

Chairman's AGM speech

For the 2018 financial year the Company delivered an underlying Net Profit after Tax of \$76.6 million, a 26.3% increase over the prior year and in line with our forecast.

A final dividend of 8.5 cents per share, fully franked was paid in October. This made for a full year dividend of 13.5 cents per share, up 22.7% on the financial year 2017.

The results highlight and reinforce the importance of the Company's growth strategy, which now spans across both our domestic and international segments and is firmly aimed at delivering our shareholders long term value for their investment.

This is reflected in the fact that we hold the number one position in four of the five produce categories we operate in, with all of these categories now being vertically integrated, with Costa involved in the farming, packing and marketing of the produce.

Our growth initiatives include M&A activity in our avocado category, the planned expansion of our mushroom and tomato production capacity, acquisitions of citrus farming assets and continued investment in our international segment, namely African Blue in Morocco and our berry production footprint in China.

As of the end of financial year 2018, in conjunction with Macquarie Agricultural Funds Management the Company had deployed total capital of \$110 million in the avocado category. Our avocado growing regions now cover four key areas, including Central Queensland, Far North Queensland, the mid north coast of New South Wales and the South Australian Riverland.

Growth in our mushroom category is occurring with the expansion of our Monarto, South Australia mushroom farm. The doubling of weekly production capacity from 120 tonnes to 240 tonnes will further strengthen our competitive cost position with scale and new technology, also equipping Costa with additional prepack and brown mushroom market development capability.

In late August 2018 we announced to the market we would be adding a further 10 hectares of glasshouse at our existing facility in Guyra, northern New South Wales, bringing the total hectares to 40.

At a capital cost of \$67 million, this investment also encompasses expansion of our nursery capacity and enhancement of our produce packing capability. The 10 hectares will be dedicated to growing snacking and specialty variety tomatoes. This new production is expected to ramp up from May 2020.

The outstanding performance of our citrus category with its favourable export future boosted by free trade agreements with China, Korea and Japan means that further growth and expansion could occur via both M&A and greenfield activity.

Our international segment is becoming increasingly more important to our business and our future growth plans. The further development and growth of our international operations in Morocco and China, highlights Costa's success in applying our business model and world leading agronomic practices to growing environments outside of Australia.

The Company's majority stake in African Blue is now at 86% with options enabling the acquisition of an additional 4% over the next three years. The blueberry varieties that we grow in Morocco are from genetics developed by Costa in Australia, meaning we also control the intellectual property (IP). In an effort to extend the Moroccan blueberry season, we have undertaken plantings in Agadir, which is 720kms south of our existing farms and located on Morocco's southern Atlantic coast.

China's market for fruit is already the world's largest and growing. Growth is particularly high for fruits that are new on the market and which are seen to have health benefits, including blueberries. This is reflected in the market response to our premium blueberries which has been very encouraging, with pricing at a substantial premium to other domestic grown product and imports.

There has also been a significant focus on the development and training of the local leadership and management team, incorporating a mix of local and overseas staff. A major Chinese government focus in Yunnan Province where

Costa has its farming operations is poverty alleviation in rural areas. Costa's investment in establishing substrate berry farms in Yunnan is seen by authorities as providing a great opportunity for employment generation and part of the solution to reducing the incidence of rural poverty in China.

Costa was honoured in May 2018 to be awarded the Business Excellence Award for Agriculture, Food & Beverage at the prestigious 25th Annual AustCham Westpac Australia-China Business Awards. The award recognised the agronomic practices that Costa has brought to China, including our world leading blueberry IP and substrate growing methods. Importantly the award was also recognition of our local workforce and how Costa has worked with all stakeholders in helping to realise their commitment to agricultural policies and practices that improve economic development by creating jobs in agriculture, have a positive environmental impact and benefit the greater social good in rural China.

Ladies and gentlemen Costa now operates across more than 50 farms in every state of Australia and as in previous years, I think it is important to highlight the role that we play in regional and rural communities. Our footprint requires us to not only act and behave as a responsible employer and operator, but to also work closely with communities so that they can benefit both economically and socially.

In 2018 for the first time the Costa Tomato Category launched its Guyra Community Sports Grants Program. The grants program is aimed at encouraging sporting activity throughout the local Guyra community based in northern New South Wales, where Costa operates 30 hectares of tomato glasshouses.

Costa is committed to supporting sport in the Guyra region in recognition of the positive health and lifestyle benefits it provides to individual participants and the community as a whole. The grants are available to individuals, teams and sporting clubs, and can be used to buy equipment and uniforms, build infrastructure and promote development and marketing activities.

Another example of the Company's commitment to interacting with local communities was the initiative of our berry team at Corindi on the North Coast of New South Wales, where the team engaged with a local high school to provide students with access to a healthy and nutritious breakfast. The Orara High School's Breakfast Club provides meals to around 40 students a day and Costa supports the program, providing fresh berries on a weekly basis for the school.

Moving on to the work of the Board, I want to acknowledge the contribution of your Directors during the year and in particular note the resignation of Tiffany Fuller as a Non-Executive Director in September 2018. Tiffany joined the Board shortly after our IPO in July 2015 and was a major contributor to the development of the Company as Chair of the Audit and Risk Committee. On behalf of the Board I wish Tiffany all the very best in her future pursuits. Tim Goldsmith was appointed as a Non-Executive Director from 1 September and he is up for election today and will address the meeting later.

In addition, the Board is advanced in discussions for an additional Director with a potential appointment expected in the new year.

During the year the Board undertook visits to our Guyra New South Wales tomato glasshouses and Moroccan blueberry growing operations and well as recently visiting our Monarto Mushroom development. The Board believes such visits are an important part of our work as they not only allow us to directly see how the business is operating but to also apply a sufficient level of understanding and oversight into what is occurring at the operational level across the business

In conclusion and as mentioned at the outset, the Company is executing a growth strategy which is focused on growing shareholder value, and delivering long term and sustainable results. We are fortunate to have outstanding people right across the organisation focused on delivering these outcomes. On your behalf I want to thank all of our people for their efforts and congratulate our management team led by our CEO, Harry Debney, for their excellent leadership throughout the past year.

I would now like to ask Harry, to speak in more detail about our achievements and activities over the past financial year and to provide an update on our performance to date during the current financial year.

Thank you.

END.

CEO's AGM SPEECH – MR HARRY DEBNEY

Ladies and gentlemen the Company's performance for the 2018 financial year once again proved the value and resilience of our diversified portfolio.

Our Citrus Category delivered the standout performance which was reflective of a strong export market, and the tomato category made an excellent contribution through our increased focus on snacking varieties.

The Mushroom Category continued to perform solidly, while in the Berry Category we faced some challenges in both Tasmania and in Far North Queensland on the Atherton Tableland, with lower production reducing the proportional shoulder season pricing benefits.

The Avocado Category's performance included for the first time a full 12 months operating result for the farms acquired in Central Queensland and Atherton Far North Queensland.

The prolonged very cold weather throughout spring and early summer in Morocco caused an eight week delay in blueberry crop maturity and a highly concentrated late harvest. Consequently, African Blue's contribution to the Group was materially below plan.

The China berry harvest was also late but was in line with expectations.

The number of growth projects we are currently developing and implementing is reflective of Costa being a Company that continues to be growth oriented, with significant value accretive opportunities.

Over the last 2 years we have completed six avocado acquisitions, consisting of three core production and packing hubs in Far North Queensland, Central Queensland and Mid North Coast New South Wales, with another three smaller bolt-on acquisitions, made up of two in Far North Queensland including Koci Farms and one in Central Queensland which have been undertaken to build out our production presence in each of these regions.

In 2018 we also launched a major new avocado brand, 'Lovacado', under which we now sell our premium Hass and Shepard varieties based on significant preharvest, harvest and post-harvest protocols. The brand has been well received and is already developing consumer recognition.

Our Mushroom Category expansion project is occurring at our most modern integrated mushroom composting and growing facility located in Monarto, South Australia.

This project was originally announced in February 2017, and once completed will double current facility capacity of 120 tonnes to 240 tonnes per week. Additional production capacity is expected to come on line from late February 2019, reaching the full incremental capacity from third quarter 2019.

During the year we made significant progress on our second berry growth plan, which will further increase our blueberry production volume outside of the peak season which will see a commensurate increase in the availability of our berries under the Driscoll's brand during the summer and autumn months.

Incremental raspberry plantings continue annually as well as the first commercial plantings of the new Driscoll's blackberry varieties.

We also continue to develop our citrus variety offerings. Several new mandarin, orange and lemon varieties are being established on commercial sized blocks and have market potential with improved attributes including seedless, high brix, red flesh and different maturity timing.

Last week we announced the acquisition of our seventh citrus orchard, Nangiloc Colignan Farm in the Sunraysia region, which will be done in conjunction with CK Life Services.

There was significant activity in our international growth program during the year, with the successful completion of our acquisition of a majority ownership stake in African Blue. Our African blueberry production area is now circa 294 hectares, with supply also sourced from a further 108 hectares with licensed third party growers. A commercial trial planting of 21 hectares of blueberries in substrate has commenced at a new site in Agadir on the Moroccan south Atlantic coast, which is 720 kilometres south of our existing operations. The aim of this planting is to provide seasonal crop extension.

We are now into the third year of expansion in China, with three farms located in Yunnan Province. With an additional 53 hectares planted in financial year 2018, our total berry plantings are now circa 100 hectares. All of these plantings are in substrate and under protective poly tunnels. The financial year 2019 planting schedule will include a further 65 hectares at the Manhong site.

Moving to the key financial results for the financial year 2018. Statutory revenue of \$1,002 million was equal to growth of 10.2% compared to financial year 2017 and transactional sales equated to \$1.34 billion. EBITDA before SGARA and material items (EBITDA-S) of \$150.8 million saw growth of 30.9% on financial year 2017.

There was a 26.3% increase on the 2017 financial year Net Profit After Tax before SGARA and material items (NPAT-S) to \$76.7 million. Finally, leverage was 1.2 x EBITDA-S at June 2018, with net debt of \$176.1 million.

Ladies and gentlemen since becoming a public company in July 2015, Costa has been committed to building on our sustainability practices.

Our firm belief is that finding more sustainable ways to make fresh, healthy food available for everyone is one of the most critical issues of our times and we believe that Costa has a vital role to play. Our portfolio consists solely of fresh healthy produce. How these products are produced is the actual focus of our commitment.

Our challenge is to balance commercial fresh produce production with environmental responsibility and affordability with quality, in order that healthy and nutritious food is available to everyone for generations to come. At Costa we call that our Sustainable Commercial Farming objective and I am excited to today launch this new initiative.

In the recent past we have made some progress towards the goals I will outline today but Costa now makes a firm, long standing and formal commitment to make Sustainable Commercial Farming a central element of our business model and our practices.

This is to ensure we not only work for the long term to progressively improve the yield and quality of our products through innovative agronomic practices and strategic investment, but we also accept our responsibility for the environment by focusing on issues including addressing water security, climate change and waste.

Specifically what this means is that our concerted efforts will be directed to achieving greater yield and quality outcomes for each hectare farmed using fewer inputs for production with a reduced environmental impact.

In order to realise our overarching objective, we have established three Pillars — Environment, Economic and People - which are underpinned by ten Sustainable Commercial Farming Principles. These principles specifically focus on Water use and security, Climate Change, Waste, Nutritional Inputs, Biodiversity, Production Yield, Productivity and Efficiency, Workforce, Community, Health and Wellbeing.

The Pillars are interconnected, reflecting their equal importance to successfully realising our strategy. The Principles which underpin the Pillars serve as a clear statement and commitment to what we consider to be the fundamentals of Sustainable Commercial Farming and what we commit to do in these areas.

Our Sustainable Commercial Farming strategy is detailed in our 2018 Sustainability Report which has been released today with copies available for you take. It makes clear that we consider it to be intrinsic to the operation and future success of Costa. It also relies on and requires a genuine commitment from everyone in our business. As a sign of our intent, we have established within the business an Agronomy Group chaired by myself and comprised of key horticulturalists from each of our core produce categories. This group will play a core role in overseeing the Sustainable Commercial Farming strategy, with a particular focus on agronomic skills, practice and knowledge.

To highlight what Sustainable Commercial Farming means in practice, I want to touch on examples that illustrate our commitment to Environmental, Economic and People outcomes. In the future you will see greater focus on advancing these pillars. Two of the most important environmental challenges we face involve water security and climate change.

Water is a key input for horticulture and ensuring water security is a priority. Over the last decade Costa has undertaken significant investment in water assets and technology, with a particular focus on water capture, efficiency of use and recycling.

A case in point, the water use efficiency of our glasshouse grown tomatoes compared to field crops is nothing short of stunning. It takes an average of 216 litres of water to produce one kilogram of field crop in Bundaberg Queensland compared to approximately 49 litres to produce one kilogram of crop in Costa's tomato glasshouses.

During financial year 2018 the Costa Tomato Category undertook a major capital upgrade to the irrigation drain water capture system and storage capacity operating at our 20 hectare tomato glasshouse in Guyra, northern New South Wales.

Works included an upgrade of the heat sterilisation capacity to ensure that when treated recycled drain water is required at the start of a new irrigation day, there is more than sufficient water for that irrigation cycle, thereby reducing the need to use fresh water. There was also a doubling of recycled drain water storage capacity and the installation of a pre filtration system.

The benefits of recycling irrigation drainage water include a reduction in total fertiliser inputs, greater water security through increased availability of sufficient irrigation water and cost savings through reduced expenditure on fertiliser and water.

This investment is expected to save up to 22.5 megalitres of drain water per annum and increase our drain water recycling rate from 70% to 85%.

Climate change is not only real but it is a very serious challenge that all Australian and global agricultural businesses must meet head on. We are doing this in a number of ways, including major investment in protected cropping as well as working on renewable energy sources.

As part of our Monarto mushroom facility expansion, Costa is undertaking its first major renewable energy investment in financial year 2018 with the installation of a solar farm.

More than 5,000 solar panels have been installed at the Monarto site and these will generate up to 2,000 kilowatts capacity when the site expansion is completed. This capacity will operate during daylight hours and complement power from the grid.

Our investment in protected cropping is another key way in which Costa is addressing climate change. Many of you are aware of the protective poly tunnels used in the production of our berry crops both around Australia and in Morocco and China. We have also been trialing protected citrus cropping. More than 24 hectares of permanent net structures have been erected over mandarins and persimmons on our Riverland South Australia farms. Although still early days as to measuring the effectiveness of this type of protected cropping, it has reduced the water usage of the protected crop by between 10% and 20%.

Other benefits have included reduced fruit damage from wind, which increases the average quality and price as there is a higher percentage of first grade fruit. The trees and crop are also more protected from adverse weather events such as hail and the incidence of sunburn on the fruit has also been reduced. Further extension of citrus protected cropping is planned.

Ensuring Costa's economic longevity is crucial to achieving sustainable long term financial success. We are constantly looking for ways to improve our productivity, production yield and overall operational efficiency. Improving the productivity of our harvesting has therefore been a key priority.

A customised Harvest Management System has been introduced into the Berry and Mushroom Categories which tracks real time harvest data by individual picker. For the harvesting of berries it enables more accurate measurement of yield and harvest efficiency by farming block and variety throughout the harvest cycle. This real time information on field harvest progress also enables the packing operations to prepare more efficiently for incoming fruit.

The yield is recorded on tablets connected to weight indicators and symbol barcode scanners. The Harvest Management System captures kilograms of fruit picked and the time employees have worked and automates payroll based on the recorded data. The Harvest Management System can be operated out in the field with limited or no internet connection. Data is stored in a local database and reported back to Costa once it connects to a 3G or 4G service.

The recording of paper-based production data was removed within three months of rolling out the HMS. The Berry team can now report on variations over time in its yield and is able to make decisions about performance enhancements based on hard data.

The final element I want to highlight is that of our people, the most important asset we have in our business.

During the year the Costa Critical Safety Rules were rolled out across the domestic business and in China, with Morocco scheduled for the start of the next harvest season in January 2019. These Critical Safety Rules, developed by the Costa Workplace Health and Safety Connect Committee and endorsed by the Executive Team, are designed to recognise and increase focus on high risk activities that potentially cause serious incidents and injuries.

There are nine mandatory Critical Safety Rules where employees need to be able to identify the risk, follow the procedures and ensure any change in these areas that may contribute to an incident is immediately identified and rectified.

In China a safety training plan has been implemented, with a number of training courses already completed. Safety audits of each farm have commenced, aimed at identifying and responding to high priority issues, while incident reporting in the same format as that used by Costa domestically was also introduced.

Sustainable Commercial Farming is an exciting new chapter for the Costa business and it is a commitment we are serious about. As part of this commitment, today we also unveil our new Costa logo and brand – Well Grown. We believe this encapsulates what we mean by sustainable commercial farming. Innovating to get more yield from every hectare, while striving for more and better produce, with fewer inputs and lower environmental impact. We also intend to be the key employment destination for those who want a rewarding and diverse career in horticulture. In short, everything we do is for a future well grown.

During the year the company continued its focus on developing and enhancing its Intellectual Property (IP), across its core categories.

Costa has a growing platform of valuable blueberry genetic IP of global significance which continues to expand with focused investment aimed at maintaining market leadership.

Costa retains ownership of its blueberry IP on all of our berry production sites whether owned or leased. We also retain ownership of the IP in the event of any site being vacated in the future, such that we are able to remove proprietary plant varieties at our discretion after a limited runoff period.

In the tomato category we are continuing to invest heavily in R & D with evaluation of over 40 new cultivars each year.

With regard to high intensity assets, Costa owns all of its mushroom production assets, the new tomato glasshouse facility, the Tasmanian berry packing and distribution centre in Devonport and our two large citrus packing operations in the South Australian Riverland. All of which are being developed through a focus of increased use of technology consistent with our sustainable commercial farming principles.

The Company plans to intensify its focus on growing and protecting its core IP as well as ensuring that research and innovation remain imbedded in our operations.

I would now like to comment on the Company's progress so far in interim financial year 2018.

The company's operations continue to perform well with results tracking in line with plan, and we reconfirm previous guidance that the transitional half year from July to December 2018, will have lower earnings compared to the same period last year, that being July to December 2017.

There are a number of drivers of this.

Firstly the lighter 2018 calendar year citrus crop versus 2017 which is reflective of the natural biennial bearing cycle. This manifests through an earlier finish to the 2018 season thus the impact is in this transitional half year period.

Secondly there is the impact from an additional five months of consolidating African Blue during the farming cost investment period.

Thirdly there is additional farming cost investment from continued expansion in the now larger African Blue and China businesses, with their harvest periods falling in the following six month period January through June 2018.

Fourthly there are higher depreciation and interest charges from capex investment, with earnings to flow through the next six months due to seasonality of earnings.

Finally, further to recent disclosure, the acquisition of the Nangiloc Colignan citrus and grape farm will incur farming cost investment over this half year period with the harvest commencing January 2019.

Taking all of this into account, calendar year 2018 earnings will be lower than calendar year 2017 earnings.

Looking beyond this period, as previously advised earnings for calendar year 2019 will be heavily skewed towards the first half of the year, and we expect a strong calendar year 2019 versus calendar 2018, with earnings growth of approximately 30%.

I also confirm today that the company expects to maintain its low double digit NPAT-S growth on a traditional June financial year basis, and also reconfirm our long term guidance for an average trajectory of low double digit annual average NPAT-S growth over a three to five year horizon.

As always, the success of Costa is only made possible by utilising the key assets and factors of production that we have at our disposal, especially our people and intellectual capital. Once again, as our financial year 2018 results demonstrated, it is this ability to both manage and maximise these resources that ensures our ongoing success.

On behalf of the Board and Executive, I want to thank all of our employees for their hard work. I would also like to sincerely thank the Board for its continued confidence in, and support of, management.

Thank you.

END



Costa Group
Holdings Limited
ASX:CGC

Annual General Meeting
22 November 2018

Financial Year 2018

Performance for the financial year 2018 once again proved the value and resilience of our diversified portfolio.

Produce Segment

- Citrus Category standout performance - reflective of strong export market.
- Tomato Category made an excellent contribution through increased focus on snacking varieties.
- Mushroom Category continued to perform solidly.
- Berry Category faced some challenges in both Tasmania and in Far North Queensland - lower production reducing proportional shoulder season pricing benefits.
- Avocado Category performance included for the first time a full 12 months operating result for the farms acquired in Central Queensland and Atherton Far North Queensland.



International segment

- Prolonged very cold weather throughout spring and early summer in Morocco caused an eight week delay in blueberry crop maturity and a highly concentrated late harvest.
- African Blue's contribution to the Group was materially below plan.
- China berry harvest was also late but was in line with expectations.



Avocados

- Over the last two years we have completed six avocado acquisitions.
- Three core production and packing hubs in Far North Queensland, Central Queensland and Mid North Coast New South Wales.
- Three smaller bolt-on acquisitions, made up of two in Far North Queensland including Koci Farms and one in Central Queensland.
- Launched a major new avocado brand - 'Lovacado'. Under which we now sell our premium Hass and Shepherd varieties based on significant pre harvest, harvest and post – harvest protocols.
- Brand has been well received and is already developing consumer recognition.



Mushrooms

- Expansion project is occurring at our most modern integrated mushroom composting and growing facility in Monarto, SA.
- Project will double current facility capacity of 120 tonnes to 240 tonnes per week.
- Additional production capacity is expected to come on line from late February 2019, reaching the full incremental capacity from third quarter 2019.



Australian Berries

- Significant progress made on second berry growth plan. Further increase in blueberry production volume outside of peak season. Commensurate increase in availability of our berries under Driscoll's brand during the summer and autumn months.
- Incremental raspberry plantings continue annually and first commercial plantings of the new Driscoll's blackberry varieties.



Citrus

- Continue to develop our citrus variety offerings. Several new mandarin, orange and lemon varieties are being established on commercial sized blocks and have market potential with improved attributes including - seedless, high brix, red flesh and different maturity timing.
- Recently announced in conjunction with CK Life Services the acquisition of our seventh citrus orchard, Nangiloc Colignan Farm in the Sunraysia region of Victoria.
- With current 2,429 hectares of citrus category plantings Costa has in the South Australian Riverland, NCF acquisition will bring total plantings in the Riverland and Sunraysia regions to 2,996 hectares.



International

Morocco – African Blue

- Successful completion of majority ownership stake in African Blue.
- Moroccan blueberry production area is now circa 294 hectares, with supply also sourced from a further 108 hectares with licensed third party growers.
- A commercial trial planting of 21 hectares of blueberries in substrate has commenced at a new site in Agadir on the Moroccan south Atlantic coast, which is 720 kilometres south of our existing operations.
- Aim of Agadir planting is to provide seasonal crop extension.



International

China

- We are now into the third year of expansion in China, with three farms located in Yunnan Province.
- With an additional 53 hectares planted in financial year 2018, total berry plantings are now circa 100 hectares.
- All of these plantings are in substrate and under protective poly tunnels.
- The financial year 2019 planting schedule will include a further 65 hectares at the Manhong site.





Net Profit After Tax

- 26.3% increase on FY17 Net Profit After Tax before SGARA and material items. (NPAT-S)
- NPAT-S - \$76.6 million.



Revenue

- Statutory revenue of \$1.002 billion.
- 10.2% increase in revenue compared to FY2017.
- Transacted sales equated to \$1.34 billion



EBITDA -S

- EBITDA before SGARA and material items (EBITDA-S) up by 30.9% to \$150.8 million compared to FY17.
- Leverage of 1.2 x EBITDA-S at June 18, with net debt \$176.1million.



Sustainable Commercial Farming

- We must find more sustainable ways to make fresh, healthy food available for everyone.
- Costa has a unique and vital role to play. Our portfolio consists solely of fresh healthy produce.
- It is how we produce these products which is the focus of our commitment.
- Our challenge is to balance commercial fresh produce production with environmental responsibility and affordability with quality, in order that healthy and nutritious food is available to everyone for generations to come.
- We call this our Sustainable Commercial Farming Objective.



Sustainable Commercial Farming

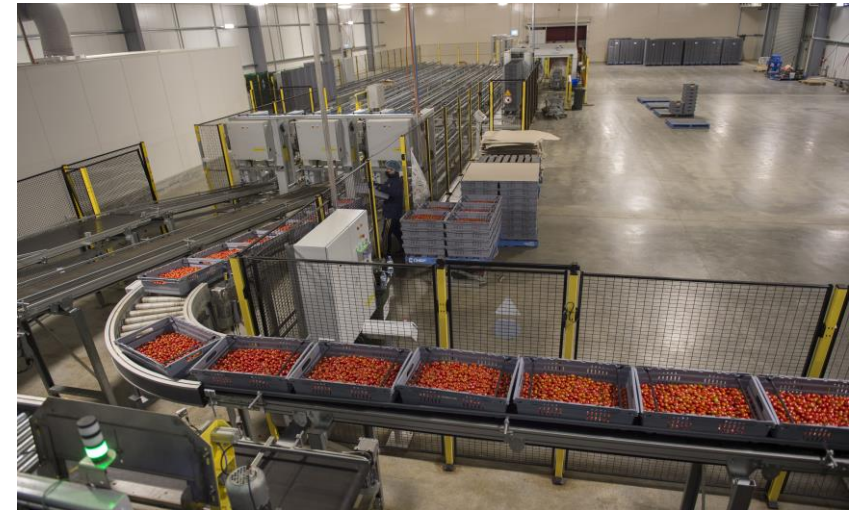
Pillars and Principles



Sustainable Commercial Farming



- Sustainable Commercial Farming strategy is detailed in our 2018 Sustainability Report which has been released today and is available on our investor centre website.
- We consider it to be intrinsic to the operation and future success of Costa. Relies on and requires a genuine commitment from everyone in our business.
- We have established within the business an Agronomy Group chaired by myself and comprised of key horticulturalists from each of our core produce categories.
- This group will play a core role in overseeing the Sustainable Commercial Farming strategy, with a particular focus on agronomic skills, practice and knowledge.



Water

- Water use efficiency of our glasshouse grown tomatoes – Takes an average of 216 litres of water to produce one kilogram of field crop in Bundaberg Queensland. Approx. 49 litres to produce one kilogram of crop in Costa's tomato glasshouses.
- Major capital upgrade to the irrigation drain water capture system and storage capacity operating at our 20 hectare tomato glasshouse in Guyra, northern New South Wales.
- Doubling of recycled drain water storage capacity and the installation of a pre filtration system.
- Reduction in total fertiliser inputs, greater water security through increased availability of irrigation water and cost savings through reduced expenditure on fertiliser and water.
- Expected to save up to 22.5 megalitres of drain water p.a. and increase our drain water recycling rate from 70% to 85%.



Climate Change

- Climate change is a very serious challenge that all Australian and global agricultural businesses must meet head on.
- Costa is doing this in a number of ways, including major investment in protected cropping and renewable energy sources.
- More than 5,000 solar panels installed at the Monarto site. Will generate up to 2,000 kilowatts capacity when the site expansion is completed.
- Over 24 hectares of permanent protective net structures covering mandarins and persimmons in the Riverland of South Australia:
 - Reduces water usage by 10% to 20%.
 - Minimises fruit damage from wind.
 - Stops bees from pollinating a fourer mandarins, reducing the seed count and increasing marketability.
 - Protects trees and crop from hail events, reduces sunburn.



Economic

- Constantly looking for ways to improve our productivity, production yield and overall operational efficiency.
- Harvest Management System tracks real time harvest data by individual harvest worker.
- Enables more accurate measurement of yield and harvest efficiency.
- Yield recorded on tablets connected to weight indicators and symbol barcode scanners.
- Captures kg's of fruit picked and the time employees have worked, automating payroll based on the recorded data.
- Operated in the field with limited or no internet connection. Data is stored in a local database and reported back to a central collection point.



- During the year the Costa Critical Safety Rules were rolled out across the domestic business and in China, with Morocco scheduled for the start of the 2019 harvest season.
- Critical Safety Rules - designed to recognise and increase focus on high risk activities that potentially cause serious incidents and injuries.
- Safety training plan implemented in China with a number of training courses already completed.
- Safety audits of each China farm have commenced, aimed at identifying and responding to high priority issues. Incident reporting in the same format as that used by Costa domestically also introduced.



New brand and logo



- Today we unveil our new Costa logo and brand – Well Grown.
- We believe this encapsulates what we mean by Sustainable Commercial Farming.



- Innovating to get more yield from every hectare, while striving for more and better produce, with fewer inputs and lower environmental impact.
- We also intend to be the key employment destination for those who want a rewarding and diverse career in horticulture. In short, everything we do is for a future well grown.

Intellectual Property



- Costa continues its focus on developing and enhancing its Intellectual Property (IP), across its core categories.
- Growing platform of valuable blueberry genetic IP of global significance continues to expand with focused investment aimed at maintaining market leadership.
- Costa retains ownership of its blueberry IP on all of our berry production sites whether owned or leased.
- Also retain ownership of the IP in the event of any site being vacated in the future and we are able to remove proprietary plant varieties at our discretion after a limited runoff period.
- In the tomato category we are continuing to invest heavily in R & D with evaluation of over 40 new cultivars each year.



- The company's operations continue to perform well with results tracking in line with plan, and we reconfirm previous guidance that the transitional half year from July to December 2018, will have lower earnings compared to the same period last year, that being July to December 2017.

There are a number of drivers of this -

1. Lighter 2018 calendar year citrus crop versus 2017 which is reflective of the natural biennial bearing cycle. This manifests through an earlier finish to the 2018 season thus the impact is in this transitional half year period.
2. There is the impact from an additional five months of consolidating African Blue during the farming cost investment period.
3. There is additional farming cost investment from continued expansion in the now larger African Blue and China businesses, with their harvest periods falling in the following six month period January through June 2018.

4. There are higher depreciation and interest charges from capex investment, with earnings to flow through the next six months due to seasonality of earnings.
5. Further to recent disclosure, the acquisition of the Nangiloc Colignan citrus and grape farm will incur farming cost investment over this half year period with the harvest commencing January 2019.

Taking all of this into account, calendar year 2018 earnings will be lower than calendar year 2017 earnings.

- Looking beyond this period, as previously advised earnings for calendar year 2019 will be heavily skewed towards the first half of the year, and we expect a strong calendar year 2019 versus calendar 2018, with earnings growth of approximately 30%.
 - I also confirm today that the company expects to maintain its low double digit NPAT-S growth on a traditional June financial year basis, and also reconfirm our long term guidance for an average trajectory of low double digit annual average NPAT-S growth over a three to five year horizon.
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Important notice



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