

ASX ANNOUNCEMENT

17th October 2022

TRADING UPDATE

At the time of announcing its CY22 first half results on 26 August 2022, Costa Group Holdings Ltd (Costa; ASX:CGC) advised that it would update the market on second half CY22 trading and the full year forecast once more information on the progress of this season's citrus crop was available.

The balance of the portfolio continues to perform in line with expected levels in Berries, Tomatoes and Mushrooms as well as a strong CY22 result from the International business unit. The Avocado category in the second half is benefiting from improved pricing which should deliver a modest gain from previous levels.

In the Citrus category, the Queensland crop has now been harvested and packed. The southern crops in the Riverland and Sunraysia are almost 80% through the harvest with late navels and mandarins still to be packed and sold.

Adverse weather conditions, including both higher rainfall and cooler temperatures, have persisted. Despite harvest volumes being in line with budget, the previously reported lower quality levels across all citrus regions have continued which has resulted in considerably lower packouts as well as reduced volumes of first grade fruit for export. The market demand and pricing in our export destinations remain very strong which augers well for the 2023 season.

The effort to produce the crop in challenging conditions has also caused an increase in labour expenditure as well as higher spraying costs in relation to pest and disease control.

The net outcome to date plus the forecast for the balance of the citrus season is expected to translate into full year EBITDA-S for the Citrus category that is considerably lower than previously forecast.

We currently expect full year EBITDA-S for the Group to be marginally ahead of last year's results. While we do not expect any additional material impact from recent heavy rainfalls experienced across the country, further downside risk is possible if extreme adverse weather continues.

Notwithstanding the EBITDA-S being lower than previously forecast, debt levels and related ratios remain comfortably manageable for the Group.

An investor briefing call will be held at 9.30am (AEDT) on Monday 17 October 2022. If in Australia, dial **1800 954 501** or **+61 7 3015 1191** for those outside of Australia.

Participants **will need** to pre-register for the call at <https://s1.c-conf.com/diamondpass/10026167-gdtr45.html>. They will receive a calendar invite and a unique code which is to be quoted when dialling into the call. To ask a question, participants will need to dial "*1" (star, 1) on their telephone keypad.

This release is authorised by the Board of Costa Group Holdings Ltd.

About Costa (ASX:CGC) - Costa is Australia's leading grower, packer and marketer of fresh fruit & vegetables and operates principally in five core categories: berries, mushrooms, glasshouse tomatoes, citrus and avocados. Operations include approximately +7,200 planted hectares of farmland, 40 hectares of glasshouse facilities and three mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and four berry farms in China, covering approximately 740 planted hectares.

For further information contact: Michael Toby – Corporate Affairs Manager T: +613 8363 9071