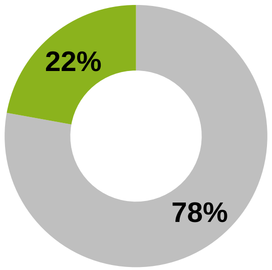
Segment financial and operating metrics for the half year to June

A$m	1HCY21	1HCY20	Variance (%)
Revenue	72.6	73.0	-0.5%
EBITDA-S	6.3	7.4	-14.9%
EBITDA-S margin	8.7%	10.1%	-1.4pts
Transacted Sales	70.8	70.8	(0.0)

Revenue Growth: -0.5%



H1 CY21 share of revenue



Key Highlights

Farms

- Although sales volume was ultimately lower than budget over the half, servicing revenue was strong, especially for grapes, tomatoes and third party avocado ripening resulting in a marginal increase in revenue versus pcp.

Logistics

- Eastern Creek DC performed ahead of budget due to strong volume for third party customers.
- There was reduced revenue overall versus pcp due to completion of retailer ripening contract and banana handling services.

Acquisition of Select Fresh Group (SFG)

- SFG is a leading Western Australian based wholesale distribution business, supplying fresh produce to foodservice channels, and independent retail channel (Metcash, IGA stores) for resale to the public.
- The acquisition is a key part of our strategy to develop and expand our footprint in the fresh foodservice sector.

Financial Results

Financial Results

Comparison of results for the half year to June

	Reported Currency			Constant Currency	
A$m	1HCY21	1HCY20	Var	1HCY20	Var
Revenue	612.4	612.4	0.0	602.2	10.2
EBITDA-S	**124.4**	**119.3**	**5.1**	**113.4**	**11.0**
Fair value mvmt in bio. assets	(6.0)	1.1	(7.1)	1.3	(7.3)
EBITDA	**118.4**	**120.4**	**(2.0)**	**114.7**	**3.7**
Depreciation & amortisation	(50.3)	(49.2)	(1.1)	(48.4)	(1.9)
EBIT	**68.0**	**71.1**	**(3.1)**	**66.2**	**1.8**
Interest expense	(11.6)	(13.8)	2.2	(13.7)	(2.1)
Tax expense	(7.0)	(7.0)	-	(6.8)	(0.2)
NPAT (before material items)	**49.4**	**50.3**	**(0.9)**	**45.7**	**3.7**
Material/pro forma items, post tax	(2.1)	-	(2.1)	-	(2.1)
Non-controlling interest	(9.8)	(7.0)	(2.8)	(5.9)	(3.9)
NPAT attributable to shareholders	**37.5**	**43.4**	**(5.9)**	**39.8**	**(2.3)**
NPAT-S	**44.4**	**43.1**	**1.3**	**39.3**	**5.1**
Transacted Sales	823.5	808.0	15.5	797.8	25.7

Key Highlights

Revenue - Result in line with pcp, in constant currency up 1.7%

- International – sales up 25%, as result of improved pricing and yield in both regions.
- Produce – down 6.9% after negative impacts in Citrus (Colignan hail storm damage) and lower production in Tomato and Mushroom.

EBITDA-S - Increase of $5.1m, +4.3% versus pcp

- Strong International result from pricing partially offset by mixed result in Produce.
- On a constant currency basis, EBITDA-S improved $11.0m (+9.7%).
- Domestic berries improved over prior but Citrus, Tomato and Mushroom impacted by weather/production issues. Avocado below expectations given weak pricing following strong industry volumes.

NPAT-S - +$1.3m (3%), in constant currency +13%

- D&A up 2% vs pcp; interest costs down 16%: lower base rates and average debt.
- Effective tax rate (11%) continues to benefit from agricultural concessions in International.

Cash Flow

A$m	1HCY21	1HCY20	Var
EBITDA-S	**124.4**	**119.3**	**5.1**
Payment for Leases	(29.3)	(26.5)	**(2.8)**
EBITDA-S, less payment for leases	**95.1**	**92.8**	**2.3**
Less: share of JV profit	(4.5)	(3.9)	(0.6)
Dividends received from JV's	0.9	0.8	0.1
Movement in working capital / non-cash items	(23.5)	(31.4)	7.9
Operating capex	(18.5)	(11.5)	(7.0)
Free cash flow	**49.5**	**46.8**	2.7
Productivity & growth capex	(33.3)	(30.6)	(2.7)
Payments for business acquisitions	(45.8)	-	(45.8)
Other	0.3	0.2	0.1
Net cash flow before financing, tax, dividends & materials	**(29.3)**	**16.4**	(45.7)
Cash conversion ratio [(1)]	**52%**	**50%**	4pts

Key Highlights

Strong Operating cash flows supporting business growth

- Operating cash flow of $49.5m, 6% improvement over pcp.
- First half investment in working capital consistent with seasonal requirements of business. As with prior years, expect strong 2H inflow with additional upside from end of 2PH season.
- Productivity and Growth CAPEX of $33.3m consistent with prior year. Includes finalisation of GH4, commencement of Avocado trellis project and small bolt-on Citrus acquisitions.
- Expansion plans for International biased towards 2H non-harvest period, expecting Group CY21 ~ $90m.
- $45.8m Business acquisition payments represent KW Orchards $36.4m and $9.4m deposit for 2PH.

[1]Cash conversion ratio is Free Cash Flow/EBITDA-S, less payment for leases.

Balance Sheet

A$m	Jun-21	Dec-20	Variance
Cash & cash equivalents	97.0	32.5	64.5
Receivables	125.4	100.9	24.5
Inventories	25.2	27.0	(1.8)
Biological assets	53.1	58.3	(5.2)
Equity accounted investments	25.2	21.6	3.6
Intangibles	221.0	209.5	11.5
Property, plant & equipment	566.4	515.7	50.7
ROU Assets	294.4	302.8	(8.4)
Other assets	49.4	37.2	12.2
Total Assets	**1,457.1**	**1,305.5**	**151.6**
Payables	138.6	135.1	3.5
Borrowings	305.0	176.3	128.7
Provisions	31.5	30.9	0.6
Lease liabilities	309.5	318.1	(8.6)
Other liabilities	21.7	28.4	(6.7)
Total Liabilities	**806.3**	**688.8**	**117.5**
Net Assets	**650.8**	**616.7**	**34.1**

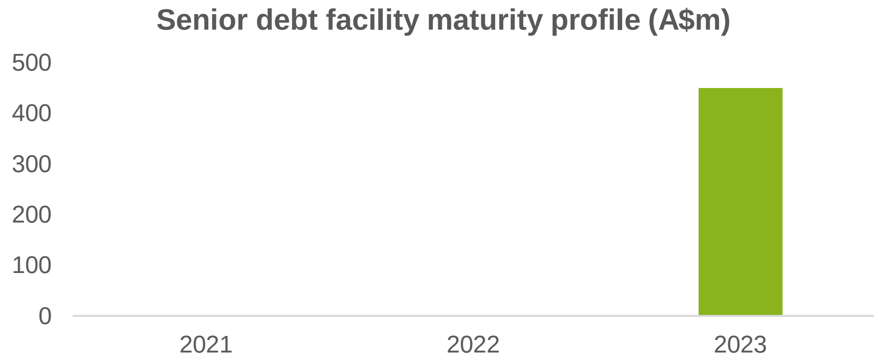
1. Net working capital is calculated as receivables + inventories - payables

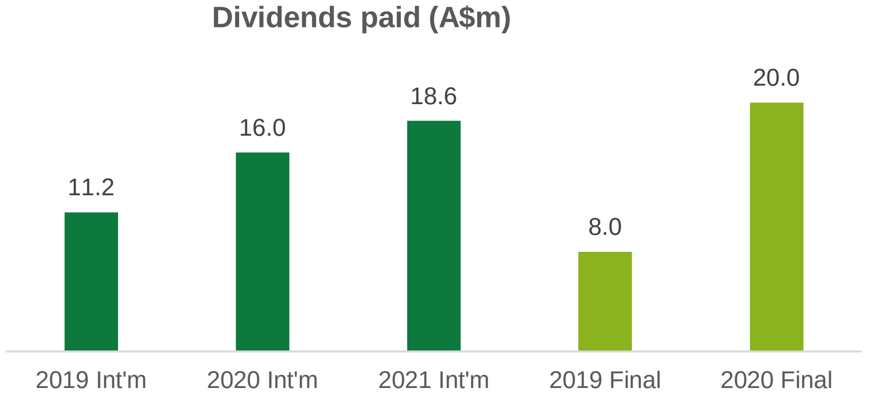
Key Highlights

- Increase in Cash on Hand consistent with timing of receipts from end of International season.
- Increased investment in Net working capital[1] of $12m (Dec20: -$7.2m) consistent with seasonal programs across the group. Expect 2H to reverse.
- Net Debt $208.0m (Dec20: $143.8m)
- Increase in debt levels due to working capital investment and on-balance sheet support for business acquisitions in period including KW Orchards citrus farm.

Capital and Debt Management

A$m	Jun-21	Dec-20	Variance
Net debt	208.0	143.9	64.1
Net debt / LTM EBITDA-SL	1.40x	0.99x	0.41x





Key Highlights

Strong balance sheet supports growth initiatives

- Total Leverage Ratio – 1.40x (Jun-20: 1.66x, Dec-20: 0.99x)
- Interest Cover Ratio – 8.9x (Jun-20: 5.8x, Dec-20: 7.7x)
- Funded on balance acquisitions including KW Orchards while maintaining comfortable metrics
- Successful capital raise to fund 2PH Farms acquisition

Debt facilities continue to have capacity and tenure

- Corporate syndicated facility (A$450m) extended during period to have tenure out to CY23
- Group unused capacity of $177m

Dividend

- 4.0 cents per share interim dividend represents 16% increase in total returns given recent capital raise

ESG & Organisational update

ESG Update – Modern Slavery Statement

- In June ‘21 Costa published its first Modern Slavery Statement.
- The statement outlines the extensive steps we have taken to understand, mitigate and address human rights and modern slavery risks within our operations and supply chain.
- Costa has committed to a program of continuous improvement to ensure our processes, policies and actions remain effective in preventing and remediating modern slavery and protecting human rights.
- Costa is continuously working to understand the effectiveness of our initiatives and we currently assess our effectiveness through the mechanisms of governance, risk management, monitoring and grievance mechanisms.
- An Ethical Sourcing program has also been in place since 2019 and includes the use of Sedex as a management tool to help the company understand the level and scope of social sustainability practices across our own sites and within our partner grower base.

https://costagroup.com.au/2021/06/25/modern-slavery-statement/

Governance	▪ Modern Slavery Working Group ▪ Policy reviews ▪ Board and Executive oversight
Risk Management	▪ Audit and Risk Committee ▪ Enterprise Risk Program ▪ Internal audits
Monitoring	▪ Supplier self-assessment questionnaire ▪ Supplier audits ▪ Site visits ▪ Accommodation audits ▪ Training participation
Grievance mechanisms	▪ Whistleblower hotline ▪ Complaints Procedure

Organisational Structure update – supporting future growth

Establishment of Vertical Farming and Trees & Vines categories

- As part of our ongoing focus on pursuing competitive advantage, we have combined our Mushroom and Tomato categories to form a new Vertical Farming category and also combined our Avocado and Citrus categories to form a new Trees and Vines category.
- These categories share many common production and post-harvest practices and there are natural synergies, particularly in relation to supply chain, sales and marketing, and production.
- Importantly, the newly created categories will ensure we leverage the talent and experience we have within our business to enhance our performance in yield, quality and cost.
- For the purposes of ongoing reporting we will continue to provide information based on the produce lines of mushroom, tomato, citrus and avocado.

New Executive appointments

- The Costa Executive team has recently been expanded to include the roles of Chief Marketing Officer (CMO) and Group Manager Risk and Internal Assurance.
- The CMO will focus on category brand development and will also lead our food safety and consumer insights team. The Group Manager Risk and Internal Assurance role is responsible for the enterprise risk management program and internal audit activities.

Growth Plan Update

Produce - Citrus Category

2PH acquisition – Central Queensland

Announced 23 June, completed 19 July 2021

- **Greater export supply to key Asian markets** - 2PH has an established brand presence in Asia which complements Costa's and enhances ability to also capitalise on market access drivers, including quality and proximity to Asia.

- **Increased citrus category revenue contribution** - total citrus group revenue contribution increases from approximately 30% to approximately 35% post transaction.

- **Exclusive rights to selected proprietary varieties** - access to proven 30-year proprietary breeding program. Proprietary mandarins include AC41114^{PBR} (Amorette^{TM}) and 66-75^{PBR} (Phoenix^{TM}). Also, grower of Murcott and Afourer mandarins.

- **Extended variety and early season timing** - 2PH season commences in mid-March, the earliest citrus season in Australia. Future opportunity to achieve 52-week supply into key Asian markets.

Notes:
PBR - Plant Breeder Rights.

Produce - Citrus Category

2PH acquisition – Central Queensland cont'd

- **Tree maturity** - **50%** of plantings under 5 years old, **63%** of plantings yet to reach maturity (8 years).

- **Consideration** – total final capital cost $220m[1]. Partially funded by successful capital raise of $190m completed end July. Initial cost was above that which was previously announced due to timing on working capital at settlement and to earlier completion than expected.

- **CY21** – sale agreement includes economic and cashflow benefit of CY21 season to Costa although majority of earnings accounted for as balance sheet rather than CY21 P&L. Proforma CY21 EBITDA-S contribution would have been $29m if 2PH asset had been owned for full year CY21.

- **Season update** – forecast volume is circa 30,000 tonnes. Season largely performing as expected. Main Murcott season progressing as planned, export pricing in line with expectations and no disruptions in access to the Chinese market to date.

- **US market access** – As of August '21, the United States has given market access to the export of citrus grown in Central Queensland, further opening up potential markets for our 2PH volumes.

Notes:
1.Excludes transaction costs

Produce - Citrus Category

KW Orchard acquisition – Sunraysia (Vic/NSW)

- **Expanded Sunraysia footprint** - circa 600 hectares of land, with current citrus plantings of 312 hectares, 45 hectares of wine grapes. At maturity it is forecast annual citrus production will be +30,000 tonnes per annum.
- **Attractive varietal mix** - suited to the export market and will play an important role in our capacity to take further advantage of strong citrus export demand. Tree maturity profile has a majority of plantings less than 4 years old, and circa one quarter of plantings 10+ years.
- **Water assets** - permanent water licences, and a 100ML dam.
- **Packing infrastructure** - EJT packing facility is a medium scale citrus packing operation located 30 minutes from the KW farm and provides a suitable interim packing solution.

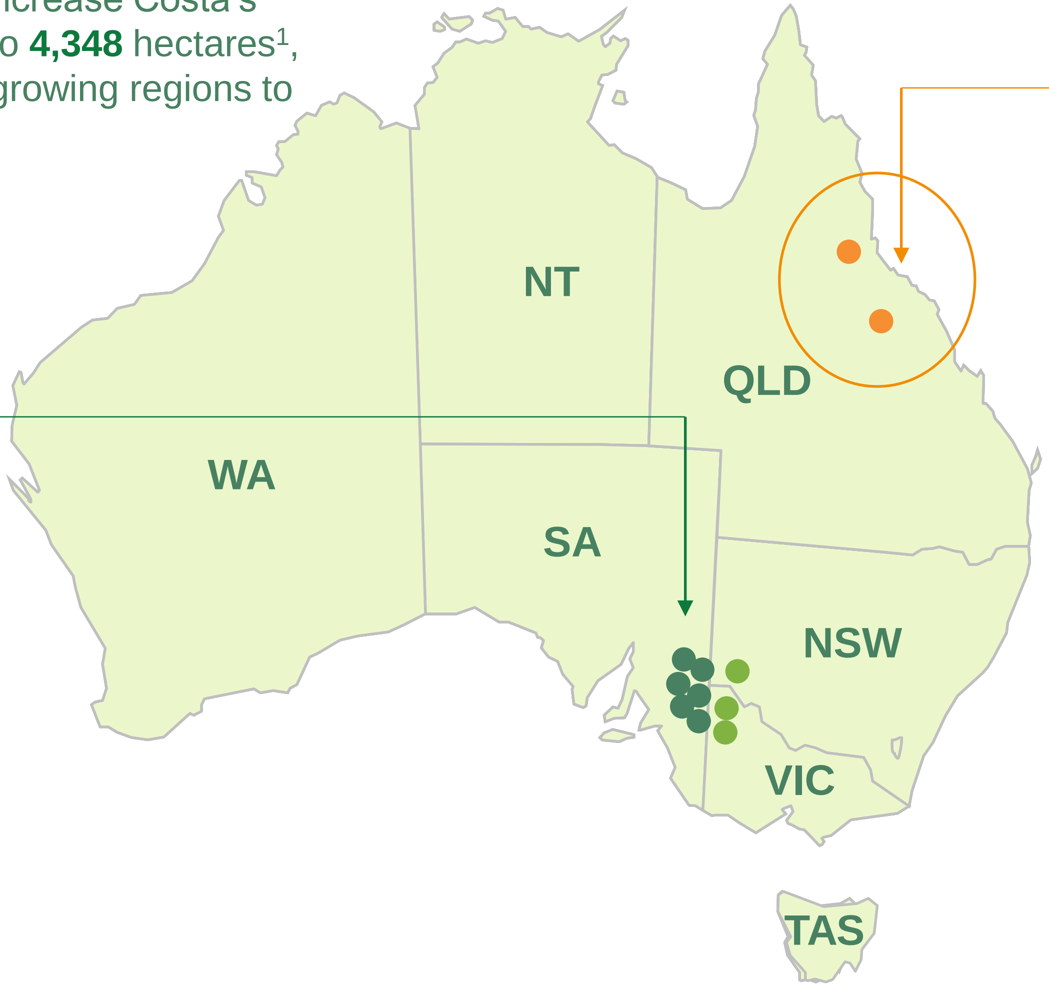
Cufari acquisition– Sunraysia (Vic)

- **Location and plantings** - Colignan (Sunraysia) 45 hectares of planted citrus across two main blocks. Producing circa 1,500 tonnes per annum.
- **Varieties** - including majority plantings of young red flesh navels.
- **Tree maturity** - Circa 90% of trees aged between 1 to 5 years. Also 5 hectares of mature avocado plantings. Well established orchard, including river access and irrigation.

Together with KW Orchard this brings Costa's total planted citrus hectares in the Sunraysia region to more than 745 hectares.

Produce – Citrus Category

- 2PH, KW and Cufari acquisitions increase Costa's total citrus plantings by over 60% to **4,348** hectares[1], farming locations to 11 and major growing regions to three.



Riverland (Costa)	
Farming locations	6
Planted hectares	2,129
Packing facilities	2
Packing capacity per week	5,400 tonnes

Emerald (2PH)	
Farming locations	2
Planted hectares	1,474[1]
Packing facilities	2
Packing capacity per week	3,120 tonnes

Sunraysia (Costa)	
Farming locations	3
Planted hectares	745
Packing facilities	1
Packing capacity per week	800 tonnes

Notes:
1 Excludes 2PH Conaghans property – 210 hectares to be planted in 2023

Produce - Tomato Category

- 10 hectare glasshouse 4 (GH4) and 2.5 hectare nursery project at Guyra, NSW proceeding to schedule.
- As previously advised additional $7.5m expenditure on increasing water capacity and $2.5m restarting costs for recommencement of construction after pausing due to water security concerns in late 2019.
- Full commissioning of the glasshouse and nursery will be completed on schedule by end August ’21.
- Nursery build completed as at end of July.
- Planting has commenced across 5 hectares, first initial production prior to start of CY22 with volumes ramping up in 1HCY22.
- Forecast yield for GH4 once fully operational in CY22 is circa 3,500 tonnes.
- Quadgeneration gas power system now installed. Used to generate own power, heat and Co2 for the glasshouses.

Commencement of planting of glasshouse, Guyra, NSW

Produce – Avocado Category

- As announced at CY20 full year, Board approval received for commercialisation program to plant 40 hectares of protected, trellised high density substrate avocado trees, across a number of regions aligned to existing avocado plantings.
- Benefits include production costs significantly less than standard orchard plantings, faster tree maturity, higher yield, better fruit quality and greater efficiency of water use versus conventional plantings.
- Export opportunities continue to be developed to expand offering beyond domestic markets.
- First harvested crop expected from CY23/24.
- Forecast harvest from 40 hectares at full maturity is circa 300,000 trays compared to 115,000 trays from a conventional in soil, unprotected crop.

Planting locations	Planting schedule
Riverland (SA) 13 hectares	late September '21
Far North Queensland 13 hectares	mid November '21
Central Queensland 14 hectares	late Nov/early Dec '21

International - Morocco

- Further 14 hectares to be planted at Agadir (southern farms) in November ‘21 taking total plantings in this region to circa 102 hectares.
- Progressive replanting program[1] of northern farms scheduled to commence 2HCY21 with planting of Costa VIP purpose bred, superior genetics blueberry varieties.
- Reduced yield impact in CY22 due to replantings will be circa -430 tonnes.
- Focus on harvest and post harvest management practices has seen improved quality outcomes over CY21 season.
- Implementation of Harvest Management System to support more effective data management and analytics, including forecasting yield by variety and block across Moroccan farms.

Notes
1. Refer Appendix - Morocco and China planting schedules

International - China

Baoshan CY21 development (50 hectares)

- Planting of 50 hectares (premium variety blueberries) completed.
- Protective tunnel and plastic installation complete.
- Dam is operational, with main drainage and road system works also completed.
- Packing facility and training room construction nearing completion.
- On schedule to deliver first crop in CY22.

Baoshan CY22 development (100 hectares)

- Ground works and fencing complete.
- Commenced work on installation of protective tunnels.
- Irrigation and substrate materials ordered and plant supply confirmed for CY22 planting.

Baoshan development, Yunnan Province, China

Outlook

Outlook – CY21

- Full year forecast is confirmed in line with 2PH capital raise disclosure. CY21 EBITDA-S and NPAT-S to be marginally ahead of CY20, excluding any contribution from 2PH.

- Significant domestic activity still to occur over the second half, with positive momentum driving the remainder of the citrus season and the main berry season expected to deliver healthy growth versus pcp.

- Citrus yields and quality are in line with expectations across our growing regions. Demand from North Asia export markets (Japan, China and Korea) is strong going into the second half. Some COVID-19 supply chain issues are contributing to likely challenging demand situation for remainder of season into South East Asian markets.

    - There has been positive berry pricing due to fluctuating blueberry industry volumes as a result of poor weather causing delays to Corindi (NSW) crop timing, including Arana. However, the overall berry crop is expected to meet expectations.

    - Expect continuing favourable mushroom demand and pricing presenting a positive opportunity once volume consistency improves. Short term labour supply challenges have been addressed at the Monarto mushroom facility

    - New glasshouse planting continuing to proceed as scheduled with no expected delay. Light issues that have affected growing conditions will improve over the second half as we move into the spring/summer months with improving volumes.

    - As previously flagged the high Western Australian avocado season volumes will contribute to continued depressed pricing over second half.

Appendix – Planted and production hectares as at end June 2021

Trees and Vines

Avocado/Banana
1,038 hectares

	Hectares
Avocado*	761
Bananas	277

* Includes 113 hectares of Riverland/Sunraysia plantings

Citrus[2]
5,190 hectares

	Hectares
Citrus	4,348
Table grapes	582
Wine grapes	260

Berry Domestic and International

Berry (Aust)
730 hectares

Berry type	Hectares	Soil	Substrate
Blueberry	468	256	212
Raspberry	173	72	101
Blackberry	64	8	56
Strawberry	25	0	25

Morocco
347 hectares

	Hectares
Blueberries	347

China
296 hectares

	Hectares
Blueberries	265
Raspberries	22
Blackberries	9

Vertical Farming

Mushrooms[1]
108 hectares

	Hectares
Casuarina (WA)	14
Mernda (VIC)	54
Monarto (SA)	40

Tomato
30 hectares

	Hectares
Glasshouse	30

Notes:
1: Stated as production hectares only
2. Includes 2PH, KW and Cufari acquisitions.

Production volumes by category – 1HCY21 versus pcp

Trees and Vines

Avocado

Location	Production (trays) 1HCY21	Production (trays) 1HCY20	Var
Total (FNQ & CQLD)	704,126	611,204	+15.2%
Marketed third party	1,573,191	1,411,533	+11.4%

Citrus

Type	Productio[1] (tonnes) 1HCY21	Production (tonnes) 1HCY20	Var
Navels	17,558	14,308	+22.7%
Mandarins	9,163	8,881	+3.2%

Table Grape

Location	Production[2] (tonnes) 1HCY21	Production[2] (tonnes) 1HCY20	Var
Total	17,319	23,594	-26.6%

Notes:
1. Production 'on year'
2. Own farm and third party production

Production volumes by category – 1HCY21 versus pcp

Vertical Farming

Mushroom

Location	Production (tonnes) 1HCY21	Production (tonnes) 1HCY20	Var
Casuarina, Mernda & Monarto sites	13,480	13,513	-0.22%

Tomato

Location	Production[1] (tonnes) 1HCY21	Production[1] (tonnes) 1HCY20	Var
Glasshouses 1, 2 & 3 and third party	8,624	8,976	-3.9%

Notes:
1. Own farm and third party production
2. Own farm production

Production volumes by category – 1HCY21 versus pcp

Berry Domestic and International

Domestic

Variety	Production (tonnes) 1HCY21	Production (tonnes) 1HCY20	Var
Blueberries	1,445	1,167	+23.9%
Raspberries	1,361	1,337	+1.8%
Blackberries	840	721	+16.5%
Strawberries	1,394	1,483	-6.0%
Total	5,040	4,708	+7.1%

International – Morocco/Africa

Location[1]	Production (tonnes) 1HCY21	Production (tonnes) 1HCY20	Var
Northern and Southern Morocco	6,892	5,584	+23.5%
Third party growers (Morocco and Southern Africa)	2,170	2,021	+7.4%
Total	9,061	7,605	+19.2%

International - China

Variety	Production (tonnes) 1HCY21	Production (tonnes) 1HCY20	Var
Blueberries	3,961	2,849	+39.0%
Raspberries	209	283	-26.1%
Blackberries	77	22	+250%
Total	4,247	3,154	+34.6%

Notes:
1. All blueberries

Appendix - Morocco and China planting schedules

Morocco

	CY20ha	CY21ha	CY22ha	CY23ha
Planted Production Area (during harvest)	312	347	332	363
New Land	23	14	35	25
Redevelopment/ Removed (after harvest)	0	-29	-58	-86
Land redevelopment added	12	0	54	33
Forecast planted	**347**	**332**	**363**	**335**

China

	CY20ha	CY21ha	CY22ha	CY23ha
Planted Production Area (during harvest)	176	245	298	398
New Land	69	53	100	100
Redevelopment/Removed (after harvest)	-16	0	-20	-43
Land Redevelopment Added	16	0	20	43
Forecast Planted	**245**	**298**	**398**	**498**

Appendix - ESG update

- Costa will continue to develop our sustainability reporting and strive to be a leader in establishing benchmarks for the global agricultural industry.
- In our 2020 Sustainability Report we further progressed our adoption of the Taskforce on Climate - related Financial Disclosure (TCFD) and committed to a number of United Nations Development Goals that we believe are reflective of and complement our own Sustainable Commercial Farming principles.
- Our aim in CY22 is to establish quantitative targets and further develop our reporting of key metrics as they relate to energy consumption, water use and waste.

Key data

GREENHOUSE GAS EMISSIONS	RENEWABLE ENERGY PRODUCED	WATER USE
FY19/20 – 133,557 co2e	FY19/20 – 7,064 GJ	CY20 – 35,986 ML
6.3% reduction on FY18/19 (142,375 co2e)	The first time Costa has produced renewable energy from its solar farm at the Monarto mushroom facility.	15% reduction on CY19 use (42,268ML)

All content from the Costa Group 2020 Sustainability Report.
Greenhouse Gas Emissions reported for scope 1 and 2 only

Appendix - ESG update

CURRENT HIGHLIGHTS

COMPOSTABLE PACKAGING

Our banana team has developed a completely new style of packaging that is fully recyclable and compostable.

Switching to this new product will save an estimated 800,000 plastic bags per year.

AVOIDING FOOD WASTE TO LANDFILL

Costa donated 294 tonnes of produce to Foodbank, Australia's largest food relief organisation.
By avoiding disposal to landfill, the estimated avoided lifetime carbon emmissions in 2020 were equivalent to 617.4 tonnes of CO2-e.

CROP UTILISATION

110 tonnes of Costa and partner grown avocados, not suitable for retail and wholesale customers, was supplied to Austchilli for their AvoFresh range, resulting in an estimated avoided lifetime carbon emissions equivalent to 231 tonnes of CO2-e.

RECYCLING

572 tonnes of cardboard collected for recycling from Tomoto glasshouses.

450 tonnes of mushroom growing trays recycled into bark and garden mulch.

Reduction in use of 300,000 plastic cups.

SUGARCANE PULP PACKAGING

In 2020 our Tomato category launched a sweet berry truss tomato pack made from sugarcane pulp.
Sugar cane pulp packaging is made from the pulp of the sugarcane plant, and is extremely durable, lightweight and biodegrades in 30-90 days once exposed to composting conditions.
The packaging is carbon neutral and contains 90 per cent less plastic than a traditional APET clamshell punnet.

All content from the Costa Group 2020 Sustainability Report. Unless otherwise stated all data is from CY20.

Appendix - Costa 52 week key production periods by category

Production Periods	Avocado	Banana	China (Berries)	Citrus (incl grapes)	Mushroom	Tomato	Morocco African Blue	Blueberry (Berries Aust)	Raspberry (Berries Aust)	Blackberry (Berries Aust)	Strawberry (Berries Aust)
January	●	●	●	●	●	●	●	●	●	●	●
February	●	●	●	●	●	●	●	●	●	●	●
March	●	●	●	●	●	●	●	●	●	●	●
April	●	●	●	●	●	●	●	●	●	●	●
May	●	●	●	●	●	●	●	●	●	●	
June	●	●		●	●	●	○	●	●	●	
July	●	●		●	●	●	○	●	●		
August	●	●		●	●	●	○	●	●		
September	●	●		●	●	●	○	●	●	●	
October	●	●		●	●	●	○	●	●	●	
November		●	●	●	●	●	●	●	●	●	●
December		●	●	●	●	●	●	●	●	●	●

○ Denotes South Africa and Zimbabwe partner growers blueberry production – June - November

Appendix – Explanation of certain non-IFRS operating measures

Term	Definition
Transacted Sales	Transacted Sales is used by management as a key measure to assess Costa's sales and marketing performance and market share. Transacted Sales represent the aggregate volume of sales in which Costa is involved in various capacities (including sales of third party-grown produce marketed by Costa under agency arrangements), as well as royalty income. Transacted Sales are not considered by Costa to be a revenue measure. There are material differences between the calculation of Transacted Sales and the way in which revenue is determined under AAS. Transacted Sales comprise: • statutory revenue. • gross invoiced value of agency sales of third-party produce. • 100% of Driscoll's Australia Partnership sales after eliminating Costa produce sales to the Driscoll's Australia Partnership. Prior to the formation of Driscoll's Australia in 2010, all of Costa's domestic sales and marketing activities for the berry category were managed by Costa.
Material Items	Transaction costs incurred on the acquisition of KW Orchards, 2PH Farms and Select Fresh.
EBITDA before SGARA (EBITDA-S)	Earnings before Interest, Tax, Depreciation & Amortisation, the fair value movements in biological assets (SGARA) and Material Items.
Net Profit after Tax before SGARA (NPAT-S)	Net profit after tax attributable to shareholders but excluding the after-tax impact of the fair value movements in biological assets (SGARA) and Material Items.

costa
well grown

Costa Group Holdings Limited