

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

ASX ANNOUNCEMENT

2 July 2021

RETAIL ENTITLEMENT OFFER INFORMATION BOOKLET

Attached is a copy of the Retail Information Booklet in connection with the retail component of Costa's pro rata accelerated renounceable entitlement offer (with retail entitlements trading) of new fully paid ordinary shares in Costa, announced on Wednesday, 23 June 2021 ("**Entitlement Offer**").

The Retail Information Booklet will be despatched to eligible retail shareholders today.

Further information

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

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

END

About Costa (ASX:CGC)

Costa is Australia's leading grower, packer and marketer of fresh fruit & vegetables and operates principally in five core categories: berries, mushrooms, glasshouse tomatoes, citrus and avocados. Operations include approximately 4,500 planted hectares of farmland, 30 hectares of glasshouse facilities and seven mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and three berry farms in China.

For further information contact:

Michael Toby
Group Corporate Affairs Manager
T: +613 8363 9071
Email: investors@costagroup.com.au



NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

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

RETAIL ENTITLEMENT OFFER

Details of a 1 for 6.33 pro rata accelerated renounceable entitlement offer of Costa Group Holdings Limited (**Costa**) ordinary shares (**New Shares**) at an offer price of \$3.00 per New Share.

Retail Entitlement Offer closes at 5.00pm (AEDT) on Monday, 19 July 2021

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

If you are an Eligible Retail Shareholder this Retail Information Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read carefully and in full. This Retail Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. You have a number of options to consider in respect of your Retail Entitlements, which may materially affect the value (if any) that you receive from them. If you have any questions about the Retail Entitlement Offer, you should seek professional advice from an adviser who is licensed by ASIC to give that advice. You can also contact the Costa Shareholder Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

Important information

This Retail Information Booklet has been prepared by Costa and relates to the Retail Entitlement Offer.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows entitlement offers to be made without a prospectus.

Before deciding how to deal with their Retail Entitlements, it is important for Eligible Retail Shareholders to carefully read and understand this retail offer information booklet ("**Retail Information Booklet**") and the information about Costa and the Retail Entitlement Offer that is publicly available. In particular, Eligible Retail Shareholders should consider:

- the risk factors outlined in the "Key Risks" section of the Investor Presentation included in Section 4 of this Retail Information Booklet for a summary of certain general and Costa specific risk factors that may affect the operating and financial performance of Costa or the value of an investment in Costa; and
- the ASX Announcement, the Investor Presentation and the Institutional Entitlement Offer results, Costa's interim and annual reports and other announcements made by Costa which are available at www.asx.com.au (including announcements which may be made by Costa after the publication of this Retail Information Booklet).

Eligible Retail Shareholders should conduct their own independent review, investigations and analysis of Costa and the New Shares and obtain any professional advice they may require to evaluate the merits and risks of an investment in Costa before making any investment decision.

This Retail Information Booklet (other than the Announcements) is dated Friday, 2 July 2021. The Announcements are current as at Friday, 2 July 2021. This Retail Information Booklet remains subject to change without notice.

Future performance and forward-looking statements

This Retail Information Booklet includes certain "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "should", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance and the effects of the Retail Entitlement Offer and the use of proceeds. These forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed. They involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Costa, and its officers, employees, agents or associates, including the risks set out in the "Key Risks" section of the Investor Presentation (see Section 4 of this Retail Information Booklet). Actual results, performance or achievements may vary materially from any projections and forward-looking statements expressed or implied and the assumptions on which those statements are based. You are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements, opinions and estimates provided in this Retail Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material. Forward-looking statements including projections, guidance on and

Important information

3

outlook statements relating to future earnings, distributions and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Costa disclaims any responsibility for the accuracy or completeness of any forward-looking statements. Costa disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Costa's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law (including the ASX Listing Rules).

Neither the Underwriter nor any of its Extended Parties have authorised, approved or verified any forward-looking statements.

Past performance

Past performance information included in this Retail Information Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance.

Not for distribution outside Australia and New Zealand

This Retail Information Booklet is intended for use only in connection with the Entitlement Offer to Eligible Retail Shareholders with a registered address in Australia or New Zealand. This Retail Information Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

This Retail Information Booklet may not be released or distributed in the United States. This Retail Information Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the Retail Entitlements nor the New Shares have been, or will be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Neither the Retail Entitlements nor the New Shares may be offered, sold or resold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Shares and are acting for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The Retail Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S.

Risks

Refer to the "Key risks" section of the Investor Presentation included in Section 4 of this Retail Information Booklet for a summary of general and specific risk factors that may affect Costa. The Applicant should consider these risks carefully in light of their personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

Trading New Shares

To the maximum extent permitted by law, Costa, the Underwriter and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees, consultants, advisers and agents ("**Extended Parties**") exclude and disclaim all liability (including without limitation liability for negligence) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Costa or the share registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

Important information

4

The Extended Parties will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Costa or the share registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

Other general matters

Please read carefully Section 6 of this Retail Information Booklet for other important notices, disclaimers and acknowledgements.

Currency

Unless otherwise stated, all dollar values in this Retail Information Booklet are in Australian dollars (A\$, \$ or dollars).

Contents

Important information	2
Contents	5
Key dates for the Entitlement Offer	6
Chairman's letter	8
Key information on the Retail Entitlement Offer	10
Summary of your options	15
Additional information - Options	19
Announcements	25
Australian Taxation Implications	99
Additional information	103
Glossary	112
Eligible Retail Shareholder Declarations	116
Corporate Directory	119

Key dates for the Entitlement Offer

EVENT	DATE
Announcement of Entitlement Offer	Wednesday, 23 June 2021
Institutional Entitlement Offer opens	Wednesday, 23 June 2021
Institutional Entitlement Offer closes	Thursday 24 June 2021
Institutional bookbuild closes (11.00am, AEST)	Friday, 25 June 2021
Costa shares resume trading	Monday, 28 June 2021
Retail rights commence trading (on a deferred settlement basis)	Monday, 28 June 2021
Entitlement Offer record date (7.00pm, AEST) (" Record Date ")	Monday, 28 June 2021
Retail Information Booklet and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	Friday, 2 July 2021
Retail Entitlement Offer commences (10.00am, AEST)	Friday, 2 July 2021
Settlement of New Shares issued under Institutional Entitlement Offer	Tuesday, 6 July 2021
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 7 July 2021
Close of retail rights trading	Monday, 12 July 2021
Retail Entitlement Offer closes (5.00pm, AEST) (" Retail Closing Date ")	Monday, 19 July 2021
Retail Shortfall Bookbuild	Thursday, 22 July 2021
Settlement of New Shares issued under the Retail Entitlement Offer (" Final Settlement Date ")	Tuesday, 27 July 2021
Allotment of New Shares issued under the Retail Entitlement Offer (" Final Allotment ")	Wednesday, 28 July 2021
New Shares under the Final Allotment commence trading on ASX on a normal settlement basis	Thursday, 29 July 2021
Dispatch of confirmation of issue for New Shares issued under the Final Allotment; payment of Retail Premium (if any)	Friday, 30 July 2021

Key dates for the Entitlement Offer

7

These dates (except where historical) are indicative only and are subject to change without notice. All times and dates refer to Australian Eastern Standard Time ("AEST"). Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Costa has the right, with the consent of the Underwriter, to amend the timetable, including extending the Retail Entitlement Offer Period or accepting late Applications, either generally or, in particular cases, without notice.

The quotation of Retail Entitlements and New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to Applications. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to pay via BPAY® or submit their Entitlement and Acceptance Form (as applicable) as soon as possible after the Retail Entitlement Offer opens.

Chairman's letter

Dear Shareholder,

On behalf of the directors of Costa, I am pleased to invite you to participate in the 1 for 6.33 pro rata accelerated renounceable entitlement offer with retail rights trading of new fully paid ordinary shares in Costa ("**New Shares**"), to raise proceeds of approximately \$190 million ("**Entitlement Offer**"). The New Shares will be offered at an offer price of \$3.00 ("**Offer Price**") per New Share.

Why is Costa raising equity?

The proceeds of the Entitlement Offer will be used to acquire the business and assets of 2PH Farms Pty Ltd and its related entities ("**2PH**"), a Central Queensland based citrus grower for an upfront consideration of approximately \$200 million in cash¹ (the "**Acquisition**").

Costa will pay an additional \$31 million in July 2023 for the purchase of the 'Conaghans' property, where a new citrus crop is currently being planted by 2PH, subject to certain conditions.

The Acquisition will further strengthen Costa's citrus offering, opening greater export supply channels to key Asian export markets, where 2PH has an established brand presence. It will also provide exclusive rights to selected proprietary varieties, with access to a proven 30-year proprietary breeding program. Production scale and geographical spread will be increased, with Costa's citrus growing regions increasing from two to three, and extend season timing, with the 2PH season commencing in mid-March, the earliest citrus season in Australia. The transaction is expected to be around 10% earnings per share accretive² on a pro forma basis in CY21³ excluding future plantings at Conaghans and potential synergy benefits. Costa expects to maintain a strong balance sheet post Acquisition to support growth opportunities.

Further information on the strategic benefits and rationale behind the Entitlement Offer along with Costa's 1HCY21 trading update and CY21 outlook are contained in Costa's ASX announcement and investor presentation lodged with the ASX on Wednesday, 23 June 2021 (and included in this Retail Information Booklet in Section 4).

Details of the Entitlement Offer

The fully underwritten Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and a retail component ("**Retail Entitlement Offer**"). As announced on Monday, 28 June 2021, the Institutional Entitlement Offer and associated bookbuild have raised gross proceeds of approximately \$114 million.

This Retail Information Booklet relates to the Retail Entitlement Offer and Entitlements allotted under it ("**Retail Entitlements**"). It contains important information about the Retail Entitlement Offer and Costa's business.

¹ Excludes stamp duty and transaction costs of \$19 million.

² Comparative EPS for the Company takes into account a theoretical ex rights price adjustment for the entitlement offer and excludes one off costs and any impact of acquisition accounting.

³ Assume a full year contribution from 2PH assuming the transaction completed at the start of CY21 calendar year. Financials presented on a post AASB16 basis.

Chairman's letter

9

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 1 New Share for every 6.33 existing Costa ordinary shares held on the record date, being 7:00pm (AEST) on Monday, 28 June 2021 ("**Record Date**"). This is the same price and ratio as that which was offered to institutional investors who participated in the Institutional Entitlement Offer.

How to apply

Accompanying this Retail Information Booklet is your personalised Entitlement and Acceptance Form, which contains details of your Entitlement. Your Entitlement may have value and it is important that you determine whether to take up, sell, transfer or do nothing in respect of your Retail Entitlement.

The Retail Entitlement Offer will close at 5:00pm (AEST) on Monday, 19 July 2021.

To participate, you should ensure that you have completed your application (either via the offer website or by returning the Entitlement and Acceptance Form) and paid the relevant application money ("**Application Monies**") by the Retail Closing Date. All payments in Australian dollars can be made by BPAY®, cheque, bank draft or money order.

If you do not wish to take up your Retail Entitlement, you may sell all or part of your Retail Entitlement on the ASX from Monday, 28 June 2021 to Monday, 12 July 2021 (under the ASX code: (CGCR)) or transfer all or part of your Entitlement directly to another person. The assignment, transfer and exercise of Retail Entitlements is restricted to persons meeting certain eligibility criteria, as described in Section 1.1. If holders of Retail Entitlements at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements and, as a result, they may receive no value for them. If you choose to do nothing, or are unable to do anything, in respect of all or part of your Retail Entitlement, part or all (as applicable) of your Retail Entitlement will be offered for sale for your benefit through a bookbuild process on Thursday, 22 July 2021 ("**Retail Shortfall Bookbuild**"). In this case, you will receive any proceeds in excess of the Offer Price (per underlying New Share) in respect of the part of your Entitlement sold to investors in the Retail Shortfall Bookbuild ("**Retail Premium**"). There is no guarantee that there will be any Retail Premium.

Further information

Please carefully read this Retail Information Booklet in its entirety and consult your stockbroker, accountant or other professional adviser before making your investment decision. In particular, you should read and consider the Key Risks section of the Investor Presentation included in Section 4 of this Retail Information Booklet, which contains a summary of some of the key risks associated with an investment in Costa. If you have any questions in respect of the Entitlement Offer, please call the Costa Shareholder Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period. The board of directors of Costa looks forward to your participation in the Entitlement Offer.



Neil Chatfield

Chairman

Section 1

Key information on the Retail Entitlement Offer

Key information on the Retail Entitlement Offer

11

1.1 Is this Retail Information Booklet relevant to you?

This Retail Information Booklet is relevant to you if you are an Eligible Retail Shareholder. You are an Eligible Retail Shareholder if you meet all of the following requirements:

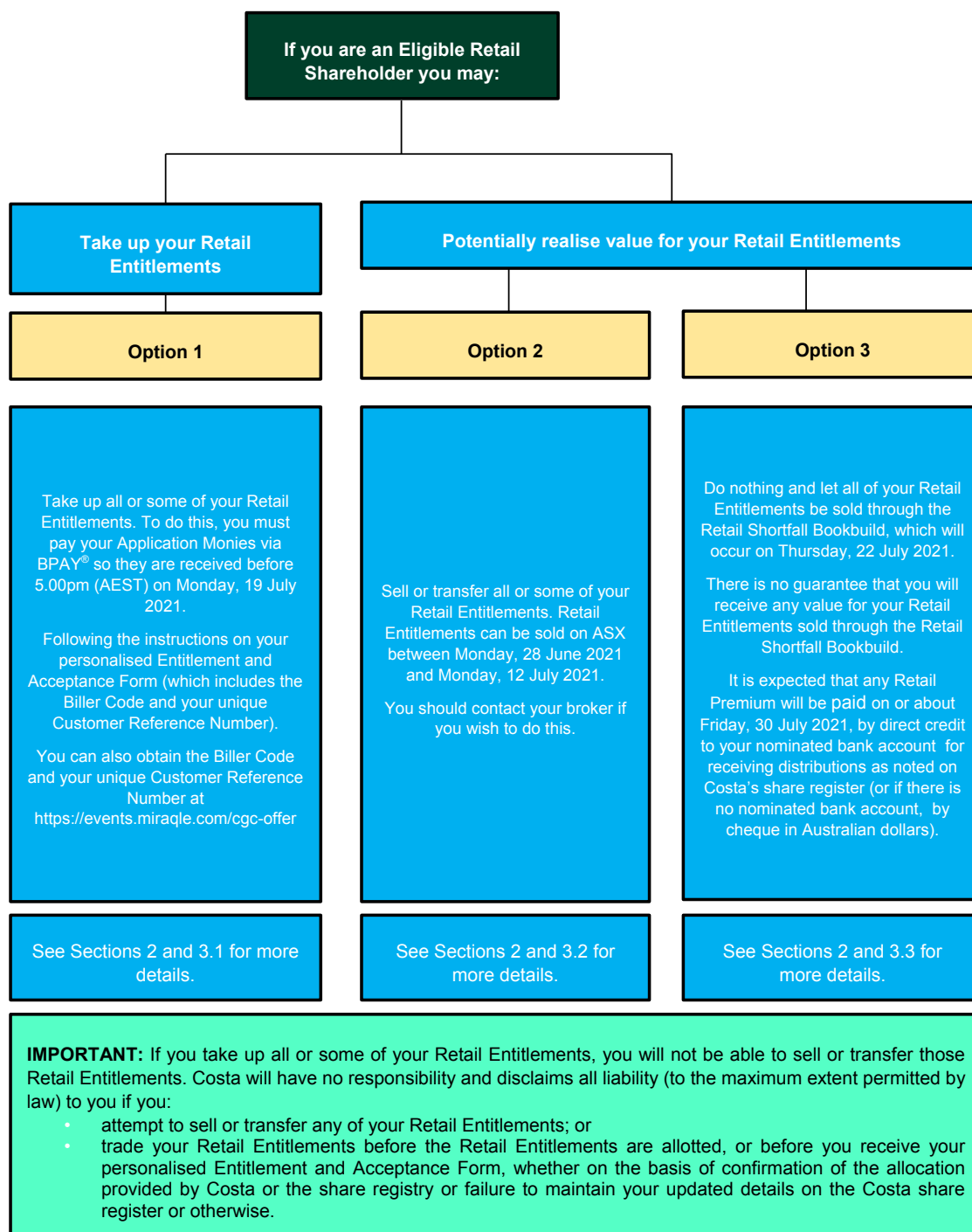
✓	You are registered as a holder of Shares as at the Record Date (being 7.00pm (AEST) on Monday, 28 June 2021).
✓	You have a registered address on the Costa share register in Australia or New Zealand.
✓	You are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you hold Shares and are acting for the account or benefit of such person in the United States).
✓	You did not receive an offer to participate (other than as a nominee) or were otherwise ineligible to participate under the Institutional Entitlement Offer.
✓	You are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

If you do not meet all of those requirements, you are not an Eligible Retail Shareholder and are referred to as an "Ineligible Retail Shareholder" in this Retail Information Booklet.

Key information on the Retail Entitlement Offer

12

1.2 What options do Eligible Retail Shareholders have?



Key information on the Retail Entitlement Offer

13

1.3 What options do Ineligible Retail Shareholders have?

Ineligible Retail Shareholders are unable to participate in the Entitlement Offer and cannot take up, sell or transfer their Retail Entitlements. Their Retail Entitlements will be sold in the Retail Shortfall Bookbuild and Ineligible Retail Shareholders will receive the Retail Premium (if any) in respect of their Retail Entitlements. There is no guarantee that there will be any Retail Premium.

1.4 What are the key details of the Entitlement Offer?

Offer Ratio	1 for 6.33
Offer Price	\$3.00 per New Share
Number of New Shares to be issued	Approximately 63 million
Gross proceeds	Approximately \$190 million

1.5 How many Retail Entitlements do I have?

If you are an Eligible Retail Shareholder the number of Retail Entitlements you have been granted is set out in your personalised Entitlement and Acceptance Form. The Retail Entitlements you have been granted were calculated based on the Offer Ratio and the number of Shares you held as at the Record Date (being 7.00pm (AEST) on Monday, 28 June 2021).

Where fractions arose in the calculation of your Retail Entitlements, they were rounded up to the next whole number.

If you had more than one holding of Shares as at the Record Date, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Retail Entitlements for each holding. The Retail Entitlements stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Retail Entitlements you are permitted to take up where, for example, you are holding Shares on behalf of a person in the United States.

1.6 Important terminology

To help you understand the terminology used in this Retail Information Booklet:

- references to 'you' are references to Eligible Retail Shareholders;
- references to 'your Retail Entitlements' are references to the Retail Entitlements of Eligible Retail Shareholders; and
- references to 'your Entitlement and Acceptance Form' are references to the form of that name accompanying this Retail Information Booklet that you can use to take up your Retail Entitlements.

1.7 Enquiries

If you have any doubt about how to deal with your Retail Entitlements, you should seek professional advice from an adviser who is licensed by ASIC to give that advice.

If you:

- have questions on how to complete your Entitlement and Acceptance Form or how to take up, sell or transfer all or some of your Retail Entitlements; or
- have lost your Entitlement and Acceptance Form and would like a replacement form,

Key information on the Retail Entitlement Offer

14

you should contact the Costa Shareholder Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period. You may also access your personalised payment details at <https://events.miraqle.com/cgc-offer> from Friday, 2 July 2021.

Section 2

Summary of your options

COSTA RETAIL ENTITLEMENT OFFER

Summary of your options

16

2.1 Key considerations for Eligible Retail Shareholders

Option	Key considerations	More information
Option 1: Take up all or some of your Retail Entitlements	<ul style="list-style-type: none"> You may elect to take up all or some of your Retail Entitlements to purchase New Shares at the Offer Price. You must submit your Application via BPAY® so that payment is received before 5.00pm (AEST) on Monday, 19 July 2021. Alternatively, you may submit your payment via cheque, bank draft or money order. You should instruct payment well before 5.00pm (AEST) on Monday, 19 July 2021. Costa will treat you as applying for as many New Shares as your payment will pay for in full. You are not able to apply for New Shares in excess of your Retail Entitlements as shown on your personalised Entitlement and Acceptance Form. Any Application Monies received for more than your final allocation of New Shares will be refunded. No interest will be paid to applicants on any Application Monies received or refunded (wholly or partially). The New Shares issued under the Retail Entitlement Offer are expected to be allotted on Wednesday, 28 July 2021 and commence trading on ASX on a normal settlement basis on Thursday, 29 July 2021. The New Shares will be fully paid and rank equally in all respects with Existing Shares. If you take up all or part of your Retail Entitlements under this option, you will not be able to sell or transfer those Retail Entitlements (see Option 2 below). Costa will not be liable for any losses you incur if you attempt to sell or transfer any Retail Entitlements that you take up under this option. Retail Entitlements purchased on-market or otherwise cannot be taken up under this option. 	Section 3.1
Option 2: Sell or transfer all or some of your Retail Entitlements	<ul style="list-style-type: none"> If you do not wish to take up all or some of your Retail Entitlements, you may be able to sell all or some of your Retail Entitlements on ASX through your broker or transfer your Retail Entitlements directly to another person. Retail Entitlements may be traded on ASX (on a deferred settlement basis) from Monday, 28 June 2021 until Thursday, 1 July 2021, and on a normal settlement basis from Friday, 2 July 2021 to Monday, 12 July 2021 (ASX code: CGCR) ("Retail Entitlement Trading Period"). You may incur brokerage costs if you sell all or some of your Retail Entitlements on ASX. Depending on the number of Retail Entitlements you have, brokerage costs may have a material impact on the net proceeds you receive. If you sell your Retail Entitlements during the Retail Entitlement Trading Period, you may receive a higher or lower amount than an Eligible Retail Shareholder who sells their Retail Entitlements at a different time during the Retail Entitlement Trading Period or through the Retail Shortfall Bookbuild. Your percentage shareholding in Costa will also be diluted. If you only sell or transfer some of your Retail Entitlements, you may choose to take up the remainder (see Option 1 above) or you 	Section 3.2

COSTA RETAIL ENTITLEMENT OFFER

Summary of your options

17

	<p>may do nothing and let your remaining Retail Entitlements be sold in the Retail Shortfall Bookbuild (see Option 3 below).</p> <ul style="list-style-type: none"> If you take up all or some of your Retail Entitlements before 5.00pm (AEST) on Monday, 19 July 2021 (see Option 1 above), you will not be able to sell or transfer those Retail Entitlements. Costa will not be liable for any losses you incur if you attempt to sell or transfer any Retail Entitlements that you take up before 5.00pm (AEST) on Monday, 19 July 2021. It is your responsibility to confirm the number of Retail Entitlements you have for the purposes of ASX on-market trades and off-market transfers. There is no guarantee that there will be a liquid market in traded Retail Entitlements. 	
<p>Option 3: Do nothing and let all or some of your Retail Entitlements be sold through the Retail Shortfall Bookbuild</p>	<ul style="list-style-type: none"> To the extent you do not take up all of your Retail Entitlements or you do not sell them on ASX (or via direct transfer), your Retail Entitlements will be sold through the Retail Shortfall Bookbuild on Thursday, 22 July 2021 and you will receive the Retail Premium (if any) in respect of those Retail Entitlements. There is no guarantee that there will be any Retail Premium. The ability to sell Retail Entitlements under the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Underwriter, will, if accepted, result in all Retail Entitlements participating in acceptable allocations to clear the entire book. It is expected that the Retail Premium (if any) will be paid to you on or about Friday, 30 July 2021, by direct credit to your nominated bank account for receiving distributions, as noted on Costa's share register (or if there is no nominated bank account, by a cheque in Australian dollars). We recommend you check, and if necessary amend, your direct payment instructions for distributions online at https://investorcentre.linkmarketservices.com.au/Login/Login by following the prompts. To use this facility you will need internet access and your HIN or SRN to pass the security features on the website. Your HIN or SRN can be found on the top right hand corner of your holding statements and other shareholder communications and identifies you as the owner of your Existing Shares. If you are a broker-sponsored shareholder you will have a HIN which will start with the letter 'X' followed by 11 digits. If you are an issuer-sponsored shareholder, you will have an SRN which will start with the letter 'I' and be followed by 11 digits. You will not incur brokerage costs on any Retail Premium received from the Retail Shortfall Bookbuild. By letting your Retail Entitlements be sold through the Retail Shortfall Bookbuild, you will forgo any exposure to increases or decreases in the value of New Shares that you would have received had you taken up your Retail Entitlements (or any value for those Retail Entitlements that may have been achieved through their sale on ASX or otherwise). Your percentage shareholding in Costa will also be diluted. 	Section 3.3

Summary of your options

18

If you have any doubt about how you should deal with your Retail Entitlements, you should seek professional advice from an adviser who is licensed by ASIC to give that advice before making any investment decision.

You should also carefully read:

- the “Key Risks” section of the Investor Presentation included in Section 4 of this Retail Information Booklet; and
- Section 5 of this Retail Information Booklet for information on the Australian tax implications of each option.

Section 3

Additional information - Options

COSTA RETAIL ENTITLEMENT OFFER

Additional information - Options

20

3.1 Additional information - Option 1

Under Option 1 you can elect to take up all or some of your Retail Entitlements to purchase New Shares at the Offer Price of \$3.00 per New Share. It is expected that your New Shares will be allotted on Wednesday, 28 July 2021 and commence trading on ASX on a normal settlement basis on Thursday, 29 July 2021.

3.1.1 Payment options

To take up all or part of your Retail Entitlements to purchase New Shares at the Offer Price of \$3.00 per New Share, you may select either of the payment options below:

Pay your Application Monies by BPAY®	<ul style="list-style-type: none"> • If you wish to take up all or some of your Retail Entitlements under Option 1 you should instruct payment well before 5.00pm (AEST) on Monday, 19 July 2021. • Follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can also obtain the Biller Code and your unique Customer Reference Number at https://events.miraql.com/cgc-offer from Friday, 2 July 2021. • You can only make a payment via BPAY® if you are the holder of an account with an Australian branch of a financial institution that supports BPAY® transactions. • You do not need to return your personalised Entitlement and Acceptance Form if you choose the BPAY® payment option. By paying your Application Monies by BPAY®, you will be deemed to have made the declarations set out in this Retail Information Booklet and on the Entitlement and Acceptance Form. • Please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement and Acceptance Form. • If you receive more than one personalised Entitlement and Acceptance Form because you have shareholdings in different names or multiple shareholdings, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Entitlement and Acceptance Form that you receive and under the terms of the agreement you have with your financial institution. • If you inadvertently use the same Customer Reference Number for more than one of your holdings of Retail Entitlements, you will be deemed to have applied only for your Retail Entitlements to which that Customer Reference Number applies and any excess amount will be refunded. • You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. You may also have your own limit on the amount that you can pay via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.
Pay your Application Monies by cheque, bank draft	<ul style="list-style-type: none"> • Complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form, indicating the number of New Shares you wish to apply for and return it by mail or delivery to the address set out below and accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies. • Your cheque, bank draft or money order must be:

Additional information - Options

21

or money order	<ul style="list-style-type: none"> – payable to “Costa Group Retail Entitlement Offer” and crossed “Not Negotiable”; – for an amount equal to \$3.00 multiplied by the number of New Shares that you are applying for; and – in Australian currency drawn on an Australian branch of a financial institution. <ul style="list-style-type: none"> • Any agreement to issue New Shares to you following receipt of your personalised Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the Application Monies for those New Shares being honoured on first presentation. Therefore, you must ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. It is your responsibility to ensure that your payment is received by the Registry by no later than 5.00pm (AEST) on 19 July 2021. • If the amount of your cheque, bank draft or money order for Application Monies (or the amount for which the cheque, bank draft or money order clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted. • Cash payments will not be accepted. Receipts for payment will not be issued. • Your completed Entitlement and Acceptance Form and cheque, bank draft or money order must be mailed to the first address below: <p style="margin-left: 40px;">Mailing address: Costa Group Retail Entitlement Offer</p> <p style="margin-left: 40px;">C/ Link Market Services Limited GPO Box 3560 Sydney NSW 2001</p> <p>They will not be accepted at Costa’s registered or corporate offices. Due to COVID-19 Entitlement and Acceptance Forms will not be accepted by hand delivery. If your completed Entitlement and Acceptance Form and cheque, bank draft or money order is not received at the appropriate address, or arrives at the appropriate address after 5.00pm (AEST) on Monday 19 July 2021, your Application will not be accepted. Neither Costa nor any of its Extended Parties accepts any responsibility for delays in mail delivery.</p> • For the convenience of Eligible Retail Shareholders in Australia, an Australian reply paid envelope with the appropriate mailing address has been included with this Retail Information Booklet. Shareholders outside of Australia will need to affix the appropriate postage.
----------------	--

3.2 Additional information - Option 2

Under Option 2 you can sell or transfer all or some of your Retail Entitlements.

3.2.1 Ways to sell or transfer your Retail Entitlements

If you do not wish to take up all or some of your Retail Entitlements, you may be able to sell all or some of your Retail Entitlements on ASX through your broker or transfer all or some of your Retail Entitlements directly to another person.

Additional information - Options

22

<p>Selling all or some of your Retail Entitlements on ASX</p> <p>You can only do this through your broker. If you are an issuer sponsored holder, you will need to set up an account with a broker before being able to sell your Retail Entitlements on ASX</p>	<ul style="list-style-type: none"> You should ensure that you allow sufficient time for your broker to carry out your instructions. Please note that brokerage costs may be incurred if you sell all or some of your Retail Entitlements on ASX, which depending on the number of your Retail Entitlements, may have a material impact on the net proceeds you receive. Retail Entitlements trading on ASX starts on a deferred settlement basis on Monday, 28 June 2021 (ASX code: CGCR) and on a normal settlement basis on Friday, 2 July 2021. Retail Entitlements trading on ASX ceases on Monday, 12 July 2021.
<p>Selling or transferring all or some of your Retail Entitlements off-market (i.e. other than on ASX)</p> <p>You can only do this if you are an issuer sponsored holder</p>	<ul style="list-style-type: none"> You must forward a completed Renunciation and Acceptance Form to the Registry in relation to the Retail Entitlements that you wish to transfer. If the transferee wishes to take up all or part of the Retail Entitlements transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to those Retail Entitlements transferred to them to the Registry. Both you and the transferee must be issuer sponsored. If either party is CHESS sponsored, you will need to contact your broker. You may only sell or transfer your Retail Entitlements in this way to a transferee whose address is in Australia or New Zealand, and who is not in the United States and who is not acting for the account or benefit of a person in the United States. Persons that are in the United States or that are acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) will not be eligible to purchase, trade, take up or exercise Retail Entitlements. You should inform any proposed transferee of these restrictions before you complete any transfer to them. You can obtain a Renunciation and Acceptance Form through the Costa Shareholder Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia), from your broker, or through the offer website. The Renunciation and Acceptance Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Retail Entitlements transferred to them must be received by the Registry at the mail delivery address set out below no later than the Retail Closing Date (being 5.00pm (AEST) on Monday, 19 July 2021): <p>Mailing address: Costa Group Retail Entitlement Offer</p> <p>C/ Link Market Services Limited GPO Box 3560 Sydney NSW 2001</p> Due to COVID-19 Entitlement and Acceptance Forms will not be accepted by hand delivery. If the Registry receives both a completed Renunciation and Acceptance Form and an Application for New Shares in respect of the same Retail Entitlements, the transfer will take priority over the Application.

Additional information - Options

23

3.2.2 Implications of selling or transferring your Retail Entitlements

- There is no guarantee that there will be a liquid market for Retail Entitlements on ASX or otherwise. A lack of liquidity may impact your ability to sell your Retail Entitlements on ASX or to transfer your Retail Entitlements and the price you may be able to obtain for them.
- If you sell or transfer all or some of your Retail Entitlements, you will forgo any exposure to increases or decreases in the value of the New Shares that you would have received had you taken up those Retail Entitlements. Your percentage shareholding in Costa will also be diluted.
- Prices obtainable for Retail Entitlements may rise and fall over the Retail Entitlement Trading Period and will depend on many factors including the demand for and supply of Retail Entitlements on ASX and the value of Existing Shares relative to the Offer Price. If you sell your Retail Entitlements during the Retail Entitlement Trading Period, you may receive a higher or lower amount than a Shareholder who sells their Retail Entitlements at a different time during the Retail Entitlement Trading Period or through the Retail Shortfall Bookbuild.
- If you take up all or some of your Retail Entitlements before 5.00pm (AEST) on Monday, 19 July 2021 (see Option 1 described in Sections 2 and 3.1), you will not be able to sell or transfer those Retail Entitlements. Costa will not be liable for any losses you incur if you attempt to sell or transfer any Retail Entitlements that you take up before 5.00pm (AEST) on Monday, 19 July 2021.
- If you decide to sell or transfer some of your Retail Entitlements, you may choose to take up the remainder (see Option 1 described in Sections 2 and 3.2). Alternatively, you may do nothing and let the remainder of your Retail Entitlements be sold in the Retail Shortfall Bookbuild (see Option 3 described in Sections 2 and 3.3).

3.3 Additional information - Option 3

3.3.1 Sale of Retail Entitlements through the Retail Shortfall Bookbuild

Retail Entitlements which are not taken up by the Retail Closing Date (being 5.00pm (AEST) on Monday, 19 July 2021), and Retail Entitlements of Ineligible Retail Shareholders, will be sold through the Retail Shortfall Bookbuild. Any Retail Premium will be remitted proportionally to those Shareholders on or about Friday, 30 July 2021, net of any applicable withholding tax. The Retail Premium will be the excess (if any) of the price at which New Shares are sold through the Retail Shortfall Bookbuild over the Offer Price, less expenses.

3.3.2 There may be no Retail Premium

The Retail Premium may be zero, in which case no payment will be made to holders of those Retail Entitlements sold into the Retail Shortfall Bookbuild. The outcome of the Institutional Shortfall Bookbuild (including the Institutional Premium) is not an indication as to whether there will be a Retail Premium or what any Retail Premium may be.

The ability to sell Retail Entitlements through the Retail Shortfall Bookbuild and the ability to obtain any Retail Premium will depend on various factors, including market conditions. If there is a Retail Premium, it may be less than, more than, or equal to the Institutional Premium or less than, more than or equal to any price or prices for which Retail Entitlements may be able to be sold on ASX or otherwise transferred. To the maximum extent permitted by law, Costa, the Underwriter and their respective Extended Parties exclude and disclaim all liability (including, without limitation for negligence) for any failure to procure a Retail Premium through the Retail Shortfall Bookbuild and for any difference between the Retail Premium and the Institutional Premium. Costa reserves the right to sell Retail Entitlements through the Retail Shortfall Bookbuild in any manner it determines.

You should note that if you allow all or some of your Retail Entitlements to be sold through the Retail Shortfall Bookbuild, then you will forgo any exposure to increases or decreases in the value of New Shares (or any value for those Retail Entitlements which may have been achieved through a sale of those Retail Entitlements on ASX

Additional information - Options

24

or otherwise) and your percentage shareholding in Costa will be diluted as a result of your non-participation in the Retail Entitlement Offer.

Section 4

Announcements

The enclosed Announcements are current as at Friday, 2 July 2021. There may be other announcements that have been made by Costa after Friday, 2 July 2021 and throughout the Retail Entitlement Offer Period that may be relevant in your consideration of whether to take up, sell or transfer all or some of your Retail Entitlements. Those announcements will be available at **www.asx.com.au** and you should check those announcements before submitting an Application or selling or transferring your Retail Entitlements.

4.1 Announcement



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

ASX ANNOUNCEMENT

23 June 2021

ACQUISITION OF CITRUS GROWER 2PH FARMS BUSINESS AND CAPITAL RAISING

Costa Group Holdings Limited (Costa; ASX: CGC), Australia's leading grower, packer and marketer of fresh fruits and vegetables, advises that it has entered into binding agreements (subject to the satisfaction of customary conditions) with a group of companies (Pressler entities) to acquire the business and assets of 2PH Farms Pty Ltd and its related entities ("2PH"), a Central Queensland based citrus grower for an upfront consideration of approximately \$200 million in cash¹.

Costa will pay an additional \$31 million in July 2023 for the purchase of the 'Conaghans' property, where a new citrus crop is currently being planted by 2PH, subject to certain conditions.

An investor presentation webcast will be hosted by Costa commencing at 10:30am AEST today (23 June). The webcast can be accessed at: <http://investors.costagroup.com.au/Investor-Centre/>.

Craig Pressler, owner of 2PH farms, said "2PH has a long and successful history, having been started by my parents John and Pam Pressler, uncle Geoffrey Pressler and Darryl Hess some 51 years ago. We have invested a lot of hard work and effort into becoming the successful business we are today, which is an industry leader, with an established reputation as a breeder and grower of high-quality citrus and an iconic brand both domestically and internationally. 2PH has had a close relationship with Costa for over a decade through our successful domestic marketing alliance with Bindi Pressler having performed the role of 2PH Marketing Manager, of both the citrus and grape crops. I know and trust Costa, and I am happy that the business will be owned and run by an Australian company which is not only an industry leader, but also has a genuine commitment to continuing to build on 2PH's reputation for the growing and export of high-quality citrus".

Costa has an established relationship with 2PH, having successfully marketed 2PH citrus for over 10 years in the Australian domestic market and both the domestic and export markets this calendar year 2021.

The total upfront funding requirement is approximately \$219 million (including stamp duty and transaction costs) and is to be funded with the proceeds of a fully underwritten pro rata accelerated renounceable entitlement offer ("PAITREO") with retail rights trading to raise \$190 million and existing debt facilities.

Costa expects to maintain a strong balance sheet post Acquisition to support growth opportunities (pro forma net debt / EBITDA-SL as at 30 June 2021 estimated to be approximately 1.4x²).

¹ Excludes stamp duty and transaction costs of \$19 million.

² Presented on a pre-AASB 16 basis and assumes 2PH CY21 earnings on a pro forma basis



Acquisition rationale and strategic alignment

- **Greater export supply to key Asian markets** – 2PH has an established brand presence in Asia. Enhances Costa’s ability to also capitalise on market access drivers, including quality and proximity to Asia.
- **Increased citrus category revenue contribution** – total citrus category revenue contribution expected to increase from approximately 30% to approximately 35% post transaction.
- **Exclusive rights to selected proprietary varieties** – access to a proven 30-year proprietary breeding program.
- **Larger production scale and expanded geographical diversity** – Costa’s total citrus plantings will increase by 60% to 4,513 hectares³. Growing regions increase from two to three, to include Riverland (South Australia), Sunraysia (Victoria and New South Wales) and Emerald (Central Queensland). Farming locations will increase to 11.
- **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.

As the largest citrus grower in northern Australia, 2PH has farming operations in Central Queensland, with a main growing location at Emerald and a smaller location at Dimbulah.

In addition to 2PH’s current 1,474 planted hectares of citrus, and 240 planted hectares of table grapes, a further 210 hectares will be planted by 2PH at the Conaghans property/farm⁴ (at Emerald) by 2023.

The 2PH tree age profile consists of a majority of plantings which are yet to reach maturity (8 years) while half of the plantings are under 5 years old. Based on this maturity annual yield is forecast to increase from an expected circa 30,000 tonnes in CY21 to circa 60,000 plus tonnes by CY25.

The 2PH farms are supported by large holdings of high and medium permanent water allocations (11,000ML+) from Fairbairn Dam in the Nogo Mackenzie scheme and on farm water storage capacity of 4,000ML. Excess water requirements are sourced from purchases on the temporary water market.

2PH financial profile and impact

- 2PH is expected to generate circa \$29 million in EBITDA-S in CY21 on a pro forma basis⁵.
- Relatively young citrus orchards still in growth phase with yield forecast to more than double by orchard maturity.
- Expected to be around 10% EPS accretive⁶ on a pro forma basis in CY21 excluding future plantings at Conaghans and potential synergy benefits.
- Pro forma net debt / EBITDA-SL estimated to be 1.4x⁷ at 30 June 2021.
- Anticipated revenue and cost synergies not currently included in the business case.

³ Includes 210 hectares expected to be planted by 2023.

⁴ Costa will pay an additional \$31 million payment in July 2023 for the purchase of the Conaghans property, subject to certain conditions.

⁵ Costa management assessment of key financials.

⁶ Comparative earnings per share for the Company takes into account a theoretical ex-rights price adjusted for the entitlement offer and excludes one-off costs and any impact of acquisition accounting. Assumes a full year contribution from 2PH assuming the transaction completed at the start of the CY21 calendar year.

⁷ Presented on a pre-AASB 16 basis and assumes 2PH CY21 earnings on a pro forma basis



Transaction funding and completion

- Total upfront funding requirement of approximately \$219 million (including stamp duty and transaction costs).
- Transaction to be funded by existing debt facilities and the proceeds from a fully underwritten \$190 million 1 for 6.33 pro rata accelerated renounceable entitlement offer (“PAITREO”)
- Transaction expected to be completed by late July 2021, subject to satisfaction of customary conditions

Costa Group CEO, Sean Hallahan noted a number of strategic benefits for Costa from the acquisition, with 2PH recognised as a premium citrus grower and exporter throughout Asia, having an established reputation as a market leader.

“There are a number of strategic benefits and alignments that will result from what is a financially compelling acquisition, which include greater export supply to key Asian export markets, production scale, increased variety offering, including rights to commercialise varieties with Plant Breeder Rights (PBRs) in certain jurisdictions⁸, access to a proven 30-year proprietary breeding program, expanded geographic footprint and extended season timing,” said Sean Hallahan, Costa Group CEO.

“Costa has been actively engaged in the acquisition of high-quality citrus assets, including our recent acquisition of KW Orchards (Sunraysia) in March 2021. 2PH is not only a high-quality asset, but it will also complement and enhance our production footprint, our variety offering and market opportunities, both export and domestic. We are delighted with this acquisition and look forward to successfully integrating 2PH into the Costa business and further growing our citrus category and its world-renowned reputation,” said Mr Hallahan.

1HCY21 trading update and CY21 outlook

First half CY21 performance is expected to be marginally ahead of the prior comparable period, with a strong performance from the international segment and mixed performance from the produce segment.

Berry category performance saw favourable pricing with lower volumes. There were associated impacts from higher industry supply of avocados, resulting in lower pricing in the category. Monarto mushroom volumes continued below expectation although retail demand in particular supported mushroom pricing throughout the half. Tomato yields progressively improved, matching steady demand, and short-term pricing pressure eased towards the end of the half. Damage from the Colignan hailstorm on 1 January 2021 progressively impacted over the half as initial grape crop damage estimates deteriorated. In addition, our third-party network suffered from industry wide poor quality resulting in poor export returns.

Based on unaudited management estimates, forecast first half results are revenue of \$627 million, EBITDA-S \$124 million and NPAT-S \$44 million.

⁸ Plant Breeder Rights are exclusive commercial rights for a registered variety of plant. The rights are a form of intellectual property.



International segment

Both Morocco and China seasons have largely been completed, with overall performance very positive versus previous year.

China will finish with net positive volumes. There was strong pricing and demand over the season, particularly for our premium blueberry varieties, and as previously advised performance was also helped by lower imports of South American fruit into the market earlier in the year.

Morocco will deliver a solid performance, with volumes in line with budget, driven by favourable timing of earlier fruit and stronger pricing. The season also benefited from delayed timing of the main Spanish blueberry crop.

As previously advised, whilst International results are well ahead of the prior comparative period (pcp) reported results for this segment have been negatively impacted by the higher Australian dollar.

Produce segment

The domestic produce categories are delivering a mixed performance for the first half.

Berry category - There was generally favourable pricing across the four main berry varieties and ultimately in line with expectations. Blueberry pricing was impacted in part by some quality issues in Tasmania.

There was a stronger than usual finish to the Tasmanian season with positive tonnage over the later part of the season, however overall volumes were down due to climatic conditions versus pcp and a shortage of labour during peak harvest periods.

Mushroom category – As previously advised short term labour constraints at Monarto contributed to lower than average production volumes over the half. Overall mushroom conditions remain strong going into the cooler months.

Avocado category – As previously noted sustained higher volumes contributed to significantly lower pricing and category performance. Export activity has been positive year to date with volumes already surpassing CY20 but coming off a low base, and this continues to be a focus into the future.

Tomato category - Increased field tomato supply impacted short term pricing, particularly truss varieties and to a lesser extent snacking and cocktail. Volumes were down due to poorer growing conditions. Retail and wholesale pricing improved over May and June heading into the second half.

Citrus category – The impact of the previously advised hail damage to our Colignan (Vic) table grape crop resulted in significantly lower production volumes from this farm and a subsequent earnings impact.

The early citrus harvest through May and June delivered tonnage ahead of forecast due primarily to early timing of the mandarin harvest. As previously advised fruit fly restrictions has impacted performance adding additional cost.



Capex, Debt and growth update

Acquisitions undertaken during the half included the Sunraysia located KW Orchards citrus farm and associated packing operations (acquired March 2021). The KW acquisition increases our citrus footprint in Sunraysia to 700 planted hectares.

The company also signed an agreement to acquire the assets of Select Fresh, a leading Western Australian based wholesale distribution business specialising in the supply of fresh produce to foodservice and independent supermarkets.

The acquisition is expected to be completed in July 2021 and will be run under the Costa Farms and Logistics (CF&L) business unit. It expands our CF&L offering into Western Australia, increases our supplier grower base and provides a strong platform to extend our supply relationship with National customers particularly in the catering & meal kit segments. Further updates on existing growth projects will be reported at the half year results release in August 2021.

Debt levels continued to be consistent with the company's target gearing range of between 1.5 to 2 times EBITDA-SL. The Company expects net debt (excluding lease liabilities) at 30 June 2021 to be approximately \$211 million, which represents an approximate leverage ratio of 1.4x. The increase in net debt from \$143.9 million at 27 December 2020 reflects the previously announced acquisition of KW Orchards, maintenance capex back to pre COVID levels, seasonality of working capital and execution of previously announced growth projects including tomato glasshouse four and China berry plant development.

Outlook 2HCY21

The citrus season is an 'on year' with resultant higher yields, which are overall currently tracking to forecast, noting the Riverland will deliver a likely more favourable than forecast yield. Fruit quality is ahead of expectations, with volume of first grade product up on the previous year at the same time.

Fruit fly treatment costs will apply for the entire season (restrictions in place to December '21) and supply chain impacts are likely ongoing in some export markets as differing levels of restrictions remain. Export pricing is expected to remain consistent with previous years, noting the higher Australian dollar. Labour has been guaranteed for the season, but with additional quarantine cost.

It is anticipated that Western Australian crops will be strong, further contributing to higher avocado supply and lower prices continuing over the second half and resulting in a performance well below expectations.

Early tonnages of Arana blueberry variety have attracted a price premium in FNQ, however initial indications are challenging with respect to meeting expected overall yield target. The main Corindi New South Wales crop is yet to commence, but current volumes and pricing are forecast to be in line with expectations.

Mushroom production levels are stabilising and are anticipated to progressively improve over the second half as the work continues on addressing yield and labour challenges.

Tomato pricing for truss varieties continues to return to more normal levels and the expectation is this will continue over the second half, including more positive snacking and cocktail pricing. Planting will begin on schedule in July 2021 in the new glasshouse four.



Apart from the labour challenge at the Monarto mushroom facility, the company expects to have sufficient labour to harvest its crops over the second half.

At this point in time, based on current information, Costa expects CY21 EBITDA-S and NPAT-S to be marginally ahead of CY20 (which were \$197.2 million and \$55.1 million respectively) prior to taking into account the impacts of the acquisition and the equity raising.

The CY21 forecast contemplates normal crop cycles in Australia for the remainder of the calendar year, no extreme weather events, and crop yields in line with historic averages.

Specific outlook risks include:

- Berry yield and pricing, particularly for main Corindi (NSW) season.
- Timing of Tumbarumba (NSW) blueberry harvest.
- 80% of citrus crop yet to have confirmed pricing.
- FX impact on export earnings.
- Bowen (QLD) tomato field crop volumes.
- Potential major disruption from COVID.

Capital Raising

The capital raising has been structured as a fully underwritten pro rata accelerated renounceable entitlement offer with retail rights trading; which is consistent with Costa's 2019 equity raising structure. The "PAITREO" structure provides all eligible shareholders a pro rata opportunity to participate and the potential to realise value for their entitlement.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 6.33 existing shares held on the record date of 7.00pm on Monday, 28 June 2021, at a price of \$3.00 per New Share (the "Offer Price").

The Offer Price represents a 10.3% discount to the theoretical ex rights price ("TERP") of \$3.35.

The total number of New Shares to be issued under the Entitlement Offer is estimated to be approximately 63 million, representing 15.8% of existing shares on issue.

The Entitlement Offer includes two components, an Institutional Entitlement Offer and Retail Entitlement Offer. The key dates of each component of the Entitlement Offer are set out in the below timetable.

New Shares issued will rank pari passu with existing shares on issue.

All have expressed their intention to take-up their entitlements.



Key Dates

A timetable of key dates in relation to the Entitlement Offer is set out as below.

Event	Date ¹
Trading halt and announcement of Offer, Institutional Entitlement Offer Opens	Wednesday, 23 June 2021
Institutional Entitlement Offer closes	Thursday, 24 June 2021
Institutional Entitlement Offer shortfall bookbuild	Friday, 25 June 2021
Announce results of Institutional Entitlement Offer	Monday, 28 June 2021
Trading halt is lifted and Costa shares recommence trading on an "ex-entitlement" basis	Monday, 28 June 2021
Record date for the Entitlement Offer (7:00pm Sydney time)	Monday, 28 June 2021
Retail rights commence trading on the ASX (on a deferred settlement basis)	Monday, 28 June 2021
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet dispatched	Friday, 2 July 2021
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 6 July 2021
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 7 July 2021
Close of retail rights trading on the ASX	Monday, 12 July 2021
Retail Entitlement Offer closes (5:00pm Sydney time)	Monday, 19 July 2021
Announce results of Retail Entitlement Offer (Aftermarket)	Thursday, 22 July 2021
Retail Entitlement Offer shortfall bookbuild (Aftermarket)	Thursday, 22 July 2021
Announce results of Retail shortfall bookbuild	Friday, 23 July 2021
Settlement of Retail Entitlement Offer	Tuesday, 27 July 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 28 July 2021
Normal trading of New Shares issued under the Retail Entitlement Offer	Thursday, 29 July 2021
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Friday, 30 July 2021

¹ All dates and times are indicative and subject to change without notice; AEST refers to Sydney Australian Eastern Standard Time.

Additional information

Further details of the 2PH acquisition and Entitlement Offer are set out in the accompanying Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

UBS acted as financial adviser and King & Wood Mallesons acted as legal adviser to Costa in relation to the transaction.

Release authorised by the Costa Group Holdings Limited Board.



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 5,000 planted hectares of farmland, 30 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 600 planted hectares.


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

FORWARD LOOKING INFORMATION

This document contains forward looking statements. Forward looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Costa, its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Investors are cautioned not to place undue reliance on any forward looking statements.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

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



ASX:CGC

costa
well grown

**Acquisition of 2PH Farms
and Capital Raising**

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

23 June 2021

Important Notices and Disclaimer



This investor presentation ("Presentation") has been prepared by Costa Group Holdings Limited (ACN 151 363 129) ("Costa"). This Presentation has been prepared in relation to a pro rata accelerated renounceable entitlement offer of new Costa ordinary shares ("New Shares") with retail entitlements trading, to be made to:

- eligible institutional shareholders of Costa ("Institutional Entitlement Offer"); and
- eligible retail shareholders of Costa with a registered address in Australia or New Zealand ("Retail Entitlement Offer").

under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/64 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (together, the "Entitlement Offer").

SUMMARY INFORMATION

This Presentation contains summary information about the current activities of Costa and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all of the information that an investor should consider when making an investment decision nor does it contain all of the information which would be required in a product disclosure statement or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Costa's other periodic and continuous disclosure announcements, including Costa's results for the year ended 27 December 2020, lodged with the ASX on 22 February 2021, available from the ASX at www.asx.com.au.

No member of the Costa group gives any representations or warranties in relation to the statements or information in this Presentation.

NOT FINANCIAL PRODUCT ADVICE

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or the law of any other jurisdiction. This Presentation is not personal financial product advice or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation and particular needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Costa is not licensed to provide personal financial product advice in respect of New Shares. Cooling off rights do not apply to an investment in New Shares.

2PH INFORMATION

Certain information in this Presentation has been sourced from 2PH Farms Pty Ltd ("2PH") and the Sellers or their representatives or associates. While steps have been taken to confirm that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, completeness, reliability or adequacy (see "Reliance on information provided" in the Appendix to this Presentation).

FINANCIAL INFORMATION

Costa operates on a 52 or 53 week fiscal year that will normally end on the last Sunday in December of each year, with the next fiscal year beginning the following Monday. Accordingly, in this Presentation, references to "CY21" are to the 52 weeks ending 26 December 2021, and references to "CY22" are to the 53 weeks ending 1 January 2023.

All financial amounts contained in this Presentation are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Presentation are due to rounding.

Investors should note that this Presentation contains pro forma historical financial information. In particular, a pro forma balance sheet has been prepared by Costa. The pro forma and historical information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Costa's views on its future financial condition and / or performance. The pro forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Important Notices and Disclaimer

Investors should be aware that certain financial measures included in this Presentation are "non-IFRS financial information" under ASIC Regulatory Guide 230. "Disclosing non-IFRS financial information" published by ASIC and also "Non-GAAP financial measures" within the meaning of Regulation G under the US Securities Exchange Act of 1934 and are not recognised under the AAS or IFRS. Non-IFRS financial information / non-GAAP financial measures in this Presentation EBITDA-S, EBITDA-SL, NPAT-S and free cash flow. Costa believes the non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of Costa. However, investors should note that the non-IFRS financial information and non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS. Therefore, the non-IFRS financial information and non-GAAP financial measures are not a measure of financial performance, liquidity or value under AAS or IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures included in this Presentation.

FUTURE PERFORMANCE

This Presentation contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Forward-looking statements in this Presentation include statements about the future performance of Costa and 2PH, statements about the expected financial impact and benefits of the acquisition, statements about Costa's plans, objectives and strategies, statements about the industry and the markets in which Costa and 2PH operate as well as statements about the outcome and effects of the Entitlement Offer and the use of proceeds. Indications of, and guidance on, future earnings and financial position, distributions and performance, including the 1H21 trading update and the C-Y21 outlook, are also forward-looking statements. The forward-looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Costa, its directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain general and Costa-specific risk factors as well as risks relating to the acquisition of 2PH, that may affect Costa. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those disclosures. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to Costa as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Costa undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. To the maximum extent permitted by law, Costa, the underwriter and each of their respective advisors, affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees and agents ("Extended Parties") disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. Costa disclaims any responsibility to update or revise any forward-looking statement to reflect any change in Costa's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

PAST PERFORMANCE

Past performance and pro forma historical financial information in this Presentation is given for illustrative purposes only and should not be relied on and is not an indication of future performance including future share price information. Historical information in this Presentation relating to Costa is information that has been released to the market. For further information, please see past announcements released to the ASX.

DETERMINATION OF ELIGIBILITY

Investors acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer or the Retail Entitlement Offer is determined by reference to a number of matters, including the legal and regulatory requirements, logistical and registry constraints and the discretion of Costa and/or the underwriter. Each of Costa, the underwriter and each of their respective Extended Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. The underwriter may rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Entitlement Offer without having independently verified that information and the underwriter does not assume responsibility for the currency, accuracy, reliability or completeness of that information.

Costa Group Holdings Limited



Important Notices and Disclaimer



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES
This Presentation may not be distributed or released in the United States.

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

RETAIL ENTITLEMENT OFFER

The retail information booklet for the Retail Entitlement Offer will be available to eligible retail security holders following its lodgement with the ASX. Any eligible retail security holder who wishes to participate in the Retail Entitlement Offer should consider the retail information booklet in deciding whether to apply under that offer. Any eligible retail security holder who wishes to apply for New Shares under the Retail Entitlement Offer or sell their entitlements will need to apply in accordance with the instructions contained in the retail information booklet and the entitlement and application forms or follow the sale instructions in the retail information booklet.

COSTA AND THE UNDERWRITER

None of the underwriter, nor any of its Extended Parties, nor the advisers to Costa, have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this Presentation and there is no statement in this Presentation that is based on any statement by any of those parties.

Costa, the underwriter and their respective Extended Parties, to the maximum extent permitted by law, expressly disclaim all liabilities, including without limitation liability for negligence in respect of and make no representations or warranties regarding, and take no responsibility for, any part of this Presentation other than references to their name and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation.

The underwriter, together with its affiliates, is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, principal investment, hedging, market making, brokerage and other financial and non-financial activities engaged in various activities, which may include trading, financing, financial advisory, investment management, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. Additionally, the underwriter is acting as financial adviser to Costa in relation to the Acquisition, and the underwriter (and/or certain of its Extended Parties) may receive fees in that capacity.

The underwriter and/or its affiliates is acting as lead manager and underwriter of both the Institutional Entitlement Offer and Retail Entitlement Offer. The underwriter is acting for and providing services to Costa in relation to the Entitlement Offer and will not be acting for or providing services to Costa shareholders. The underwriter has been engaged solely as independent contractor and is acting solely in a contractual relationship on an arm's length basis with Costa. The engagement of the lead manager and underwriter by Costa is not intended to create any agency or other relationship between the underwriter and the Costa shareholders.

The information in the Presentation remains subject to change without notice. Costa reserves the right to withdraw or vary the timetable for the Retail Entitlement Offer and/or Institutional Entitlement Offer without notice.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important Notices and Disclaimer



DISCLAIMER

No person is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Presentation. Any information or representation not contained in this Presentation may not be relied on as having been authorised by Costa in connection with the Entitlement Offer. The underwriter and its Extended Parties take no responsibility for any information in this Presentation or any action taken by you on the basis of such information. To the maximum extent permitted by law, Costa, the underwriter and their Extended Parties exclude and disclaim all liability (including without limitation liability for negligence) for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Entitlement Offer. The underwriter and its Extended Parties make no recommendation as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the underwriter or any of its Extended Parties in relation to the New Shares or the Entitlement Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Costa Group Holdings Limited



Contents



Section	Page
1 Transaction overview and summary	8
2 Overview of 2PH	12
3 Acquisition rationale and strategic alignment	17
4 Transaction funding and completion	24
5 1H21 trading and CY21 outlook	28
6 Capital raising details	35
A Additional information and key risks	38



Costa Group Holdings Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Section 1

Transaction overview and summary



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Transaction overview and summary



- Costa Group Holdings Limited ("Costa") has entered into binding conditional agreements with Pressler entities to acquire the assets¹ of 2PH Farms Pty Ltd ("2PH"), a Central Queensland based citrus grower for an upfront consideration of approximately \$200 million² in cash.
- Costa will pay an additional \$31 million³ in July 2023 for the purchase of the 'Conaghans' property, where a new citrus crop is currently being planted by 2PH, subject to certain conditions.
- 2PH is a leading grower and breeder of seedless and seeded mandarins and is expected to generate circa \$29 million in EBITDA-S in CY21 supported by young citrus orchards still in growth phase.
- AC41114^{PBR} (Amorette™) and 66-75^{PBR} (Phoenix™) seedless mandarin varieties from the 2PH breeding program to be exclusively licensed to Costa in Australia and key international territories in perpetuity.
- Transaction includes all land, trees, plant and equipment, long term water security and economic benefits of CY21 citrus season⁴.

Notes:

- Transaction also includes other associated entities of the 2PH business
- Upfront consideration excludes stamp duty and transaction costs of \$19 million
- Occurs after the transaction completion date
- Final upfront consideration will be subject to true-ups at Completion for actual CY21 season harvest costs and crop proceeds
PBR – Plant Breeder Rights

Costa Group Holdings Limited



Transaction overview and summary continued



Acquisition rationale and strategic alignment

- Strong strategic alignment with Costa business and growth profile enabling:
 - ✓ Greater export supply to key Asian markets.
 - ✓ Increased citrus category revenue contribution.
 - ✓ Exclusive rights to selected proprietary varieties and access to proven 30-year proprietary breeding program.
 - ✓ Larger production scale and expanded geographic diversity - adding a third major citrus growing location. A key element of our Sustainable Commercial Farming strategy.
 - ✓ Extended variety offering and earlier season timing.
- Costa has an established relationship with 2PH, having successfully marketed 2PH citrus for over 10 years in the Australian domestic market. Costa has been marketing both the 2PH domestic and export product for the calendar year (CY21).

Costa Group Holdings Limited



9

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Acquisition funding and timing



Transaction funding	<ul style="list-style-type: none"> Total upfront funding requirement of approximately \$219 million (including stamp duty and transaction costs) to be funded by: <ul style="list-style-type: none"> \$190 million fully underwritten pro rata accelerated renounceable entitlement offer, with retail rights trading ("PAITREO"). \$29 million from existing undrawn debt facilities. July 2023 payment of \$31 million relating to future purchase of 'Conaghans' property expected to be funded via existing undrawn debt facilities at the time of purchase.
Financial impact	<ul style="list-style-type: none"> The transaction is expected to be around 10% EPS accretive¹ on a pro forma basis in CY21 excluding future plantings at 'Conaghans' and potential synergy benefits (before transaction and implementation costs). EPS impacts expected to enhance over time with 2PH yields forecast to more than double by orchard maturity by 2025. Pro forma net debt / EBITDA-SL as at 30 June 2021 estimated to be approximately 1.4x² (unaudited).
Timing and Conditions	<ul style="list-style-type: none"> Transaction is expected to be completed by late July 2021. Payment of \$31 million for additional 210 planted hectares around July 2023 for the purchase of 'Conaghans', subject to certain conditions.³
Trading update and outlook	<ul style="list-style-type: none"> Costa 1H21 performance expected to be marginally ahead of prior comparable period, with a strong performance from the international segment and mixed performance from the produce segment Forecast 1H21 results: revenue ~\$627 million; EBITDA-S ~\$124 million; NPAT-S ~\$44 million. At this point in time, based on current information, Costa expects CY21 EBITDA-S and NPAT-S to be marginally ahead of CY20 (which were \$197.2 million and \$55.1 million respectively) prior to taking into account the impacts of the acquisition and the equity raising.

¹ Comparative earnings per share (EPS) for the Company takes into account a theoretical ex-rights price adjustment for the entitlement offer and excludes one-off costs and any impact of acquisition accounting. Assumes a full year contribution from 2PH assuming the transaction completed at the start of the CY21 calendar year. Financials presented on a post-AA5B16 basis

² PH assuming the transaction completed at the start of the CY21 calendar year. Financials presented on a post-AA5B16 basis

³ Subject to exercise of put or call options, price adjusted if different than 210 hectares planted at 'Conaghans' as at July 2023 or associated infrastructure not fully completed

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Section 2

Overview of 2PH

2.P.H.



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

2PH key production highlights



Largest citrus producer in Northern Australia and a 30-year breeder and grower of proprietary varieties

- o Main farming location at Emerald (Central QLD) with a smaller holding at Dimbulah.
- o March to mid September harvest season, producing approximately 30,000¹ tonnes p.a. and growing. CY21 season to date is performing in line with, to slightly ahead of, earlier expectations.
- o Proprietary mandarins include AC41114^{PBR} (Amorette™) and 66-75^{PBR} (Phoenix™). A grower also of Murcott and Afourer mandarins.
- o Footprint includes 1,474 hectares (ha) of planted citrus and 240 ha of table grapes, with a further 210 ha of citrus to be planted by 2023 ('Conaghans'), bringing total to 1,684 ha.
- o At the 'Conaghans' farm, 2PH is intending to plant AC41114^{PBR} (Amorette™) and 66-75^{PBR} (Phoenix™) in October 2021 and February 2022, with the potential to add a new variety to be determined in December 2022.
- o Weekly packing capacity across two facilities of 7,800 bins.

Notes:

¹ Expected CY21 yield figure

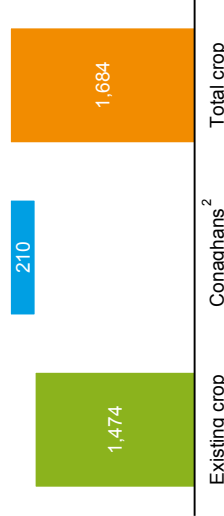
² Conaghans to be planted by 2023, total figure expected by 2023

PBR – Plant Breeder Rights

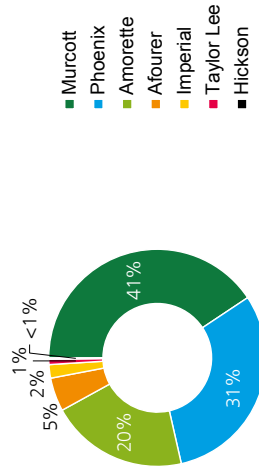
Costa Group Holdings Limited



Planted citrus hectares



Varietal split (current, by planted ha)



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

2PH has young orchard maturity in growth phase



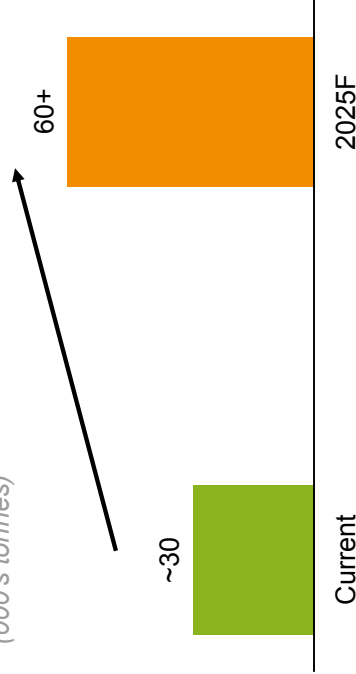
2PH has relatively young citrus orchards due to replanting with high value varieties in recent years. Orchards still in growth phase with yield forecast to more than double by orchard maturity.

Tree maturity

Tree Age	Area (hectares)	Percent
0-2 ¹	651	39%
3-4	304	18%
6-9	294	17%
10-20	435	26%
>20	0	0%
Total	1,684¹	100%

Historical and Forecast Production

(000's tonnes)



63% of plantings yet to reach maturity (8 years)

50% of plantings under 5 years old

Notes:
1 Includes Conaghan property – 210 hectares expected to be planted by 2023

Costa Group Holdings Limited



2PH financial profile



Strong financial metrics with attractive growth potential supported by a young and maturing orchard profile

Key financials (pro forma CY21¹)

~\$75m
Revenue

~\$29m
EBITDA-S²

~39%
EBITDA-S margin

~\$8m³
p.a.
Total capex

Key highlights

- Selling into global market and attracting premium pricing, especially in China.
- Biennial bearing crop consistent with Costa's existing citrus portfolio.
- Historical EBITDA-S seasonality skewed to 2H, similar to Costa's existing citrus business.
- EBITDA-S growth potential supported by tree profile and future plantings at 'Conaghans'.
- Low working capital and high cashflow generation, with near term capex predominantly focused on growth.
- Current depreciation profile of approximately \$6m per annum⁴
- Estimated interest expense on lease liability (AASB16) of approximately \$1.5m.

Notes:

1. Costa management assessment of key financials
2. Presented on a post-AASB 16 basis
3. Includes bearer plant development growth capex costs of circa \$6m
4. Includes depreciation on PPE and AASB16

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

2PH water assets and security

Water sources

- 11,000+ ML of permanent high and medium security water allocations from Fairbairn Dam in the Nogoa Mackenzie scheme.
- Excess water requirements sourced from on farm storage of 4,000ML capacity and purchases on temporary water market.
- Water allocations to be leased by Costa for a period of 10 years, with extension rights for an additional 20 years and first and last rights to lease beyond that time. Costa also has first and last rights to buy allocations¹ in the event they are sold.
- High security allocation has been at 100%.
- Over the last decade, medium water security allocation has been at close to 100%, with the exception of recent lower rainfall years necessitating purchases on the temporary water market.
- To further enhance water security and future needs, Costa to investigate further acquisition of water.

Source: 2PH disclosure

Notes:

1 Licences held by Pressler Entities

2 High security allocation at 100% water year 21/22

3 Medium security allocation at 73% water year 21/22

4 Below average rainfall year

Costa Group Holdings Limited



15



Water usage

Year	Volume ML
2018	10,721
2019	12,756 ⁴
2020	10,721
2021	10,000 (forecast)

- Total water allocation for the water year 21/22 is 8,910ML plus on farm storage of 4,000ML.
- Farms utilise precise drip irrigation technology.

Water allocations

Security level	Dam/Scheme	Annual Allocation (ML)
High security ²	Fairbairn Dam	1,125
Medium Security ³	Fairbairn Dam	9,975
Medium Security ³	Mareeba – Dimbulah Water Supply Scheme	690

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Section 3

Acquisition rationale and strategic alignment



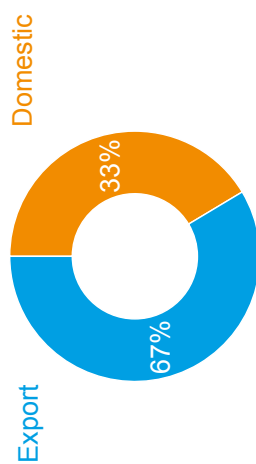
costa
well grown

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Capitalises on Costa's existing Australian market access drivers in Asian markets: quality, proximity, freshness, low to zero tariffs and consumer preference for 'clean and green' produce

2PH CY20 sales by value split



Key highlights

- Costa has spent over 15 years developing a number of citrus export markets, with circa 33% of Costa citrus exports being sold to Japan in CY20 also providing opportunity to diversify 2PH export sales.
- Strong domestic market presence, regularly achieving a premium through Costa marketing versus other brands.
- Costa has been successfully marketing 2PH citrus for over 10 years in the domestic market.
- Costa's marketing role for 2PH products recently expanded to export markets for this calendar year (CY21).
- 2PH export program predominantly in China selling premium quality citrus, with established relationships in other key regions including Indonesia, Taiwan, Thailand and Hong Kong.
- Costa citrus exports to China will more than double to circa 10% of volume, providing a significant opportunity to further build on growth in this market.

Costa Group Holdings Limited



17

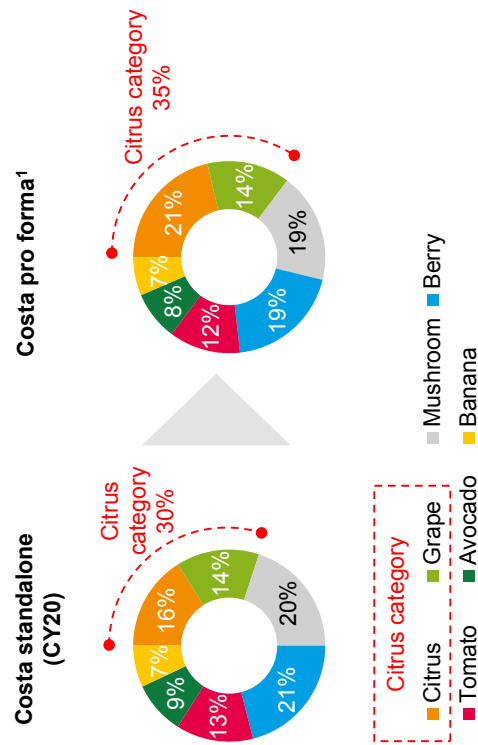
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Increased citrus category revenue contribution



Acquisition of 2PH increases citrus category revenue contribution to overall revenue

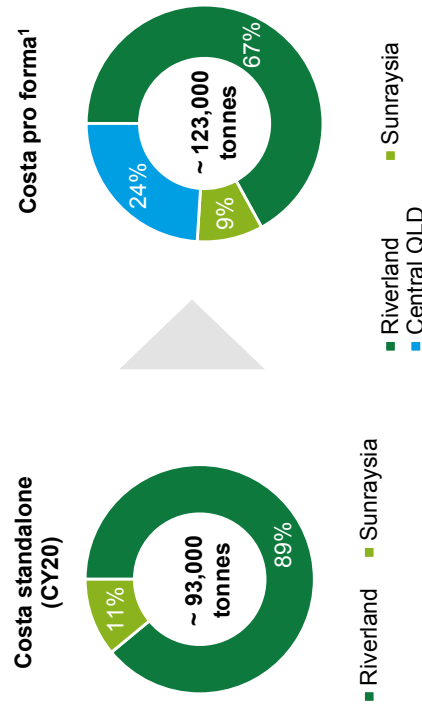
Revenue contribution domestic produce



Costa Group Holdings Limited



Citrus yield



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Exclusive rights to proprietary varieties



Proven 30-year proprietary breeding program

- 2PH mandarin variety 66-75^{PBR} (PhoenixTM) has existing Plant Breeder Rights (PBR) in Australia, and new mandarin variety 'AC41114'^{PBR} (AmoretteTM) has recently been granted PBR¹ in Australia.
- Work is also underway to develop a disease resistant Amorette variety.
- Costa has exclusive perpetual and royalty free rights to commercialise AC41114^{PBR} (AmoretteTM) and 66-75^{PBR} (PhoenixTM) 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.
- First and last right to purchase the 2PH breeding program² in the event Pressler entities decide to sell at any time in the future.

Notes:

¹ Plant breeder's rights (PBR) are exclusive commercial rights for a registered variety of plant. The rights are a form of intellectual property

² Excluding new breeding ventures

³ See page 21 for visual representation of prospective supply opportunity

Costa Group Holdings Limited



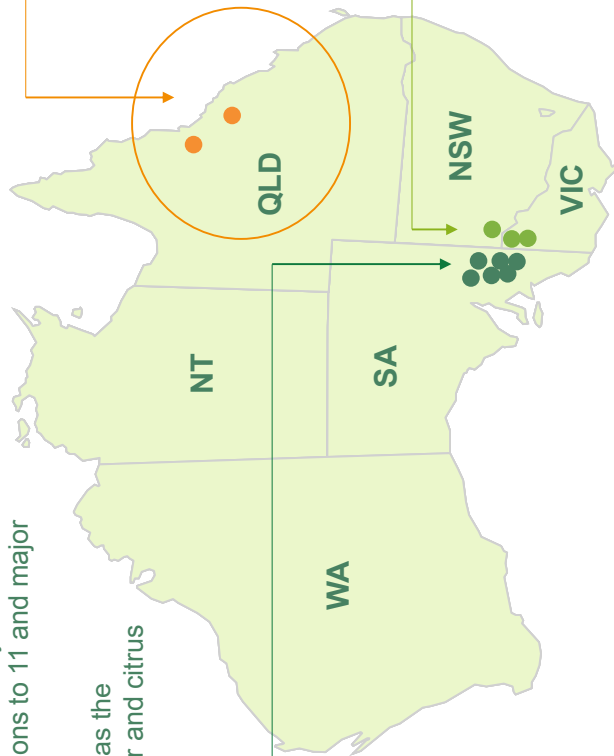
Costa goal of achieving 52 week citrus supply into Asia

- Access to the 2PH breeding program is a step towards Costa's strategic goal of building a global citrus footprint and achieving 52 week supply of Vitor/2PH branded citrus into Asian markets.
- Costa will be able to commercialise selected 2PH varieties by planting, or licensing the planting of, new orchards in certain parts of the northern hemisphere.
- This creates an opportunity to extend Costa's current supply season through to the months of November to March, and to supply citrus to key export markets year round.³
- Costa already has experience in undertaking such activities in our international segment, which grows and licenses Costa blueberry genetics to third party growers in Africa, complementing Costa's own production in Morocco and achieving 52 week export supply.

Larger production scale and expanded geographic diversity



- Costa's total citrus plantings increase by 60% to **4,513** hectares², farming locations to 11 and major growing regions to three.
- Consolidates Costa's position as the leading individual citrus grower and citrus exporter in Australia.



Emerald (2PH)

Farming locations	2
Planted hectares	1,684 ²
Packing facilities	2
Packing capacity per week	7,800 bins ¹

Sunraysia (Costa)

Farming locations	3
Planted hectares	700
Packing facilities	1
Packing capacity per week	2,000 Bins ¹

Riverland (Costa)

Farming locations	6
Planted hectares	2,129
Packing facilities	2
Packing capacity per week	13,500 bins ¹

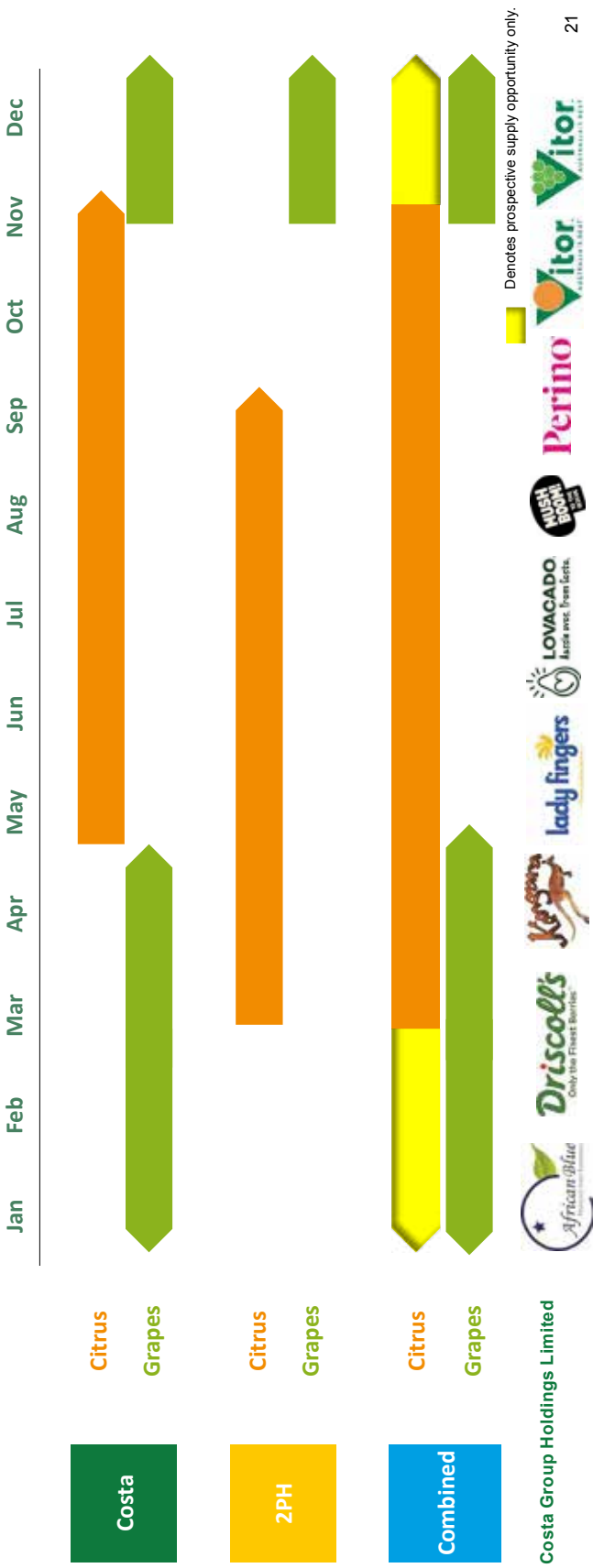
Notes:
 1 One bin has an average 400kg net weight
 2 Includes Conaghans property – 210 hectares to be planted in 2023



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Extended variety offering and season timing

- o The Acquisition increases the number of citrus varieties that Costa has to offer including addition of Amorette™ and Phoenix™ mandarins.
- o Season timing is extended with 2PH commencing earliest citrus season in Australia.
- o 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.



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Compelling value for shareholders



- The transaction is expected to be around 10% EPS accretive¹ on a pro forma basis in CY21² excluding future plantings at Conaghans and potential synergy benefits (before transaction and implementation costs).
- EPS impacts expected to enhance over time with 2PH yields forecast to more than double by orchard maturity by 2025.
- Costa to maintain a strong balance sheet post acquisition to support growth opportunities with pro forma net debt / EBITDA-SL³ as at 30 June 2021 estimated to be approximately 1.4x.
- Anticipated revenue and cost synergies not currently included in the business case.

Notes:

¹ Comparative EPS for the Company takes into account a theoretical ex-rights price adjustment for the entitlement offer and excludes one-off costs and any impact of acquisition accounting

² Assume a full year contribution from 2PH assuming the transaction completed at the start of CY21 calendar year. Financials presented on a post-AASB16 basis

³ Presented on a pre-AASB16 basis and assumes 2PH CY21 earnings on a pro forma basis

Costa Group Holdings Limited



Section 4

Transaction funding and completion



costa
well grown

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Transaction funding



Funding strategy

Purchase price	<ul style="list-style-type: none"> Total upfront funding requirement of approximately \$219m (including stamp duty and transaction costs)
Entitlement offer	<ul style="list-style-type: none"> Fully underwritten¹ 1 for 6.33 pro rata accelerated renounceable entitlement offer with retail rights trading to raise approximately \$190 million² Overview of the entitlement offer and the key dates are set out in Section 6.
Debt facilities	<ul style="list-style-type: none"> Costa currently has significant undrawn debt facilities under its existing \$450 million Australian Facility.

Sources and uses

Sources	\$m
Entitlement offer	190
Existing debt facilities	29
Total sources	219
Uses	\$m
Upfront consideration	200
Stamp duty and transaction costs	19
Total uses	219

Notes:

1 Please refer to page 50 of this Presentation

2 Fractional entitlements to New Shares to be rounded up to the nearest whole number of New Shares



Costa Group Holdings Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Pro forma balance sheet

As at 27 December 2020 (\$million)	Costa Statutory (Audited per Annual Report)	Post balance date adjustments ¹	Estimated impact of Acquisition & Offer ²	Pro forma (completion of the Offer)
Cash & cash equivalents	32.5	(20.0)	-	12.4
Receivables	100.9	-	-	100.9
Inventories	27.0	-	-	27.0
Biological assets	58.3	1.7	16.0	76.1
Equity accounted investments	21.6	-	-	21.6
Intangibles	209.5	7.9	17.9	235.3
Property, plant & equipment	515.7	30.3	180.0	726.0
Right of use asset	302.8	-	37.8	340.6
Other assets	37.2	-	1.5	38.6
Total Assets	1,305.3	19.9	253.2	1,578.4
Payables	135.1	-	-	135.1
Borrowings	176.3	41.6	29.0	247.0
Provisions	30.9	0.1	0.3	31.3
Lease liabilities	318.1	-	37.8	355.9
Other liabilities	28.4	-	13.7	42.1
Total Liabilities	688.8	41.7	80.8	811.3
Net assets	616.6	(21.9)	172.4	767.1
Share capital	580.7	-	186.6	767.3
Reserves	8.2	(21.9)	(14.2)	(27.8)
Equity attributable to owners of the parent	589.0	(21.9)	172.4	739.5
Non-controlling interests	27.6	-	-	27.6
Total equity	616.6	(21.9)	172.4	767.1

Costa Group Holdings Limited



Commentary

- Pro forma balance sheet shows the impact of post balance sheet adjustments and the estimated impact of the Acquisition and the Offer, on the 27 December 2020 Costa balance sheet
- The following adjustments have been made:
 - Post balance sheet adjustments include:**
 - payment of CY20 final dividend of \$20m; and
 - acquisition of KW citrus orchards in Sunraysia of \$41.6m including transaction costs.
 - Estimated impact of the acquisition and the Offer, including:**
 - raising equity of \$190m as a result of the Offer;
 - debt drawings of \$29m under the Existing Banking Facilities;
 - payment of transaction costs of \$19m;
 - upfront consideration payment of \$200m remains subject to final customary purchase price adjustments at transaction Completion and excludes the potential future acquisition of Conaghians in July 2023 for \$31 million; and
 - recognising the assets and liabilities of 2PH on a provisional basis with a final PPA still to be performed.

Pro forma estimated and unaudited Jun-21 leverage*

(\$ million)	30 June 2021 estimate (unaudited)	Estimated impact of the Acquisition and Offer	Pro Forma 30 June 2021 estimate (unaudited)
Net debt	211 [^]	29	240
Net debt / EBITDA-SL	~1.4x		~ 1.4x

Notes:

* Presented on a pre-AASB16 basis and assumes 2PH CY21 earnings on a pro forma basis

[^] Excludes deposit to be paid on 2PH acquisition of approximately \$9 million

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Completion and integration of the Acquisition



Overview of Completion	<ul style="list-style-type: none"> ▪ Acquisition expected to complete in late July 2021, subject to customary closing conditions. ▪ Upfront purchase price includes completion adjustments, including in relation to the 2021 crop, which is currently being harvested, to transfer the economic benefit to Costa.¹ ▪ In respect of the 'Conaghans' land development, a put and call option deed has been entered into between Costa and the vendor and, subject to the vendor completing the agreed planting and development plan, is expected to result in the sale of this land to Costa in 2023 for c.\$31m.
Integration	<ul style="list-style-type: none"> ▪ The vendor has committed to support transition activities and to work for Costa on a consultancy basis until the end of the current season harvest. ▪ Costa expects to offer employment to all existing 2PH employees who form part of the management group at the farm or pack facility level. ▪ As per Costa's existing marketing relationship with 2PH, Costa has been directly managing the sale of the 2021 to-date crop including both domestic and international sales. ▪ A transitional services agreement and other transitional arrangements will be put in place.
Financial contribution	<ul style="list-style-type: none"> ▪ While the Acquisition is structured to provide Costa the economic ownership of the 2021 crop, the pre-completion profits are taken into account in the final purchase price (after adjustments), not accounting profit. ▪ Costa's CY21 expected financial results will only include performance from Completion. ▪ June/July/August are expected to be largest crop months for 2PH subject to production.

Notes

¹ It has been agreed that Costa will reimburse the vendor for crop costs incurred and Costa is entitled to the crop sales revenue. Disclosed purchase price is current estimate of adjustments



Costa Group Holdings Limited

Section 5

1H21 trading and CY21 outlook



costa
well grown

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Group trading update 1HCY21



- First half CY21 performance is expected to be marginally ahead of the prior comparable period, with a strong performance from the international segment and mixed performance from the produce segment.
- Berry category performance saw favourable pricing with lower volumes. There were associated impacts from higher industry supply of avocados, resulting in lower pricing in the category.
- Monarto volumes continued below expectation although retail demand in particular supported mushroom pricing throughout the half.
- Tomato yields progressively improved, matching steady demand, and short-term pricing pressure eased towards the end of the half
- Colignan hailstorm damage on 1 January 2021 progressively impacted over the half as initial grape crop damage estimates deteriorated. In addition, our third party network suffered from industry wide poor quality resulting in poor export returns.

Based on unaudited management estimates, forecast first half results are as follows:

A\$m	1HCY21	1HCY20
Revenue	~ 627	612.4
EBITDA-S	~ 124	119.3
NPAT-S	~ 44	43.1

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Group trading update 1HCY21 (continued)



International segment

- Both Morocco and China seasons have largely been completed, with overall performance very positive versus previous year.
- China will finish with net positive volumes. There was strong pricing and demand over the season, particularly for our premium blueberry varieties, and as previously advised performance was also helped by lower imports of South American fruit into the market earlier in the year.
- Morocco will deliver a solid performance, with volumes in line with budget, driven by favourable timing of earlier fruit and stronger pricing. The season also benefited from delayed timing of main Spanish blueberry crop.
- As previously advised, whilst International results are well ahead of the prior comparative period reported results for this segment have been negatively impacted by the higher Australian dollar.

Produce segment

- The domestic produce categories are delivering a mixed performance for the first half.
- Berry category - There was generally favourable pricing across the four main berry varieties and ultimately in line with expectations. Blueberry pricing was impacted in part by some quality issues in Tasmania.
- There was a stronger than usual finish to the Tasmanian season with positive tonnage over the later part of the season, however overall volumes were down due to climatic conditions versus pcp and a shortage of labour during peak harvest periods.

Costa Group Holdings Limited



29

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Group trading update 1HCY21 (continued)



Produce segment continued

- Mushroom category – As previously advised short term labour constraints at Monarto contributed to lower than average production volumes over the half. Overall mushroom demand conditions remain strong going into the cooler months.
- Avocado category – As previously noted sustained higher volumes contributed to significantly lower pricing and category performance. Export activity has been positive year to date with volumes already surpassing CY20 but coming off a low base, and this continues to be a focus into the future.
- Tomato category - Increased field tomato supply impacted short term pricing, particularly truss varieties and to a lesser extent snacking and cocktail. Volumes were down due to poorer growing conditions. Retail and wholesale pricing improved over May and June heading into second half.
- Citrus category – The impact of the previously advised hail damage to our Colignan (Vic) table grape crop resulted in significantly lower production volumes from this farm and a subsequent earnings impact.
- The early citrus harvest through May and June delivered tonnage ahead of forecast due primarily to early timing of the mandarin harvest. As previously advised fruit fly restrictions has impacted performance adding additional cost.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Group trading update 1HCY21 (continued)

Capex, debt and growth update

- Acquisitions undertaken during the half included the Sunraysia located KW Orchards citrus farm and associated packing operations (acquired March 2021). The KW acquisition increases our citrus footprint in Sunraysia to 700 planted hectares.
 - The company also signed an agreement to acquire the assets of Select Fresh, a leading Western Australian based wholesale distribution business specialising in the supply of fresh produce to foodservice and independent supermarkets.
- The acquisition is expected to be completed in July 2021 and will be run under the Costa Farms and Logistics (CF&L) business unit. It expands our CF&L offering into Western Australia, increases our supplier grower base and provides a strong platform to extend our supply relationship with National customers particularly in the catering & meal kit segments. Further updates on existing growth projects will be reported at the half year results release in August 2021.
- Debt levels continued to be consistent with the company's target gearing range of between 1.5 to 2 times EBITDA-SL. The Company expects net debt (excluding lease liabilities) at 30 June 2021 to be approximately \$211 million, which represents an approximate leverage ratio of 1.4x. The increase in net debt from \$143.9 million at 27 December 2020 reflects the previously announced acquisition of KW Orchards, maintenance capex back to pre COVID levels, seasonality of working capital and execution of previously announced growth projects including tomato glasshouse four and China berry plant development.

Costa Group Holdings Limited



31

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

CY21 Outlook



- The citrus season is an 'on year' with resultant higher yields, which are overall currently tracking to forecast, noting the Riverland will deliver a likely more favourable than forecast yield. Fruit quality is ahead of expectations, with volume of first grade product up on the previous year at the same time.
- Fruit fly treatment costs will apply for the entire season (restrictions in place to December 2021) and supply chain impacts are likely ongoing in some export markets as differing levels of restrictions remain. Export pricing is expected to remain consistent with previous years, noting the higher Australian dollar. Labour has been guaranteed for the season, but with additional quarantine cost.
- Anticipated that Western Australian avocado crops will be strong, further contributing to higher avocado supply and lower prices continuing over the second half and resulting in a performance well below expectations.
- Early tonnages of Arana blueberry variety have attracted a price premium in FNQ, however initial indications are challenging with respect to meeting expected overall yield target. The main Corindi New South Wales crop is yet to commence, but current volumes and pricing are forecast to be in line with expectations.
- Mushroom production levels are stabilising and are anticipated to progressively improve over the second half as the work continues on addressing yield and labour challenges.
- Tomato pricing for truss varieties continues to return to more normal levels and the expectation is this will continue over the second half, including more positive snacking and cocktail pricing. Planting will begin on schedule in July 2021 in the new glasshouse four.
- Apart from the labour challenge at the Monarto mushroom facility, the company expects to have sufficient labour to harvest its crops over the second half.
- At this point in time, based on current information, Costa expects CY21 EBITDA-S and NPAT-S to be marginally ahead of CY20 (which were \$197.2 million and \$55.1 million) prior to taking into account the impacts of the acquisition and the equity raising.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

CY21 Outlook (continued)



- The CY21 outlook contemplates normal crop cycles in Australia for the remainder of the calendar year, no extreme weather events, and crop yields in line with historic averages.
- Specific outlook risks include:
 - Berry yield and pricing, particularly for main Corindi (NSW) season.
 - Timing of Tumbarumba (NSW) blueberry harvest.
 - 80% of citrus crop yet to have confirmed pricing.
 - FX impact on export earnings.
 - Bowen (QLD) tomato field crop volumes.
 - Potential major disruption from COVID.

Costa Group Holdings Limited



33

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Section 6

Capital raising details



costa
well grown

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Entitlement Offer overview

Offer structure and size	<ul style="list-style-type: none"> Fully underwritten¹ for 6.33 pro rata accelerated renounceable entitlement offer with retail rights trading (a "PAITREO") to raise approximately \$190 million² Approximately 63 million New Shares to be issued under the Offer Record Date for the Entitlement Offer is 7:00pm (Sydney time) on 28 June 2021
Offer price	<ul style="list-style-type: none"> Entitlement Offer price of \$3.00 per New Share 10.3% discount to the theoretical ex-rights price ("TERP") of \$3.35³
Institutional Entitlement Offer	<ul style="list-style-type: none"> Institutional Entitlement Offer opens today and closes 24 June 2021⁴ Entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild opening on 24 June 2021 and closing on 25 June 2021⁵
Retail Entitlement Offer	<ul style="list-style-type: none"> Retail Entitlement Offer opens 2 July 2021 and closes on 19 July 2021⁶ Retail entitlements trading for certain eligible investors available on ASX from 28 June 2021 to 12 July 2021 Entitlements not taken up and entitlements of ineligible retail shareholders will be sold in the retail shortfall bookbuild to be conducted on 22 July 2021⁵
Ranking	<ul style="list-style-type: none"> New Shares issued will rank pari passu with existing shares
Key risks	<ul style="list-style-type: none"> Refer to the Appendix for a summary of key risks associated with Costa and the Entitlement Offer
Director participation	<ul style="list-style-type: none"> Non Executive Directors have expressed intention to take up their entitlements
Underwriting	<ul style="list-style-type: none"> Entitlement Offer fully underwritten¹

Notes:

- Please refer to page 50 of this Presentation
- Fractional entitlements to New Shares to be rounded up to the nearest whole number of New Shares
- TERP is the theoretical price at which shares in Costa should trade immediately after the ex-date of the Entitlement Offer and reflects shares issued under the Entitlement Offer. The actual price at which Costa shares trade will depend on many factors and may not be equal to TERP
- Institutional Entitlement Offer book close date and time depends on offer jurisdiction.
- These entitlements will be offered for sale in the relevant shortfall bookbuild and any premium (being any amount paid in respect of the sale of the entitlements) will be paid to non-participating and ineligible shareholders, net of any applicable withholding tax and expenses
- Retail Entitlement Offer is open to shareholders with a registered address in Australia and New Zealand as at the Record Date

Costa Group Holdings Limited



Equity raising timetable



Event	Date ¹
Trading halt and announcement of Offer, Institutional Entitlement Offer Opens	Wednesday, 23 June 2021
Institutional Entitlement Offer closes ²	Thursday, 24 June 2021
Institutional Entitlement Offer shortfall bookbuild	Friday, 25 June 2021
Announce results of Institutional Entitlement Offer	Monday, 28 June 2021
Trading halt is lifted and Costa shares recommence trading on an "ex-entitlement" basis	Monday, 28 June 2021
Record date for the Entitlement Offer (7:00pm Sydney time)	Monday, 28 June 2021
Retail rights commence trading on the ASX (on a deferred settlement basis)	Monday, 28 June 2021
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet dispatched	Friday, 2 July 2021
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 6 July 2021
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 7 July 2021
End of retail rights trading on the ASX	Monday, 12 July 2021
Retail Entitlement Offer closes (5:00pm Sydney time)	Monday, 19 July 2021
Announce results of Retail Entitlement Offer (Aftermarket)	Thursday, 22 July 2021
Retail Entitlement Offer shortfall bookbuild (Aftermarket)	Thursday, 22 July 2021
Announce results of Retail shortfall bookbuild	Friday, 23 July 2021
Settlement of Retail Entitlement Offer	Tuesday, 27 July 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 28 July 2021
Normal trading of New Shares issued under the Retail Entitlement Offer	Thursday, 29 July 2021
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Friday, 30 July 2021

Notes:

1 All dates and times are indicative and subject to change without notice; Sydney time refers to Australian Eastern Standard Time

2 Institutional Entitlement Offer book close date and time depends on offer jurisdiction

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Appendix

Additional information and key risks



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Costa Group citrus category - current profile (pre 2PH)



Farming footprint	<ul style="list-style-type: none"> Two main growing regions - Riverland (South Australia) and Sunraysia (Vic/NSW) 6 farming locations in Riverland - 2,129 citrus planted hectares 3 farming locations in Sunraysia - 700 citrus planted hectares Season runs from April through to November
Tree maturity	<ul style="list-style-type: none"> Current tree maturity is circa 70%¹ Biennial bearing crop cycle – large fruit size/smaller volume – small fruit size/larger volume
Varieties grown/ Season	<ul style="list-style-type: none"> Grower of navel oranges and seeded and seedless mandarins and lemons 26 varieties grown Varieties include – Summer Navel, Navelina, Valencia, Afourer Mandarin, Clementine Mandarin, Satsuma Mandarin
Markets	<ul style="list-style-type: none"> Historically export circa 70-75% of crop to over 21 countries Sold under the Vitor brand Japan is largest market, with circa 33% of CY20 volume sold to this market

#1 grower, packer and marketer of citrus in Australia	2,829 planted hectares across two regions
70% of crop exported in CY20	26 citrus varieties grown

Notes
1 70% of trees are over 10 years and 30% under 10 years

Costa Group Holdings Limited



38

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Sustainable Commercial Farming



The acquisition of 2PH will further build on Costa’s Sustainable Commercial Farming objectives and commitment.

- | | | | |
|--|--|--|--|
| | Continuously maximise yield and quality | | Strong focus on R&D, including IP/variety development |
| | Address climate related risk through geographic diversity | | Increase water security and efficiency of use |
| | Enhance productivity in harvest and post harvest practices | | Utilise technology and innovation to reduce wastage through the supply chain |



Deploy leading agronomic knowledge through a skilled and passionate workforce



Costa
well grown



Costa Group Holdings Limited

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



Costa Group Holdings Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks



The future performance of Costa and the future investment performance of shares in Costa ("**Shares**") may be influenced by a range of risk factors, many of which are outside the control of Costa and its directors. A non-exhaustive list of key risks, including those specific to the Acquisition and to an investment in Costa, and those of a more general nature, is set out below. The effect or performance of the Acquisition and Costa's business, financial condition, or results of operations (and the market price of its Shares) could be materially and adversely affected by any of these risks, either individually or in combination.

Before investing in Costa, you should consider whether this investment is suitable for you having regard to publicly available information (including this Presentation), and your own investment objectives and financial circumstances. You should also consider seeking professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest.

Acquisition Risks

Failure to complete and delay

The Transaction Documentation is subject to certain conditions precedent which are customary for a transaction of this nature. A failure of a condition precedent to be satisfied or waived would mean that the Transaction would not complete. If the Transaction Documentation is terminated by the Sellers because Costa is unable to complete the Acquisition due to its default, Costa would be required to forfeit its deposit of an amount equal to \$9.4m and there may be additional remedies available to the Sellers including damages for breach of contract.

If the Acquisition is not completed for any reason, Costa may consider ways to return the proceeds of the equity raising (net of transaction costs) to shareholders or use the funds to retire debt or a combination of both. If completion of the Acquisition is delayed, Costa may incur additional costs and it may take longer than anticipated for Costa to realise the benefits of the Acquisition. Further, a significant delay to completion may have adverse effects on Costa and on the target business ("**Business**"), including in terms of growth, employee engagement or funding costs. Any failure to complete, or delay in completing, the Acquisition and/or any action required to be taken to return capital to shareholders who participated in the Offer, may have a material adverse effect on Costa's financial condition, results of operations and the market price of its Shares.

Analysis of Acquisition

Costa has undertaken financial, tax, legal, commercial, and technical analysis of the Business in order to determine its attractiveness to Costa and whether to proceed with the Acquisition. It is possible that despite such analysis and the best estimate assumptions made by Costa, the conclusions drawn are inaccurate or are not realised. To the extent that the actual results achieved by the Acquisition are different to those indicated by Costa's analysis, there is a risk that the performance of Costa following the Acquisition may be different (including in a materially adverse way) from what is reflected in this Presentation.

Foreign markets, and in particular China, are a key revenue stream for the Business which form part of Costa's financial analysis, estimates and assumptions. Geopolitical risks, including the intervention of foreign governments in free trade (see further "Changes to importation trade barriers" on page 48), may result in disruption to export markets. Even though Costa may be able to reroute produce from the Business into alternative markets, this disruption may result in such analysis and assumptions not being fully realised (e.g. lower than expected margins).

Reliance on information provided

Costa undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial and other information provided by the Sellers or discussed at meetings held with the Business' management. Despite making reasonable efforts, Costa has not been able to verify the accuracy, reliability, or completeness of all the information which was provided by the Sellers. If any information provided and relied upon by Costa in its due diligence and preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of the Business and Costa may be materially different to the expectations and targets reflected in this Presentation.

Investors should also note that there can be no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately (for example, because it was not always possible to negotiate indemnities or representations and warranties from the Sellers to cover all potential identified or unidentified risks). Therefore, there is a risk that issues and exposure to risks may arise which may also have a material adverse impact on Costa's operations, financial performance and position (for example, Costa may later discover liabilities, defects or gaps which were not identified through due diligence or for which there is no contractual protection for Costa).

Costa Group Holdings Limited



41

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



Integration

There is a risk that Costa's success and profitability following completion of the Acquisition could be adversely affected if the Business is not integrated into Costa's operations effectively. There is a risk that integration could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, divert management attention or that the anticipated benefits and synergies of the integration may be less than estimated. Possible problems may include:

- differences in culture between the businesses being integrated;
- lack of capability and talent to deliver integration;
- unanticipated or higher than expected costs, delays or failures relating to integration of businesses, support operations, accounting or other systems;
- challenges maintaining existing customer, stakeholder and sales relationships;
- loss of, or reduction in, key personnel, expert capability or employee productivity, or failure to procure or retain employees; and
- disruption of ongoing operations of other Costa businesses.

Any failure to achieve the targeted synergies of integration may impact on the financial performance, operation and position of Costa and the future trading price of Shares.

Conaghans property

As part of the Acquisition, Costa is likely to pay an additional \$31m in July 2023 for the purchase of the 'Conaghans' property, where a new citrus crop is currently being planted by the Sellers, subject to certain conditions and price adjustments. This property is expected to increase the Business' planted hectares and volume of citrus available for sale. There is no certainty that the 'Conaghans' property development will complete as expected or scheduled, and any delay or failure to complete is likely to adversely impact the benefits from the Acquisition that can be realised by Costa.

Risks associated with intellectual property rights

As part of the Acquisition, Costa will acquire certain registered trade marks and trade mark applications from the Sellers, as well as an exclusive licence to commercialise several citrus varieties in certain geographic territories. There is a risk that some of the trade mark applications acquired by Costa may not proceed to registration in certain territories, and that the scope of trade mark protection may not cover all relevant territories in which Costa intends to market and sell the varieties. Also, Costa may be unable to prevent unauthorised use of the intellectual property rights in the varieties in some relevant territories.

Costa's inability to prevent unauthorised use of intellectual property rights relevant to its business could result in significant loss and expense to Costa. Further, Costa's inability to use certain intellectual property rights in key territories may materially and adversely impact Costa's business, operations, profitability and prospects. Pursuing unauthorised use or rejected trade mark applications, and other disputes in relation to the relevant intellectual property rights, may also adversely impact Costa's operations and ability to integrate the Business, and may involve significant costs of litigation and the diversion of management attention, any of which may adversely impact Costa's results of operations, profitability and prospects.

Water rights

The Business relies on access to its allocated water rights under water licences leased to the Business by the Sellers. These water rights are contingent on there being sufficient water in the Fairbairn system. If there was insufficient water in the Fairbairn system, then some or all of the Business' allocated water rights may not be available. Although the Business has significant water storage capacity, if the Fairbairn system remains affected by drought for a prolonged period, then this could increase the costs of temporary water rights and ultimately could have a material adverse impact on the ability of Costa to obtain sufficient water to maintain healthy citrus trees for the Business and consequently impact the citrus yield and the financial performance and prospects of Costa. Prolonged drought conditions and changes in government can increase the risk of regulatory changes, which may result in adverse modifications to the allocated water rights leased to the Business.

Labour

The Business relies on the availability of farm labour, including seasonal workers under certain government schemes, in particular during the harvest season. The ongoing availability of workers and the ability of the Business to employ and house workers are key factors for Costa's ability to realise the expected returns from the Acquisition.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



Acquisition accounting and intangible assets

As part of the Acquisition, Costa will need to perform a fair value assessment of the Business' assets (including intangibles) and liabilities. The fair value estimates contained in the pro-forma balance sheet in this Presentation are management's preliminary estimates and are subject to change when the detailed fair value assessment is performed. As a result, the combined group's depreciation and amortisation charges may differ from the depreciation charges of Costa and the Business as separate businesses, which may have an adverse impact on the financial position and performance of the combined group. In the event that goodwill, plant and equipment or any other intangible assets are required to be impaired under the Australian Accounting Standards post completion, this will result in an additional non-cash expense in the income statement of Costa.

Risks associated with the size and business mix of the Acquisition

The Business, if acquired by Costa, will be a material part of Costa's business. Costa's financial position and performance could be adversely impacted if the Business does not perform as expected. The Acquisition will increase the proportion of Costa's earnings from citrus and exports which increases Costa's exposure to any underperformance of the citrus category or challenges in export markets.

Financial contribution in CY21

The earnings and cash flow contribution of the Acquisition in CY21 is uncertain given the timing of completion and outworkings of the agreed purchase price adjustment mechanisms. Having regard to the accounting treatment of acquisitions during a financial period, the CY21 result will not reflect a full-year contribution of the Acquisition. The pro-forma financial metrics disclosed in this Presentation are included to educate investors on the expected financial profile of the Acquisition but are not reflective of the expected contribution to Costa's CY21 earnings and cash flow. The first full year of ownership by Costa of the Acquisition will be CY22.

Risks associated with Costa's operations

The following is a summary of certain key risks that apply to Costa (including, following completion of the Acquisition, the Business) and may adversely affect the returns on and value of Costa Shares.

Weather and climate variability

Costa's financial results may be negatively impacted by variable weather conditions and severe weather events, which can cause price and yield volume volatility in the fresh produce sector. The nature of the potential impact on Costa's results may vary by produce category and the weather condition or event. Although drought conditions eased throughout CY20, there is no certainty of what weather conditions will be in CY21 and beyond. Volatile weather conditions in areas where Costa has significant operations may materially and adversely impact on Costa's profitability in those areas.

Costa could also suffer losses due to climate change. Climate change is systemic in nature and is a significant long-term driver of both financial and non-financial risks. Climate change related impacts include physical risks from changing climatic conditions (including increased frequency and severity of storms, floods and other catastrophic events and widespread health emergencies), and transition risks (such as changes to laws and regulations, technology development and disruptions and consumer preferences). A failure to respond to the potential and expected impacts of climate change may affect Costa's performance and could have wide-ranging impacts for Costa's business, prospects, reputation, financial performance or financial condition.

Weather and climate variability can negatively impact both Costa and its competitors, however there is a risk that Costa is more negatively impacted by weather than its competitors in a given period for a number of reasons including but not limited to the location of Costa's farming assets, operational processes and decisions, and its supply chain. Costa can underperform competitors during both weak and strong industry conditions for its categories.

Approximately two-thirds of Costa's produce related EBITDA before SGARA in CY20 was derived from crops grown under cover indoors or under permanent tunnels. Although Costa uses protected cropping techniques across most of its crops (i.e. mushrooms, berries and tomatoes) with the goal of limiting variability in yields, these techniques may not achieve that goal. For example, Costa's tomato glasshouses and the unprotected crops such as citrus and avocado farms are vulnerable to hail. While Costa maintains insurance cover for hail damage to its glasshouses, it may not be able to recover fully under those policies in all circumstances. Any amounts that Costa does recover may not be sufficient to offset damage to the financial performance or prospects of Costa.

Costa Group Holdings Limited



43

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



Pricing risk and industry supply

Costa's financial performance depends on the price it can realise for its produce. Pricing is variable and subject to a number of factors outside Costa's control, including changes in demand and supply. Excess supply can cause price competition in the fresh fruit and vegetable industry. For example, pricing across the avocado category has softened during CY21 as a result of significant industry volumes. If overall industry production in categories in which Costa competes are higher than expected, Costa's operating results can be negatively impacted. Industry production depends on season harvest results (including yield and timing) and industry capacity which changes over time.

Water rights

Costa relies on access to its allocated water rights for half of its citrus and grape crop in the Riverland and surrounding Southern regions. Costa has access to permanent water licences and their allocated water rights in respect of approximately 50% of its needs from the Murray River. The balance is purchased by Costa under forward supply agreements, temporary water purchases and carry over.

With respect to CY21, under a full allocation scenario, Costa has secured approximately 50% of the balance required with fixed pricing under contractual commitments. These water rights are contingent on there being sufficient water in the Murray River. If there is insufficient water in the Murray River, then some or all of Costa's allocated water rights may not be available. If the Southern Murray Darling Basin remains affected by drought for a prolonged period, then this could further increase the costs of temporary water rights and ultimately could have a material adverse impact on the ability of Costa to obtain sufficient water to maintain healthy citrus trees, grape vines or viable fruit for its citrus farms in the Riverland and Sunraysia regions and consequently impact Costa's citrus and grape crop yield and the financial performance and prospects of Costa. Prolonged drought conditions and changes in government can increase the risk of regulatory changes, which may result in adverse modifications to Costa's allocated water rights.

Forecasting risk

There are inherent challenges in forecasting agricultural businesses such as Costa due to the potential impact of factors outside of Costa's control. As has been demonstrated in prior years, Costa has had periods of upgrading previous guidance and periods of downgrading guidance. Actual results may differ from forecast results due to a range of both external and internal factors.

Reliance on large customers

Costa sells its produce to a number of large customers, including several large supermarket chains and other retailers. Costa's top three customers comprised approximately two thirds of CY20 produce sales. Most of Costa's customer contracts are short term, with supply periods typically for one season or one to two years depending on the product's seasonality, and generally do not contain a fixed cost price and accordingly are supplied at market prices which are subject to fluctuation and depend on the level of supply and demand at the time that the produce is sold. Some of these large customers currently, or could in the future, wield significant market power due to their size, putting them in a strong negotiating position with their fresh produce suppliers.

Costa's market shares and/or profit margins may be materially and adversely impacted by a large customer taking actions harmful to Costa's interests, including by such customers:

- materially changing its trading terms with Costa;
- vertically diversifying its operations to include the growing or wholesale marketing of fresh produce;
- sponsoring the expansion of one or more of Costa's competitors or new entrants into the fresh fruit and vegetables market;
- procuring produce directly from Costa's third party growers, i.e. without the intermediation of Costa;
- promoting the products of one or more of Costa's competitors; or
- refusing to promote or stock Costa's produce or significantly reducing orders for Costa's produce.

Supermarket chains may also lower prices in Costa's fresh produce categories as part of competition between supermarket chains and other retailers for consumers and their shopping basket. This may impact Costa's market shares, sales volumes and/or profit margins by increasing price pressure applied to Costa's produce offerings or as a result of some consumers switching from Costa's produce offerings to lower priced alternative produce when that produce is available.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



Portfolio of categories

In its Produce division, Costa operates in five major categories including tomato, avocado, berries, citrus and mushroom. Costa also has an International division and Costa Farms & Logistics ("CF&L"). Costa's business model provides earnings diversification however there is no certainty that diversification will insulate Costa's overall operating and financial returns in a given year.

Joint venture and partnership agreements

Costa has entered into a number of joint venture and partnership agreements. If any of these joint venture or partnership relationships break down, and/or the joint venture or partnership agreements are terminated or amended in a manner unfavourable to Costa, this may impact Costa's ability to grow any proprietary and branded varieties that are licensed through these agreements and/or royalties received by Costa as a result of its participation in the joint venture or partnership agreements. The continued success of these joint ventures and partnerships depends, in part, on Costa's ability to continue to have a harmonious relationship with its partnership and joint venture partners.

While the joint venture and partnership agreements contain typical provisions which require approval from a partnership or joint venture partner for key decisions, they also provide each partnership or joint venture partner with a significant amount of discretion in relation to activities undertaken by each party as part of the joint venture or partnership. Accordingly, a partnership or joint venture partner's conduct can have a significant impact on the success of the joint venture or partnership and, in turn, could have a material impact on Costa's results and cash flow.

Intellectual Property

Costa relies on a combination of plant breeder's rights (or equivalent), trade marks and non-disclosure agreements and other methods to protect its intellectual property rights. Additionally, Costa has in place a number of licensing agreements for intellectual property owned by third parties used by Costa and intellectual property owned by Costa and licensed to third parties. The failure to obtain or maintain Costa's intellectual property rights on to defend against claims of infringement of intellectual property rights may diminish Costa's competitiveness and materially harm Costa's business. A number of Costa's products are grown from proprietary plant varieties. It is possible for problems to arise with the varietal genetics in which case it may take considerable time to be able to source available substitutes. If Costa's processes are insufficient to identify these genetic issues at an early stage, the impacts will be heightened and longer lasting.

Urban and residential encroachment

A number of Costa's farming operations such as Costa's mushroom facilities in Mernda, Victoria and Casuarina, Western Australia, are located on the outskirts of urban areas which are expanding. As these urban areas expand, there is a high likelihood that residential or commercial premises will be built in closer proximity to some of Costa's growing and packing facilities. Where residential or commercial premises are built close to Costa's facilities, there is an increased risk of complaints made by neighbours in relation to odour and noise generated from Costa's facilities.

Complaints could result in residents lobbying for changes to local council zoning laws and/or legal action from neighbours, community interest groups or local councils seeking compensation from Costa and/or court orders that impact the manner in which Costa conducts its business. Changes to zoning laws or specific court orders may impact the way that Costa operates its business and/or increase Costa's costs. These factors, together with any court orders for compensation, could have a material impact on Costa's operations, financial performance and prospects.

Leased Property

Costa leases a significant amount of the land that Costa uses to grow and distribute its produce. Costa's leases have a range of terms and option periods, although they are generally long term leases which Costa or the property owner cannot terminate prior to expiry of the applicable term in the absence of default. However, some of these leases have termination provisions which are triggered not only by a default under that lease, but the default of Costa under one of the other leases (also known as "cross-default" clause), with the consequence that one default could have a significant effect beyond just the relevant property to which the default relates. Any material default under a lease by Costa, or failure to renew an existing lease on acceptable terms or an inability to negotiate alternative arrangements, could materially adversely impact the operations and financial performance and prospects of Costa. In addition, there is a risk that Costa may become subject to lease terms which are relatively unfavourable due to unanticipated changes in the property market.

Costa Group Holdings Limited



45

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



Costa uses a number of its leased distribution centres to provide distribution services to third parties as part of its CF&L business division. In some cases, the length of Costa's distribution services contracts are shorter than the length of Costa's leases of the distribution centres. Costa's leases for its distribution centres are typically long term leases. If a distribution services contract is renewed on less favourable terms, or is terminated or cannot be renewed by Costa on expiry, and Costa is unable to find an alternative use for the distribution centre in a timely manner (for example subleasing unused space in the distribution centre on favourable terms), this could have a material adverse impact on the financial results and performance of Costa.

Disease and insect infestation

As a fresh produce grower, Costa, like the horticultural industry as a whole, is susceptible to disease risk, including insect infestation. If one or more of the sites at which Costa grows or stores its produce becomes exposed to disease, or insect infestation, or if a disease or insect infestation emerges that affects a particular produce category, Costa may lose its investment in such produce and the revenue stream generated by such investment. This loss could have a material impact on the operations and financial performance and prospects of Costa. For example, in late CY20 and 1H21, fruit flies were found in South Australia's Riverland region and exclusion zones were implemented by the authorities, resulting in significant additional costs for Costa's citrus operations throughout CY21. Although the government expended significant resources to minimise the risk of additional fruit flies in the Riverland region, Costa's citrus operations may be impacted by further fruit fly outbreaks.

Community

Costa operates in many regional communities and a failure to successfully integrate with those communities and foster a mutually beneficial relationship could impact on its operations.

Cybersecurity

Costa's business relies on IT infrastructure, systems and processes to support the operation and growth of the business. Should such infrastructure, systems and processes fail or become compromised then there is a risk that the efficiencies, synergies and data that give the business a competitive advantage will be reduced or lost. Cybersecurity breaches may have an adverse impact on Costa's financial performance.

Potential risk of litigation and disputes

Costa may, from time to time, be involved in legal proceedings arising from the conduct of its businesses, including from customers, past and present employees, regulators, competitors, suppliers or neighbouring properties, for example, in relation to property damage or contamination, personal injury, potential class actions (both securities class actions and consumer class actions) and environmental matters. The loss arising from such litigation may not be covered by insurance or the aggregate potential liability in respect of possible legal proceedings may exceed any insurance coverage. Any material legal proceedings could have a material adverse impact on Costa's financial performance and position. Even if Costa was to ultimately prevail in the litigation, it could divert management's attention and resources from Costa's operations and business, and Costa could also suffer significant reputational damage which could have an adverse effect on Costa's business.

Brand and reputation

Costa's produce is sold under a number of brands which are owned or licensed by Costa or joint ventures to which Costa is a party. Those brands and their image, as well as Costa's reputation as a grower, are key assets of Costa. The reputation and value associated with Costa's brands could be impacted by a number of factors, including quality issues associated with Costa's produce (or the market categories of produce in which Costa's brands are prominent), produce recall, produce contamination or other public health issues, disputes or litigation with third parties such as partnership or joint venture partners, distributors, employees or third party growers, or adverse media coverage, whether as a result of Costa's conduct or by the conduct of third parties (including partnership or joint venture parties). Should Costa's brands or their image be damaged in any way or lose their market appeal (or in the case of licensed brands, a licence terminated), this may have a material adverse impact on the financial performance, reputation or prospects of Costa.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



Regulatory risks

Costa is required to comply with a range of laws and regulations. Regulatory areas which are of particular significance to Costa include food standards, labelling and packaging, ethical sourcing, fair trading and consumer protection, employment, property and the environment (including water), quarantine, customs and tariffs, foreign investment, taxation and climate change. The introduction of any new laws or changes to existing laws, codes (or government policies), such as changes to food standards, food labelling or climate change regulations and increasing ethical sourcing requirements, could result in increased costs being incurred by Costa and therefore have a material adverse impact on the financial performance and prospects of Costa. In particular:

- In many fresh produce categories in which Costa operates, its produce is protected from significant competition from imported produce by quarantine requirements. Any changes to these import restrictions could have an adverse impact on margins and volumes.
- Changes in relevant taxes, including any change in tax arrangements between Australia and other jurisdictions relevant to Costa's businesses, could have an adverse impact on the financial performance of Costa, for example, if GST was widened to include fresh produce.
- Costa has been granted environment protection licences in respect of composting from the Environmental Protection Authority (EPA) in several States. These licences are subject to periodic review, including, on occasion, changes to the term of the licences. If Costa was unable to renew its licences, or the relevant EPA imposed onerous conditions in respect of its licences, this would impact Costa's ability to operate and/or costs associated with operating Costa's mushroom farms, which could have a material impact on the financial performance of Costa.
- Costa must comply with the Australia and New Zealand Food Standards Code (Code), as applied by regulators in each state and territory of Australia. If Costa failed to comply with the Code in its current form or the Code was amended in a manner that resulted in Costa needing to incur substantial cost in order to comply with the changes, then this could have a material impact on Costa's reputation and/or the financial performance of Costa.

Produce safety

Any contamination, spoilage, or the presence of foreign objects or substances in Costa's products may injure Costa's customers. The risk of injury can result from activities throughout the life cycle of Costa's products, including growing, harvesting, packaging, processing or sale phases. Costa may have limited ability to mitigate these risks, for example where title to produce has passed to a retailer or where the risk arises from product tampering. Costa has from time to time, issued recalls. The risk of injury from Costa's products exposes Costa to loss of product, damage to relationships with wholesalers and retailers, liability (including monetary judgements, fines, injunctions, and criminal sanctions) and publicity risks. Adverse publicity may arise from rumours or unsubstantiated claims of customer injury. Further, even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that Costa's product has caused injury could adversely affect Costa's reputation and brands. In addition, Costa's financial performance and prospects may be adversely impacted by negative publicity related to the products of other producers.

While Costa maintains insurance cover for some of these risks, it may not be able to recover fully under those policies in all circumstances, and any amounts that it does recover may not be sufficient to offset any damage to the financial performance, reputation or prospects of Costa caused by any produce contamination, recall or produce liability claim or the negative publicity surrounding such event or claim.

Increased competition

While Costa's operations currently benefit from scale and access to superior genetics, this competitive landscape may change over time. If one or more competitors or new market entrants obtained access to favourable genetic varieties which compete in the same categories as those of Costa, or if they achieve greater scale, this could have a material adverse impact on the financial performance and prospects of Costa. This risk is also relevant in relation to the international markets in which Costa operates, where existing or new players at either a global or regional level could gain market share to Costa's detriment.

Changes in market trends

Costa's success depends, in part, on its ability to respond to current market trends, which can be impacted by a variety of factors, including changing tastes and dietary habits of consumers, entry of new market participants and changes in the purchasing patterns of Costa's customers. Responding to new market trends can require significant investment. If Costa fails to anticipate, identify, or react to changes in market trends on a timely basis, Costa could experience reduced demand and/or profit margins for Costa's products, which could in turn cause Costa's operating results to suffer.

Loss of key personnel

Costa's performance is dependent to a large extent on the efforts and abilities of the Chief Executive Officer and other members of the senior management team. The loss of the Chief Executive Officer or one or more other members of Costa's senior management team may have a material adverse impact on the operating and financial performance of Costa. Costa's financial success is also dependent upon its ability to hire additional key personnel as necessary to meet its management, administration and other needs. While every effort is made to retain key employees and to recruit new personnel as the need arises, the loss of a number of key personnel or inability to attract additional personnel may have an adverse impact on the operating and financial performance of Costa.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



Distribution

As Costa supplies a very wide geographic area, its distribution costs are significant. Any rise in the price inputs related to Costa's distribution of its products, such as of oil, packaging materials, raw production costs or transport costs and changes in the rates in the charter vessel market (with respect to the export of citrus product), could lead to higher distribution costs. If such costs cannot be passed on to Costa's customers through increased prices, they could have a material adverse impact on the operating and financial performance of Costa.

Changes to importation trade barriers

Costa currently exports approximately 70% of its existing citrus crop packed, to various countries including Japan, the United States and South Korea. In addition, foreign markets, and in particular China, are a key revenue stream for the Business. Changes to trade tariffs or duties or the subsidisation of local producers or other exporters by a foreign government or the introduction of other import barriers, could make Costa's products less competitive in those markets, which could have a material adverse impact on the financial performance and prospects of Costa.

Foreign exchange risk

Costa is exposed to foreign exchange risk from a number of sources, namely from the export of produce to various countries including Japan and the United States, and through the earnings it generates from its international operations, including the Morocco and China joint ventures. Unfavourable movements in the foreign exchange rates between the Australian dollar and other currencies such as the US dollar, Japanese yen, Moroccan dirham and Chinese Yuan can have a material adverse impact on the overall financial performance of Costa.

Risks associated with foreign operations

Costa has significant interests in the African Blue JV in Morocco and its joint venture with Driscoll's Inc in China. Costa's operations may be adversely affected by the risks associated with operation in such jurisdictions, which may impact on its ability to grow the business by expansion into other overseas markets. As with its domestic operations, Costa has instituted certain internal controls to regulate the operations of its activities outside Australia, and constantly reviews and monitors these controls for effectiveness. Failure to adequately and consistently monitor these internal controls may have an adverse impact on Costa's financial performance. Jurisdictions in which Costa operates may in the future experience sudden civil unrest or major change to their government or political or legal systems and the nature of the legal and regulatory systems in those jurisdictions can result in a lack of certainty regarding the interpretation and enforcement of local laws and regulations.

The Coronavirus pandemic

The COVID-19 pandemic has caused, and will likely continue to cause, severe impact on global, regional and national economies and disruption to international trade and business activity. While economic conditions have stabilised in 2021, the COVID-19 pandemic caused increased unemployment and the levels of equity and other financial markets to decline sharply and to become volatile, and such effects may continue or worsen in the future. This may in turn disrupt distribution channels and reduce the level of consumer activity in the markets in which Costa operates, which may have a negative impact on its ability to generate revenues or profits.

Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, however it is unclear whether these actions or any future actions taken by governments and central banks will be successful in mitigating the economic disruption. Additionally, any such fiscal and monetary actions are subject to withdrawal by the relevant governments or central banks, or may lapse without renewal. If the COVID-19 pandemic is prolonged and/or actions of governments and central banks are unsuccessful in mitigating the economic disruption, the negative impact on global growth and global financial markets could be amplified, and may lead to recessions in national, regional or global economies.

The impact of COVID-19 has and may lead to labour shortages and other disruptions to Costa's ability to attract and retain employees and the seasonal workforce it relies upon to process its harvest. If conditions deteriorate or remain uncertain for a prolonged period this may adversely affect Costa's ability to operate and grow its business, and its results of operations and financial condition may be adversely affected. There is also a risk of increasing costs to maintain operational performance, for example freight charges, safety procedures, regulatory compliance, and input cost inflation.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES



Key risks (continued)

Liquidity and funding risk

Costa may need to access or raise additional financing in the future to fund its operations, to fund acquisitions or meet the cash requirements of its business. There can be no assurance that Costa will be able to obtain additional financing on terms acceptable to it, if at all. Debt financing involves increased fixed payment obligations and may involve arrangements including financial covenants that limit or restrict Costa's ability to take specific actions such as incurring debt, making capital expenditures or declaring dividends. Costa's failure to obtain sufficient funds on acceptable terms, or comply with the terms of those funding facilities, could have a material adverse effect on its business, results of operations and financial condition.

Liabilities under anti-corruption laws

Costa operates in an international environment including with joint venture partners in Morocco and China (as described above). Furthermore, some of Costa's joint venture partners' activities take place in parts of the world that have a risk of corruption to varying degrees, and Costa's operations and joint ventures in those jurisdictions are subject to various anti-corruption laws, including Australian and other foreign anti-corruption laws. While Costa has an Anti-Bribery and Anti-Corruption policy, violations of such laws, including by its joint venture partners or joint venture personnel, can lead to criminal and civil penalties or sanctions under anti-corruption laws in relevant jurisdictions, which, in turn, could adversely affect Costa's reputation or financial position.

Industrial instruments, disputes and wage increases

Costa uses multiple employment models to meet the needs of growing and harvesting a product that is perishable. This includes using labour hire firms to meet production peaks including harvest periods. Costa has less direct control over employment arrangements for persons employed by labour hire firms than it does over its direct employees and the manner in which such third party labour hire companies provide contracted services. Should the third party labour vendors violate any relevant laws, regulations and industrial instruments in the employment or compensation of workers, or should there be any mistreatment of workers by the third party labour vendors, Costa's reputation may be adversely affected or damaged.

In addition, the majority of Costa's employees are covered by enterprise bargaining agreements and other workplace agreements, which periodically require renegotiation and renewal. Disputes may arise in the course of renegotiations which have the potential to lead to strikes and other industrial action, which may disrupt Costa's operations. Any renegotiations could also result in increased labour costs.

Work Health and Safety

Given the nature of the industry in which Costa operates, Costa's employees are at risk of workplace accidents and incidents. In addition to the potential for harm to any employee, the occurrence of workplace accidents has the potential to harm both the reputation and financial performance of Costa.

Expansion project construction

Costa's current and future expansion projects depend, in part, on the development and construction of farming sites. Any significant delay in the development and construction of farming sites may place Costa at risk of not meeting its forecasts. A reduction in Costa's yield and/or production volumes in one or more produce categories may have an adverse impact on the financial performance and prospects of Costa.

Costa may not be able to execute its growth strategy as planned

Costa has developed a growth strategy that includes expansion projects in Australia and through expansion of the farming footprints for the Morocco and China joint ventures. There is a risk that Costa may not be able to effectively execute its growth strategy and may encounter delays in construction or execution, or operational difficulties, which may lead to increased costs and/or strain management resources or have a negative impact on Costa's brand and reputation. As a result, Costa's growth strategies may generate lower than, or later than, expected revenue or incur unforeseen costs.

Costa Group Holdings Limited



49

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



General risks

Investment in capital markets

The price of Costa Shares on the ASX may rise or fall due to numerous factors, including:

- I. Australian and international general economic conditions, including inflation rates, the level of economic activity, interest rates and currency exchange rates;
- II. tensions and acts of terrorism in Australia and around the world; and
- III. investor perceptions in the local and global markets for listed securities.

Costa Shares may trade below the offer price and no assurances can be given that Costa's market performance will not be materially adversely affected by any such market fluctuations or factors. Neither Costa, nor any of its directors or any other person, guarantees Costa's market performance.

Changes to accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB). Changes to accounting standards issued by the AASB could materially adversely affect Costa's reported results in any given period or Costa's financial condition from time to time.

Tax changes

Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on Costa shareholder returns, as may a change to the tax payable by Costa shareholders in general. Any other changes to Australian tax law and practice that impact Costa, or the agriculture industry generally, could also have an adverse effect on Costa shareholder returns.

General economic risks

The operating and financial performance of Costa is influenced by a variety of general economic and business conditions, including inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions could adversely impact the operating and financial performance of Costa.

Risks in connection with the Offer

Funding and underwriting risk

Costa intends to fund the Acquisition in part through the funds raised under the Offer.

Costa has entered into an underwriting agreement under which the underwriter has agreed to underwrite the Offer. If certain conditions are not satisfied or certain customary termination events occur, the underwriter may terminate the underwriting agreement. These events include, but are not limited to, the following:

- Costa is removed from the official list of the ASX or its shares are delisted or suspended from quotation;
- * a material statement contained in the Offer materials is or becomes misleading or deceptive (including by omission);
- there is a delay in the Offer timetable;
- * there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Costa group from the position fairly disclosed by Costa to ASX before the date of the underwriting agreement or in the Offer announcements;
- certain material contracts to which Costa is a party are breached, terminated or amended;
- certain market disruption or hostility events occurring;
- * Costa contravenes its legal obligations;
- ASIC issues proceedings, or commences a formal investigation into the Offer; or * an application for an order is made to a government agency in connection with the Offer;
- Costa or any of its directors engage in any fraudulent conduct or activity;
- a director of Costa is charged with certain indictable offences; or
- * a change in the CEO, the CFO or the board of directors occurs.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Key risks (continued)



The ability of the underwriter to terminate the underwriting agreement in respect of some events (denoted with an asterisk (*) above) will depend on whether the event has (or is likely to have) a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of Costa shares, or the willingness of investors to subscribe for New Shares, or where they may give rise to liability of the underwriter. If the underwriting agreement is terminated, Costa would not receive the offer price in respect of any entitlements that are not taken up under the Offer and the total amount raised by Costa under the Offer would be less than Costa intends to raise.

In these circumstances, Costa would nevertheless continue to be bound by the agreements with the Seller in relation to the Acquisition.

Costa would need to seek alternative sources of funding to complete the Acquisition, which may result in Costa incurring additional costs (for example, by way of interest payments on debt) and/or potential restrictions being imposed on the manner in which Costa conducts its business and deals with its assets. There is no guarantee that alternative funding could be sourced on satisfactory terms and conditions or at all. Failure to source alternative funding could result in Costa being unable to perform its obligations to complete the Acquisition or being unable to implement the proposed integration of the Business. Any of these outcomes could have a material adverse impact on Costa's financial position, prospects, and reputation.

Renouncement risk

If you are an eligible shareholder, and you do not take up or sell your entitlements under the Offer, then your entitlements will be treated as renounced and will be sold on your behalf in the institutional or retail bookbuild (as applicable) and any proceeds of sale of your entitlements will be paid to you. However, there is no guarantee that any value will be received for your renounced entitlement through the bookbuild process.

The ability to sell entitlements under the bookbuild and the ability to obtain any premium will be dependent upon various factors, including market conditions. Further, the bookbuild price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the underwriter, will, if accepted, result in acceptable allocations to clear the entire book. To the maximum extent permitted by law, Costa, the underwriter and its respective related bodies corporate, affiliates or the directors, officers, employees or advisors of it, will not be liable, including for negligence, for any failure to procure applications under the book build at a price in excess of the offer price.

If there is a premium achieved on the retail bookbuild, it may be less than, more than, or equal to any premium achieved on the institutional bookbuild. Accordingly, it is possible that retail holders who do not take up their entitlements will receive less value than their institutional counterparts, or no value at all.

You should also note that if you do not take up all of your entitlement, then your percentage security holding in Costa will be diluted by not participating to the full extent in the Offer.

Reconciliation risk for institutional shareholders

Eligible institutional shareholders who participate in the institutional entitlement Offer or whose rights are renounced and therefore sold in the institutional shortfall bookbuild will do so based on a reference shareholding at the relevant time of the accelerated component of the Offer. That reference shareholding will be derived from all register and other data available to Costa and its share registry analytics firm. Similarly, ineligible institutional shareholders whose entitlement equivalent is accelerated and renounced in the institutional bookbuild will be calculated on the basis of a reference shareholding similarly derived.

To the extent that a shareholder's declared shareholding differs from the share registry analytics firm's estimate of that shareholder's shareholding, an estimate or assumption may be made for the purposes of determining the reference shareholding. Any shareholding as at the record date in excess of the assumed holding may be included as part of the retail entitlement Offer.

To the maximum extent permitted by law, Costa, the underwriter and their respective related bodies corporate, affiliates, directors, officers, employees or advisors will not be liable, including for negligence, for any failure to reconcile shareholdings in this or any related context.

Risk of selling or transferring entitlements

If you are an eligible retail security holder and do not wish to take up your entitlements, you can sell them on the ASX or transfer them to another person or entity other than on the ASX during the entitlement trading period. Prices obtainable for retail entitlements may rise and fall over the entitlement trading period and liquidity may vary. If you sell or transfer your entitlements at one stage in the retail entitlement trading period you may receive a higher or lower price than a security holder who sells or transfers their entitlements at a different stage in the retail entitlement trading period or through the retail shortfall bookbuild.

Costa Group Holdings Limited



51

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

International offer restrictions



This document does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

European Union (France, Germany, Ireland, Italy, Netherlands and Sweden)

This document has not been, and will not be, registered with or approved by any securities regulator in France, Germany, Ireland, Italy, Netherlands or Sweden. Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale, in France, Germany, Ireland, Italy, Netherlands or Sweden except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and New Shares in France, Germany, Ireland, Italy, Netherlands and Sweden is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Costa Group Holdings Limited



Driscoll's
Only the Finest Berries



lady fingers



LOVACADO
Just like you. Two for one.



Perino



Vitor
VITACORP S.A.

International offer restrictions (continued)



Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "qualified investors" (as defined in the Prospectus Regulation 2017/1129 Article 2(e), cf. the Norwegian Securities Trading Act of 29 June 2007 no. 75 Section 7-1 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements or the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The offering of the Entitlements and the New Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSA") because such offering is made to professional clients within the meaning of the FinSA only and the Entitlements and the New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus or a similar communication pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Entitlements or the New Shares.

United Arab Emirates

Neither this document nor the New Shares have been approved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. The Company has not received authorisation or licensing from the ESCA or any other governmental authority to market or sell the Entitlements or the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market). No services relating to the Entitlements or the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

In the Abu Dhabi Global Market and the Dubai International Financial Centre, the Entitlements and the New Shares may be offered, and this document may be distributed, only as an "Exempt Offer", as defined and in compliance with the Markets Rules issued by the Abu Dhabi Financial Services Regulatory Authority and the Dubai Financial Services Authority, respectively. Neither this document nor the Entitlements or the New Shares have been approved or passed on in any way by either of these regulatory authorities.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

Costa Group Holdings Limited



International offer restrictions (continued)



This document is issued on a confidential basis to "qualified investors" (within the meaning of Article 2(e) of the UK Prospectus Regulation) in the United Kingdom, and the Entitlements and New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Canada

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and accepted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

Costa Group Holdings Limited



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

International offer restrictions (continued)



The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation;
- (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

United States

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of any offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). Neither the entitlements nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, any person in the United States or any person that is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws. The entitlements and the New Shares to be offered and sold in the Retail

Costa Group Holdings Limited





Costa Group Holdings Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Announcements

92

4.3 Institutional Entitlement Offer results



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

ASX ANNOUNCEMENT

28 June 2021

COSTA SUCCESSFULLY COMPLETES INSTITUTIONAL ENTITLEMENT OFFER

Costa Group Holdings Limited (Costa; ASX: CGC), Australia's leading grower, packer and marketer of fresh fruit and vegetables today announced the successful completion of the institutional component ("**Institutional Entitlement Offer**") of its fully underwritten 1 for 6.33 pro rata accelerated renounceable entitlement offer with retail rights trading ("**Entitlement Offer**").

Key Highlights

- **Institutional Entitlement Offer successfully completed, raising approximately \$114 million**
- **Institutional Entitlement Offer was strongly supported by eligible Costa institutional shareholders, who took up approximately 90% of their Entitlements**
- **Institutional Shortfall Bookbuild clearing price of \$3.30 per New Share, representing a \$0.30 premium to the Offer Price of \$3.00 per New Share**
- **Costa shares recommence trading on the ASX today**
- **Retail Entitlement Offer opens on Friday, 2 July 2021**

On Wednesday, 23 June 2021, Costa announced an Entitlement Offer to raise approximately \$190 million. The proceeds of the equity raising will fund the acquisition of the business and assets of 2PH Farms Pty Ltd and its related entities ("**2PH**"), a Central Queensland based citrus grower for an upfront consideration of approximately \$200 million in cash¹.

The Institutional Entitlement Offer raised approximately \$114 million from subscriptions for new fully paid ordinary shares in Costa ("**New Shares**") at \$3.00 per New Share ("**Offer Price**"). The Institutional Entitlement Offer attracted strong support from institutional shareholders with a take-up rate by eligible institutional shareholders of approximately 90%².

A bookbuild for Institutional Entitlement Offer shortfall shares was conducted on Thursday, 24 June 2021 to Friday, 25 June 2021 ("**Institutional Shortfall Bookbuild**") and attracted strong demand from both existing

¹ Excludes stamp duty and transaction costs of \$19 million

² Eligible Institutional Shareholders are institutional shareholders who were successfully invited to participate in the Institutional Entitlement Offer (Ineligible Institutional Shareholders are institutional shareholders who are not Eligible Institutional Shareholders)



shareholders and other institutional investors. The bookbuild cleared at a price of \$3.30 per New Share, which represents a premium of \$0.30 to the Offer Price of \$3.00 per New Share.

Eligible institutional shareholders who elected not to take up their entitlements and certain ineligible institutional shareholders will receive \$0.30 for each entitlement sold through the Institutional Shortfall Bookbuild. This payment will be made on or around Friday, 9 July 2021.

Costa Group CEO and Managing Director, Sean Hallahan noted the company was pleased with the outcome of the institutional entitlement offer.

"We thank our institutional shareholders for their strong support of the equity raising. The acquisition of 2PH provides Costa a larger and stronger citrus business with an attractive growth profile. 2PH will complement and enhance our production footprint, our variety offering and market opportunities, both export and domestic. We are delighted to take ownership of 2PH and look forward to supporting its continued success and its globally recognised brand and reputation for quality citrus varieties.

There was strong demand for shortfall shares in the Institutional Shortfall Bookbuild from both existing shareholders and new investors, and we are pleased that institutional shareholders who did not participate and other ineligible institutional shareholders will receive a premium of \$0.30 for their renounced entitlements", said Mr Hallahan.

The next and final stage of the Entitlement Offer is the Retail Entitlement Offer which will open on Friday, 2 July 2021. We encourage Costa's Eligible Retail Shareholders to carefully review the Retail Information Booklet which will be despatched to them on or around Friday, 2 July 2021 before deciding whether to participate. Eligible shareholders can also access information at the Entitlement Offer website.

Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") is expected to raise approximately \$76 million. The Retail Entitlement Offer will open at 10:00am (AEST) on Friday, 2 July 2021 and close at 5:00pm (AEST) on Monday, 19 July 2021.

Under the Retail Entitlement Offer, Eligible Retail Shareholders (as defined below) are being offered the opportunity to subscribe for 1 New Share for every 6.33 existing shares held as at the 7:00pm (AEST) on Monday, 28 June 2021 ("**Record Date**"), at the Offer Price of \$3.00 per New Share.

Eligible Retail Shareholders are shareholders who are registered as a holder of Costa shares as at the Record Date; have a registered address on the Costa share register in Australia or New Zealand; are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds shares for the account or benefit of such person in the United States); are not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder and are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer ("**Eligible Retail Shareholders**").



Eligible Retail Shareholders will be allotted entitlements ("**Retail Entitlements**"), which can be traded on the ASX³. If Eligible Retail Shareholders choose not to take up all or part of their Retail Entitlements, they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring entitlements directly to another person ahead of the retail shortfall bookbuild (the "**Retail Shortfall Bookbuild**").

Retail Entitlements not taken up under the Retail Entitlement Offer, and Retail Entitlements that would have been issued to ineligible retail shareholders had they been entitled to participate in the Retail Entitlement Offer, will be offered for sale through the Retail Shortfall Bookbuild. The amount realised for those Retail Entitlements (the "**Retail Premium**"), if any, will be remitted to holders of those Retail Entitlements at the close of the Retail Entitlement Offer, and to ineligible retail shareholders⁴. The Retail Premium, if any, is expected to be paid on or about Friday, 30 July 2021.

Eligible Retail Shareholders should carefully read the Retail Information Booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on or around Friday, 2 July 2021 ("**Retail Information Booklet**"). The Retail Information Booklet will also be made available at the offer website.

Retail Information Booklets and personalised entitlement and acceptance forms will be sent electronically to those eligible retail shareholders who have elected to receive communications from Costa electronically.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements after the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to take up their Retail Entitlements, those Retail Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

Costa's ordinary shares are expected to resume trading from market open today on an ex-entitlement basis.

³ Trading on a deferred settlement basis from Monday, 28 June 2021 until Thursday, 1 July 2021, then trading on a normal settlement basis from Friday, 2 July 2021 until Monday, 12 July 2021

⁴ All shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders or Ineligible Institutional Shareholders are ineligible retail shareholders ("**Ineligible Retail Shareholders**").

Summary of Key Dates⁵

Event	Date
Institutional Entitlement Offer opened	Wednesday, 23 June 2021
Institutional Entitlement Offer closed	Thursday, 24 June 2021
Institutional bookbuild closed (11:00am AEST)	Friday, 25 June 2021
Costa shares recommence trading	Monday, 28 June 2021
Retail rights commence trading (on deferred settlement basis) ⁷	Monday, 28 June 2021
Entitlement Offer record date (7:00pm AEST)	Monday, 28 June 2021
Retail Information Booklet and Application and Entitlement Forms despatched to Eligible Retail Shareholders	Friday, 2 July 2021
Retail Entitlement Offer opens	Friday, 2 July 2021
Settlement of New Shares issued under Institutional Entitlement Offer	Tuesday, 6 July 2021
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 7 July 2021
Close of retail rights trading	Monday, 12 July 2021
Retail Entitlement Offer closes (5:00pm AEST)	Monday, 19 July 2021
Retail Entitlement Offer shortfall bookbuild	Thursday, 22 July 2021
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 27 July 2021
Allotment of New Shares issued under the Retail Entitlement Offer ("Final Allotment")	Wednesday, 28 July 2021
New Shares under the Final Allotment commence trading on ASX on a normal settlement basis	Thursday, 29 July 2021
Despatch of confirmation for New Shares issued under the Final Allotment; Payment of Retail Premium (if any)	Friday, 30 July 2021

⁵ All dates and times are indicative and subject to change without notice; AEST refers to Australian Eastern Standard Time. Costa reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, Costa reserves the right to extend the closing date for the Retail Entitlement Offer, to withdraw the Entitlement Offer at any time prior to the issue of New Shares and/or to accept late applications either generally or in specific cases.



Further information

Further details of the Entitlement Offer are set out in the Investor Presentation which was released to the ASX on Wednesday, 23 June 2021. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

UBS acted as financial adviser and King & Wood Mallesons acted as legal adviser to Costa in relation to the transaction.

If you have any questions in relation to the Entitlement Offer, please contact the Costa Offer Information Line on 1300 407 677 (within Australia), +61 1300 407 677 (outside Australia) at any time between 8:30am and 5:30pm (AEST) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Release authorised by the Costa Group Holdings Limited Board.

END

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 5,000 planted hectares of farmland, 30 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 600 planted hectares.

For further information contact:

Michael Toby
Group Corporate Affairs Manager T: +61 3 8363 9071

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement has been prepared for publication in Australia and may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of any offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to, any person in the United States or any person that is acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and



any applicable US state securities laws. The entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States to persons that are not acting for the account or benefit of persons in the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act. In addition, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) will not be eligible to purchase or trade entitlements on ASX or otherwise, or take up or exercise entitlements purchased on ASX or otherwise, or transferred from another person.

Section 5

Australian Taxation Implications

Australian Taxation Implications

100

5.1 General

This section is a general summary of the Australian income tax, goods and services tax (“GST”) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- (a) are a resident for Australian income tax purposes; and
- (b) hold your Shares on capital account.

The comments do not apply to you if you:

- (a) are not a resident for Australian income tax purposes; or
- (b) hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- (c) are subject to the “taxation of financial arrangements” rules (commonly referred to as the TOFA rules) in Division 230 of the Income Tax Assessment Act 1997 in relation to your holding of Shares, Retail Entitlements or New Shares; or
- (d) acquired the Shares in respect of which the Retail Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme; or
- (e) are exempt from Australian income tax; or
- (f) acquired Retail Entitlements otherwise than because you are an Eligible Retail Shareholder (e.g. where the Retail Entitlements are acquired on ASX).

If you are such a shareholder or holder of Retail Entitlements, you should seek your own independent professional tax advice applicable to your particular circumstances.

This taxation summary is necessarily general in nature and is based on the Australian tax legislation and administrative practice in force as at the date of this Retail Information Booklet. It does not take into account any financial objectives, tax positions, or investment needs of Eligible Retail Shareholders.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. It is strongly recommended that you seek your own independent professional tax advice applicable to your particular circumstances. Neither Costa nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

5.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income.

5.3 Sale of Entitlements

If you sell your Entitlements on ASX or otherwise, you should derive a capital gain for capital gains tax (“CGT”) purposes equal to the sale proceeds less certain non-deductible costs of disposal. You will have no cost base (excluding non-deductible transaction costs) for the Entitlements you received. This capital gain will be included in assessable income in the income year of disposal, after the application of any current year or carry forward capital losses.

Shareholders will be treated as having acquired their Entitlements on the same date that they acquired the Shares which gave rise to the Entitlements. Accordingly, individuals, complying superannuation entities or trustees that

Australian Taxation Implications

101

have held their Existing Shares for at least 12 months prior to the date of disposal, should be entitled to discount the amount of a capital gain resulting from the sale of the Entitlements (after the application of any current year or carry forward capital losses). The amount of this discount is 50% for individuals and trustees and 33 1/3% for complying superannuation entities. This is referred to as the “**CGT discount**”. The CGT discount is not available for companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising from making distributions attributable to discount capital gains.

5.4 Entitlements sold into the Retail Shortfall Bookbuild

Any Entitlements not taken up by you will be sold on your behalf into the Retail Shortfall Bookbuild and any Retail Premium you receive in respect of the Entitlements will be remitted as a cash payment to you.

The Commissioner of Taxation (“**Commissioner**”) has released Taxation Ruling TR 2017/4 “Income tax: taxation of rights and retail premiums under renounceable rights offers where shares held on capital account” in which the Commissioner ruled that shareholders do not need to include any amount in their assessable income upon the grant of the entitlement, and that any retail premium received on entitlements will be treated as capital proceeds from the realisation of a CGT asset. Accordingly:

- (a) Eligible Retail Shareholders whose Entitlements are sold into the Retail Shortfall Bookbuild should derive a capital gain for CGT purposes equal to the amount of the Retail Premium received; and
- (b) Eligible Retail Shareholders who are individuals, complying superannuation entities or trustees that have held their existing Shares for at least 12 months prior to the date of sale, should be entitled to the CGT discount in respect of any capital gain resulting from the sale of the Entitlements into the Retail Shortfall Bookbuild (after the application of any current year or carry forward capital losses).

The Commissioner has also confirmed that Retail Premiums paid to Eligible Retail Shareholders are not ordinary income, or a dividend, for income tax purposes.

5.5 Exercise of Entitlements

Neither an income tax nor a capital gains tax liability will arise for you on the exercise (i.e. taking up) of your Entitlements.

If you take up all or part of your Entitlement, you will acquire New Shares with a cost base for CGT purposes equal to the Offer Price payable by you for those New Shares plus certain non-deductible incidental costs you incur in acquiring them.

New Shares will be taken to have been acquired on the day you exercise the Entitlements for CGT purposes.

5.6 Dividends on New Shares as a result of Entitlements taken up

Any future dividends or other distributions made in respect of New Shares will generally be subject to the same income taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

Dividends or distributions received by Eligible Retail Shareholders from Costa may result in an adjustment to the Eligible Retail Shareholder's cost base on their Shares to the extent that these dividends or distributions are non-assessable.

5.7 Disposal of New Shares

The disposal of a New Share will constitute a disposal for CGT purposes.

On disposal of a New Share, you will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share. You will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share. The cost base of New Shares is described in Section 5.5.

Australian Taxation Implications

102

Individuals, trustees or complying superannuation entities that have held New Shares for 12 months or more at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting any current year or carry forward capital losses). The CGT discount factor is 50% for individuals and trustees and 33 1/3% for complying superannuation entities.

New Shares will be treated for the purposes of the CGT discount as having been acquired when you exercise your Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that you exercised your Entitlement.

If you make a capital loss, you can only use that loss to offset other capital gains, i.e. the capital loss cannot be used to offset other assessable income. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, providing certain loss utilisation tests are satisfied.

5.8 Withholding tax

Costa may be required to withhold tax from you on payments of dividends that are not fully franked, at the specified rate and remit such amounts to the ATO, unless you have provided an Australian Business Number ("**ABN**"), Tax File Number ("**TFN**") or you have informed us that you are exempt from quoting your TFN or ABN.

You are not required to provide your TFN or ABN to Costa, however you may choose to do so. If you have previously quoted your ABN, TFN, or have notified us that an exemption from quoting your TFN/ABN exists, that quotation or exemption will also apply in respect of any New Shares acquired by you.

5.9 Other Australian taxes

No GST or stamp duty will be payable by you in respect of the issue, sale or taking up of Entitlements or the acquisition of New Shares. However, you may be restricted in claiming input tax credits for expenses incurred in relation to these transactions.

Section 6

Additional information

Additional information

104

This Retail Information Booklet (including the enclosed Announcements and attached personalised Entitlement and Acceptance Form) have been prepared by Costa.

This Retail Information Booklet (other than the ASX Announcement and the Investor Presentation) is dated Friday, 2 July 2021. The Announcements included in this Retail Information Booklet are current as at Friday, 2 July 2021. The Retail Information Booklet remains subject to change without notice.

There may be additional announcements that have been made by Costa after Friday, 2 July 2021 and throughout the Retail Entitlement Offer Period that may be relevant in your consideration of whether to take up, sell or transfer all or some of your Retail Entitlements. Therefore, it is prudent that you check whether any further announcements have been made by Costa before submitting an Application or selling or transferring your Retail Entitlements.

No party other than Costa has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Information Booklet, and there is no statement in this Retail Information Booklet which is based on any statement made by any party other than Costa.

For the avoidance of doubt, to the maximum extent permitted by law, Costa, the Underwriter and their respective Extended Parties exclude and disclaim all liability (including, without limitation, liability for negligence) for any direct, indirect, consequential or contingent loss or damage howsoever and whenever arising from the use of any of the information contained in this Retail Information Booklet or participation in the Retail Entitlement Offer, and the Underwriter does not act as a fiduciary or agent of each other or any other person.

The Underwriter and its Extended Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representation or warranty, express or implied, concerning the New Shares or the Entitlement Offer, or as to the currency, accuracy, reliability or completeness of the information in this Retail Information Booklet.

This information is important and requires your immediate attention.

6.1 Not financial product advice

This Retail Information Booklet is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice, investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. This Retail Information Booklet does not purport to contain all of the information that you may require to evaluate a possible application for New Shares. It should be read in conjunction with Costa's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances, and having regard to the risks and merits involved. You should also consider whether you need to seek appropriate advice, including financial, legal and taxation advice appropriate to your jurisdiction.

If, after reading this Retail Information Booklet, you have any questions about whether you should participate in the Retail Entitlement Offer, you should seek professional advice from a professional adviser who is licensed by ASIC to give that advice before making any investment decision.

6.2 Eligible Retail Shareholders and Ineligible Retail Shareholders

This Retail Information Booklet contains an offer of New Shares to Eligible Retail Shareholders.

Costa has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail investors who are holders of Shares and who are in the United States or are acting for the account or benefit of a person in the United States (to the extent such persons hold Shares and are acting for the account or benefit of a person in

Additional information

105

the United States) or who have registered addresses outside Australia and New Zealand (referred to as Ineligible Retail Shareholders), having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

Costa reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

Ineligible Retail Shareholders should shortly receive a letter from Costa outlining their rights in relation to the Entitlement Offer.

Costa may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Shareholder in a foreign jurisdiction or any Eligible Institutional Shareholder which did not participate (or did not participate to the full extent of their shareholding) in the Institutional Entitlement Offer, in each case excluding the United States and subject to compliance with applicable laws.

6.3 Retail Entitlements

The Retail Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States).

Investors should note that if you purchase Retail Entitlements on ASX or otherwise, in order to take up or exercise those Retail Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder;
- must not be in the United States or acting for the account or benefit of a person in the United States in connection with the purchase or exercise of those Retail Entitlements.

If you do not satisfy the above conditions, you will not be entitled to take up Retail Entitlements or subscribe for New Shares.

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements at the end of the Retail Entitlement Trading Period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. In the event that holders are not able to exercise their Retail Entitlements, they may receive no value for them.

6.4 Trading of Retail Entitlements and New Shares

Subject to approval being granted, it is expected that Retail Entitlements will trade on ASX on a deferred settlement basis from Monday, 28 June 2021 until Thursday, 1 July 2021, and on a normal settlement basis from Friday, 2 July 2021 until Monday, 12 July 2021 (being the Retail Entitlement Trading Period). Following this, it is expected that trading on ASX of New Shares to be issued under the Final Allotment will commence on Thursday, 29 July 2021 on a normal settlement basis.

Costa, the Underwriter and their Extended Parties will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade Retail Entitlements before they receive their personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Costa or the Registry or otherwise or who otherwise trade or purport to trade Retail Entitlements in error or which they do not hold or are not entitled to.

Costa, the Underwriter and their Extended Parties will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Costa or the Registry or otherwise or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

Additional information

106

If you are in any doubt as to these matters, you should seek professional advice from an adviser who is licensed by ASIC to give that advice.

While the Retail Entitlements will be tradeable on ASX, the assignment, transfer and exercise of Retail Entitlements trading on ASX will be restricted to persons meeting certain eligibility criteria. It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States) will not be eligible to purchase or trade Retail Entitlements or to take up Retail Entitlements they acquire. If holders of Retail Entitlements at the end of the Retail Entitlement Trading Period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlement. In the event that holders are not able to exercise their Retail Entitlements, they may receive no value for them.

6.5 Reconciliation and the rights of Costa and the Underwriter

As with any entitlement offer, investors may believe that they own more Existing Shares (being a Share on issue on the Record Date) than they ultimately do, or are otherwise entitled to more New Shares than initially offered to them.

If reconciliation is required, it is possible that Costa may need to issue a quantity of additional New Shares (“**Top-Up Shares**”) to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these Top-Up Shares will be issued will be the same as the Offer Price.

Costa also reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their claims, or if they are not Eligible Shareholders.

Investors who sell Retail Entitlements to which they are not entitled, or who do not hold sufficient Retail Entitlements at the time required to deliver those Retail Entitlements, may be required by Costa to otherwise acquire Retail Entitlements or Shares to satisfy these obligations.

By applying under the Entitlement Offer, including pursuant to acquisitions of Retail Entitlements, those doing so irrevocably acknowledge and agree to do the above as required by Costa in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Costa or the Underwriter to require any of the actions set out above.

6.6 Sale of Retail Entitlements

Costa will arrange for Retail Entitlements which are not taken up by close of the Retail Entitlement Offer to be sold to Eligible Institutional Shareholders through the Retail Shortfall Bookbuild. Costa has engaged the Underwriter to assist in selling Retail Entitlements to subscribe for New Shares (including Retail Entitlements that would have been issued to Ineligible Retail Shareholders had they been eligible to participate in the Retail Entitlement Offer), through the Retail Shortfall Bookbuild. However, it is important to note that the Underwriter will be acting for and providing services to Costa in this process and will not be acting for or providing services to shareholders or any other investor. The engagement of the Underwriter by Costa is not intended to create any agency, fiduciary or other relationship between the Underwriter and the shareholders or any other investor.

6.7 Receipt of excess Retail Premium

If you receive a Retail Premium payment in excess of the Retail Premium payment to which you were actually entitled based on the Retail Entitlements held by you as at close of the Retail Entitlement Offer at 5.00pm (AEST) on Monday, 19 July 2021, then, in the absolute discretion of Costa, you may be required to repay Costa the excess Retail Premium.

By taking up or transferring your Retail Entitlement, or accepting the payment to you of a Retail Premium, you irrevocably acknowledge and agree to repay any excess payment of the Retail Premium as set out above as

Additional information

107

required by Costa in its absolute discretion. In this case, the amount required to be repaid will be net of any applicable withholding tax. You also acknowledge that there is no time limit on the ability of Costa to require repayment as set out above and that where Costa exercises its right to correct your Retail Entitlements, you are treated as continuing to have taken up, transferred or not taken up your remaining Retail Entitlements.

6.8 New Shares

Costa will apply to ASX for official quotation of the New Shares to be issued under the Entitlement Offer. If ASX does not grant quotation of the New Shares, Costa will repay all Application Monies (without interest).

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares.

6.9 Additional New Shares

All Eligible Retail Shareholders will be allocated New Shares applied and paid for during the Retail Entitlement Offer Period, up to their Retail Entitlement.

Eligible Retail Shareholders may not apply for additional New Shares in excess of their Retail Entitlement.

Eligible Retail Shareholders who would like to apply for additional New Shares in excess of their Retail Entitlements may consider acquiring additional Retail Entitlements from any other Eligible Retail Shareholders who wish to sell their Retail Entitlements.

6.10 Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Retail Information Booklet and a copy of their personalised Entitlement and Acceptance Form by calling the Costa Shareholder Information Line on 1300 407 677 (within Australia) or +61 1300 407 677 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period.

Eligible Retail Shareholders in Australia and New Zealand may also access this Retail Information Booklet and their personalised payment details at <https://events.miraql.com/cgc-offer> from Friday, 2 July 2021.

Neither this Retail Information Booklet, the Investor Presentation, nor the accompanying Entitlement and Acceptance Form may be distributed to, or relied upon by, persons in the United States or persons that are acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of a person in the United States).

6.11 Foreign jurisdictions

This Retail Information Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Retail Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Retail Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form will be taken by Costa to constitute a representation by you that there has been no breach of any such laws. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed.

The distribution of this Retail Information Booklet (including in electronic format) outside Australia and New Zealand may be restricted by law. If you come into possession of this Retail Information Booklet, you should observe such restrictions and should seek professional advice on such restrictions. In particular, this document or any copy of it must not be taken into or distributed or released in the United States. Persons who come into

Additional information

108

possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

(a) New Zealand

The Retail Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. The offer of New Shares is renounceable in favour of members of the public.

This Retail Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This Retail Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(b) United States

This Retail Information Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which such an offer would be illegal. Neither the Retail Entitlements nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Retail Entitlements may not be issued to, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). The Retail Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S.

6.12 Nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees and custodians with registered addresses in the Eligible Jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Costa. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not); or
- Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up, sell or transfer Retail Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States). If a nominee or custodian purchases or takes up Retail Entitlements for the account or benefit of a person in the United States, such person may receive no value for any such Entitlements.

Additionally, nominees and custodians may not distribute any part of this Retail Information Booklet in the United States or in any other country outside Australia and New Zealand except (i) Australian and New Zealand

Additional information

109

nominees may send this Retail Information Booklet and related offer documents to beneficial shareholders who are professional or Institutional Shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the “International Offer Restrictions” section of the Investor Presentation (ii) to beneficial shareholders in other countries (other than the United States) where Costa may determine it is lawful and practical to make the Retail Entitlement Offer.

Costa is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

Costa is not able to advise on foreign laws.

6.13 Underwriting

Costa has entered into the Underwriting Agreement under which the Underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement.

The obligation on the Underwriter to underwrite the Entitlement Offer is conditional on certain customary matters, including Costa delivering certain certificates, sign-offs and opinions to the Underwriter.

Furthermore, in accordance with the Underwriting Agreement and as is customary, Costa has (subject to certain limitations) agreed to indemnify the Underwriter, its affiliates and its related bodies corporate and their respective officers, directors, agents, representatives, advisers or employees or any of their respective affiliates, successors or related bodies corporate against losses in connection with the Entitlement Offer. Costa and the Underwriter have also given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer.

Additionally, if certain events occur, the Underwriter may terminate the Underwriting Agreement.

The events which may trigger termination of the Underwriting Agreement include where:

- Costa’s debt facilities are terminated, rescinded, breached, varied in a material respect without the consent of the Underwriter, or Costa is unable to draw down sufficient funds to fund the acquisition described in the Investor Presentation;
- Costa is removed from the official list of the ASX or its shares are delisted or suspended from quotation;
- Costa alters its capital structure without the consent of the Underwriter, other than by issuing New Shares under the Entitlement Offer, an employee incentive plan disclosed to the ASX or an issuance of shares on the exercise of existing options;
- Costa or any of its related bodies corporate becomes insolvent;
- a material statement contained in the Entitlement Offer materials is or becomes misleading or deceptive (including by omission);
- * there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Costa group from the position fairly disclosed by Costa to ASX before the date of the Underwriting Agreement or in the Entitlement Offer announcement;
- ASIC issues proceedings, or commences a formal investigation into the Entitlement Offer, or an application for an order is made to a government agency in connection with the Entitlement Offer (which in the Underwriter’s opinion, is a serious action with reasonable prospects of success);
- Costa or any of its directors engage in any fraudulent conduct or activity;
- a director or the Chief Financial Officer of Costa is charged with certain indictable offences;

Additional information

110

- * a change in the CEO, the CFO or the board of directors occurs (other than the appointment of a new non-executive director);
- a scheme of arrangement for Costa or other offer to Shareholders is announced by another person which if implemented may result in a person acquiring more than 50% of the interests in Costa; or
- * trading of all securities quoted on certain exchanges is suspended or limited for more than one day, or there is a general moratorium on commercial banking activities or an adverse change or disruption to financial markets, political or economic conditions in certain jurisdictions, or the commencement or escalation of hostilities or a major terrorist attack being perpetrated in certain jurisdictions.

The ability of the Underwriter to terminate the Underwriting Agreement in respect of some events (denoted with an asterisk (*) above) will depend on whether the event has (or is likely to have) a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the value of the Shares, or the willingness of investors to subscribe for New Shares, or where they may give rise to liability of the Underwriter.

The Underwriter will receive a financial benefit as a result of its engagement as the lead manager, bookrunner and underwriter to the Entitlement Offer by Costa.

The Underwriter and its extended parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Costa.

6.14 Governing law

This Retail Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of Applications made pursuant to the Retail Entitlement Offer are governed by the law applicable in Victoria, Australia. Each Shareholder who applies for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

6.15 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Information Booklet.

Any information or representation that is not in this Retail Information Booklet may not be relied on as having been authorised by Costa, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Costa, its directors, officers or employees or any other person, warrants or guarantees the future performance of Costa or any return on any investment made pursuant to this Retail Information Booklet.

6.16 Withdrawal of the Entitlement Offer

Costa reserves the right to withdraw all or part of the Entitlement Offer and the information in this Retail Information Booklet at any time, subject to applicable laws, in which case Costa will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Costa may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Costa will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Costa.

6.17 Privacy

As a Shareholder, Costa and the Registry have already collected certain personal information from you. If you apply for New Shares, Costa and the Registry may update that personal information or collect additional personal information for the purposes of:

- processing your application and assessing your acceptance of the New Shares;

Additional information

111

- servicing your needs as a shareholder and providing facilities and services that you request; and
- carrying out appropriate administration.

Company and tax laws require some of the information to be collected. If you do not provide your personal information we may not be able to process your application.

Costa and the Registry may disclose this information for these purposes to its subsidiaries and relevant organisations involved in providing, managing or administering your product or service such as third party suppliers, other organisations, loyalty and affinity partners, printers, posting services, call centres, and our advisers.

Where personal information is disclosed, Costa will seek to ensure that the information is held, used or disclosed consistently with the *Privacy Act 1988* (Cth) and any other applicable privacy laws and codes.

You can ask us to access information that we hold about you or to correct information we hold about you by telephoning or writing to Costa through the Registry as follows:

1300 407 677 (within Australia)

+61 1300 407 677 (outside Australia)

Link Market Services Limited
Locked Bag A14
Sydney South NSW 123

Glossary

In this Retail Information Booklet, the following terms have the following meanings:

\$ or A\$ or dollars	Australian dollars
ABN	Australian Business Number
AEST	Australian Eastern Standard Time
Announcements	The ASX Announcement, the Investor Presentation and the Institutional Entitlement Offer results
Application	An application to subscribe for New Shares under the Retail Entitlement Offer in accordance with the instructions set out in this Retail Information Booklet and your personalised Entitlement and Acceptance Form
Application Monies	Monies received from applicants in respect of their Applications
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange
ASX Announcement	The announcement released to ASX on Wednesday, 23 June 2021 in connection with the Entitlement Offer, a copy of which is included in Section 4 of this Retail Information Booklet
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any waiver granted by ASX
CGT	Capital gains tax
Commissioner	Commissioner of Taxation
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Costa	Costa Group Holdings Ltd (ACN 151 363 129)
Eligible Institutional Shareholder	<p>An Institutional Shareholder:</p> <ul style="list-style-type: none"> → to whom ASX Listing Rule 7.7.1(a) does not apply; and → who has successfully received an offer under the Institutional Entitlement Offer (as the Underwriter determines in its discretion), <p>provided that if they are a nominee, they will only be an Eligible Institutional Shareholder to the extent they hold Shares for beneficiaries who would have been Institutional Shareholders had they held the Shares themselves</p>
Eligible Jurisdictions	Australia and New Zealand

Glossary

113

Eligible Retail Shareholder	Has the meaning in Section 1.1
Eligible Shareholder	A person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder
Entitlement	The entitlement to 1 New Share for every 6.33 Existing Shares held on the Record Date (being 7.00pm (AEST) on Monday, 28 June 2021) by Eligible Shareholders
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Retail Information Booklet and which can be used to submit an Application
Entitlement Offer	The pro rata accelerated renounceable entitlement offer (with retail entitlements trading) of approximately 63 million New Shares to Eligible Shareholders in the proportion of 1 New Share for every 6.33 Existing Shares held on the Record Date (being 7.00pm (AEST) on Monday, 28 June 2021) at the Offer Price, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer
Existing Share	A Share on issue on the Record Date (being 7.00pm (AEST) on Monday, 28 June 2021)
Extended Parties	In respect of Costa or the Underwriter, each of their affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees, consultants, advisers and agents
Final Allotment	The allotment of New Shares under the Retail Entitlement Offer
Final Settlement Date	The date of Settlement of New Shares issued under the Retail Entitlement Offer (being Tuesday, 27 July 2021)
GST	Goods and services tax
Ineligible Institutional Shareholder	<p>An Institutional Shareholder:</p> <ul style="list-style-type: none"> → who has a registered address outside the Eligible Jurisdictions and any other jurisdictions as Costa and the Underwriter agree; and → to whom ASX Listing Rule 7.7.1(a) applies
Ineligible Retail Shareholder	<p>A Shareholder:</p> <ul style="list-style-type: none"> → other than an Institutional Shareholder; and → who is not an Eligible Retail Shareholder
Institutional Entitlement	An Entitlement under the Institutional Entitlement Offer
Institutional Entitlement Offer	The pro rata entitlement offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer
Institutional Investor	A person:

Glossary

114

	<p>→ to whom an offer of New Shares may be made in Australia without a disclosure document or product disclosure statement (as defined in the Corporations Act) on the basis that such a person is an “exempt investor” as defined in ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84; or</p> <p>→ to whom an offer of New Shares may be made outside Australia without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that particular foreign jurisdiction (except to the extent the issuers are willing to comply with such requirements),</p> <p>provided that if such person is in the United States or is acting for the account or benefit of a person in the United States, the person meets certain eligibility criteria determined by Costa and the Underwriter</p>
Institutional Premium	The excess of the price (if any) at which New Shares were sold under the Institutional Shortfall Bookbuild over the Offer Price, less expenses
Institutional Shareholder	A Shareholder on the Record Date (being 7.00pm (AEST) on Monday, 28 June 2021) who is an Institutional Investor
Institutional Shortfall Bookbuild	A bookbuild for the Institutional Entitlement Offer, through which Institutional Entitlements which were not taken up by Thursday, 24 June 2021, and the Institutional Entitlements of Ineligible Institutional Shareholders, were sold on Friday, 25 June 2021
Investor Presentation	The investor presentation in connection with the Entitlement Offer dated Wednesday 23 June 2021, a copy of which is included in Section 4 of this Retail Information Booklet
New Share	A Share issued under the Entitlement Offer
Offer Price	\$3.00 per New Share
Offer Ratio	1 New Share for every 6.33 Existing Shares
Record Date	The Entitlement Offer record date (being 7.00pm (AEST) on Monday, 28 June 2021)
Registry	Link Market Services Limited (ABN 54 083 214 537)
Regulation S	Regulation S under the Securities Act
Renunciation and Acceptance Form	The Renunciation and Acceptance Form which can be used to sell or transfer Retail Entitlements off market (i.e. other than on ASX)
Retail Closing Date	The date the Retail Entitlement Offer closes (being 5.00pm (AEST) on Monday, 19 July 2021)
Retail Entitlement	An Entitlement under the Retail Entitlement Offer
Retail Entitlement Offer	The pro rata accelerated renounceable entitlement offer of New Shares (with retail entitlements trading) to Eligible Retail Shareholders under the Entitlement Offer

Glossary

115

Retail Entitlement Offer Period	The period from Friday, 2 July 2021 to Monday, 19 July 2021
Retail Entitlement Trading Period	The period from Monday, 28 June 2021 to Monday, 12 July 2021
Retail Information Booklet	This booklet dated Friday, 2 July 2021, including the Announcements and the Entitlement and Acceptance Form
Retail Premium	The excess of the price (if any) at which New Shares were sold under the Retail Shortfall Bookbuild over the Offer Price, less expenses
Retail Shortfall Bookbuild	A bookbuild for the Retail Entitlement Offer, through which Retail Entitlements which are not taken up by 5.00pm (AEST) on Monday, 19 July 2021, and the Retail Entitlements of Ineligible Retail Shareholders, will be sold on Thursday, 22 July 2021
Securities Act	The U.S. Securities Act of 1933
Share	An ordinary share in Costa
Shareholder	The registered holder of an Existing Share
TFN	Tax File Number
Top-Up Shares	Additional New Shares Costa may need to issue to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares
Underwriter	The underwriter of the Entitlement Offer
Underwriting Agreement	The Underwriting Agreement between Costa and the Underwriter, as described in Section 6
U.S. or United States	United States of America, its territories and possessions, any state of the United States and the District of Columbia

Eligible Retail Shareholder Declarations

IMPORTANT:

If you make an Application (whether by completing and returning your Entitlement and Acceptance Form or making a BPAY® payment), you will be deemed to have made the following declarations to Costa

You:

- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the Institutional Entitlement Offer or the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Costa and the Underwriter;
 - if requested by Costa at any time, you agree to transfer excess New Shares (or other Shares equal in number to the excess New Shares) to the Underwriter at the Offer Price;
 - each of Costa, the Underwriter and their Extended Parties exclude and disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- acknowledge that you have read this Retail Information Booklet and the accompanying Entitlement and Acceptance Form in full;
- agree to be bound by the terms of the Retail Entitlement Offer;
- authorise Costa to register you as the holder of the New Shares allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Costa receives the Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw it;
- agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- agree to be issued the number of New Shares that you apply for;
- acknowledge and agree that Costa has the right to reduce the number of New Shares allocated to you if your Entitlement claims prove to be overstated, if you fail to provide information requested by Costa to substantiate your claims, or if you are not an Eligible Shareholder, in which case:
 - you will bear any and all losses caused by subscribing for New Shares in excess of your Entitlements, and any actions you are required to take in this regard; and
 - you are treated as continuing to have taken up, transferred or not taken up your remaining Retail Entitlements;
- acknowledge and agree that if you sell Retail Entitlements to which you are not entitled, or you do not hold sufficient Retail Entitlements at the time required to deliver those Retail Entitlements, you will acquire Retail Entitlements or Shares to satisfy these obligations as required by Costa;

Eligible Retail Shareholder Declarations

117

- agree to repay any Retail Premium payment in excess of the Retail Premium payment to which you were actually entitled based on the Retail Entitlements held by you as at close of the Retail Entitlement Offer at 5.00pm (AEST) on Monday, 19 July 2021 (net of any applicable withholding tax);
- authorise Costa, the Underwriter, the Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- authorise Costa to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- declare that you were a registered holder of Existing Shares as at the Record Date and are a resident of an Eligible Jurisdiction;
- acknowledge that the information contained in this Retail Information Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in Costa and is given in the context of Costa's past and ongoing continuous disclosure announcements to ASX;
- acknowledge that nothing in this Retail Information Booklet constitutes taxation advice, and that accordingly none of Costa, its officers or employees, or its taxation and other advisers, have any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences of the Entitlement Offer;
- represent and warrant that the law of any other place does not prohibit you from being given this Retail Information Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation, and that investments in Costa are subject to investment risk;
- acknowledge that none of Costa, the Underwriter nor their respective Extended Parties, guarantees the performance of Costa, nor do they guarantee the repayment of capital;
- represent and warrant (for the benefit of Costa, the Underwriter and their respective affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States in connection with the subscription for Retail Entitlements or the purchase of New Shares in the Retail Entitlement Offer, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Retail Entitlements or New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand and acknowledge that the Retail Entitlements may not be issued to or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such persons hold Shares and are acting for the account or benefit of a person in the United States). You further understand and acknowledge that the Retail Entitlements and the New Shares may only be offered, sold and resold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act);
- represent and warrant that you are subscribing for Retail Entitlements and/or purchasing New Shares outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S;

Eligible Retail Shareholder Declarations

118

- represent and warrant that you and each person on whose account you are acting have not and will not send this Retail Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States;
- acknowledge that, if you decide to sell or otherwise transfer any Retail Entitlements or New Shares, you will only do so in the regular way that transactions on the ASX occur, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Shares and is acting for the account or benefit of a person in the United States), and you have not sent this Retail Information Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person in the United States; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Existing Shares on the Record Date.

Corporate Directory

Registered Office

Costa Group Holdings Ltd
Unit 1
275 Robinsons Road
Ravenhall Victoria 3023
Australia

Australian Legal Adviser

King & Wood Mallesons
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney New South Wales 2000
Australia

Registry

Link Market Services Limited
Level 12
680 George Street
Sydney New South Wales 2000
Australia

Website

To view more information on Costa, including in relation to Costa's business and operations, news updates, reports, publications and investor information, visit <https://costagroup.com.au/>

Costa Shareholder Information Line

Australia: 1300 407 677
Outside Australia: +61 1300 407 677
Open 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer Period

