

**Costa Group Holdings Ltd
(ASX:CGC)**

**‘Capitalising on scale to
drive a premium citrus
export offering and build
further category growth.’**

**Macquarie Australia
Conference, Sydney**

03 May 2022



Renmark, Riverland packing facility

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Costa citrus growth story to date.



Progressively built out our plantings across existing farms in Riverland (SA) and Sunraysia (VIC) to optimise tree maturity profile.¹

Embarked upon both greenfield growth and the acquisition of quality citrus assets - Colignan and Nangiloc farms (2018) & 2PH and KW Orchards (2021).

Expanded our key growing regions to three - Riverland (SA), Sunraysia (VIC & NSW) and Emerald (Central QLD). Planted hectares as at May 2022 – 4,592.²

Increased our premium variety offering, including the addition of Amorette™ and Phoenix™ mandarins.

Further developed our export market reach to capitalise on increasing global demand for premium fresh produce, circa 70%+ of production is exported p.a.

Extended our production window, with CY22 being first year where season now runs from early March through to end November.³



1. Refer Appendix Three – Citrus planting age profile

2. Includes 2PH Conaghans property – option to acquire 210 hectares in 2023

3. Refer to Appendix Two for season timing

Costa is well positioned to capitalise on growing global demand for fresh, premium quality produce.



- Costa has exclusive perpetual and royalty free rights to commercialise AC41114^{PBR} (AmoretteTM) and 66-75^{PBR} (PhoenixTM) mandarin varieties in **Australia, China, India and Africa.**
- First right to **commercialise future varieties** developed by the 2PH breeding program and evaluated by Costa, on arms-length commercial terms in Australia, China, India and Africa.
- Costa will have the opportunity to commercialise selected 2PH varieties by planting, or licensing the planting of, new orchards in certain parts of the northern hemisphere.
- Opportunity to extend Costa's current supply season through to the months of **November – March** (currently March to Nov) and to supply citrus to key export markets 52 weeks, either through direct growing and/or licensing.¹

1. Refer Appendix Two for season timing

Premium product branding plays a key role in growing export market presence and driving demand.



- Increasing demand for premium quality fresh produce in Asian market creating opportunity to also grow exports through premium product branding.
- Costa citrus is primarily sold under the Vitor and 2PH brands, which have a strong brand recognition synonymous with premium quality, sweetness and 'clean and green' provenance.
- Focus is on developing and accessing new proprietary varieties, including sensory attributes, such as more colour, fewer or no seeds and sweeter taste.
- Costa has spent over 15 years developing a number of key citrus export markets and building our brand. Circa one third of Costa citrus exports are currently sold into the major Japanese market, with other significant markets for our citrus including US, Korea, Thailand and Malaysia.
- Costa citrus exports to China more than doubled to circa 10% of volume as a result of 2PH acquisition. This provides a significant opportunity to further build on growth in this market through a premium brand offering, with China continuing to be the largest market for Australian citrus exports.



Costa's Sustainable Commercial Farming value proposition underpins our environmental and financial performance.



- **Water usage and security** - Utilise precise drip irrigation technology which targets citrus tree root systems and ensures high efficiency of water use. Permanent licence allocation contributes to security of access.
- **Climate change** - Protective netting used in parts of Riverland and Sunraysia citrus crops – circa 50+ hectares netted to date. Benefits include reduced water usage and incidence of fruit damage contributing to increased average quality and pricing.
- **Renewable energy** - Solar energy powers soil monitoring equipment in the Riverland. Will explore potential for use of solar in new Sunraysia packing facility and where practical investigate floating panels on dams to power irrigation infrastructure.
- **Biodiversity** - Reducing pest pressures by using chemical free methods compatible with integrated pest management.
- **Nutritional inputs** - Using spent mushroom compost to grow newly planted citrus trees at Impi, Sunraysia farm.

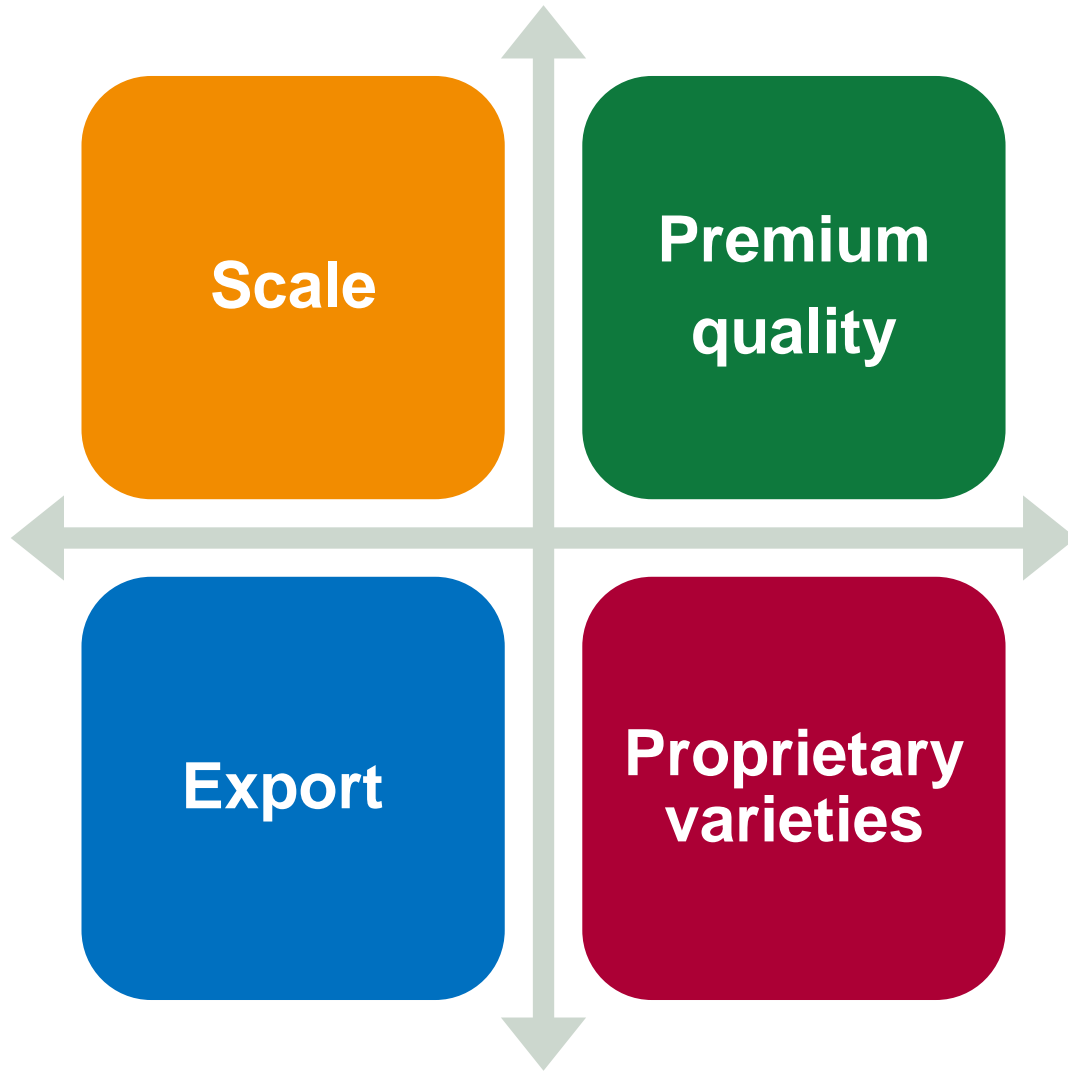
Focus on driving higher levels of agronomic performance to optimise yield, quality and consumer demand.



- Use of AI to inform and better align harvest and product attributes (taste, appearance) with consumer preferences and demand.
- Continue to develop and refine the use of climatic observations and farm data for more accurate crop/yield predictions through the use of IT in the field.
- Utilise irrigation techniques, including deficit irrigation to increase the sweetness of the fruit while not affecting yield or fruit size. Making it more attractive to consumers and creating opportunity for more favourable pricing in many Asian markets.
- Explore further automation of labour intensive activities to reduce production costs – weed control, spraying, fruit grading/sorting and packing.
- Improve post harvest quality controls - traceability and integrity verification which is demanded by the consumer, less product expiration and reduced waste to maximise pricing returns.



Key factors to drive future citrus category growth and ROIC

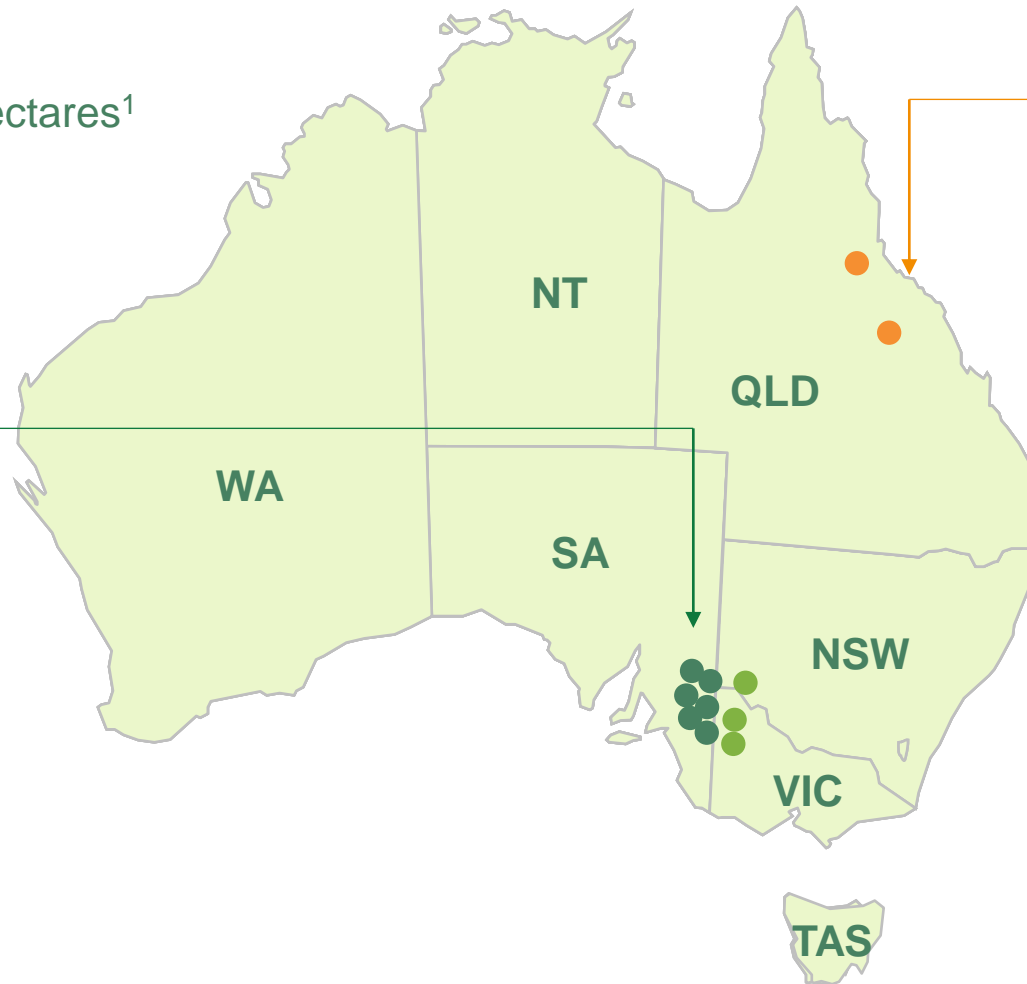


- **Leverage scale to further extend season** as #1 grower, packer and marketer of citrus in Australia, growing across multiple regions.
- **Build out a premium quality offering** to our customers across a 52-week supply period.
- **Proximity to Asia** enables further export market growth and capitalising on this competitive advantage versus other southern hemisphere countries.
- **Commercialisation of proprietary varieties** through exclusive access to proven 30-year proprietary breeding program, and opportunity to expand supply reach through either direct growing or licensing.

Appendix One - Costa citrus growing regions



Total citrus plantings of **4,592 hectares**¹



Riverland (Costa)

Farming locations	6
Planted hectares	2,187
Packing facilities	2
Packing capacity per week	5,400 tonnes

Emerald (2PH)

Farming locations	2
Planted hectares	1,683 ¹
Packing facilities	2
Packing capacity per week	3,120 tonnes

Sunraysia (Costa)

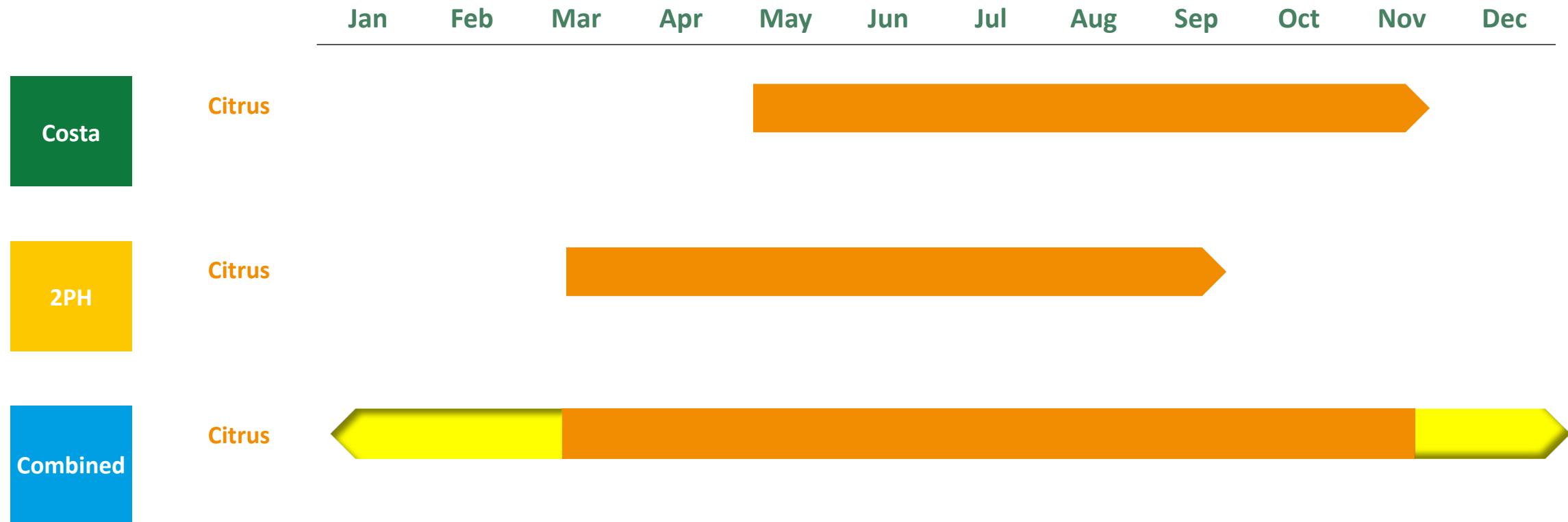
Farming locations	3
Planted hectares	722
Packing facilities	1
Packing capacity per week	800 tonnes

1. Includes 2PH Conaghans property – option to acquire 210 hectares in 2023



Appendix Two - Season timing

- For the first time in CY22, combined citrus season timing of 52 week supply reflects possible future opportunities to either grow or license varieties for growing in the northern hemisphere, and supply key Asian export markets from November through March.



Denotes prospective supply opportunity only.





Appendix Three - Citrus planting age profile

Age Profile (years)	Planted Hectares				% of Total			
	Renmark	Sunraysia	2PH	Total	Renmark	Sunraysia	2PH	Total
0-2	56	127	650	833	3%	18%	39%	18%
3-5	213	227	407	846	10%	31%	24%	18%
6-8	135	70	188	394	6%	10%	11%	9%
>8	1,783	298	438	2,520	82%	41%	26%	55%
Total	2,187	722	1,683	4,592	100%	100%	100%	100%



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