

CY21 Results Presentation

Costa Group
Holdings Ltd
(ASX:CGC)

22 February 2022





Important Notice

- **Important notice and disclaimer:** This presentation contains a general summary of the activities of Costa Group Holdings Ltd (**Costa**), does not purport to be complete and is to be read in conjunction with all other announcements filed with the Australian Securities Exchange (**ASX**), including Costa's CY21 results filed with the ASX on 22 February 2022 and its 2020 Annual Report filed with the ASX on 14 April 2021. Information in this presentation is current as at the date of this presentation (22 February 2022) and remains subject to change without notice. Costa does not warrant the accuracy, adequacy or reliability of the information in this presentation and, to the maximum extent permitted by law, disclaims all liability and responsibility flowing from the use of or reliance on such information by any person.
- **Not an offer or financial product advice:** This presentation is not investment or financial product advice or any recommendation (nor tax, accounting or legal advice) and is not intended to be used as the basis for making an investment decision. In providing this document, Costa has not considered the objectives, financial position or needs of any particular recipients. Each recipient should consult with its professional adviser(s), conduct its own investigation and perform its own analysis in order to satisfy themselves of the accuracy and completeness of the information, statements and opinions contained in this document. This presentation does not constitute an offer to issue or sell securities or other financial products in any jurisdiction. The distribution of this presentation outside Australia may be restricted by law.
- **Forward looking statements:** This presentation contains forward looking statements and comments about future events, which reflect Costa's intent, belief or expectation as at the date of this presentation. Such forward looking statements may include forecast financial and operating information about Costa, its projects and strategies and statements about the industries and locations in which Costa operates. Forward looking statements can be identified by forward-looking terminology including, without limitation, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent known and unknown risks, uncertainties and contingencies, both general and specific, many of which are beyond Costa's control, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. Actual results may be materially different from those expressed or implied. Forward looking statements are provided as a general guide only and should not be relied on as an indication, representation or guarantee of future performance. Undue reliance should not be placed on any forward looking statement. Costa does not undertake to update or review any forward looking statements.
- **Past performance:** Past performance should not be relied upon as (and is not) an indication or guarantee of Costa's future performance or condition.
- **Financial data:** All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise.
- **Non-IFRS measures:** Throughout this presentation, Costa has included reference to certain non-IFRS measures. Non-IFRS measures have not been subject to audit. A further explanation of these measures is provided in the Appendix.



Earnings momentum continued: 27% of sales now generated from International customers.

- **Full year underlying result delivered in line with guidance EBITDA-S +10.6%¹ vs pcp, NPAT-S +16.2%.¹**
- **Record result from international segment +30% revenue growth.**
- **Transformative Citrus year with successful 2PH integration.**
- **Successful COVID-19 management enhanced our customer value proposition.**

1. Includes 2PH profit contribution. Excluding 2PH, EBITDA-S increase was 4.1%, whilst NPAT-S increase was 6.0% vs pcp.



Key Messages



Our business model is designed to deliver increased earnings and ROIC over the long term.

This includes leveraging our competitive advantages driven by:

- Scale and geographical diversity – domestic and international.
- Increased production capacity through organic growth and acquisitions.
- IP and proprietary variety breeding program.
- Lower cost of production at key sites.
- Expanding contribution to revenue growth from international and export activity.
- Unrelenting focus on our customer and consumer needs, supported by quality and diversity of product offering.



ROIC – Return on invested capital

CY21 Results
Presentation



Driscoll's
Only the Finest Berries™



lady fingers



Perino **2.P.H.**



CY21 Financial Headlines



EBITDA-S: \$218.2m¹ +10.6% on CY20

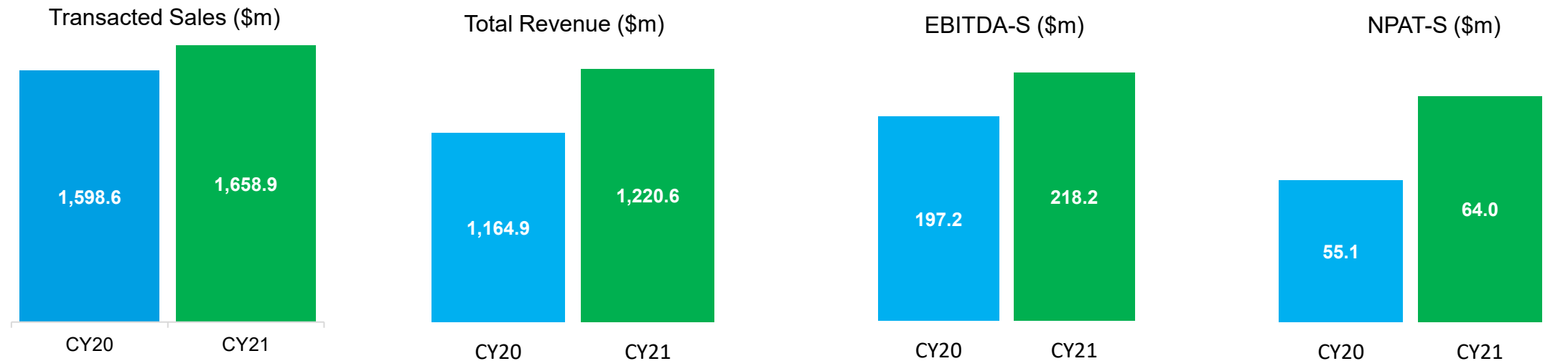
NPAT-S: \$64.0m +16.2% on CY20

Statutory NPAT: \$41.4m

Net debt: \$299.2m, leverage of 1.85x

International revenue: +30% vs pcp

Dividend: 5.0 cents per share



1. Includes 2PH contribution of \$12.9m

**CY21 Results
Presentation**





Vision

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

C APABILITY

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



BJECTIVE

Driving long term ROIC and maintaining a strong balance sheet.

S USTAINABLE COMMERCIAL FARMING

Executing our optimized yield program on our proprietary technology platform.

t ECHNICAL SUPERIORITY

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

a MBITION

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

Segment Performance



CY21 Results
Presentation



Driscoll's
Only the Finest Berries™



lady fingers



Perino **2.P.H.**



Produce Segment

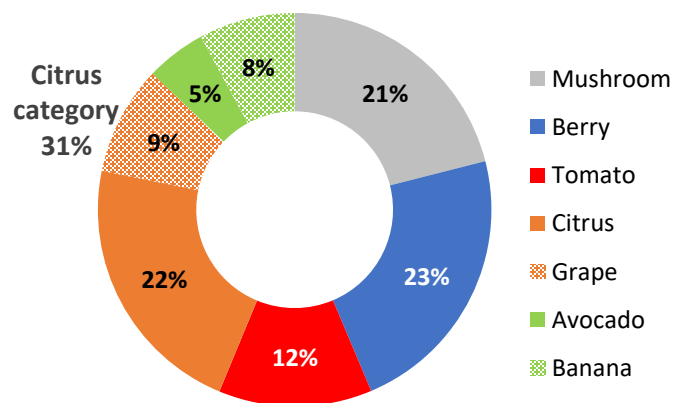
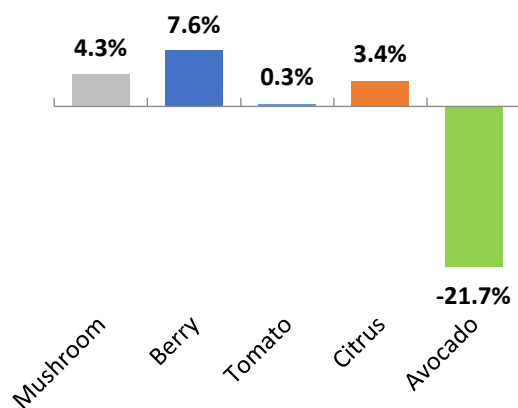


Positive second half domestic momentum across the portfolio overshadowed by disappointing avocado year

| A\$m | CY21 | CY20 | Variance (%) |
|------------------|---------|---------|--------------|
| Revenue | 929.5 | 930.2 | -0.1% |
| EBITDA-S | 126.6 | 124.9 | 1.4% |
| EBITDA-S margin | 13.6% | 13.4% | 0.2 pts |
| Transacted Sales | 1,374.8 | 1,371.0 | 0.3% |

Revenue Growth: -0.1%

CY21 share of revenue



Category Highlights

- **Berry** – Sales and earnings improved significantly over prior year. Arana blueberry variety continued to deliver +20% price premium.
- **Avocado** – Record industry volumes combined with foodservice lockdowns and low retail price points impacted the year. Own production up +11% on pcp.
- **Mushroom** – Strong demand momentum especially pre-pack. Production up +11% in 2H.
- **Citrus** – Transformative 2PH acquisition executed well with 100% customer retention.
- **Tomato** – Strong base for CY22 GH4 contribution. Demand and pricing strength. 2H production growth +10% on pcp.

International Segment

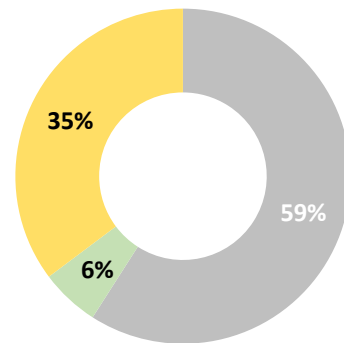
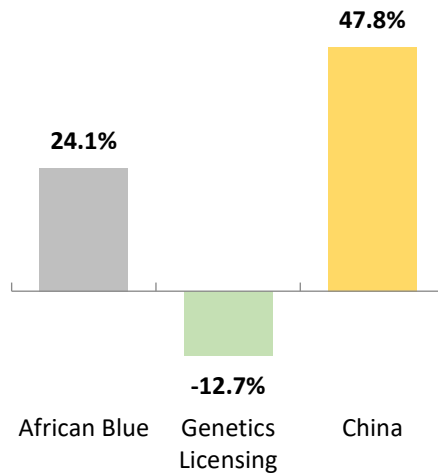
Record profit growth outpacing excellent revenue growth as both markets strengthen



| A\$m | Reported Currency | | | Constant Currency | |
|------------------|-------------------|-------|--------------|-------------------|--------------|
| | CY21 | CY20 | Variance (%) | CY20 | Variance (%) |
| Revenue | 177.7 | 136.7 | 30.0% | 126.8 | 40.1% |
| EBITDA-S | 77.0 | 57.5 | 33.9% | 51.6 | 49.2% |
| EBITDA-S margin | 43.3% | 42.1% | 1.2 pts | 40.7% | 2.6 pts |
| Transacted Sales | 174.6 | 133.7 | 30.6% | 123.7 | 41.1% |

Revenue Growth: 30.0%

CY21 share of revenue



■ African Blue ■ Genetics Licensing ■ China

Market Highlights

China

- Production tonnes up +40% on pcp and excellent demand & pricing. Jumbo blueberry sales delivered +30% premium consistently.

Morocco

- Production tonnes up +21% on pcp. Steady demand & pricing.

Emerging Regions (Genetics Licensing)

- Revenue down slightly due to delayed crop timing in US.
- Solid progress with Third Party African growers building out European 52 week supply.

CY21 Results Presentation





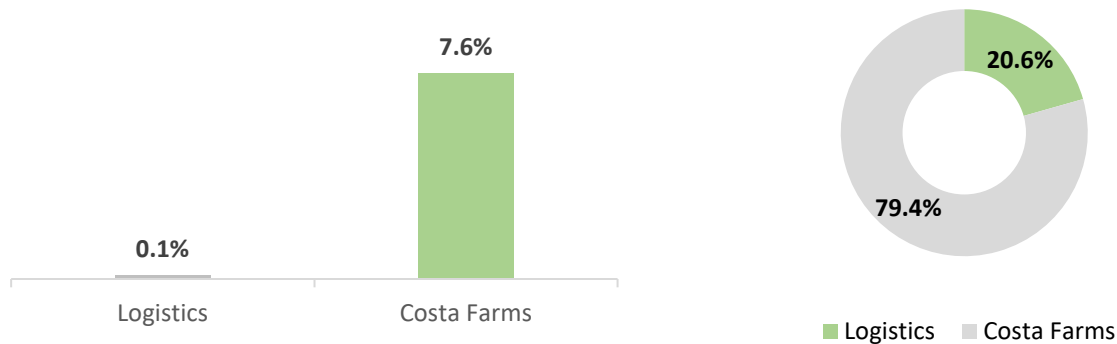
Costa Farms & Logistics Segment

Strong performance in challenging conditions,
supported by excellent execution

| A\$m | CY21 | CY20 | Variance (%) |
|------------------|-------|-------|--------------|
| Revenue | 159.4 | 150.4 | 6.0% |
| EBITDA-S | 14.6 | 14.8 | -1.3% |
| EBITDA-S margin | 9.2% | 9.8% | -0.6 pts |
| Transacted Sales | 155.4 | 146.3 | 6.2% |

Revenue Growth: 6.0%

CY21 share of revenue



Segment Highlights

Costa Farms

- COVID-19 lockdowns impacted foodservice / market industry however excellent management delivered strong result.
- Select Fresh WA acquisition integration successfully completed.

Logistics

- Solid performance by all three logistics sites.

Financial Results



Manhong farm, China

Financial Results

Comparison full year to December

| A\$m | Reported Currency | | | Constant Currency | |
|--|-------------------|--------------|---------------|-------------------|---------------|
| | CY21 | CY20 | Var | CY20 | Var |
| Revenue | 1,220.6 | 1,164.9 | 55.7 | 1,155.0 | 65.6 |
| EBITDA-S | 218.2 | 197.2 | 21.0 | 191.3 | 26.9 |
| Fair value mvmt in bio assets | (7.5) | 8.0 | (15.5) | 9.0 | (16.5) |
| EBITDA | 210.7 | 205.2 | 5.5 | 200.3 | 10.4 |
| Depreciation & amortisation | (108.5) | (96.6) | (11.9) | (95.9) | (12.6) |
| EBIT | 105.1 | 106.8 | (1.7) | 102.6 | 2.5 |
| Interest Expense | (25.0) | (25.6) | 0.6 | (25.5) | 0.5 |
| Tax Expense | (10.4) | (13.8) | 3.4 | (13.6) | 3.2 |
| NPAT (before material items) | 69.7 | 67.4 | 2.3 | 63.5 | 6.2 |
| Material/pro forma items, post tax | (17.5) | - | (17.5) | - | (17.5) |
| Non-controlling interest | (10.8) | (6.6) | (4.2) | (5.8) | (5.0) |
| NPAT attributable to shareholders | 41.4 | 60.8 | (19.4) | 57.7 | (16.3) |
| NPAT-S (before material items) | 64.0 | 55.1 | 8.9 | 51.2 | 12.8 |
| Transacted Sales | 1,658.9 | 1,598.6 | 60.3 | 1,588.6 | 70.3 |
| EBITDA-S (excluding 2PH) | 205.3 | 197.2 | 8.1 | 191.3 | 14.0 |
| NPAT-S (excluding 2PH & material items) | 58.4 | 55.1 | 3.3 | 51.2 | 7.2 |

Key Highlights

Revenue – sales up 4.8% vs pcg

- International – sales up 30% on pcg, both regions performed strongly with production and pricing improvements.
- Produce – Underlying result impacted by avocado revenue decline, with improvements in Berry, Tomato and Mushroom, while weather, quality and supply chain issues negatively impacted Citrus.

EBITDA-S – Up 10.6% vs pcg and 14% in constant currency

- International result underpinned by strong China pricing and additional production from increased footprint and yield.
- Produce – mixed result with positive Berry performance but Citrus impacted by 1H hailstorm and late season challenges with supply chain and quality issues.
- Pre-2PH result was 4.1% above pcg.

NPAT-S – 16% above pcg

- D&A up on prior year as major CAPEX programs go-live and impact of acquisitions in 2H.
- Effective tax rate of 12%. Lower than PY given increased contribution from China.
- Pre-2PH result was 6.0% above pcg.

SGARA - \$15.5m movement from pcg

- Downward adjustment largely reflects CY21 harvest unwind of acquired biological assets from 2PH.



Cash Flow



| A\$m | CY21 | CY20 | Var |
|---|----------------|---------------|----------------|
| EBITDA-S | 218.2 | 197.2 | 21.0 |
| Payment for Leases | (61.5) | (52.6) | (8.9) |
| EBITDA-S, Less Payment for Leases | 156.7 | 144.6 | 12.1 |
| Less: share of JV profit | (9.9) | (9.1) | (0.8) |
| Dividends received from JV's | 4.2 | 4.2 | 0.0 |
| Borrowing Costs (excluding amortised costs) | (6.3) | (7.5) | 1.2 |
| Movement in working capital / non-cash items | (6.9) | 5.4 | (12.3) |
| Tax (Payment)/Refund | (23.1) | 0.3 | (23.4) |
| Cashflow from operating activities | 114.7 | 137.9 | (23.2) |
| Operating capex | (43.2) | (28.6) | (14.6) |
| Productivity & growth capex | (84.4) | (50.3) | (34.1) |
| Payments for business acquisitions (Incl. material items) | (291.4) | - | (291.4) |
| Other | 1.0 | 1.1 | (0.1) |
| Cashflow from investing activities | (418.0) | (77.8) | (340.2) |
| Payment for Dividends | (38.6) | (24.0) | (14.6) |
| Issue of Shares (Net of Transaction Costs) | 185.2 | (0.3) | 185.5 |
| Loans and Advances | 1.7 | 0.0 | 1.7 |
| Cashflow from financing activities | 148.3 | (24.3) | 172.6 |
| Net Debt Movement | (155.0) | 35.8 | (190.8) |

Key Highlights

- Operating cashflow of \$114.6m. Another solid result and in line with PY (after adjusting for a tax payment). 2H working capital inflow \$19.5m consistent with Costa's normal cycle.
- \$23.1m tax payments. This returns to a normal cycle after impact of CY19.
- Operating CAPEX of \$43.2m, above PY after 1HCY20 impacted by decision to manage in early stages of COVID-19. Given expanded portfolio, expect CY22 to be in range of \$55m to \$60m.
- Growth CAPEX of \$84.4m includes continuation of International expansion (\$24.8m); completion of Tomato GH4 (\$27.1m) and Avocado protected substrate trellis crop program (\$10.9m).
- Business acquisitions during the period: 2PH acquisition (\$237.0m); KW Orchards (\$40.7m) and Select Fresh (\$13.7m).
- Equity raise in June/July - \$185.2m to fund 2PH acquisition.



Balance Sheet

| A\$m | Dec-21 | Dec-20 | Var |
|------------------------------|----------------|----------------|--------------|
| Cash & cash equivalents | 61.9 | 32.5 | 29.4 |
| Receivables | 109.3 | 100.9 | 8.4 |
| Inventories | 30.5 | 27.0 | 3.5 |
| Biological assets | 70.5 | 58.3 | 12.2 |
| Equity accounted investments | 27.2 | 21.6 | 5.6 |
| Intangibles | 289.1 | 209.5 | 79.6 |
| Property, plant & equipment | 799.9 | 515.7 | 284.2 |
| ROU Assets | 568.8 | 302.8 | 266.0 |
| Other assets | 45.4 | 37.2 | 8.2 |
| Total Assets | 2,002.6 | 1,305.5 | 697.1 |
| Payables | 149.3 | 135.1 | 14.2 |
| Borrowings | 361.1 | 176.3 | 184.8 |
| Provisions | 46.7 | 30.9 | 15.8 |
| Lease Liabilities | 583.0 | 318.1 | 264.9 |
| Other liabilities | 34.5 | 28.4 | 6.1 |
| Total Liabilities | 1,174.6 | 688.8 | 485.8 |
| Net Assets | 828.0 | 616.7 | 211.3 |

Key Highlights

- Net Assets increased to \$828.0m (CY20: \$616.7m). CY21 earnings contribution and equity raise to support 2PH acquisition.
- Growth CAPEX included acquisitions totalling \$291.4m representing the material increases in intangibles and PP&E.
- Successful renegotiation of Vitalharvest leases with Macquarie Asset Management saw circa \$270m one-off increase in Right of Use assets and lease liabilities.
- Strength of balance sheet supported growth initiatives with funding of various major projects including KW Orchards (\$40m), 2PH (\$35m) and Select Fresh (\$13m). Net debt increased to \$299.2m (Dec20: \$143.9m).



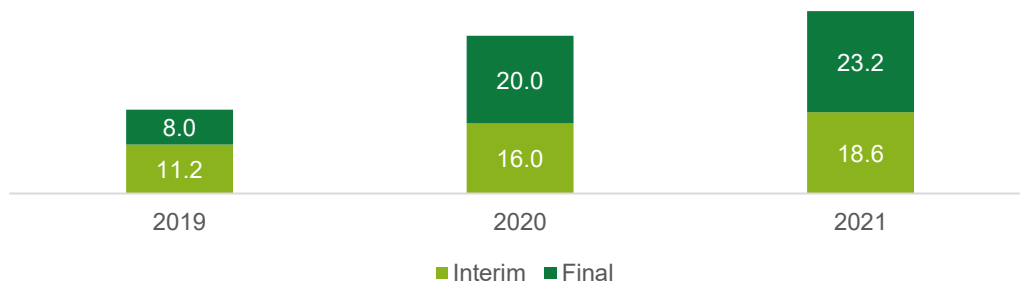
Capital and Debt Management

| A\$m | Dec-21 | Dec-20 | Var |
|--------------------------|--------|--------|-------|
| Net debt | 299.2 | 143.9 | 155.3 |
| Net debt / LTM EBITDA-SL | 1.85x | 0.99x | 0.86x |

Senior debt facility maturity profile (A\$m)



Dividends Paid (A\$m)



Key Highlights

- Strong balance sheet and solid operating cashflows supported a number of new growth initiatives during the year. Including:
 - Citrus acquisitions (2PH and KW Orchards)
 - Select Fresh (WA)
 - Commencement of avocado protected trellis expansion
- Leverage ratio increased to 1.85x (Dec20: 0.99x). Remains within stated preferred range of between 1.5x to 2.0x.
- Successful equity raise of \$185.2m (net) to fund 2PH acquisition.
- Australian debt facilities tenure extended to CY2023 in period. Expansion of China and Moroccan debt arrangements in the year, assisting with funding local growth initiatives.
- Final dividend of 5.0cps brings FY payout to 9.0cps (CY20: 9.0cps). Total payout for CY21 \$41.8m up 16% vs PY.

Growth plan update



New 2.5 hectares tomato plant nursery, Guyra, NSW

International growth momentum builds



China

- Costa grown product is sold into Chinese market under the Driscoll's brand.
- China is leading the growth in blueberry consumption in Asia. Demand fuelled by burgeoning middle class, which now numbers 230m+.

Baoshan CY21 development (50 hectares)

- Planting completed, plants are healthy and started first harvest at end of October '21.
- Main drainage system, bridge and road system construction completed. Packing facility and training room construction complete.

Baoshan Agripark CY22 development (100 hectares)

- Planting, ground works and fencing complete as of mid February '22.
- Total planted China hectares increased by 150 hectares over the past year to a total of 396 ¹
- Estimated China capex spend for CY22: \$34m.



50 hectare SQ farm in Baoshan, China

1. As of February '22.

Growing European demand for superior Costa blueberry genetics



Morocco/African Blue

Northern farms replanting with Costa VIP purpose bred, superior genetics blueberry varieties.

- Replacement planting, including substituting soil for substrate plantings has commenced in the north, with 16ha of substrate blueberry plantings in Baytar.

New plantings

- Development of 14 hectares at Massa (Agadir - south) commenced November '21 planting on schedule to be completed by end of February. Works progressing on tunnel installation and irrigation infrastructure.
- Progressing with plans for further land acquisition in Agadir region.
- Reduced yield impact in CY22 due to replantings will be circa 430 to 465 tonnes.
- Estimated African Blue capex spend for CY22: \$34m.



Ouled Mesbah 2 farm, Morocco

Excellent execution of growth projects poised to deliver returns



| Tomato Glasshouse 4 and nursery | Avocado protected substrate commercialisation |
|--|---|
| <ul style="list-style-type: none">○ New 10 hectare glasshouse and 2.5 hectare nursery at New England Hwy site (Guyra, NSW) – fully commissioned and operational.○ Production capacity across the 40 hectares increases to circa 20 million kgs per annum.○ World class nursery technology driving improved crop outcomes and innovation. | <ul style="list-style-type: none">○ Commercialisation program to plant 40 hectares of protected, trellised high density substrate avocado trees is 75% complete.○ Three growing regions - Riverland (SA), Far North Queensland and Central Queensland.○ Trials have indicated faster tree maturity, higher yield, better fruit quality and greater efficiency of water use versus conventional plantings.○ Significant harvesting productivity savings.○ On track to harvest first crop from CY23/24. |



Sustainability - our investor proposition

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



Utilise protected cropping



Efficient water use



Optimise yield & production efficiency



Target reduction in emissions



Reduce supply chain waste



Industry employer of choice

The Costa Group 2021 Sustainability Report will be released in March '22. Key highlights include:

- Commitment to achieve net zero emissions by 2050.
- Reporting under the TCFD framework - identification of short, medium and long term climate related risks and opportunities.
- Update on water efficiency and renewable energy projects.
- Initiatives to reduce supply chain and packaging waste.

Outlook



CY22 – Significant earnings growth drivers to deliver increased ROIC



Harvesting commencing at new
50 hectare farm in Baoshan, China

Full year contributions from 2PH citrus
farms and new 10 hectare glasshouse

Increased volumes of premium quality
blueberry varieties - Arana and Delight

Colignan farm table grape rebound from
prior year weather event

CY22 Outlook



Early China season performance above expectation in yields and demand. Moroccan harvest building against a strong demand backdrop.

Industry avocado production is forecast to be below CY21, while foodservice markets have returned strongly.

It is a citrus 'off' year in the southern production regions. A rebound from Colignan farm (post hail event of 1H21) is expected and the farms will benefit from a maturing tree age profile. Full year contribution to earnings from 2PH farms.

Berry volumes to date have been higher than forecast with pricing favourable across the four berry types. FNQ varieties progressing well.

Tomato production volumes have been ahead of pcg and expectation. Good light conditions contributing to improved overall yield.

Mushroom production volumes to date are significantly improved versus pcg, and focus remains on maximising production capacity.

Continue to manage COVID -19 related challenges across all operations, including sourcing necessary labour to harvest crops and maintaining consistency of supply to customers.

East coast rainfall including in Murray Darling Basin over 2HCY21 has contributed to increased dam storages and scheme licence allocations, improving water security for coming year.

Appendices



Growth Plan - Emerging Regions



Key pillars of our strategy include the breeding of our superior plant genetics and strong international growth

Berry

- Competitive edge based on a +25 year Costa blueberry breeding program, with focus on blueberry varieties suitable for growing in different latitudes and regions, both northern and southern hemisphere.
- Opportunities to expand international earnings footprint both through third party licensing and joint venture growing operations.
- Costa's own African Blue and third party grown product is supplied into the UK/European and Asian markets over a 52 week supply period. Potential emerging blueberry growing, and licensing regions include India, Namibia, Laos and New Zealand.
- In addition to our VIP sites at Corindi (NSW) and in Far North Queensland (FNQ), we have test plots in China and Morocco to further assess and determine suitability of varieties for growing in local climates.
- Up to 1,200 blueberry selections are tested each year.



Growth Plan - Emerging Regions



Well positioned to capitalise on growing global demand for fresh, premium quality produce

Citrus

- Costa has exclusive rights to selected 2PH proprietary citrus varieties in Australia and select international regions, with access to proven 30-year proprietary breeding program.
- Includes exclusive perpetual and royalty free rights to commercialise AC41114PBR (Amorette™) and 66-75PBR (Phoenix™) mandarin varieties in Australia, China, India and Africa.
- First right to commercialise future varieties developed by the 2PH breeding program and evaluated by Costa, on arms-length commercial terms in Australia, China, India and Africa.
- Strategic goal to build a global citrus footprint and achieve 52 week supply of Vitor/2PH branded citrus into more Asian markets.



Produce Segment – CY21



Berry Domestic

- Main Corindi season delivered a solid performance over the 2H after relatively slow start, quality was high and blueberry pricing was strong.
- Lower than forecast yields resulted in full year berry volumes being marginally down overall versus pcp, with a corresponding direct cost benefit.
- First commercial planting of purpose bred tropical 'Delight' blueberry variety in FNQ was completed in late '21. Expected to contribute circa 200T (18%) of total FNQ production in CY22, increasing to circa 650T (55%) in CY23.
- Premium Arana blueberry variety tonnage for the full year was 1,890 tonnes vs pcp of 1,700. This was below forecast (2,100 tonnes) due to previously flagged lower than expected yields from FNQ season. 325 tonnes of Arana were exported over the full year, up from 100 tonnes vs pcp, reflecting exceptional demand.
- Average percentage price premium received for Arana over CY21 was 21%, with a 38% premium over the main 2H growing season.
- Long cane raspberry quality and consistency contributed to a strong performance through the early and latter part of 2H. Blackberry quality was also strong, driving major improvements YOY, especially from Tasmania crop.
- Tumbarumba 2H season was impacted by later season weather affecting volumes. Tasmanian crop volume to date higher than forecast, however COVID-19 has impacted consistency of labour supply and together with weather, has affected blueberry quality and pricing optimisation.

Produce Segment – CY21 Trees and Vines



| Citrus | Avocado |
|---|---|
| <ul style="list-style-type: none"> Early and mid season citrus performance was positive, however the later season proved more challenging, with a cooler growing season for these varieties resulting in heavy fruit set, smaller fruit size and quality issues. 2PH (QLD) season was in line with expectations, including successful transition with export customers and demand for premium fruit. (Refer next slide for more detailed update). 2H saw COVID-19 related supply challenges, including shipping delays and reduced vessel and container availability. Combined with quality issues this saw export pricing below expectations. Domestic pricing was also impacted. | <ul style="list-style-type: none"> As previously foreshadowed, low pricing continued across the 2H, with higher industry volumes from Western Australia (circa 5.7m trays higher than pcp) , resulting in low retail pricing. CY22 industry volumes forecast to be lower versus CY21. CY21 key data– <ul style="list-style-type: none"> 1.7m trays of Lovocado brand marketed 114,000 trays exported 4.1m total marketed trays (includes volume from all Costa farms growing avocados) |
| <ul style="list-style-type: none"> Riverland fruit fly restrictions have been extended to 06 May '22. The extensions cover all Costa farms except Solora (SA) and Impi (Vic). As previously reported new year '21 hailstorm at Colignan (Sunraysia) farm significantly impacted grape performance. Mundubbera (QLD) table grape season was completed ahead of schedule, volumes were positive to forecast and pricing was favourable. | <ul style="list-style-type: none"> Key export markets include Singapore, Hong Kong, Malaysia and Indonesia. Product exported from WA to Japan over 2H. Quality maintained and pricing more favourable than domestic. Positive demand signals for further product in CY22. Research on fruit fly protocol for export of east coast grown avocados to Japan completed. Federal government to negotiate access. |



Produce Segment – 2PH performance

- The 2PH citrus business integration has been successfully completed post July '21 acquisition.
- The season was in line with forecast expectations. 77% of volume was exported.
- Demand was especially strong for premium fruit in China, Thailand, Korea, and Japan markets.
- Late season export of Murcott mandarins into China and Thailand particularly well received, with stronger market demand than expected.
- Costa now has three main citrus growing regions - combined Riverland, Sunraysia and Central QLD season running from March to November in CY22.
- CY22 will see a full year contribution from 2PH farms and further maturing tree profile, with forecast circa 37,600 tonnes harvest.
- Tree maturity: 50% of plantings under 5 years old, 63% of plantings yet to reach maturity (8 years).
- 2PH acquisition completed 19 July 2021.



Produce Segment – Vertical Farming

| Mushroom | Tomato |
|--|---|
| <ul style="list-style-type: none">○ Pricing was maintained over the 2H, with 88% retail sales mix driving performance.○ Pre-pack contributed 59% of total sales.○ Demand remains solid, with continued focus on pre-pack and retail growth. | <ul style="list-style-type: none">○ 2H pricing improved versus 1H, with Truss pricing particularly strong over 2H, while snacking pricing continued to hold on higher volumes.○ Production volumes were improved in 2H versus 1H resulting in higher yield versus CY20 and overall more positive demand. |
| <ul style="list-style-type: none">○ 2H production was ahead of 1H, with key focus on maximising production and pre-pack sales in response to market demand.○ Labour challenges at Monarto were addressed with management of harvester numbers continuing to be a priority through COVID-19. | <ul style="list-style-type: none">○ Own volumes were up circa 5% for the full year versus CY20, however lower yields in 1H ultimately impacted overall financial performance.○ Construction of Glasshouse 4 and new nursery were completed. |

International Segment



China

- Strong demand, higher volumes and lower import competition contributed to 48% revenue growth on prior year.
- Continued focus on farming systems and improving yield initiatives are driving YOY yield improvements.
- Market acceptance for premium blueberry offering is strong and increasing.
- Fast tracking of new Costa VIP varieties for evaluation in China.
- Early (CY22) season performance has been positive to date.



Bailang farm, China

International Segment



| Morocco | Emerging regions |
|---|---|
| <ul style="list-style-type: none"> ○ Positive result due to better than expected Costa and third party volumes, improved pricing in key margin windows for north and south farms. ○ Also benefited from lower import volumes and delayed timing of main Spanish blueberry season. | <ul style="list-style-type: none"> ○ Increase in Southern African contribution and Third Party grower royalties over the year. ○ Third party blueberry grower tonnage from South Africa was +277 tonnes versus CY20. |
| <ul style="list-style-type: none"> ○ 2H Agadir (south) harvest began promisingly, with quality high. CY22 harvesting has also commenced in the north. ○ Labour and shipping continue to be closely monitored given COVID -19 challenges. | <ul style="list-style-type: none"> ○ Late season shipping availability issues impacted Zimbabwe performance, but growers were overall positive in their assessment of the season. ○ Achieved 52 week supply into UK/Europe market from Africa, combining both Morocco and Third Party South Africa/Zimbabwe production. |



COVID - 19 Update



CY21 presented further significant COVID -19 related challenges, which the company successfully managed. Focus remains on ensuring the safety of our employees and their families, and the ability of our business to continue to operate effectively in supplying fresh produce to our customers and consumers.

Labour/Health and Safety

- Labour needs were met across 2H crop harvests, including main berry season at Corindi (NSW) and northern citrus season (southern and northern regions).
- Comprehensive COVID-19 action plan remained in place across both domestic and international operations.
- On-site vaccination clinics were established at several sites in partnership with local health providers.
- With extended lockdowns in Victoria and New South Wales, a priority was ensuring mental health wellbeing amongst our teams.

Operations/Costs

- Supply side challenges in 2H, with largest impact on shipping freight for citrus exports.
- Any potential logistics issues, including shipping, being closely monitored in Morocco.
- Domestic supply chain was consistent with minimal interruptions.
- Main COVID -19 related expenses over the period were travel and quarantine accomm. for seasonal workers, PPE, cleaning and sanitizing.
- Some inflationary pressures, including increased cost of fertiliser, coal, gas and shipping which have been manageable to date.





Appendix – Planted and production hectares as at end Dec 2021

Trees and Vines

Avocado/Banana

1,038 hectares

Hectares

| | |
|----------|-----|
| Avocado* | 761 |
| Bananas | 277 |

* Includes 113 hectares of Riverland/Sunraysia plantings

Berry Domestic and International

Berry (Aust)

721 hectares

| Berry type | Hectares | Soil | Substrate |
|------------|----------|------|-----------|
| Blueberry | 476 | 248 | 228 |
| Raspberry | 166 | 58 | 108 |
| Blackberry | 54 | 7 | 47 |
| Strawberry | 25 | 0 | 25 |

Vertical Farming

Mushrooms¹

108 hectares

Hectares

| | |
|----------------|----|
| Casuarina (WA) | 14 |
| Mernda (VIC) | 54 |
| Monarto (SA) | 40 |

Citrus²

5,427 hectares

Hectares

| | |
|--------------|-------|
| Citrus | 4,592 |
| Table grapes | 573 |
| Wine grapes | 262 |

Morocco

345 hectares

Hectares

| | |
|-------------|-----|
| Blueberries | 345 |
|-------------|-----|

China

296 hectares

Hectares

| | |
|--------------|-----|
| Blueberries | 265 |
| Raspberries | 22 |
| Blackberries | 9 |

Tomato

35 hectares³

Hectares

| | |
|------------|----|
| Glasshouse | 35 |
|------------|----|

1. Stated as production hectares only
2. Includes 2PH, KW and Cufari acquisitions
3. Denotes planting of first five hectares of new 10 hectare glasshouse expansion. Additional 5 hectares planted Jan '22.

Appendix - Production volumes by category – CY21 versus pcp



Berry Domestic

Domestic

| Variety | Production (tonnes) 2HCY21 | Production (tonnes) 2HCY20 | Var |
|--------------|----------------------------|----------------------------|--------|
| Blueberries | 3,346 | 3,369 | -0.7% |
| Raspberries | 1,170 | 1,405 | -16.7% |
| Blackberries | 347 | 478 | -27.4% |
| Strawberries | 391 | 479 | -18.4% |
| Total | 5,254 | 5,731 | -8.3% |

| Production (tonnes) CY21 | Production (tonnes) CY20 | Var |
|--------------------------|--------------------------|--------|
| 4,791 | 4,536 | 5.6% |
| 2,531 | 2,742 | -7.6% |
| 1,187 | 1,199 | -1.0% |
| 1,785 | 1,962 | -9.0% |
| 10,294 | 10,439 | -1.38% |

Appendix - Production volumes by category – CY21 versus pcp



Trees and Vines

Avocado¹

| Location | Production (trays) 2HCY21 | Production (trays) 2HCY20 | Var |
|----------------------|---------------------------|---------------------------|-------|
| Total | 475,523 ² | 446,314 ² | 6.5% |
| Marketed third party | 1,149,411 | 928,313 | 23.8% |

| Production (trays) CY21 | Production (trays) CY20 | Var |
|-------------------------|-------------------------|-------|
| 1,179,649 | 1,057,518 | 11.5% |
| 2,967,463 | 1,869,803 | 58.7% |

1. Includes volumes from all Costa farms, growing avocados including Riverland, and bulk sale tray equivalents
2. No production from QLD and FNQ farms in 2H.



Appendix - Production volumes by category – CY21 versus pcp



Trees and Vines

Citrus

| Type | Production ¹ (tonnes) 2HCY21 | Production (tonnes) 2HCY20 | Var |
|-----------|---|----------------------------------|--------|
| Navels | 36,535 | 34,764 | 5.1% |
| Mandarins | 46,782 | 22,537 | 107.6% |

| Production ¹ (tonnes) CY21 | Production (tonnes) CY20 | Var |
|---|--------------------------------|-------|
| 54,093 | 49,072 | 10.2% |
| 55,945 | 31,418 | 78.0% |

Table Grape

| | Production ² (tonnes) 2HCY21 | Production ² (tonnes) 2HCY20 | Var |
|-------|---|---|------|
| Total | 1,979 | 533 | 271% |

| Production ² (tonnes) CY21 | Production ² (tonnes) CY20 | Var |
|---|---|--------|
| 19,928 | 24,487 | -18.6% |

1. Production 'on year'
2. Own farm and third party production



Appendix - Production volumes by category – CY21 versus pcp



Vertical Farming

Mushroom

| Location | Production (tonnes) 2HCY21 | Production (tonnes) 2HCY20 | Var |
|-----------------------------------|----------------------------|----------------------------|-------|
| Casuarina, Mernda & Monarto sites | 13,777 | 12,402 | 11.0% |

| Production (tonnes) CY21 | Production (tonnes) CY20 | Var |
|--------------------------|--------------------------|------|
| 27,257 | 25,915 | 5.1% |

Tomato

| Location | Production (tonnes) 2HCY21 | Production (tonnes) 2HCY20 | Var |
|--------------------------------------|----------------------------|----------------------------|-------|
| Glasshouses 1, 2 & 3 and third party | 8,191 | 7,444 | 10.0% |

| Production (tonnes) CY21 | Production (tonnes) CY20 | Var |
|--------------------------|--------------------------|------|
| 16,815 | 16,420 | 2.4% |

Appendix - Production volumes by category – CY21 versus pcp



Berry International

Morocco/Africa¹

| Location ¹ | Production (tonnes) 2HCY21 | Production (tonnes) 2HCY20 | Var |
|---|----------------------------|----------------------------|-------|
| Northern and Southern Morocco | 114 | 90 | 26.6% |
| Third party growers (Morocco and Southern Africa) | 878 | 563 | 55.9% |
| Total | 992 | 653 | 51.9% |

China

| Variety | Production (tonnes) 2HCY21 | Production (tonnes) 2HCY20 | Var |
|--------------|----------------------------|----------------------------|--------|
| Blueberries | 258 | 129 | 100.7% |
| Raspberries | 114 | 86 | 32.5% |
| Blackberries | 101 | 2 | 4,950% |
| Total | 473 | 217 | 117.9% |

| Production (tonnes) CY21 | Production (tonnes) CY20 | Var |
|--------------------------|--------------------------|-------|
| 7,006 | 5,674 | 23.4% |
| 3,048 | 2,584 | 17.9% |
| 10,054 | 8,258 | 21.7% |

| Production (tonnes) CY21 | Production (tonnes) CY20 | Var |
|--------------------------|--------------------------|--------|
| 3,949 | 2,978 | 34.7% |
| 323 | 369 | -12.4% |
| 178 | 24 | 6.4% |
| 4,720 | 3,371 | 40.0% |

1. All blueberries

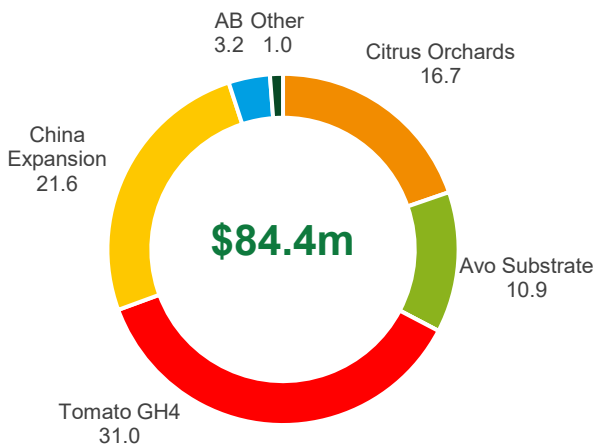
CY21 Results
Presentation



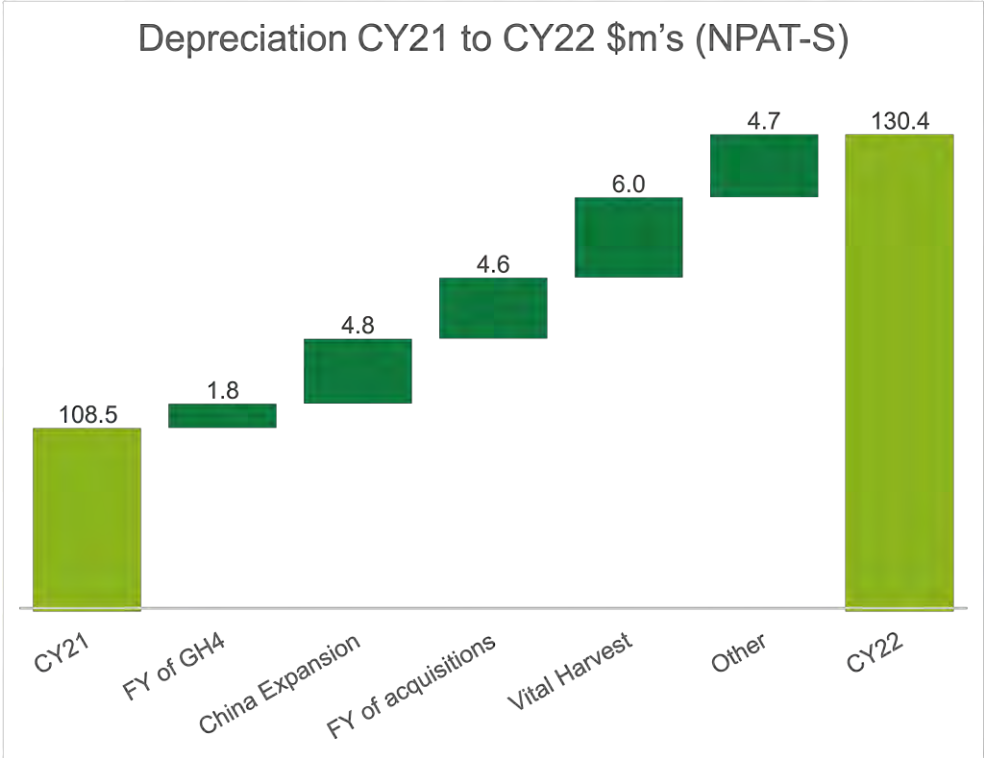
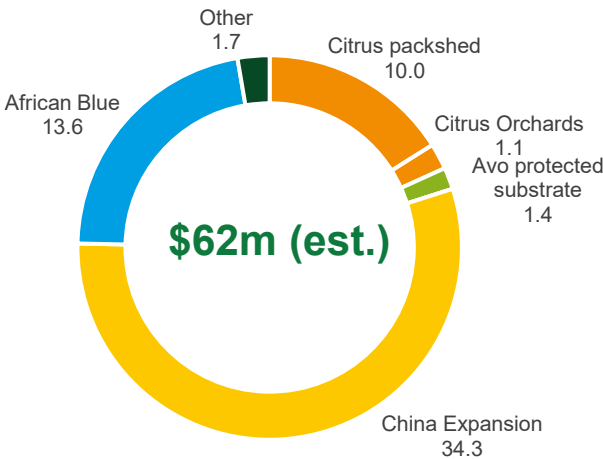
Appendix - Depreciation and Growth Capex



CY21 Growth Capex Projects \$m's



CY22 Planned Growth Capex Projects \$m's





Appendix - Growth Capex (\$m's)

| Project Description | CY21 | CY22 (est.) |
|-----------------------------------|-------------|-------------|
| Citrus packshed | - | 10 |
| Avo Protected substrate | 10.9 | 1 |
| Citrus Orchards | 16.7 | 1 |
| Tomato GH4 | 31.0 | - |
| Domestic Other | 1.0 | 2 |
| Total Domestic Growth | 59.6 | 14 |
| China Expansion | 21.6 | 34 |
| African Blue | 3.2 | 14 |
| Total International Growth | 24.8 | 48 |
| | | |
| Total | 84.4 | 62 |



Appendix – Operating CAPEX (\$m's)

| A\$m | CY21 | CY22 Est | Var |
|-----------------------------------|------|----------|-------|
| Replanting and site redevelopment | 11.0 | 12 | 1 |
| Bearer plant cost capitalisation | 4.0 | 8 | 4 |
| Buildings upgrades | 6.0 | 5 | (1) |
| Maintenance and operational | 22.2 | 30 - 35 | 8-13 |
| Total Operating Capex | 43.2 | 55 - 60 | 12-17 |



Appendix – interest and tax guidance (NPAT-S)

| A\$m | Actual CY21 | Planned CY22 | Var |
|---------------------------------------|-------------|--------------|--------|
| Bank Interest | 6.8 | 8.5 | 25.0% |
| Lease Interest | 18.2 | 29.3 | 61.0% |
| Total Interest | 25.0 | 37.8 | 51.2% |
| Tax Expense (Excl. Material Items) | 10.4 | 21.6 | 107.7% |
| Total Interest & Tax | 35.4 | 59.4 | 67.8% |

Interest

Forecast interest expense expected to increase in CY22 to approximately \$38m.

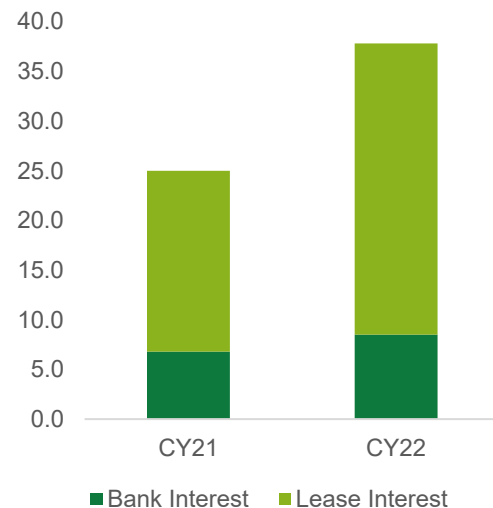
- Higher average debt levels following capital program in CY21.
- Increased interest expense from Vitalharvest leases renegotiation.

Tax

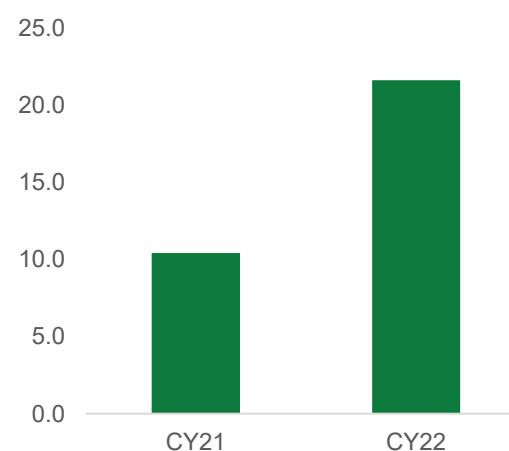
CY22 tax expense increases to approximately \$22m:

- Higher earnings in Australia (30% tax rate). In part also from additional contributions from CY21 acquisitions (i.e. 2PH, KW Orchards and Select Fresh).
- No material changes in effective rates expected from International: China (0%) and Morocco (blended rate of circa 20%).

Interest CY21 to CY22 \$m's



Tax CY21 to CY22 \$m's





Appendix - Weather and Water update 2HCY21

There were no major weather event impacts over the 2H.

| Citrus | |
|--|--|
| <ul style="list-style-type: none">○ Spring and early summer rainfall across the Murray Darling Basin (MDB) and in Central QLD saw catchment storages increase together with permanent water allocations.○ MDB storages at 90% (Feb '22) capacity and spot market prices between \$65-\$75 per ML.¹○ SA permanent water allocation at 100% for the 2021-22 water year. | <ul style="list-style-type: none">○ Fairbairn dam (CQLD) at 24% capacity (Feb '22) compared to 7% at same time in CY20.○ 2PH high security water allocation at 100%. Medium priority water allocation now at 55%. |
| Avocados | Tomatoes |
| <ul style="list-style-type: none">○ Paradise dam (CQLD) at capacity after heavy rainfall across Bundaberg region in early summer.○ State and Fed government to fund increased dam capacity returning the dam to its full 300,000-megalitre capacity.² | <ul style="list-style-type: none">○ On site dams at or near capacity○ Malpas dam at 101% capacity (Dec '21) |

1.Source: Ruralco – Temporary Allocation Markets VIC Murray – Zone 7

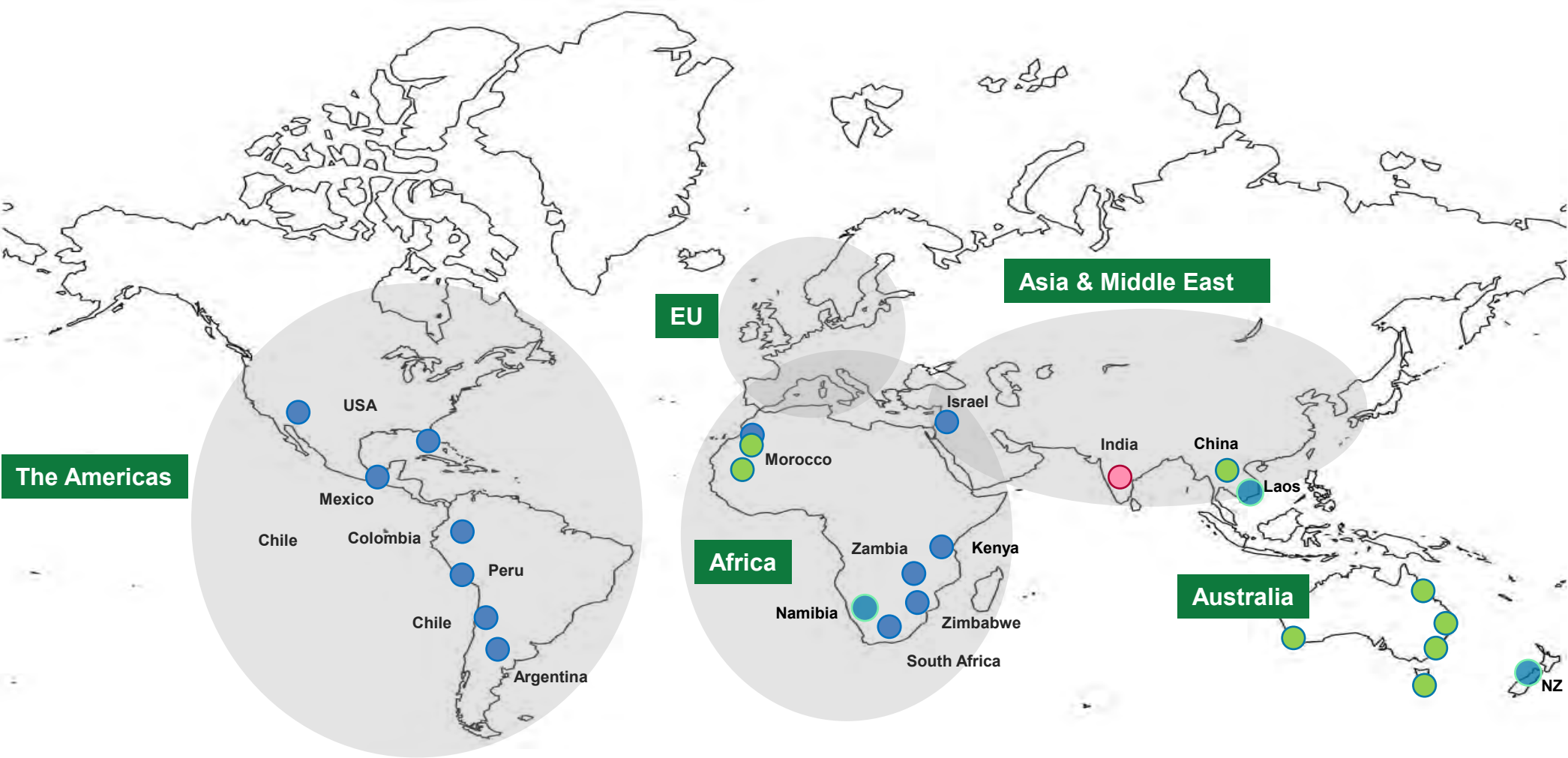
2. Works expected to be completed by 2028



Appendix - Blueberry growing and licensing regions



- Costa farms
- Current third party growers
- Potential Costa JV
- Potential third party growers



CY21 Results
Presentation



Driscoll's
Only the Finest Berries™

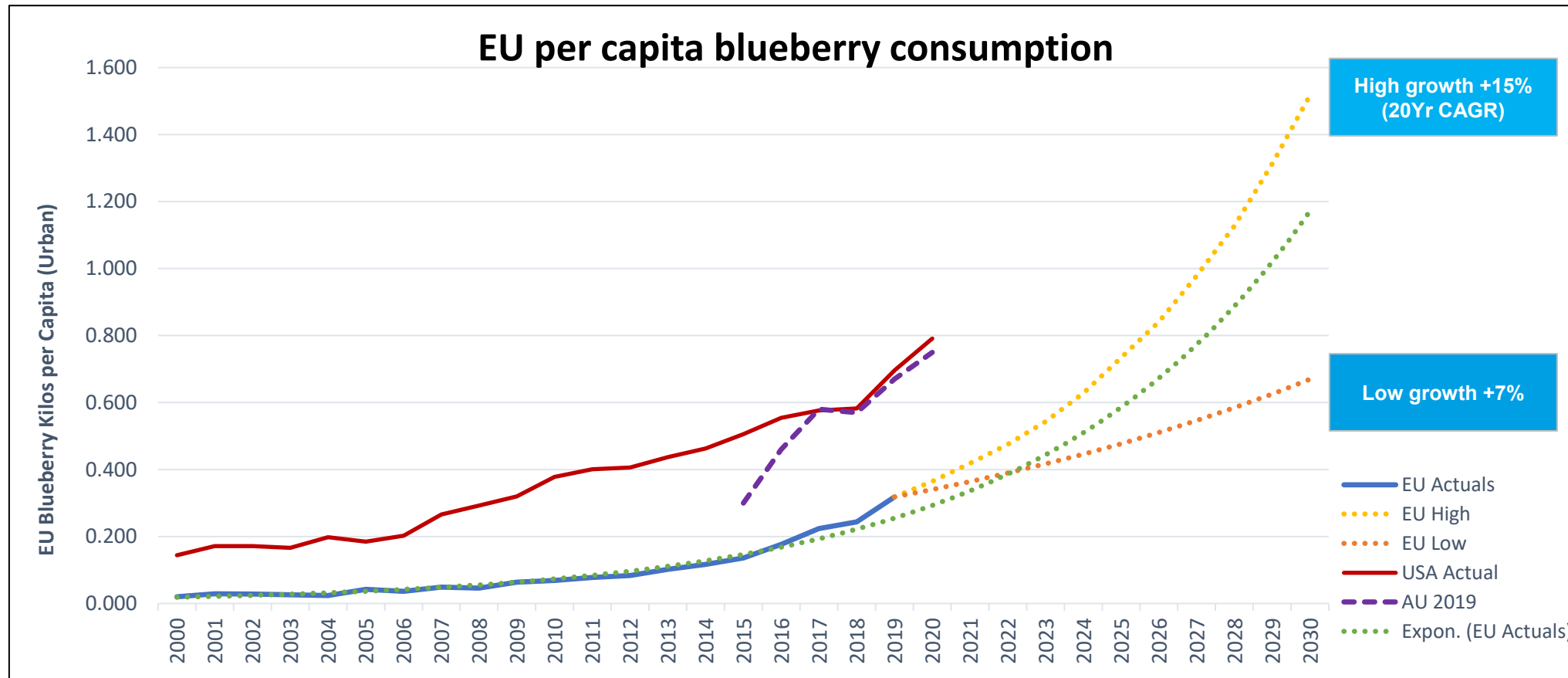


Perino

2.P.H.



Appendix - EU on track for 1kg per capita blueberry consumption by 2030



Blueberry consumption continues to rise in the EU market. The volume of imports by the EU in 2019 totalled 254 million kgs, valued at USD \$1.5 billion at an average price of USD \$6.30 per kilo. The model developed with Agronometrics using UN COMTRADE data estimates that by 2025 the EU will be importing 446.6 million kilos, valued at almost USD \$3 billion with the price stabilized at USD \$6.63 per kilo.

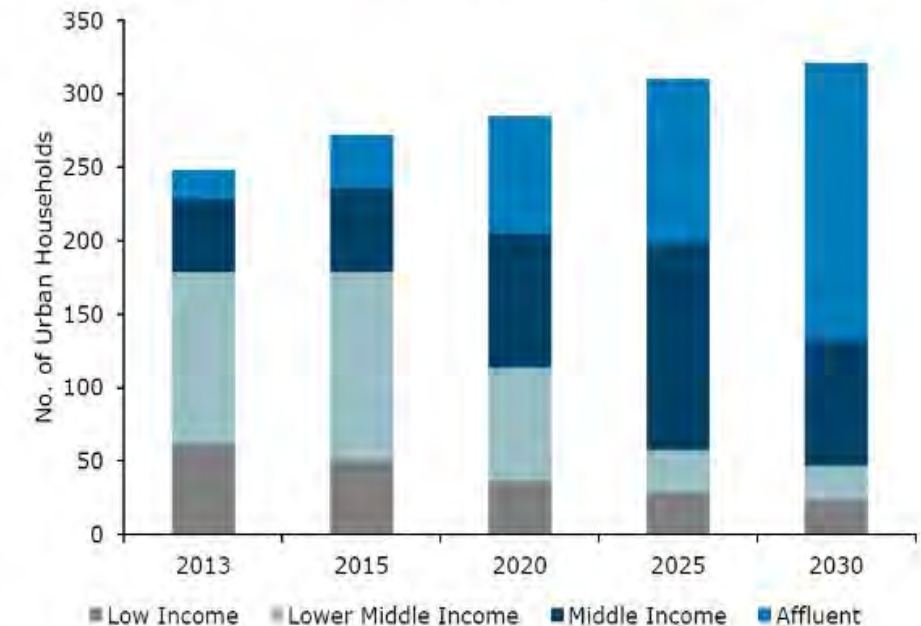
Source: UN COMTRADE, Driscoll's US, Nielsen AU and Agronometrics | Per capita consumption for EU based on import volumes

Appendix - Projected growth in Asian middle class



- The increase in absolute numbers or rate of growth over the next decade of people defined as middle class is concentrated in China and India.
- By 2030 the growth in the middle class in the Asia Pacific is estimated to increase the regions total share of the global middle class from 54% to 65%.

FIGURE 1. PROJECTION OF CHINA'S URBAN HOUSEHOLDS BY INCOME GROUPS







Source: ANZ Research



Appendix - 2021 Sustainability Report



2021 HIGHLIGHTS

| | | |
|--|---|---|
| GREENHOUSE GAS EMISSIONS Total Scope 1 & 2 122,872 tonnes CO2-e a very marginal increase on the prior year total 121,999 tonnes CO2-e (2019-20) |  WATER USE EFFICIENCY AND SECURITY Our growing techniques which utilise substrate (out of the soil), lend themselves to the capture of water for recycling and reuse 38,733 MEGALITRES Total water consumption across all categories | AVOIDING FOOD WASTE TO LANDFILL  Australia's largest food and grocery relief association Costa donated a total of 345 tonnes of produce to Foodbank in 2021, the equivalent of 689,400 meals. By avoiding disposal to landfill, the estimated avoided lifetime carbon emissions in 2021 were equivalent to 724.5 tonnes of CO2-e. |
| ENERGY CONSUMPTION  Total energy consumption 1,090,286 GJ Total energy produced 8,478 GJ | | RENEWABLE ENERGY  Over 12 months the Monarto mushroom farm generated 2,355,000 kWh (8,478 GJ) of electricity = to avoiding the production of circa 1,010 tonnes (CO2-e) of Scope 2 greenhouse gas emissions. |

WELL GROWN - Sustainable Commercial Farming



Appendix - Morocco and China planting schedules

Morocco

| | CY20ha | CY21ha | CY22ha | CY23ha |
|--|--------|--------|--------|--------|
| Planted Production Area (during harvest) | 312 | 347 | 332 | 363 |
| New Land | 23 | 14 | 35 | 25 |
| Redevelopment/ Removed (after harvest) | 0 | -38 | -58 | -86 |
| Land redevelopment added | 12 | 22 | 54 | 33 |
| Forecast planted | 347 | 345 | 363 | 335 |

China

| | CY20ha | CY21ha | CY22ha | CY23ha |
|--|--------|--------|--------|--------|
| Planted Production Area (during harvest) | 176 | 245 | 296 | 398 |
| New Land | 69 | 53 | 100 | 100 |
| Redevelopment/ Removed (after harvest) | -16 | 0 | -20 | -43 |
| Land Redevelopment Added | 16 | 0 | 20 | 43 |
| Forecast Planted | 245 | 296 | 396 | 498 |



Appendix - Costa 52 week key production periods by category



| Production Periods | Avocado | Banana | China (Berries) | Citrus (incl grapes) | Mushroom | Tomato | Morocco African Blue |
|--------------------|---------|--------|-----------------|----------------------|----------|--------|----------------------|
| January | • | • | • | • | • | • | • |
| February | • | • | • | • | • | • | • |
| March | • | • | • | • | • | • | • |
| April | • | • | • | • | • | • | • |
| May | • | • | • | • | • | • | • |
| June | • | • | | • | • | • | ○ |
| July | • | • | | • | • | • | ○ |
| August | • | • | | • | • | • | ○ |
| September | • | • | | • | • | • | ○ |
| October | • | • | | • | • | • | ○ |
| November | | • | • | • | • | • | • |
| December | | • | • | • | • | • | • |

| Blueberry (Berries Aust) | Raspberry (Berries Aust) | Blackberry (Berries Aust) | Strawberry (Berries Aust) |
|--------------------------|--------------------------|---------------------------|---------------------------|
| • | • | • | • |
| • | • | • | • |
| • | • | • | • |
| • | • | • | • |
| • | • | • | |
| • | • | • | |
| • | • | | |
| • | • | | |
| • | • | • | |
| • | • | • | • |
| • | • | • | • |

○ Denotes South Africa and Zimbabwe partner growers blueberry production – June - November



Appendix – Explanation of certain non-IFRS operating measures

| Term | Definition |
|--|---|
| Transacted Sales | <p>Transacted Sales is used by management as a key measure to assess Costa's sales and marketing performance and market share. Transacted Sales represent the aggregate volume of sales in which Costa is involved in various capacities (including sales of third party-grown produce marketed by Costa under agency arrangements), as well as royalty income. Transacted Sales are not considered by Costa to be a revenue measure. There are material differences between the calculation of Transacted Sales and the way in which revenue is determined under AAS.</p> <p>Transacted Sales comprise:</p> <ul style="list-style-type: none"> • statutory revenue. • gross invoiced value of agency sales of third-party produce. • 100% of Driscoll's Australia Partnership sales after eliminating Costa produce sales to the Driscoll's Australia Partnership. Prior to the formation of Driscoll's Australia in 2010, all of Costa's domestic sales and marketing activities for the berry category were managed by Costa. |
| Material Items | Transaction and integration costs incurred on the acquisition of KW Orchards, 2PH Farms and Select Fresh. |
| EBITDA before SGARA (EBITDA-S) | Earnings before Interest, Tax, Depreciation & Amortisation, the fair value movements in biological assets (SGARA) and Material Items. |
| Net Profit after Tax before SGARA (NPAT-S) | Net profit after tax attributable to shareholders but excluding the after-tax impact of the fair value movements in biological assets (SGARA) and Material Items. |



Costa Group Holdings Limited