

ASX ANNOUNCEMENT

26 May 2022

AGM TRADING UPDATE

Costa Group Holdings Limited (Costa; ASX: CGC), Australia's leading grower, packer and marketer of fresh fruit and vegetables notes reporting across several media outlets which incorrectly suggests that a quantitative trading update on expected full year CY22 earnings was given at the company's annual general meeting, held yesterday (25 May 2022).

Several media outlets have reported that the company provided a trading update stating it expected full-year 2022 earnings before interest, tax, depreciation and amortisation to be higher by around \$5m but net profit \$6.4m lower. The media outlets have reported this in a way that suggests that the company made a comparison between last year's results and this year's forecast results.

This is incorrect. The statement that was made related solely to the earnings impact of a change to lease arrangements for seven farms previously leased from Vitalharvest, and now leased from Macquarie Asset Management.

The full statement contained in our CEO's speech released to ASX yesterday (25 May 2022) was as follows—

'Forecast CY22 operating and growth CAPEX is expected to be in line with previous guidance. Previous guidance for depreciation and amortisation expenses of circa \$130m and interest costs of circa \$38m remains consistent with current expectations.'

Increases over prior year reflect the impact of the acquisitions made in the second half of CY21 and the renegotiation of Vitalharvest/MAM leases that took effect in late CY21. As previously advised, relative to the old leases, the group's CY22 annualised EBITDA-S will be approximately \$5m higher, whilst the NPAT-S result is forecast to be \$6.4m lower, notwithstanding that there will be no material impact on cash earnings.'

The EBITDA-S and NPAT-S impact of the leases was also previously advised to ASX in an announcement of 23rd December 2021.

This release is authorised by David Thomas, Company Secretary, Costa Group Holdings Ltd.

About Costa (ASX:CGC) - Costa is Australia's leading grower, packer and marketer of fresh fruit & vegetables and operates principally in five core categories: berries, mushrooms, glasshouse tomatoes, citrus and avocados. Operations include approximately +7,000 planted hectares of farmland, 40 hectares of glasshouse facilities and three mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and four berry farms in China, covering approximately 740 planted hectares.

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