1HCY22 Results Presentation

Costa Group Holdings Ltd (ASX:CGC)

26 August 2022

well grown

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- **Financial data:** All dollar values are in Australian dollars ($ or A$) unless stated otherwise.

- **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.

1HCY22 Key Highlights

- **Strong operating performance, +12.6% EBITDA-S growth, +10.8% underlying[1] NPAT-S vs pcp, and statutory NPAT $37.9m.**
- **Result highlights quality of asset base, benefits of diversified portfolio and market leading position in high demand categories.**
- **Strong execution on strategic growth capital projects – delivering improved return on capital employed:**
  - **Excellent Monarto mushroom execution drove strong yield consistency and quality. New Glasshouse 4 and nursery capex delivered additional tomato volume and quality to plan.**
- **Outstanding China performance drove solid profit growth for international segment. Morocco performance pleasing considering disruption to European markets, and replanting program.**

1. NPAT-S but excluding the 1HCY22 incremental impacts vs 1HCY21 of renegotiated Vitalharvest leases and 2PH acquisition.

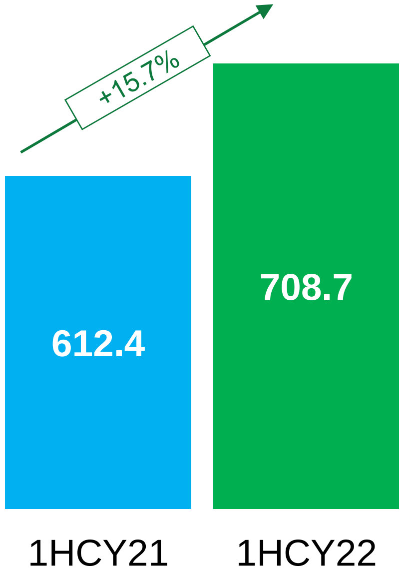
1HCY22 Key Highlights

- +37% Emerging Regions (Genetics Licensing) revenue increase driven by strong growth traction of our global leading blueberry Variety Improvement Program (VIP).
- Positive contribution from successful execution of FNQ premium 'Delight' blueberry strategy.
- Lack of access to key avocado export markets, including Japan is affecting all industry participants, resulting in difficult avocado trading conditions, despite continued focus on cost containment. Industry challenges have led to a decision to take a non-cash goodwill impairment on avocados of $2.2m.
- Costa continues to successfully manage labour availability and COVID related issues in both domestic and international operations.

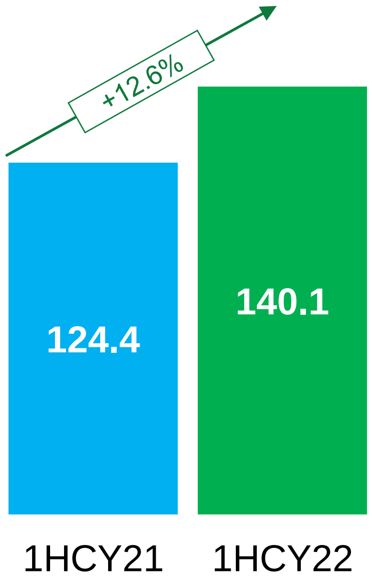
1HCY22 Financial Headlines

Transacted Sales ($m)

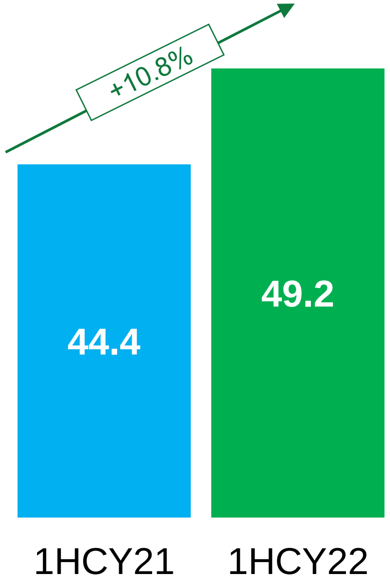
Total Revenue ($m)



EBITDA-S ($m)

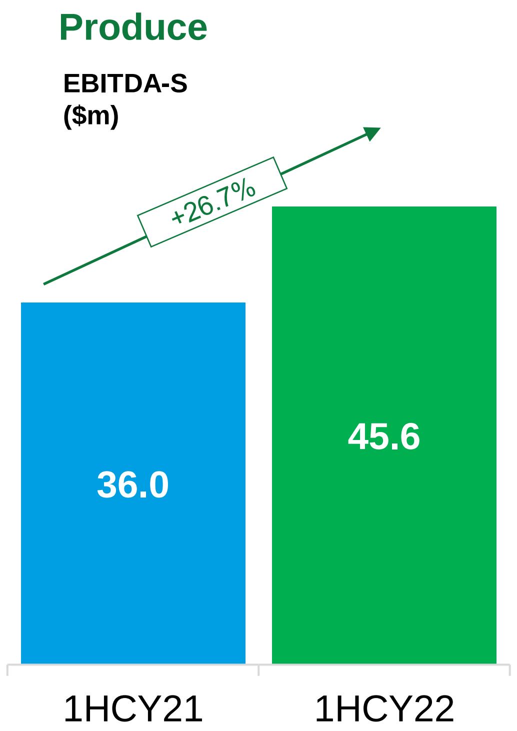


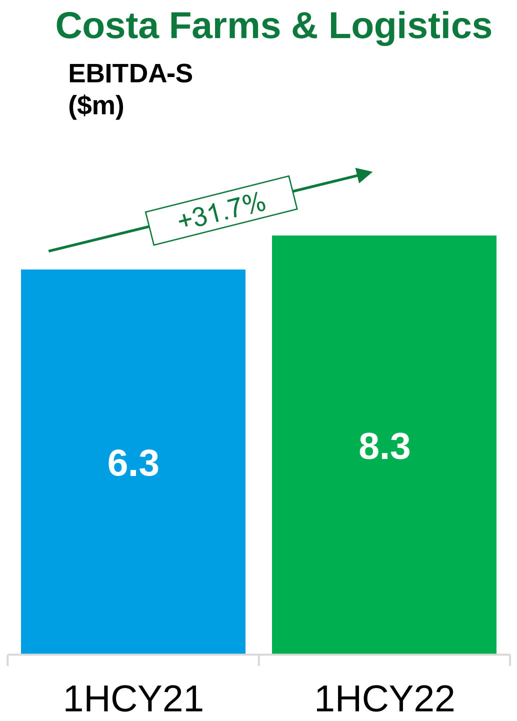
Underlying NPAT-S[1] ($m)



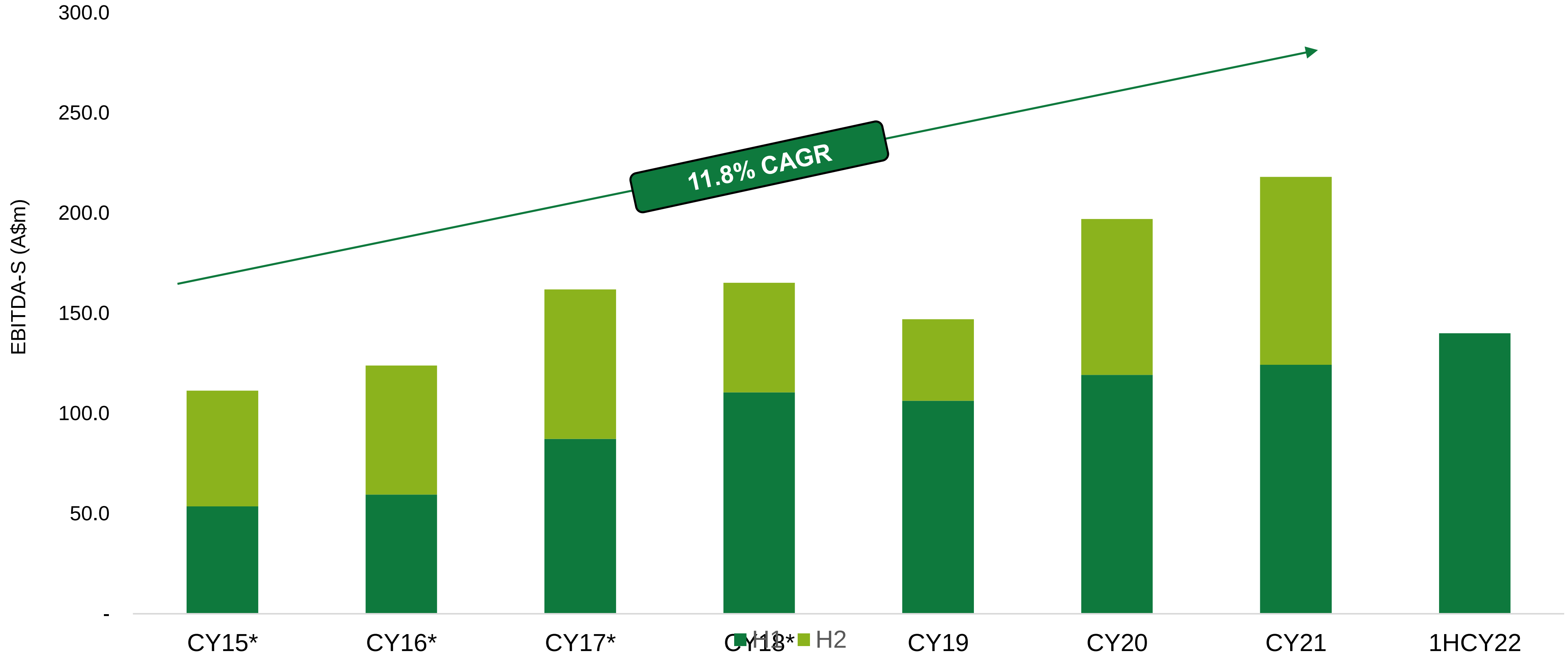
1. NPAT-S but excluding the 1HCY22 incremental impacts vs 1HCY21 of renegotiated Vitalharvest leases and 2PH acquisition.

Segment earnings performance





Costa has a proven track record of earnings growth through the cycle



*Uses a pro-forma lease expense adjustment for financial years prior to Costa's implementation of IFRS16 in 2019.

Vision

'To be the leader in sustainable commercial farming of premium quality fresh produce'

C APABILITY

Investing in technology, leadership & capability development to deliver our vision.

O BJECTIVE

Driving long term ROCE and maintaining a strong balance sheet.

S USTAINABLE COMMERCIAL FARMING

Executing our optimized yield program on our proprietary technology platform.

T ECHNICAL SUPERIORITY

Leveraging our superior agronomic expertise and genetics to deliver competitive advantage.

A MBITION

Expanding our leading go-to market models to win in international markets.

Costa is Australia's leading innovative horticultural company

Leading market position in attractive produce categories, supported by proprietary IP, leading growing techniques and best in class technology.

Proven track record of 'through the cycle' earnings growth.

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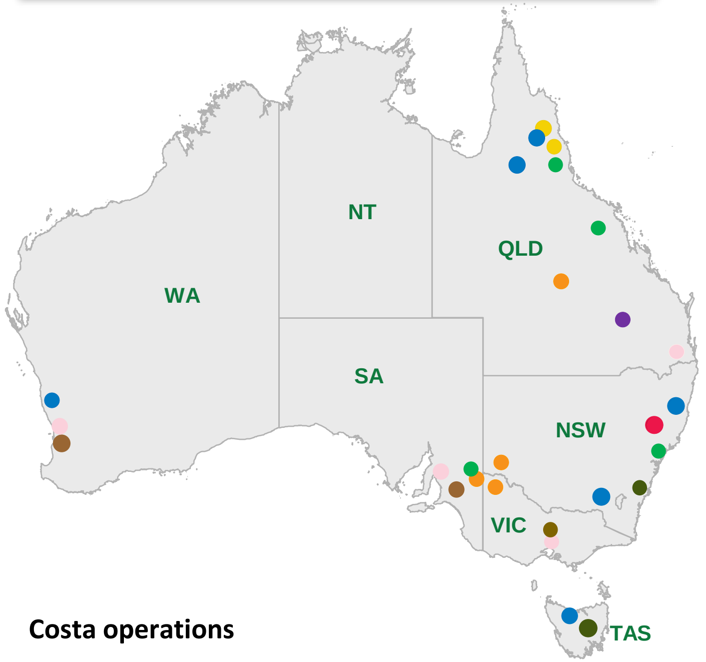
Largest and premier asset base across highly valued consumer categories, operational footprint providing further production capacity.

Executing on multiple growth projects across both domestic and international markets.

Highly attractive and differentiated business model characterized by category and geographic diversity, 52 week supply and protected cropping.

Costa's operations include 7,200+ planted hectares of domestic farmland, 40 hectares of glasshouses, 108 growing hectares across three mushroom facilities, and two international berry growing locations. Delivering 52 week supply to modern retailers

Australia-wide coverage

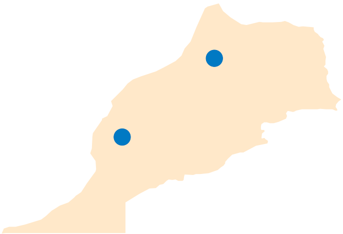


Costa operations

- Bananas
- Table grapes
- Costa Farms
- Logistics
- Mushrooms
- Berries
- Citrus
- Tomatoes
- Avocados

Growing international footprint

African Blue - Morocco



China

Production footprint

Australia

727 hectares
Blueberries - 480 hectares
Raspberries - 166 hectares
Blackberries – 56 hectares
Strawberries – 25 hectares

Mushrooms – 108 hectares

Tomatoes – 40 hectares

5,477 hectares
Citrus - 4,650 hectares
Table Grapes - 566 hectares
Wine Grapes – 261 hectares

Avocados – 773 hectares

Bananas – 277 hectares

International

Morocco: 349hectares

China: 398 hectares –
367 blueberries,
22 raspberries, 9 blackberries

Costa's strategic expansion programs since 2015 IPO

Expanded since IPO to realise economies of scale, expanded and improved protected cropping, and access to premium, high growth international markets

Category

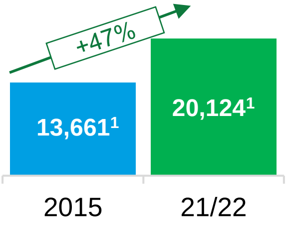
Tomatoes	Berries	Mushrooms	Avocado	Citrus	International
					

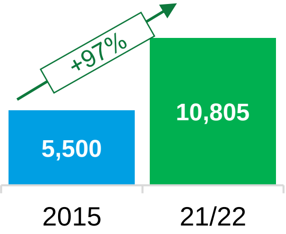
Costa investment

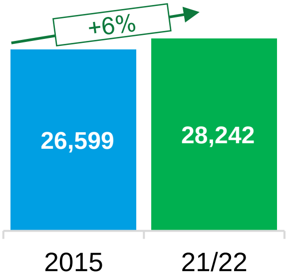
Tomatoes	Berries	Mushrooms	Avocado	Citrus	International
○ Expanded production by 20 hectares to 40. ○ Glasshouse production delivers superior yield and cost efficiency vs field crops, utilising exclusive varieties.	○ Increased protected cropping and substate growing footprint. ○ Year round supply of blueberry, raspberry and blackberry.	○ Doubled production capacity at Monarto facility to 240T p/w. ○ Rationalized growing network to achieve lowest cost of production at Monarto.	○ Established avocado as a vertically integrated core category. ○ Trial and commercialisation of substrate protected cropping.	○ Acquired quality citrus assets across Sunraysia (Vic) and Central QLD. ○ Increased quality, length of season and export market access.	○ Expanded international footprint - operations in China, southern Morocco & third party African grower network. ○ Premium offering into growth markets.

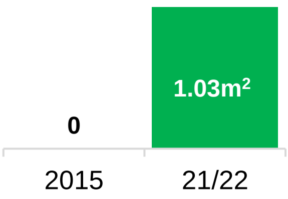
Production volumes (tonnes) 2015 vs 21/22*

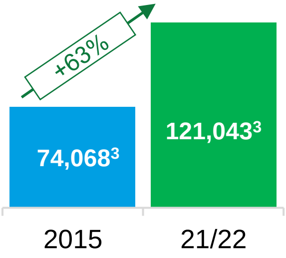
***Last 12 months to end June 2022**

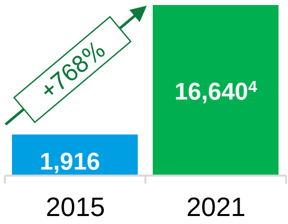






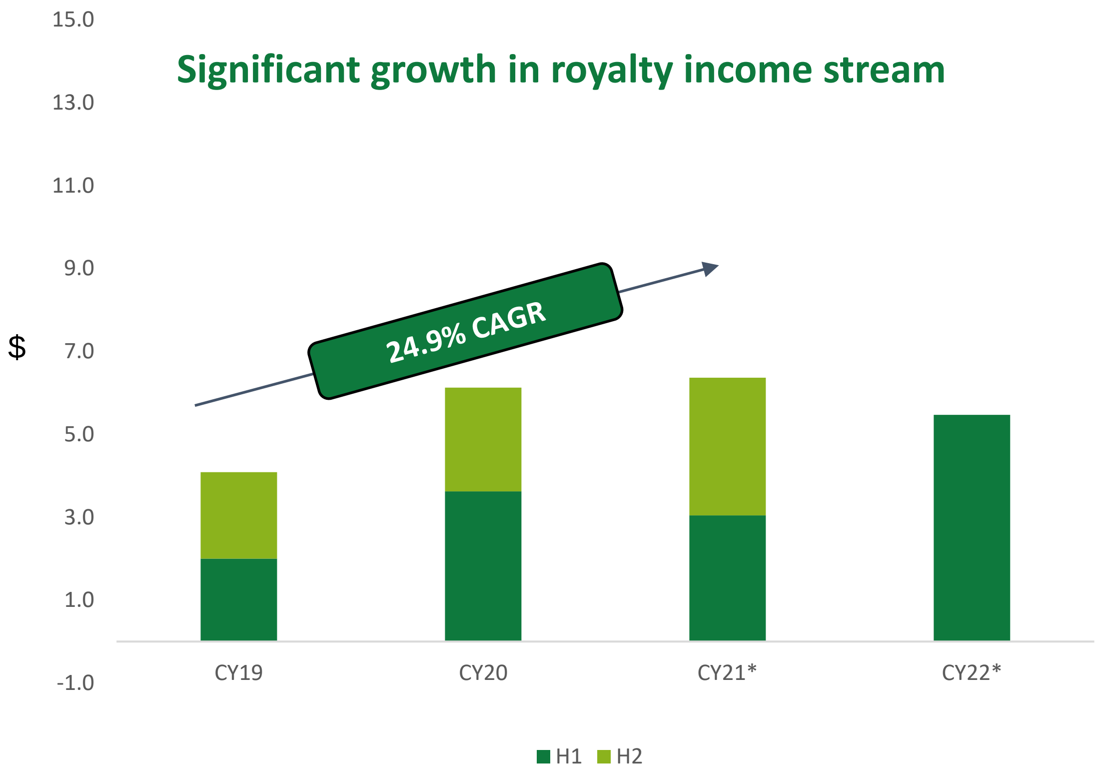






1. Includes third party
2. Reported as trays – own production
3. Navel and Mandarin only
4. Includes third party

Evolution of emerging regions



*CY21 and CY22 include African Royalty income included within the African Blue segment

Highlights

- Royalty income stream is high return on capital with income directly improving NPAT-S.
- Internationally recognized Variety Improvement Program (VIP) with blueberry licensing in the Americas, Morocco, China and South Africa.
- VIP aims to breed and develop new varieties of blueberries of global commercial value each year.
- Leverages Costa's extensive network to select, evaluate and develop new varieties suitable for a range of growing conditions globally.
- Breeding program has contributed to success of Costa's domestic and international operations – identifying ideal varieties for those markets.
- New breeding program is underway and in early stages of development in Tasmania; a range of advanced selections also under evaluation.

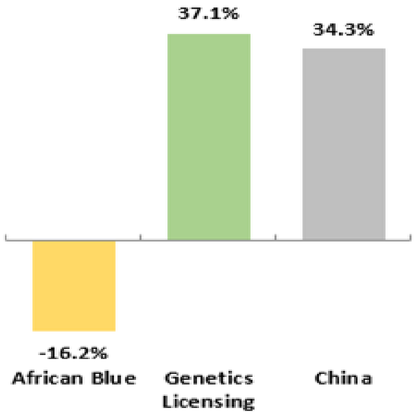
Segment performance

International Segment

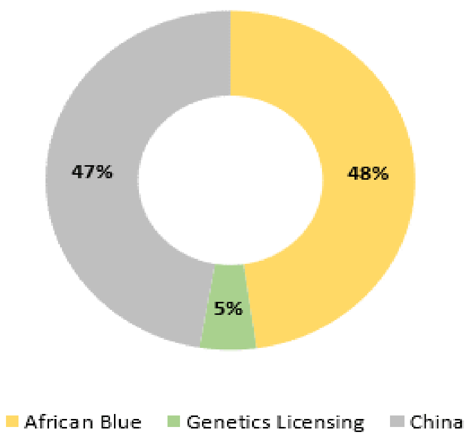
Outstanding China performance drove solid profit growth

A$m	1HCY22	1HCY21	Variance (%)
Revenue	156.1	149.4	4.5%
EBITDA-S	86.2	82.1	5.0%
EBITDA-S margin	55.2%	55.0%	0.2pts
Transacted Sales	155.4	147.4	5.4%
Production volumes			
Morocco volumes	9,554 t	9,062 t	5.4%
China volumes	5,621 t	4,247 t	32.4%

Revenue Growth: 4.5%



1HCY22 share of revenue



Segment Highlights

- **China:** Revenue was +34.3% vs pcp reflecting strong quality, demand and higher pricing prior to major city COVID lockdowns toward the end of the season.
- Volume was +32.4% higher vs pcp.
- **Morocco:** Volumes were 5.4% higher vs pcp, however delayed timing due to weather resulted in -16.2% revenue over the half vs pcp.
- Replanting program progressing, Mayra variety replacement with Costa Variety Improvement Program (VIP) purpose bred, superior genetics blueberry varieties on track.
- **Emerging Regions (Genetics Licensing):** Strong growth traction of the berry VIP.

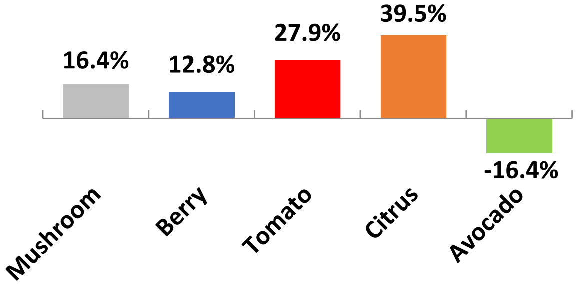
%

Produce Segment

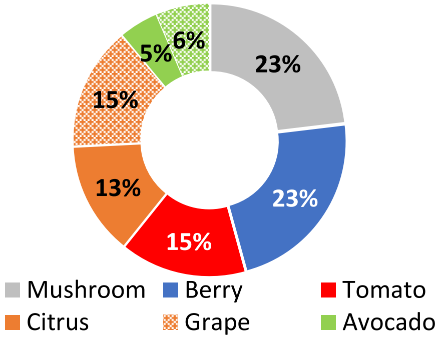
Revenue growth outpaces volume growth across multiple categories, offsetting inflationary cost pressures and driving earnings

A$m	1HCY22	1HCY21	Variance (%)
Revenue	485.4	412.9	17.6%
EBITDA-S	45.6	36.0	26.7%
EBITDA-S margin	9.4%	8.7%	0.7 pts
Transacted Sales	725.5	627.8	15.6%
Production volumes			
Domestic berry volumes	5,551 t	5,040 t	10.1%
Mushroom volumes	14,465 t	13,480 t	7.3%
Tomato volumes	11,933 t	8,624 t	38.4%
Avocado volumes	1.78m trays	2.2m trays	(19.1%)
Citrus volumes	48,318t	34,148	41.5%

Revenue Growth: 17.6%



1HCY22 share of revenue



Category Highlights

- **Mushroom:** Excellent production consistency from Monarto facility drove overall category production +7.3% vs pcp. Higher consistent volumes ensured increased earnings and benefit from strong demand and pricing.
- **Tomato:** First crop from Glasshouse 4 and new nursery plants contributed to production consistency and resulted in a 38.3% increase in volume vs pcp. Positive pricing and demand maintained in response to these additional volumes. +27.9% revenue vs pcp.
- **Berry:** Volumes were +10.1% vs pcp, with pricing strong across the four berry types, especially premium blueberries. +12.8% revenue vs pcp.
- **Citrus:** Grape volumes improved significantly versus pcp, including the return of volumes from the Colignan crop. Early season citrus pricing was strong, especially for our premium citrus varieties. +39.5% revenue vs pcp. Inaugural 1H trading from 2PH acquisition, contributed sales of $21m, with earnings contribution skewed to 2H.
- **Avocado:** Costa and third-party volume down vs pcp, as expected pricing over the half was impacted by prolonged Western Australian crop and lack of opening further export market access. -16.4% revenue vs pcp.

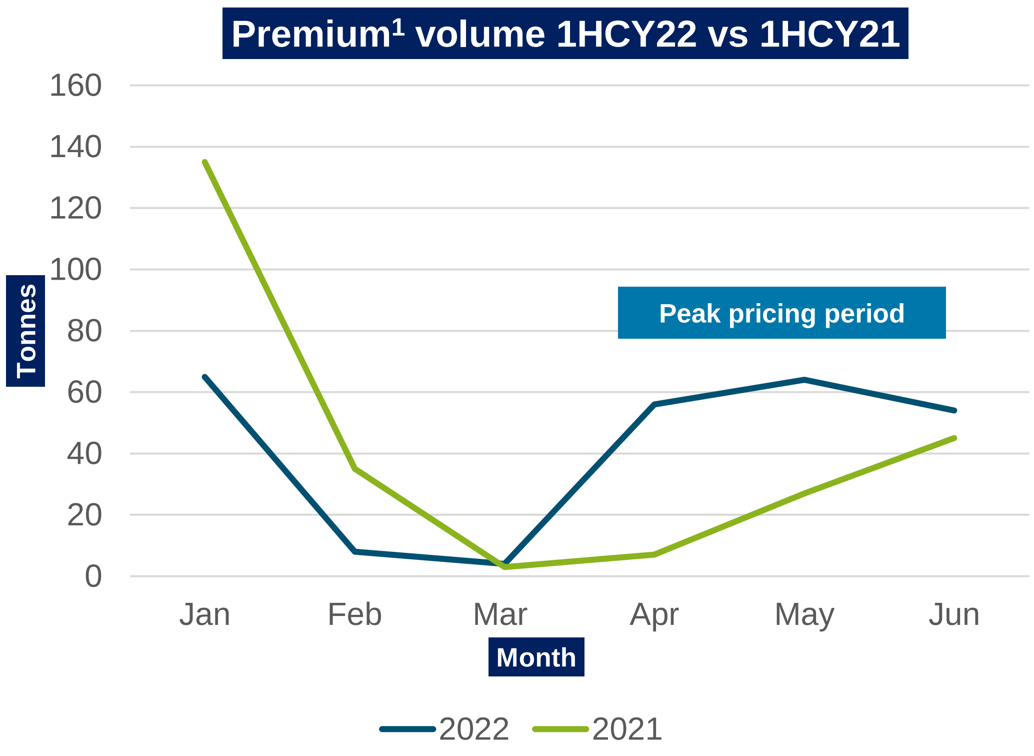
2PH citrus update

Integration/ Performance	○ Business successfully integrated into Costa Trees and Vines category. ○ Key management, operational and technical roles all filled. ○ YTD volume[1] of 38,000 tonnes tracking ahead of business case, however weather impacted quality compared to last year. ○ Cost structure impacted by weather conditions and as a consequence input cost inflation.
Export markets	○ Record pricing for premium fruit, although benefit reduced due to quality mix. ○ Expect to export circa 75% of this year's Emerald crop. ○ Diversifying into other markets, including selling 2PH product into Japan market for first time by leveraging pre-existing relationships.
Conaghans development	○ Option to purchase stage 1 (216 hectares) and stage 2 (237 hectares), both planted.
Water security	○ Fairbairn Dam (CQLD) at 22% capacity (June '22) compared to 17% at same time in CY21. Active capacity is 1,301,000 ML. ○ 2PH high security water allocation at 100%. Medium priority water allocation now at 97%.

2PH citrus farm, Emerald Central Queensland

1. As at 19 August.

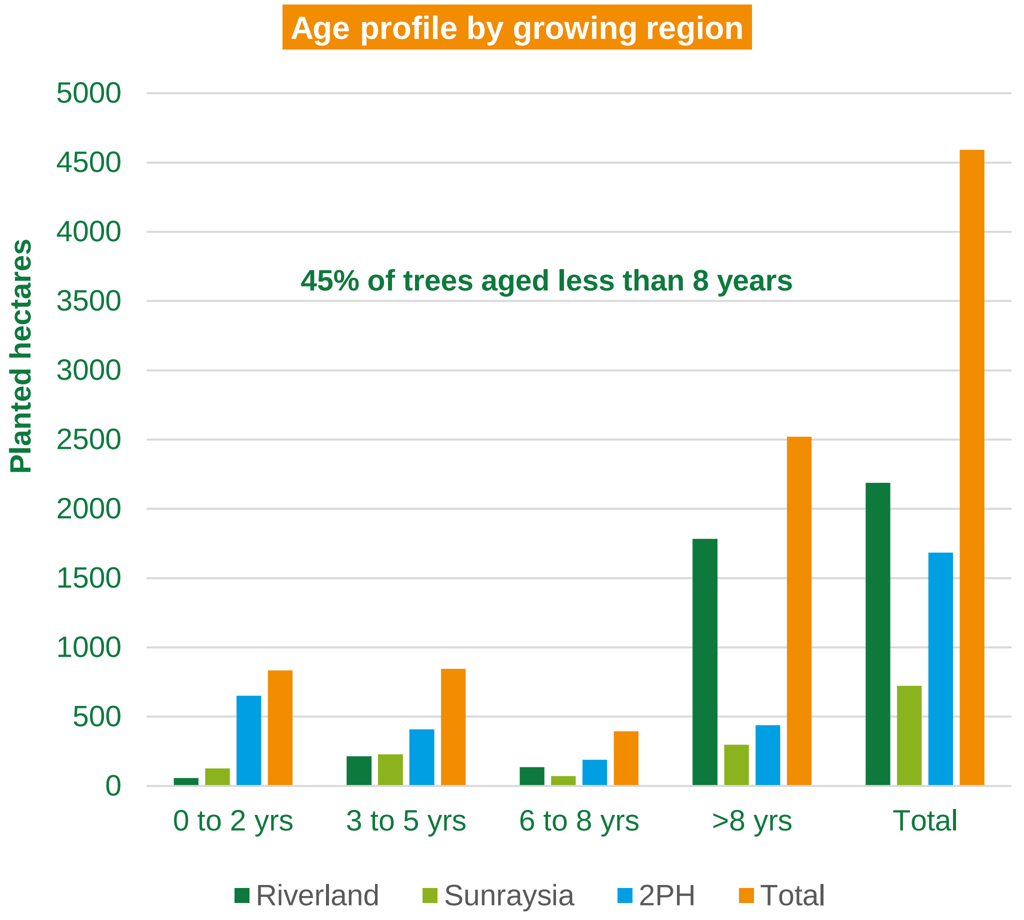
Premium berry performance

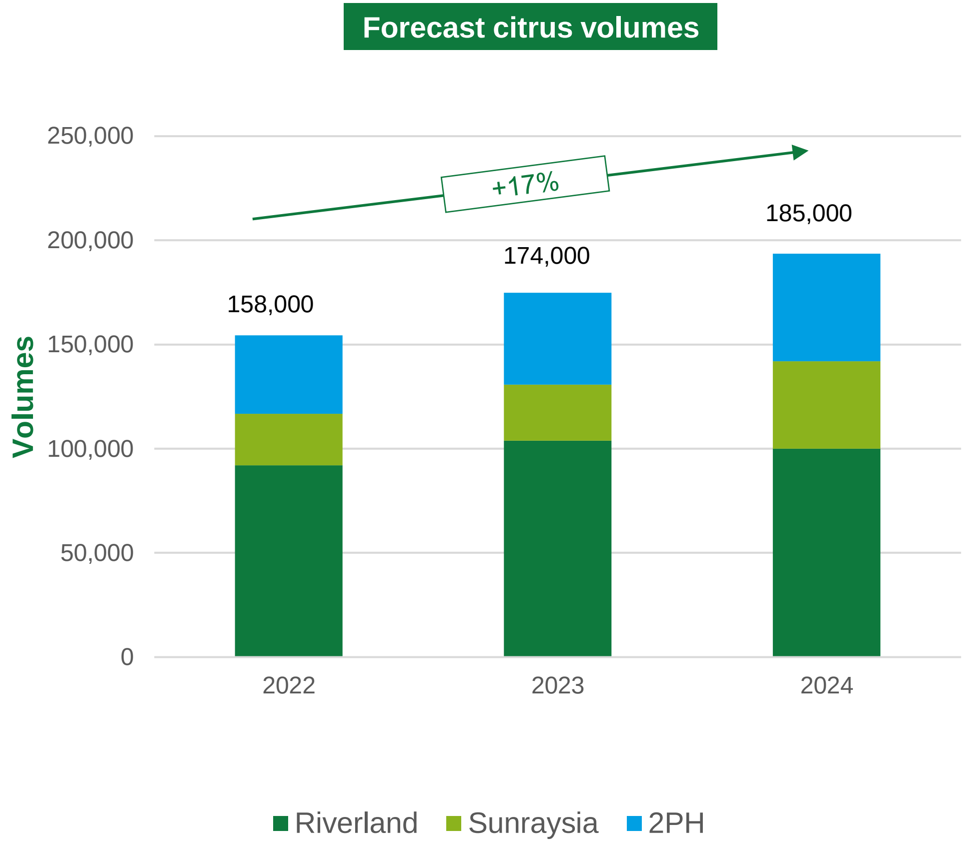


- 1HCY22 average premium blueberry sale price increased by 40% vs pcp.
- VIP tropical blueberry breeding program based in Far North Queensland (FNQ) purpose developed for low latitudes and low to zero chill. First of these is 'premium 'Delight' variety.
- Successful execution of Delight planting and harvesting in FNQ saw greater premium volumes vs pcp over the April-June period.
- This period attracts higher pricing returns compared to the Jan-Mar period, ensuring maximised pricing for premium product.

1. Premium includes Arana and Delight varieties

Citrus tree maturity profile & volumes



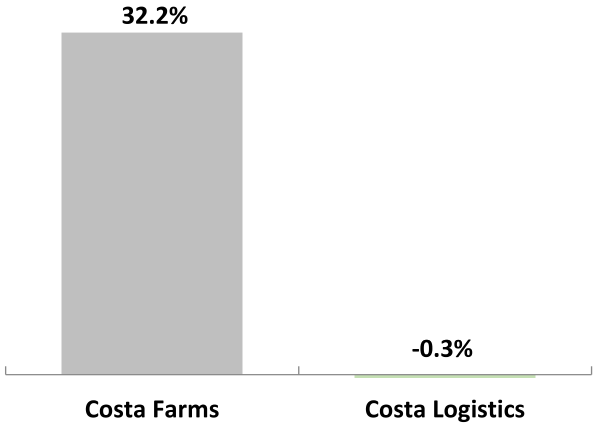


Costa Farms & Logistics Segment

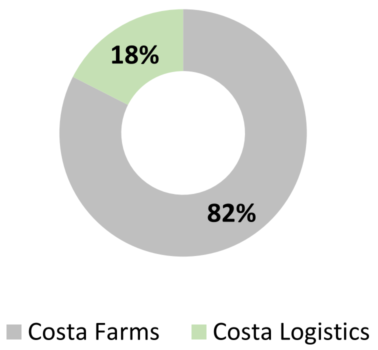
Market trading performance and Select Fresh acquisition contributed to profit growth ahead of revenue growth

A$m	1HCY22	1HCY21	Variance (%)
Revenue	90.7	72.6	24.9%
EBITDA-S	8.3	6.3	31.7%
EBITDA-S margin	9.2%	8.7%	0.5 pts
Transacted Sales	89.0	70.8	25.7%

Revenue Growth: 25%



1HCY22 share of revenue



Segment Highlights

Costa Farms

- Solid market trading performance.
- Select Fresh business performed strongly.
- Market servicing revenue up due to banana, tomato, berry, and avocado lines and contribution from Select Fresh.

Logistics

- Strong Eastern Creek contribution, offset by reduced volumes in other sites.

Financial Results

Financial Results

Comparison of results for the half year to June

	Reported			Underlying[1]	
A$m	1HCY22	1HCY21	Var	1HCY22	Vs PY
Revenue	708.7	612.4	96.3	687.3	74.9
EBITDA-S	**140.1**	**124.4**	**15.7**	**138.8**	**14.4**
Fair value mvmt in bio assets	0.5	(6.0)	6.5	(12.5)	(6.5)
EBITDA	**140.6**	**118.4**	**22.2**	**126.3**	**7.9**
Depreciation & amortisation	(65.5)	(50.3)	(15.2)	(57.3)	(7.0)
EBIT	**75.1**	**68.0**	**7.1**	**69.0**	**1.0**
Interest Expense	(19.2)	(11.6)	(7.6)	(13.5)	(1.9)
Tax Expense	(5.0)	(7.0)	2.0	(4.8)	2.2
NPAT (before material items)	**50.9**	**49.4**	**1.5**	**50.7**	**1.3**
Material/pro forma items, post tax	(2.2)	(2.1)	(0.1)	(2.2)	(0.1)
Non-controlling interest	(10.8)	(9.8)	(1.0)	(10.8)	(1.0)
NPAT attributable to shareholders	**37.9**	**37.5**	**0.4**	**37.7**	**0.2**
NPAT-S (before material items)	**40.3**	**44.4**	**(4.1)**	**49.2**	**4.8**
Transacted Sales	946.3	823.5	122.8	924.9	101.4

1. NPAT-S but excluding the 1HCY22 incremental impacts vs 1HCY21 of renegotiated Vitalharvest leases and 2PH acquisition.

Key Highlights

Revenue: +15.7% vs pcp

- Produce: +17.6% improvement vs pcp with benefits from expanded production capacity in tomatoes, improved volumes in mushrooms, grape sales up after PY impacted by hail, and additional revenue from citrus acquisitions.
- International: Increased production footprint and selling prices in China. Moroccan volumes up, but average pricing was impacted by weather conditions, affecting production timing.

EBITDA-S: +12.6% vs pcp

- Produce: Growth in sales from additional capacity, improved production and market demand. Tight costs management despite inflationary pressures. Avocado pricing continues to be under pressure.
- International: Extra production area and favourable pricing in China delivered another strong performance despite COVID lockdowns towards end of the season. Higher Moroccan volumes vs pcp offset by lower average pricing.

Underlying NPAT-S: +10.8% vs pcp

- Underlying NPAT-S adjusts statutory NPAT for proforma impacts of SGARA, material items and 1H comparisons to PY from 2PH acquisition (Jul-21) and new Vitalharvest (Vth) leases (Dec-21). Higher deprecation and interest from amended Vth leases. 2PH earnings skewed to 2H, although incremental depreciation and interest from new assets and water leases.

Material Items: Avocado non-cash goodwill impairment

- Historical goodwill of $2.2m relating to Avocado category impaired given recent underperformance of sector.

Cash Flow

A$m	1HCY22	1HCY21	Var
EBITDA-S	**140.1**	**124.4**	**15.7**
Less: share of JV profit	(6.0)	(4.5)	(1.5)
Movement in working capital / non-cash items	(36.2)	(23.5)	(12.7)
Net Interest Cost (Incl. Lease Interest)	(21.9)	(11.4)	(10.5)
Income tax paid	(11.0)	(12.9)	1.9
Cashflow from operating activities	**65.0**	**72.1**	**(7.1)**
Operating capex	(28.8)	(18.5)	(10.3)
Productivity & growth capex	(24.2)	(33.3)	9.1
Payments for business acquisitions (incl. material items)	-	(45.8)	45.8
Dividends received from JV's	3.4	0.9	2.5
Asset sale proceeds	4.5	0.3	4.2
Cashflow from investing activities	**(45.1)**	**(96.4)**	**51.3**
Payment for Dividends	(23.2)	(20.0)	(3.2)
Proceeds from issue of options	-	0.3	(0.3)
Loans and Advances	1.1	1.7	(0.6)
Payment of Lease Liabilities	(29.3)	(20.8)	(8.5)
Cashflow from financing activities	**(51.4)**	**(38.8)**	**(12.6)**
Net Debt Movement	**(31.5)**	**(63.1)**	**31.6**
Total Payment for Leases (incl. Interest)	**(43.7)**	**(29.3)**	**(14.4)**

Key Highlights

- 1H working capital outflow of $36.2m, above PY given expanded citrus portfolio from CY21 acquisitions (2PH, KW Orchards). Consistent with PY's, 2H should see a strong inflow.
- Operating CAPEX of $28.8m in line with expectations. Comparisons to PY also impacted by CY21 acquisitions including incremental bearer plant costs.
- Growth CAPEX: Includes China expansion $13.5m; Avocado substrate $5.1m; GH4 $3.8m and Agadir $1.4m.
- Asset sale proceeds includes $3.4m from sale of former QLD mushroom facility. Resulting in a first half gain of $0.2m.

Balance Sheet

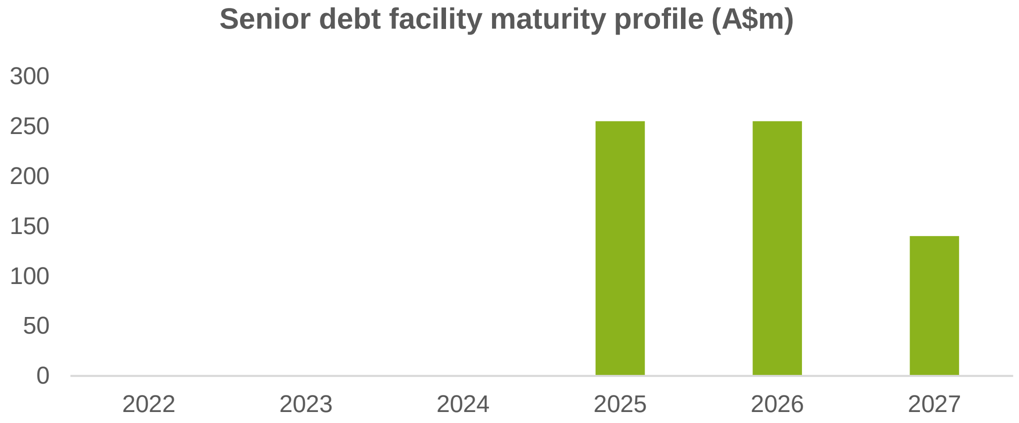
A$m	Jun-22	Dec-21	Var	Jun-21	Var
Receivables	137.0	109.3	27.7	125.4	11.6
Inventories	38.6	30.5	8.1	25.2	13.4
Payables	(144.2)	(149.3)	5.1	(138.6)	(5.6)
Provisions	(46.5)	(46.7)	0.2	(31.5)	(15.0)
Working Capital	**(15.1)**	**(56.2)**	**41.1**	**(19.5)**	**4.4**
Equity accounted investments	29.9	27.2	2.7	25.2	4.7
Intangibles	284.7	289.1	(4.4)	221.0	63.7
Property, plant & equipment	802.3	799.9	2.4	566.4	235.9
ROU Assets	558.3	568.8	(10.5)	294.4	263.9
Other assets/(liabilities)	16.0	10.9	5.1	27.7	(11.7)
Capital Employed	**1,676.1**	**1,639.7**	**36.4**	**1,115.2**	**560.9**
Cash	138.9	61.9	77.0	97.0	41.9
Biological Assets	69.7	70.5	(0.8)	53.1	16.6
Lease Liabilites	(570.3)	(583.0)	12.7	(309.5)	(260.8)
Borrowings	(467.0)	(361.1)	(105.9)	(305.0)	(162.0)
Net Assets	**847.4**	**828.0**	**19.4**	**650.8**	**196.6**

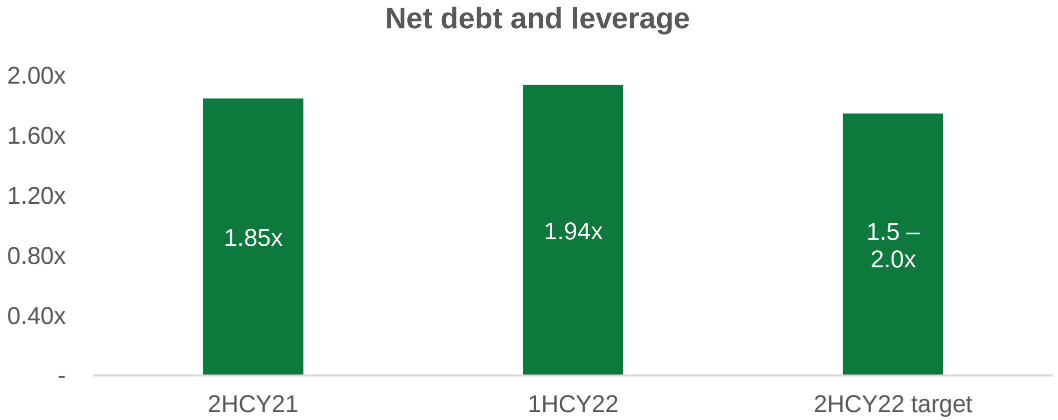
Key Highlights

- Traditional seasonality of Produce segment working capital build, $41.1m investment in 1H. Citrus export receipts heavily weighted towards 2H.
- 1H increase in net debt of $29.0m, largely related to working capital investment.
- Higher cash position mainly related to International segment. These businesses continue to have strong cash conversion and 100% self funded growth.
- Capital Employed comparisons to Jun-21 heavily influenced by 2PH acquisition in July 2021 and new lease arrangements for Vth properties commencing December 2021.

Capital Management

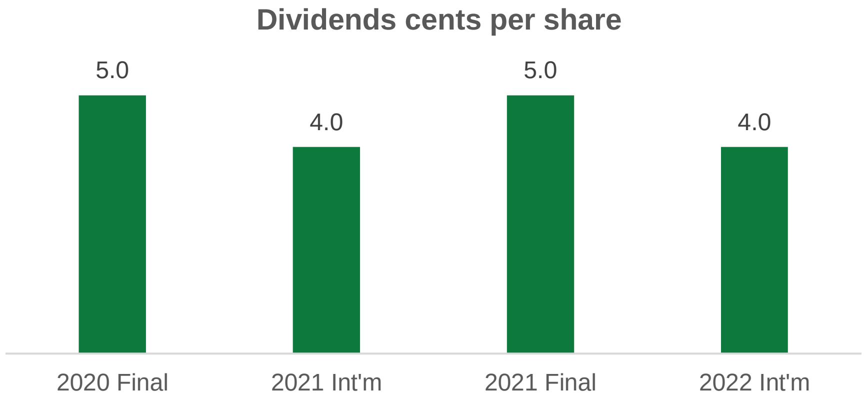
A$m	Jun-22	Dec-21	Variance
Net debt	328.2	299.2	29.0
Net debt / LTM EBITDA-SL	1.94x	1.85x	0.09x





Key Highlights

- Strong capital structure and liquidity position enables Costa to navigate the global pandemic and deliver on its current and future growth initiatives.
- Total Leverage Ratio[1] of 1.94x, ahead of Dec-21 due to additional working capital investment relating to CY21 acquisitions, however remains within the target range of 1.5x to 2.0x.
- Successful refinancing of Australian syndicated debt that was maturing in CY23. Additional capacity (increase to $650m from $450m) with 3, 4 and 5 years maturity tranches. Unused debt capacity $190m.
- Strong balance sheet position and cash flow generation supports Costa's ability to pay dividends. 1H interim dividend of 4.0 cents per share determined.



1. Total Leverage Ratio = Net Debt/EBITDA-SL

Capital Strategy

Strong Operating Cashflow

Maintenance, Crop & Safety CAPEX

Maintain balance sheet strength (TLR 1.5 to 2X)

Dividends
Maintain payout ratio

Invest to drive growth (ROCE)

M&A

Maximise Shareholder Value

- Strategy to invest in capital to maintain business operating and safety standards, while reducing, mitigating and adapting to agricultural risk.
- The Group targets return on capital employed (ROCE) of 15%+ over five years.
- Investment focused on increasing shareholder value and return on invested capital underpinned by a strong balance sheet and a steady dividend payout.

Long-term benefits from revised lease agreements

The revised lease agreement with Macquarie Asset Management is expected to be value accretive over the medium to long term

Transaction summary:

- On 23 December 2021, Costa announced to the ASX that it had entered into a new lease agreement with Macquarie Asset Management for farms previously leased from Vitalharvest.
- The leases cover seven farms, including three citrus farms (all in South Australia) and four berry farms (two in New South Wales and two in Tasmania).
- The new leases commenced on 1 December 2021 and will expire in December 2040, with a 10-year option exercisable by Costa. CY22 is the first full year under which these agreements are in operation.
- The new lease agreement is a fixed rent agreement. The prior lease agreement provided for a variable component and a market rent review for the fixed component in 2026.

Highlights

- ✓ ***Long-term operating and rental certainty***
- ✓ ***Aligns incentives for further investment in these assets***
- ✓ ***Expected cash benefits over medium-to-long term***

Impact to profit and loss of new lease agreement with Macquarie Asset Management

P&L item	Impact of new lease	Commentary
Operating expenses	**c. -$5m**	• Prior lease included variable rent expense which is not part of new lease • There are now no operating expenses relating to these leases.
Depreciation	**c. +$6m**	• The variable component is now fixed which gives rise to a larger right-of-use lease asset which is depreciated over the term of the lease.
Interest	**c. +$9m**	• Significantly higher accounting lease interest expense as interest is calculated on lease liability which is highest at the commencement of the lease.

Initial annual P&L impact is c. -$7m (post-tax) relative to a normalized year, which is consistent volumes and earnings from berry and citrus. The c. -$7m is skewed to first half due to traditionally all variable rent being recognised in the second half of each year. The initial lease cash cost is materially lower than the accounting expense.

Current trading and outlook

Input costs/Inflation environment update

	Cost Inflation	Key Actions in Place
Labour Costs	○ Introduction of minimum wage floor for the payment of piece rate (Horticulture Award) took effect from the end of April. ○ Further annual increases in minimum Award wages.	○ Effective utilization of piece rates in Berries and Trees and Vines to ensure ongoing productivity. ○ Utilization of highly productive, trained seasonal workers to return for multiple seasons. ○ Proprietary IT Harvest Management System provides real time analytics to manage harvest labour cost pool, including harvest progress and productivity.
Energy Costs	○ Energy costs have benefited to date from fixed pricing agreements, energy expected to increase in future.	○ Fixed pricing agreements in place for duration of CY22, with strategic relationships in place to hedge future positions.
Other Input Costs	○ Transport /logistics costs represents 7% of total cost base. Experiencing increases across all areas of supply chain. ○ Shipping costs have begun to trend down vs peak pandemic levels, but remain at historic levels ○ Significant increase in fertiliser/chemical costs. ○ Water pricing has come off its highs of previous years and forward outlook is positive.	○ Continued cost management discipline and ongoing improvements in procurement given scale. ○ Ongoing revaluation of contracts e.g., ceilings in place on CPI where possible. ○ Continue to manage any supply chain risk through diversified supply base, and work on combination of efficiency and pricing improvements.

Outlook 2HCY22

Citrus: Whilst CY22 is an off-season, there have been positive volumes across the season to date, which is expected to continue through 2H. There has been favourable export demand and pricing, however extreme weather conditions, including a prolonged La Nina period, have to date impacted quality, premium product packout rates and increased farming costs across all three growing regions.

There remains significant overall volumes to be harvested in the southern region for the remainder of the season, the extent of the final impact of these conditions won't be known until much later in the season. 2PH has completed 80% of crop as at mid August with results as foreshadowed impacted by lower quality mix compared to CY21.

Domestic Berry: The winter months saw cooler weather than the average, however the quality of early season protected blueberries is strong, including premium fruit mix. This is expected to provide beneficial sales and pricing opportunities for premium domestic and export sales. Season volume forecast to be in line with expectations.

Pollination requirements continue to be met and successfully managed in response to New South Wales varroa mite incursion, including ongoing access to beehives.

Mushroom/Tomato: Are on a positive trajectory to perform favourably over 2H. Expect to continue to deliver consistent supply volume to our customers, with strong demand and pricing.

Avocado: Current pricing conditions are improving, however industry conditions expected to remain challenging for remainder of CY22. Continuing export demand opportunity, with WA product selling into Japan market and being well received.

Labour requirements/Inflation costs - Labour requirements are being met across all categories and expect this to continue over 2H. Cost inflation is unlikely to moderate significantly in 2H.

The 2H Outlook contemplates normal crop cycles in Australia for the remainder of the calendar year, no extreme weather events, crop yields and quality in line with historic averages.

Appendices

Appendix - International Segment – 1HCY22 China and Morocco

China	Morocco
○ Strong performance, positive vs pcp and forecast due to increased yields, consistent high quality and pricing. ○ Tier 1 city COVID lockdowns affected optimum pricing and sales volumes over the later part of the season. However, easing of lockdown restrictions over June helped to minimise full impact. ○ Jumbo Arana volume as a percentage of total volumes was 44% vs 33% pcp.	○ Costa and third-party volumes were higher vs pcp and quality was positive over the period. ○ Volumes in Q1 where pricing is more favourable, were below forecast due to adverse weather impacts. This resulted in reduced opportunity to optimise pricing. ○ Average pricing was down vs pcp due largely to delayed crop timing in Q2 which saw greater competition from main Spanish season.

Appendix - Produce Segment 1HCY22 Berry Domestic

- Far North Queensland blueberry volumes and pricing over the 1H were higher vs pcp.
- The new Delight variety performed in line with expectations.
- Tasmanian season saw increased volumes vs pcp.
- Raspberry and blackberry pricing were both strong vs pcp, which also benefited from lighter broader industry volumes across 1H.
- Strawberry volumes and pricing were higher vs pcp.
- Export volumes were also up vs pcp, with a combined 81.5 tonnes of blueberries and rubus sold into key Asian markets.

Appendix - Produce Segment 1HCY22 Vertical Farming

Mushroom	Tomato
○ Excellent Monarto mushroom execution drove strong yield consistency and quality. Reflecting benefits of prior years capital expenditure program. ○ Sales volume was ahead of pcp, driven by strong demand and increase in Monarto production volume. ○ 86% retail sales mix vs 84% pcp. Average retail price over the half was +6% vs pcp. ○ Pre-pack was 58% of total sales, +1% vs pcp. Average pre-pack price across the half saw a circa +6% improvement vs pcp.	○ First full contribution from new 10 hectares (Glasshouse 4) and successful integration of 2.5-hectare nursery. Delivering volume and quality in line with expectations. ○ Increased volumes from Glasshouse 4 and new variety offerings, including Perino entertainers and Perino noir, supported increase in sales volume vs pcp. ○ Overall pricing was positive, reflecting strong demand, especially for Truss varieties.

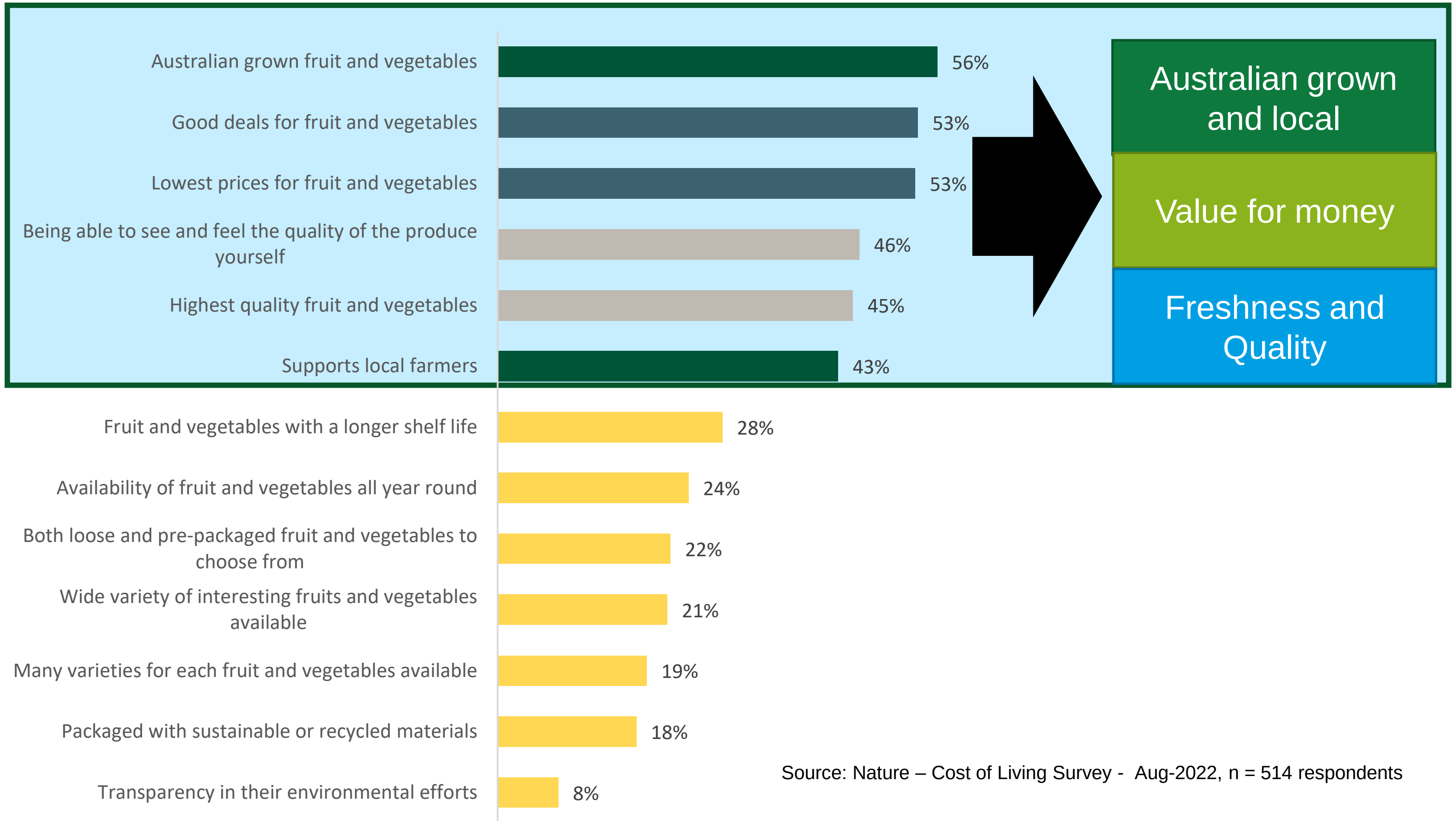
Appendix - Produce Segment 1HCY22 Trees and Vines

Citrus	Avocado
○ Grape volumes improved significantly versus the prior year, including the return of volumes from the Colignan crop. ○ Pricing was strong throughout the season for our premium grape varieties. ○ As season progressed weather events have impacted quality and packout rates for premium grade fruit across the three growing regions. ○ Riverland fruit fly restrictions were extended to end of December 2022.	○ Volumes were down vs pcp, but prolonged WA crop supply impacted pricing. Retail pricing stayed within the range of $1 to $1.50, with higher pricing during the transition from Shepard to Hass crop. ○ 118,044 trays exported in 1H vs circa 80,000 pcp. 9,600 trays exported to Japan from WA YTD, with quality being maintained during shipping. ○ Australian and Japanese governments continue negotiating market access for eastern seaboard (QLD/NSW).

Consumer Sentiment

Australian grown, price and quality still the most important in decision making factors

Top 6 factors that is important to you when purchasing fresh fruit and vegetables



Source: Nature – Cost of Living Survey - Aug-2022, n = 514 respondents

Consumer Insights:

- 56% of respondents consider Australian grown is the most important factor when purchasing fresh fruit and vegetables.
- Income pressure has increased importance of price over quality.
- Higher income households purchase a higher proportion of produce and are likely to be less affected by income pressure as 53% (>$100k HH income) consider quality as the most important purchasing determinant.
- 72% of respondents who said they are expecting to increase fresh produce spending was because they wanted to eat healthier.
- 47% of Australians expected to cook at home more often, 54% expected to have take out less often, and 57% expected to go out to restaurants less often.

Appendix – Depreciation, interest and tax forecast CY22

Depreciation, interest and NCI ($'m)	CY21	Forecast CY22
Bank Interest	6.8	c. 11
Lease Interest	18.2	c. 29
Total Interest	**25.0**	**c. 40**
PPE & Other	65.3	c. 72
Right of Use Asset	43.2	c. 55
Total Depreciation & Amortisation	**108.5**	**c. 127**
NCI-S	9.6	c. 10

Capex: Estimated CY22 capex is $50m operating, and $40m growth.

Effective Tax Rate % (Pre SGARA Excl. Material Items)	FY21	Fct FY22
Australia	28.1%	c.32%
Morocco	11.8%	c.12%
China	1.4%	c.0%
Costa Group	**19.3%**	**c.17-19%**

Appendix - Global leading blueberry VIP

- Costa's Variety Improvement Program (VIP) is globally recognised, with Costa blueberry varieties licensed in regions including the Americas, Morocco, China, and South Africa.
- The VIP aims to breed and develop new varieties of blueberries of global commercial value each year.
- Utilises Costa's extensive network of farms in mid latitude, low latitude, and low chill to mid-chill locations to select, evaluate and develop new varieties.
- Breeding program has contributed to the success of Costa's domestic and international operations including in FNQ, China and Morocco.
- New breeding program is now in an early stage of development in Tasmania, aimed at developing mid-chill varieties
- A range of advanced selections are currently also under evaluation and being planted in Australia, US, Mexico, Morocco and China.

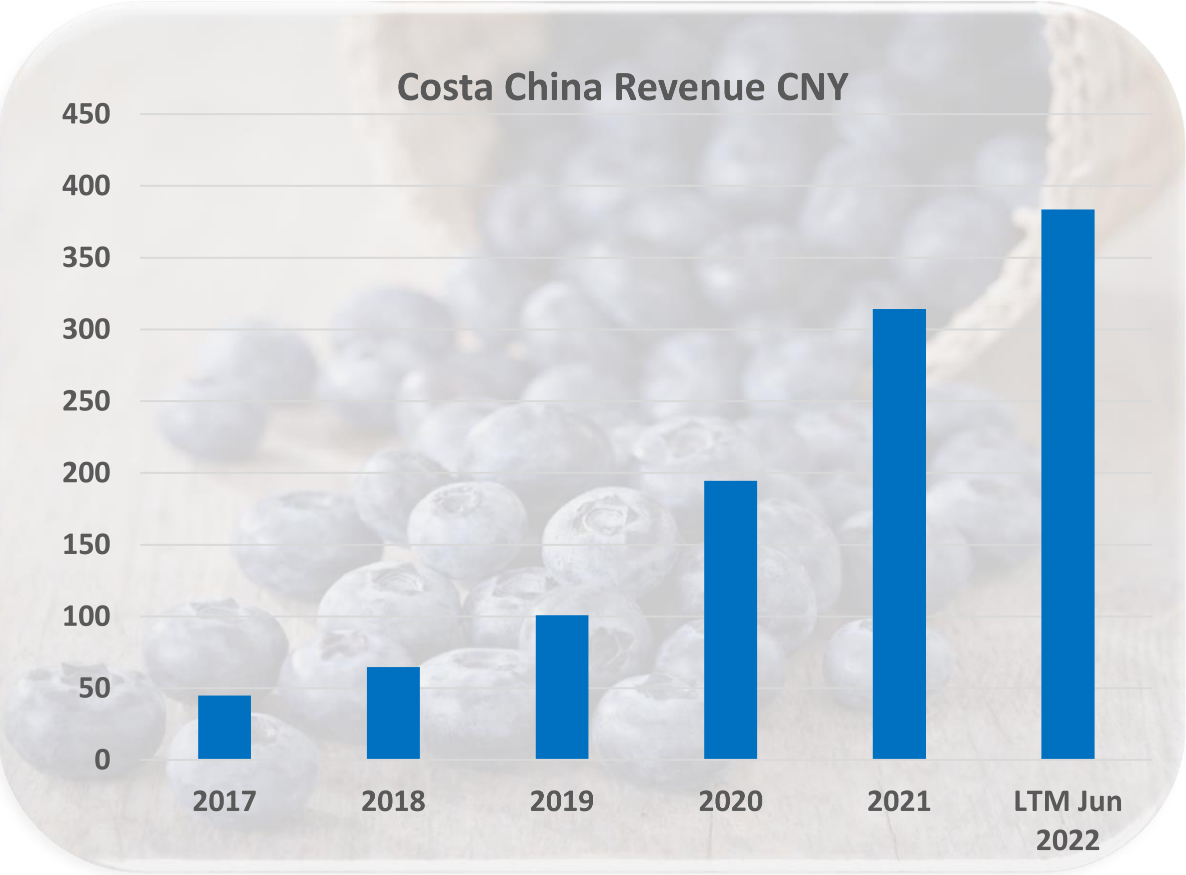
Capacity to trial 20,000 seedlings per year

25+ years operation with onsite nursery at Corindi (NSW)

Largest blueberry germplasm (bank of genetic material) in Australia

Extensive network of blueberry farms in a variety of environments

Appendix – Costa China revenue contribution



2015 – Costa commenced its first berry planting in Yunnan Province (25 hectares).

June 2022 - 398 planted hectares (harvesting presently from 296 hectares) across three key growing locations.

All plantings in substrate (out of soil) and protected.

Joint venture between Costa (70%) and Driscoll's (30%).

Product marketed by Driscoll's and sold under their brand.

Sold exclusively into Chinese market.

Costa equity contribution to date - circa $60m.

Joint Venture capex to date – circa $94m.

Appendix - Sustainability - our investor proposition

Our Sustainable Commercial Farming value proposition underpins our performance through strategic actions and objectives.
It is integral to our business model and our ability to deliver on our growth strategy and produce superior returns for shareholders.

Utilise protected cropping

Efficient water use

Optimise yield & production efficiency

Target reduction in emissions

Reduce supply chain waste

Industry employer of choice

Sustainable packaging update

- The Costa Vitor grape team launched the first sustainable packaging alternative for grapes in early 2022.
- The packaging consists of a cardboard base with a plastic lid that has been made out of 100% recycled plastic which is also 100% recyclable.
- The Costa tomato team has replaced the plastic tray on our 500gm and 480gm prepack tomato packaging with a fully recyclable and compostable cardboard alternative. This is resulting in a 29-tonne reduction in our use of plastic packaging over a given year.

Appendix – Planted and production hectares as at end June 2022

Trees and Vines

Avocado/Banana
1,050 hectares

	Hectares
Avocado*	773
Bananas	277

* Includes 132 hectares of Riverland/Sunraysia plantings

Citrus
5,477[2] hectares

	Hectares
Citrus	4,650
Table grapes	566
Wine grapes	261

Berry Domestic and International

Berry (Aust)
727 hectares

Berry type	Hectares	Soil	Substrate
Blueberry	480	246	234
Raspberry	166	33	133
Blackberry	56	8	48
Strawberry	25	0	25

Morocco
349 hectares

	Hectares
Blueberries	349

China
398[3] hectares

	Hectares
Blueberries	367
Raspberries	22
Blackberries	9

Vertical Farming

Mushrooms[1]
108 hectares

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

Tomato
40 hectares

	Hectares
Glasshouse	40

1. Stated as production hectares only
2. Includes Conaghans, under option exercisable in 2023
3. 102ha's at Agripark yet to produce

Appendix - Production volumes by category – 1HCY22 versus pcp

Berry International

Morocco/Africa[1]

	Production (tonnes) 1HCY22	Production (tonnes) 1HCY21	Var
Northern and Southern Morocco	7,167	6,892	4.0%
Third party growers (Morocco, Southern Africa and Zimbabwe)	2,387	2,170	10.0%
Total	9,554	9,062	5.4%

China

Variety	Production (tonnes) 1HCY22	Production (tonnes) 1HCY21	Var
Blueberries	5,324	3,961	34.4%
Raspberries	270	209	29.2%
Blackberries	27	77	-64.9%
Total	5,621	4,247	32.4%

1. 100% blueberries

Appendix - Production volumes by category – 1HCY22 versus pcp

Berry Domestic

Variety	Production (tonnes) 1HCY22	Production (tonnes) 1HCY21	Var
Blueberries	1,468	1,445	1.6%
Raspberries	1,612	1,361	18.4%
Blackberries	886	840	5.5%
Strawberries	1,585	1,394	13.7%
Total	5,551	5,040	10.1%

Appendix - Production volumes by category – 1HCY22 versus pcp

Vertical Farming

Mushroom

Location	Production (tonnes) 1HCY22	Production (tonnes) 1HCY21	Var
Casuarina, Mernda & Monarto sites	14,465	13,480	7.3%

Tomato

Location	Production (tonnes) 1HCY22	Production (tonnes) 1HCY21	Var
Glasshouses and third party	11,933	8,624	38.4%

Appendix - Production volumes by category – 1HCY22 vs pcp

Trees and Vines

Citrus

Type	Production[1] (tonnes) 1HCY22	Production (tonnes) 1HCY21	Var
Navels	20,366	18,165	12.1%
Mandarins	17,360	9,089	91.0%
Balance of crop	10,592	6,894	53.6%
Total	48,318	34,148	41.5%

Table Grape

	Production[2] (tonnes) 1HCY22	Production[2] (tonnes) 1HCY21	Var
Total	19,649	17,319	13.5%

Avocado

Location	Production (trays) 1HCY22	Production (trays) 1HCY21	Var
Own production	560,784	704,126	-20.4%
Marketed third party	1,219,323	1,573,191	-22.5%
Total	1,780,107	2,277,317	-21.8%

1. CY22 is an 'off year'
2. Own farm and third party production

Appendix - Morocco and China planting schedules

Morocco

	CY22ha[1]	CY23ha[1]	CY24ha
Planted	332	349	372
Production Area	332	349	372
New Land	14	60	55
Redevelopment/ Removed (after harvest)	-61	-52	-102
Land redevelopment added	64	15	100
Forecast planted	**349**	**372**	**425**

China

	CY22ha	CY23ha	CY24
Planted	296	398	498
Production Area	296	398	498
New Land	102	100	100
Redevelopment/ Removed (after harvest)	-20	-43	-44
Land Redevelopment Added	20	43	44
Forecast planted	**398**	**498**	**598**

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 CY22	Impairment of Avocado goodwill.
Material Items CY21	1HCY21 Transaction and integration 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 (NPAT) but excluding the after-tax impact of the fair value movements in biological assets (SGARA) and Material Items.
Underlying NPAT-S	NPAT-S but excluding the 1HCY22 incremental impacts vs 1HCY21 of renegotiated Vitalharvest leases and 2PH acquisition.

Appendix – Reconciliation of Underlying NPAT-S

A$m	1HCY22 Reported	2PH	Vth	1HCY22 Underlying
Revenue	708.7	21.4	-	687.3
EBITDA-S	**140.1**	**1.3**	**-**	**138.8**
Fair value mvmt in bio assets	0.5	13.0	-	(12.5)
EBITDA	**140.6**	**14.3**	**-**	**126.3**
Depreciation & amortisation	(65.5)	(5.0)	(3.2)	(57.3)
EBIT	**75.1**	**9.3**	**(3.2)**	**69.0**
Interest Expense	(19.2)	(1.1)	(4.6)	(13.5)
Tax Expense	(5.0)	(2.5)	2.3	(4.8)
NPAT (before material items)	**50.9**	**5.7**	**(5.5)**	**50.7**
Material/pro forma items, post tax	(2.2)	-	-	(2.2)
Non-controlling interest	(10.8)	-	-	(10.8)
NPAT attributable to shareholders	**37.9**	**5.7**	**(5.5)**	**37.7**
NPAT-S (before material items)	**40.3**	**(3.4)**	**(5.5)**	**49.2**
Transacted Sales	946.3	21.4	-	924.9

2PH – represents the financial results for the 2PH business acquired in 2HCY22.

Vitalharvest – represents incremental depreciation and interest costs vs 1HCY21 relating to the renegotiation of the leases for the Vitalharvest properties now owned by Macquarie Asset Management.

costa
well grown

Costa Group Holdings Limited