

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

ASX ANNOUNCEMENT

6 November 2019

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 Monday, 28 October 2019 ("**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 1800 990 479 (within Australia) or +61 1800 990 479 (outside Australia) at any time between 8:30am and 5:30pm (AEDT) Monday to Friday, or visit the offer website at <http://investors.costagroup.com.au/investor-centre>.

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 released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any entitlements or securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("US Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, no securities described in this announcement may be offered, sold or resold, directly or indirectly, in the United States or to a person acting for the account or benefit of a person in the United States, unless they have been registered under the U.S. Securities Act (for which Costa has no obligation to do or procure), or are offered, sold or resold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

November 6, 2019

Retail Entitlement Offer



Details of a 1 for 4 pro rata accelerated renounceable entitlement offer of Costa Group Holdings Ltd (**Costa**) ordinary shares (**New Shares**) at an offer price of \$2.20 per New Share.

Retail Entitlement
Offer closes at 5.00pm
(AEDT) on Monday,
18 November 2019

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 1800 990 479 (within Australia) or +61 1800 990 479 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) 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 Wednesday, 6 November 2019. The Announcements are current as at Wednesday, 6 November 2019. 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,

Important information

3

guidance on and 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 disclaims 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
Section 1 - Key information on the Retail Entitlement Offer	10
Section 2 - Summary of your options	15
Section 3 - Additional information - Options	19
Section 4 - Announcements	25
Section 5 - Australian Taxation Implications	61
Section 6 - Additional information	65
Glossary	74
Eligible Retail Shareholder Declarations	78
Corporate Directory	81

Key dates for the Entitlement Offer

EVENT	DATE
Announcement of Entitlement Offer	Monday, 28 October 2019
Institutional Entitlement Offer opens	Monday, 28 October 2019
Institutional Entitlement Offer closes	Tuesday, 29 October 2019
Institutional bookbuild closes (8.00am, AEDT)	Wednesday, 30 October 2019
Costa shares resume trading	Wednesday, 30 October 2019
Retail rights commence trading (on a deferred settlement basis)	Wednesday, 30 October 2019
Entitlement Offer record date (7.00pm, AEDT) (" Record Date ")	Thursday, 31 October 2019
Retail Information Booklet and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	Wednesday, 6 November 2019
Retail Entitlement Offer commences	Wednesday, 6 November 2019
Settlement of New Shares issued under Institutional Entitlement Offer	Friday, 8 November 2019
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	Monday, 11 November 2019
Close of retail rights trading	Monday, 11 November 2019
Retail Entitlement Offer closes (5.00pm, AEDT) (" Retail Closing Date ")	Monday, 18 November 2019
Retail Shortfall Bookbuild	Thursday, 21 November 2019
Settlement of New Shares issued under the Retail Entitlement Offer (" Final Settlement Date ")	Tuesday, 26 November 2019
Allotment of New Shares issued under the Retail Entitlement Offer (" Final Allotment ")	Wednesday, 27 November 2019
New Shares under the Final Allotment commence trading on ASX on a normal settlement basis	Thursday, 28 November 2019
Dispatch of confirmation of issue for New Shares issued under the Final Allotment; payment of Retail Premium (if any)	Friday, 29 November 2019

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 Daylight Time (“**AEDT**”). 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 4 accelerated pro rata renounceable entitlement offer of new fully paid ordinary shares in Costa ("**New Shares**") with retail rights trading, to raise gross proceeds of approximately \$176 million ("**Entitlement Offer**"). The New Shares will be offered at an offer price of \$2.20 ("**Offer Price**") per New Share.

Why is Costa raising equity?

The proceeds of the Entitlement Offer will be used to strengthen Costa's balance sheet and ensure that Costa has an appropriate capital structure in place to support the continuation of the company's growth strategy in light of recent trading and market conditions. These unfavourable conditions include shifts in supply-demand dynamics in Costa's key categories as well as the continued impact of severe drought conditions in Australia.

Costa has invested over \$400 million in capex and M&A since IPO in five expansion programs without any equity injection. This raising is part of a prudent approach to ensure Costa's balance sheet will continue to allow Costa to deliver on current and future growth initiatives in order to remain robust to deliver strong shareholder returns in the medium to long term.

Further information on the strategic benefits and rationale behind the Entitlement Offer are contained in Costa's ASX announcement and investor presentation lodged with the ASX on Monday, 28 October 2019 (and included in this Retail Information Booklet in Section 4).

Details of the Entitlement Offer

The fully underwritten¹ Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and a retail component ("**Retail Entitlement Offer**"). As announced on 30 October 2019, the Institutional Entitlement Offer and associated bookbuild have raised gross proceeds of approximately \$87 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.

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire 1 New Share for every 4 existing Costa ordinary shares held on the record date, being 7.00pm (AEDT) on Thursday, 31 October 2019 ("**Record Date**"). This is the same price and ratio as that which was offered to institutional investors who participated in the Institutional Entitlement Offer (and as set out in the Entitlement and Acceptance Form that is enclosed within this Retail Information Booklet).

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 (AEDT) on Wednesday, 18 November 2019.

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. Electronic payments can be made by Australian and New Zealand shareholders using BPAY®. If you are unable to pay electronically you are also able to pay by 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 Wednesday, 30 October 2019 to Monday, 11 November 2019 (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, 21 November 2019 ("**Retail Shortfall Bookbuild**"). In this case, you will receive any proceeds in

¹ Subject to the qualifications set out in Section 6.13.

Chairman's letter

9

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 1800 990 479 (within Australia) or +61 1800 990 479 (outside Australia) at any time between 8:30am and 5:00pm (AEDT) 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

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:

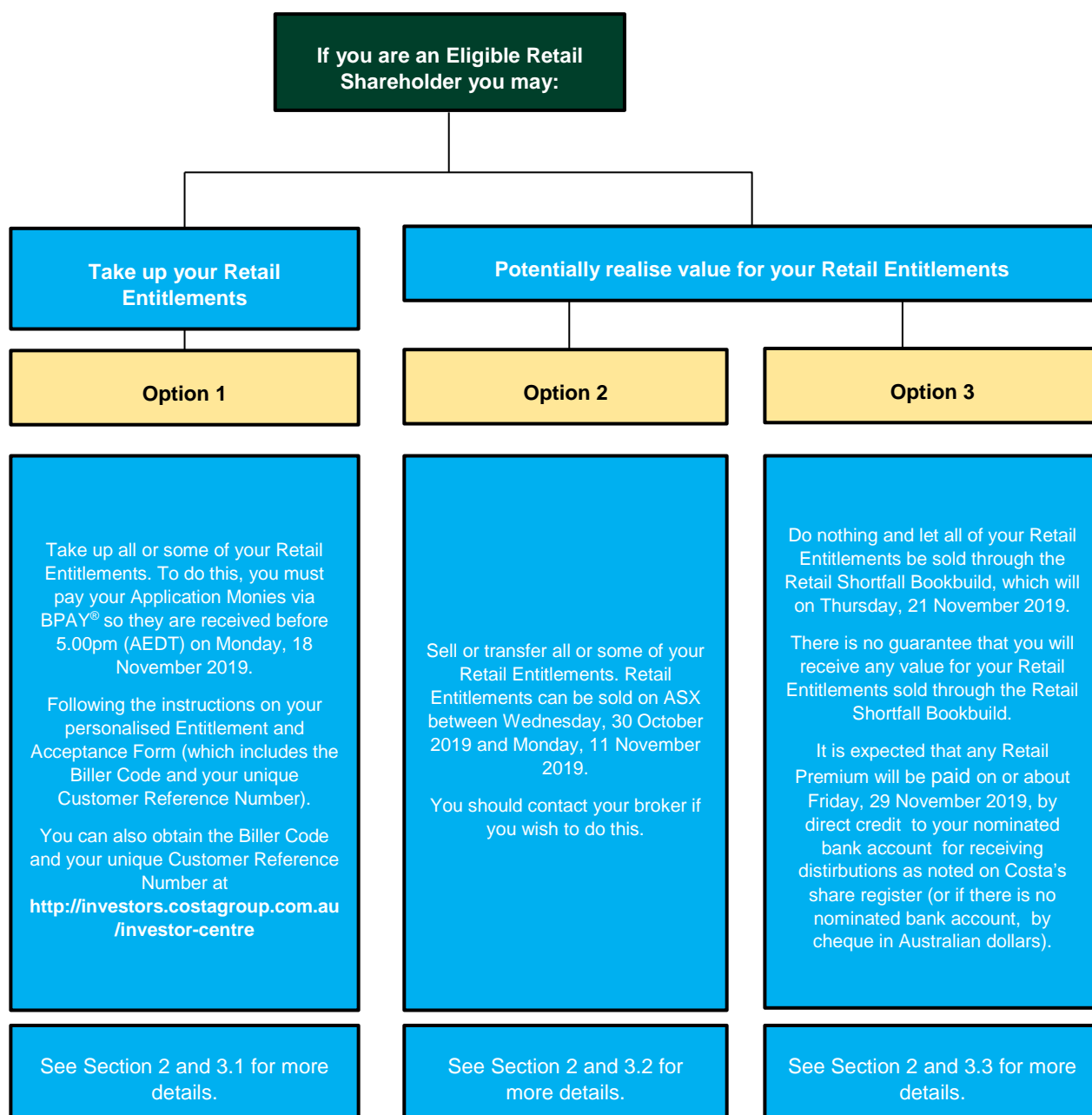
✓	You are registered as a holder of Shares as at the Record Date (being 7.00pm (AEDT) on Thursday, 31 October 2019).
✓	You have a registered address on the Costa share register in Australia or New Zealand.
✓	You are not in the United States and are not acting for the account or benefit of a person in 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?



IMPORTANT: If you take up all or some of your Retail Entitlements, you will not be able to sell or transfer those Retail Entitlements. Costa will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you:

- attempt to sell or transfer any of your Retail Entitlements; or
- trade your Retail Entitlements before the Retail Entitlements are allotted, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Costa or the share registry or failure to maintain your updated details on the Costa share register or otherwise.

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 4
Offer Price	\$2.20 per New Share
Number of New Shares to be issued	Approximately 80 million
Gross proceeds	Approximately \$176 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 (AEDT) on Thursday, 31 October 2019).

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.

Key information on the Retail Entitlement Offer

14

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,

you should contact the Costa Shareholder Information Line on 1800 990 479 (within Australia) or +61 1800 990 479 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer Period. You may also access your personalised payment details at **<http://investors.costagroup.com.au/investor-centre>** from Wednesday, 6 November 2019.

Section 2

Summary of your options

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 (AEDT) on Monday, 18 November 2019. Alternatively, you may submit your payment via cheque, bank draft or money order. You should instruct payment well before 5.00pm (AEDT) on Monday, 18 November 2019. 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, 27 November 2019 and commence trading on ASX on a normal settlement basis Thursday, 28 November 2019. 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 Wednesday, 30 October 2019 until Wednesday, 6 November 2019, and on a normal settlement basis from Thursday, 7 November 2019 (to Monday, 11 November 2019 (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. 	Section 3.2

Summary of your options

17

	<ul style="list-style-type: none"> • 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 may do nothing and let your remaining Retail Entitlements be sold in the Retail Shortfall Bookbuild (see Option 3 below). • If you take up all or some of your Retail Entitlements before 5.00pm (AEDT) on Monday, 18 November 2019 (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 (AEDT) on Monday, 18 November 2019. • 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. 	
Option 3: Do nothing and let all or some of your Retail Entitlements be sold through the Retail Shortfall Bookbuild	<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, 21 November 2019 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, 29 November 2019, 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 	Section 3.3

Summary of your options

18

	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.
--	---

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

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 \$2.20 per New Share. It is expected that your New Shares will be allotted on Wednesday, 27 November 2019 and commence trading on ASX on a normal settlement basis on Thursday, 28 November 2019.

3.1.1 Payment options

To take up all or part of your Retail Entitlements to purchase New Shares at the Offer Price of \$2.20 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 (AEDT) on Monday, 18 November 2019. • 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 http://investors.costagroup.com.au/investor-centre from Wednesday, 6 November 2019. • 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.

<p>or money order</p>	<ul style="list-style-type: none"> • Your cheque, bank draft or money order must be: <ul style="list-style-type: none"> – payable to “Costa Group Retail Entitlement Offer” and crossed “Not Negotiable”; – for an amount equal to \$2.20 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. • 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 (AEDT) on 18 November 2019. • 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, or hand delivered to the second 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 style="margin-left: 40px;">Hand delivery address: Costa Group Retail Entitlement Offer</p> <p style="margin-left: 40px;">C/- Link Market Services Limited A Homebush Bay Drive Rhodes NSW 2138 (Please do not use this address for mailing purposes)</p> <p>They will not be accepted at Costa's registered or corporate offices. 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 (AEDT) on Monday 18 November 2019, your Application will not be accepted.</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.

<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 Wednesday, 30 October 2019 (ASX code: CGCR) and on a normal settlement basis on Thursday, 7 November 2019. Retail Entitlements trading on ASX ceases on Monday, 11 November 2019.
<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, or 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 1800 990 479 (within Australia) or +61 1800 990 479 (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 or hand delivery address set out below no later than the Retail Closing Date (being 5.00pm (AEDT) on Monday, 18 November 2019): Mailing address: Costa Group Retail Entitlement Offer C/ Link Market Services Limited

	<p>GPO Box 3560 Sydney NSW 2001</p> <p>Hand delivery address: Costa Group Retail Entitlement Offer</p> <p>C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138 (Please do not use this address for mailing purposes)</p> <ul style="list-style-type: none"> • 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.
--	--

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 (AEDT) on Monday, 18 November 2019 (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 (AEDT) on Monday, 18 November 2019.
- 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 (AEDT) on Monday, 18 November 2019), 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, 29 November 2019, net of any applicable withholding tax. The Retail Premium will be the excess of the price at which New Shares are sold through the Retail Shortfall Bookbuild over the Offer Price (if any), 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 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 Wednesday, 6 November 2019. There may be other announcements that have been made by Costa after Wednesday, 6 November 2019 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



ASX ANNOUNCEMENT

28th October 2019

COSTA GROUP TRADING UPDATE; AND FULLY UNDERWRITTEN \$176 MILLION PRO-RATA ENTITLEMENT OFFER

Costa Group Holdings Limited (Costa; ASX: CGC), Australia's leading grower, packer and marketer of fresh fruit and vegetables today announced a CY19 trading update and guidance; CY20 outlook, key themes and assumptions; and a fully underwritten¹ \$176 million accelerated renounceable pro-rata entitlement offer, with retail rights trading.

Key Highlights

- Previously foreshadowed challenges facing the company have continued to crystallise. In addition, prolonged extreme dry and hot conditions are now impacting fruit sizing and yield in avocados, blueberries and the late season citrus crop.
- CY19 guidance is reduced to EBITDA-SL of approximately \$98 million and NPAT-SL of approximately \$28 million, recognising the challenges of forecasting in the current environment.
- The Costa business model and strategy remain robust in order to deliver strong shareholder returns in the medium to long term.
- At this point in time based on current information, Costa expects CY20 EBITDA-SL to be approximately \$150 million and NPAT-SL to be approximately in line with CY18 NPAT-SL (which was \$56.6 million) prior to taking into account the impact of the equity raising.
- Concern over water security issues has led to a decision to pause the 10-hectare glasshouse expansion at Guyra.
- Costa has invested over \$400 million in capex and M&A since its IPO in five expansion programs without any equity injection.
- Costa today announces that it is raising approximately \$176 million through a fully underwritten¹ accelerated renounceable pro-rata entitlement offer with retail rights trading ("**Entitlement Offer**").
- The equity raising will strengthen Costa's balance sheet and ensure that Costa has an appropriate capital structure in place to support the continuation of the company's

¹ Subject to the qualifications set out in Note 1 of Slide 7 of the investor presentation issued by Costa dated 28 October 2019



growth strategy in light of recent trading and market conditions, and the prolonged impact of drought conditions.

CY19 trading update and guidance

Costa Group CEO, Harry Debney noted that Costa's 1H CY19 results release contained an outlook statement which listed three challenges facing the company across mushrooms, raspberries and blueberries.

"These factors made it difficult to provide accurate future forecasts with further risks to performance foreshadowed. Unfortunately, the downside risk of these challenges continues. In addition, the prolonged and extreme dry and hot conditions across many of our operations are manifesting in actual and projected deterioration in fruit sizing and yield in citrus, avocados and blueberries exacerbating price declines," said Mr Debney.

The CY19 forecast is for all produce categories apart from tomatoes to deliver below expectation.

- **Mushrooms**

Although there is significant focus on progress in category development, promotional plans and branding, the difficult mushroom trading conditions have not eased as the year has progressed. Trading remains difficult with little relief in both demand and pricing.

The Monarto mushroom project is on track with the expanded production facility now being commissioned. The new phase 1 compost unit will be operational from January 2020 and the site will progressively achieve full production from Q2 2020.

To take full advantage of this state-of-the-art world class operation, we have accelerated the closure of our aged higher cost mushroom sites in Tasmania and Queensland. Therefore, the company expects to take a significant one-off restructuring and impairment charge of \$60 – 70 million in its full year financial statements. The charge will have minimal cashflow impact.

- **Citrus**

Although the early and mid - season citrus harvest provided confidence for a strong full year outcome, the extended dry and hot conditions impaired fruit growth in late season navel orange and mandarins. This caused significantly lower fruit size and yield with lower pricing outcomes from smaller fruit grades. This has also increased demand for water due to lack of rain with spot prices at high levels.

As result the CY2019 crop volume is now estimated to be circa 90,000 tonnes. Exports continue to achieve a positive result.



- Berries

The financial impact of raspberry crumble continues to build with the season peak still to come. Intensive mitigation work is being carried out, but this is taking longer than expected. Looking forward, the impact for 2020 is expected to moderate.

Industry peak blueberry volumes were anticipated prior to the Costa peak volumes however they remain high resulting in continued price pressure. Even though our premium Arana offering is providing some offset, the full year impact will be material.

Forward strategic berry initiatives, including blueberry shoulder season expansion and raspberry and blackberry long cane programs, should provide positive uplifts in 2020.

- Avocados

The New South Wales avocado crop volumes were impacted by a significant hail event at Comboyne farm in September, however it was a localised event confined to one farm. Fruit sizing in New South Wales was also lower than expected, impacting farm and marketing earnings.

Overall avocado farm production is now circa 900,000 trays (CY19) and still expected to reach circa 2 million trays over the next five years due to on-going tree maturity.

- Tomatoes

The tomato category has continued its solid trading performance over CY19, with prolonged dry weather conditions requiring alternative water solutions to be sourced.

Due to water security concerns, a decision has been taken to pause construction of the 10-hectare (GH4) glasshouse expansion project.

In summary, CY19 has been a challenging and disappointing year, with performance below expectations, due to a combination of cyclical, one-off and structural issues.

“Management is focused on mitigating these unusual impacts and ensuring Costa is well positioned, subject to receiving adequate rainfall in our operating regions, for a return to more balanced portfolio performance from CY20,” said Mr Debney.



CY20 outlook, key themes and assumptions

The financial performance of our produce categories and international segment are expected to improve in CY20, supported by recent and ongoing investment in the business, operational initiatives and (for some categories) more normalised market conditions.

At this point in time based on current information, Costa expects CY20 EBITDA-SL to be approximately \$150 million and NPAT-SL to be approximately in line with CY18 NPAT-SL (which was \$56.6 million) prior to taking into account the impact of the equity raising².

The 2020 forecast contemplates a moderate improvement of dry weather and drought conditions in Australia and more normal season and crop cycles in Australia and Morocco.

“Should the severity of current drought conditions persist or intensify the company will be required to deal with reduced availability of water in some regions, increased water consumption by crops, high water cost, as well as impacts on yield, fruit size and timing dependent on regional variation in heat and dry conditions, and individual crop responses”, said Mr Debney.

The new Monarto mushroom capacity will be fully commissioned during Q2 CY20, together with Costa’s optimisation of our production network and higher cost sites being closed. The current market pricing dynamic is considered unsustainable with price pressure expected to ease. Higher straw input cost will also be incurred due to the drought impact.

Improvement in Far North Queensland blueberry production is expected with 42 hectares replanted during CY19 and continued expansion of the Arana premium program.

The raspberry crumble issues are substantially mitigated with modest carry over, while blackberries will achieve 52-week coverage and make a modest earnings contribution.

In avocados, continued volume growth from tree maturity at existing farms will see tray volumes increase from circa 0.9 to 1.1 million trays. No significant fruit sizing issues are anticipated with impact on pricing.

Current strong performance is expected to continue from the existing tomato glasshouse production footprint, with additional water security issues addressed through the use of bores and offtake agreements as well as the decision to pause GH4 10-hectare glasshouse expansion project due to water security concerns.

The 2020 citrus year is an ‘off season’, with yield returning back to average levels, at least 90,000 tonnes. The fruit fly issue should be resolved prior to the 2020 season, providing there are no further incursions. Water pricing will remain elevated, however with a reasonable outlook for allocations.

² The after-tax interest saving from repaying debt with net equity raising proceeds is expected to contribute an additional approximate \$3m to CY20 NPAT-S



Morocco is assumed to return to a normal year of production, with yield volume and timing consistent with long terms trends and new incremental early season production from Agadir from December 2019.

Finally, in China there is an expectation of continued strong demand for blueberries and production from the Manhong farm will commence. Yield improvement is also expected as a result of actions undertaken to address CY19 challenges, including pollination.

Entitlement offer

Costa has been undertaking a major growth expansion program and has invested over \$400 million in capex and M&A since IPO in July 2015.

This investment has:

- Established a substantial and growing business in China.
- Built scale and 52-week supply across blueberries, raspberries and blackberries in Australia.
- Enhanced our mushroom capability through expansion in lowest cost production.
- Continued to build a citrus operation of scale with advanced packing automation.
- Established a new 10 hectare environmentally sustainable tomato snacking glass house facility.
- Established Avocados as the fifth vertically integrated produce pillar.

“Costa has funded this expansion predominantly through cash flow and external debt, as well as some off-balance sheet financing, and while the current financial performance has been impacted by a number of challenges, Costa's footprint is well invested to deliver strong shareholder returns over the medium to long term,” said Mr Debney.

The Costa Group Board has decided to raise \$176 million in equity at a price of \$2.20 per share through a fully underwritten accelerated renounceable pro-rata entitlement offer, with retail rights trading, resulting in the issuance of approximately 80 million new ordinary shares ("**New Shares**").

The equity raising will strengthen Costa's balance sheet and position the company to deliver on current and future growth initiatives.



Although Costa's strategy is growth oriented, management maintains a prudent and disciplined approach to capital deployment and generally targets a minimum return on

capital of 20% on new investments in three to five years (typically measured as EBITDA divided by capital employed).

Costa targets a long-term leverage range of 1.5 to 2.0x ND / EBITDA. Leverage at 30 June 2019 on a pro forma basis to reflect the Entitlement Offer is 1.14x net debt/EBITDA-SL.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Costa share for every 4 existing Costa shares (**Entitlement**) held at 7pm (Sydney time) on Thursday, 31 October 2019 (**Record Date**).

All New Shares offered under the Entitlement Offer will be issued at a price of \$2.20 per New Share, which represents a:

- 31.4% discount to theoretical ex-rights price (TERP) of \$3.21
- 36.4% discount to the last close price of \$3.46 on 21 October 2019

Each New Share issued under the Entitlement Offer will rank equally with existing Costa shares.

Non-Executive Directors have expressed intention to take up their Entitlements.

Timetable

A timetable of key dates in relation to the Entitlement Offer is set out on the following page.



Event	All Dates 2019 ¹
Announcement of Entitlement Offer	28 October
Institutional Entitlement Offer opens	28 October
Institutional Entitlement Offer closes	29 October
Institutional bookbuild closes (at 8:00am)	30 October
Costa shares recommence trading	30 October
Retail rights commence trading (on deferred settlement basis)	30 October
Entitlement Offer Record Date (7:00pm AEDT)	31 October
Retail Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	6 November
Retail Entitlement Offer opens	6 November
Settlement of New Shares issued under Institutional Entitlement Offer	8 November
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	11 November
Close of retail rights trading	11 November
Retail Entitlement Offer closes (5:00pm AEDT)	18 November
Retail Entitlement Offer shortfall bookbuild	21 November
Settlement of New Shares issued under the Retail Entitlement Offer	26 November
Allotment of New Shares issued under the Retail Entitlement Offer	27 November

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

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

4.2 Investor Presentation

**Disclaimer****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 ("Retail Entitlement Offer").

under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (together, the "Entitlement Offer"). Unless the context otherwise requires, capitalised terms and abbreviations have the meaning given in the glossary at the end of this Presentation.

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 half year ended 30 June 2019, lodged with the ASX on 23 August 2019, 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 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 licenced to provide financial product advice in respect of New Shares. Cooling off rights do not apply to an investment in New Shares.

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 "FY2019" are to the 52 weeks ending 29 December 2019, and references to "FY2020" are to the 52 weeks ending 27 December 2020.

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 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 include EBITDA, proportional EBITDA, underlying proportional EBITDA, free cash and underlying free cash. Costa believes the non-IFRS financial information and non-GAAP 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 is not a measure of financial performance, liquidity or value under the 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 included in this Presentation.

Disclaimer



FUTURE PERFORMANCE

This Presentation contains certain 'forward looking statements', including but not limited to projections or guidance on future revenues, earnings and other estimates, the industry outlook, the timing, outcome and effects of the Offer and use of proceeds. 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. 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 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, 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.

NOT AN OFFER

This Presentation is not and should not be considered an offer or an invitation to acquire New Shares or any other financial products.

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.

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 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. None of the Entitlements, to New Share ("Entitlements"), to New Shares, the New Shares or the securities to be offered and sold under the Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933 (the "U.S. 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 Entitlements and 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 in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

3

Disclaimer



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. This Presentation does not constitute financial product advice and does not and will not form part of any contract for the acquisition of New Securities.

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, investment research, 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.

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.

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.

4

Contents



1. Overview and updated Costa business outlook
2. Trading update
3. Equity raising
4. Costa strategy and portfolio
5. Key risks and selling jurisdictions



5

Overview



Trading update CY19

- Previously foreshadowed challenges facing the company have continued to crystallise. In addition prolonged extreme dry and hot conditions are now impacting fruit sizing and yield in avocados, blueberries and the late season citrus crop
- As a consequence, CY19 guidance is reduced to EBITDA-SL of approximately \$98 million and NPAT-SL of approximately \$28 million, recognising the challenges of forecasting in the current environment
- Costa business model and strategy remain robust to deliver strong shareholder returns in the medium to long term

Outlook CY20

- At this point in time based on current information Costa expects CY20 EBITDA-SL to be approximately \$150 million and NPAT-SL to be approximately in line with CY18 NPAT-SL (which was \$56.6 million) prior to taking into account the impact of the equity raising
- The 2020 forecast contemplates a moderate improvement of dry weather and drought conditions in Australia and more normal season and crop cycles in Australia and Morocco. Should the severity of current drought conditions persist or intensify the company will be required to deal with reduced availability of water in some regions, increased water consumption by crops, high water cost, as well as impacts on yield, fruit size and timing dependent on regional variation in heat and dry conditions and individual crop responses

6

Overview continued



Costa equity raising

- Costa has invested over \$400 million in capex and M&A since IPO in five expansion programs without any equity injection
- Costa today announces that it is raising approximately \$176 million through a fully underwritten¹ accelerated renounceable pro-rata entitlement offer with retail rights trading ("PAITREO" or "Entitlement Offer")
- The equity raising will strengthen Costa's balance sheet and ensure that Costa has an appropriate capital structure in place to support the continuation of the company's growth strategy in light of recent trading and market conditions and the prolonged impact of drought conditions

Notes:

1. The underwriting agreement dated 28 October 2019 between Costa and the underwriter provides that the underwriter will not be issued any shares that would either cause it to breach the 20% takeover threshold contained in Chapter 6D of the Corporations Act 2001 (Cth) or Australia's published Foreign Investment Review Board policy or which would require notification under the Foreign Acquisitions and Takeovers Act 1975 (Cth). The issue size is approximately 80.2 million shares or 20% of Costa's issued capital post completion of the Entitlement Offer. If the underwriter was required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date; and (ii) given the total raising size is equal to 20% of Costa's post shares on issue, the number of excess shares above 20% would be equal to any additional interests the underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment, and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the offer at the same price as the Entitlement Offer price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement where there is an excess shortfall. The directors of Costa reserve the right to issue any shortfall (including any excess shortfall) under the Entitlement Offer at their discretion. Any excess shortfall will be allocated to the underwriter or to third party investors as directed by the underwriter. The basis of allocation of any other shortfall will be determined by the directors of Costa at their discretion.

7

Updated Costa business outlook



In the August half year market report we highlighted three challenges facing the company and the difficulty in providing accurate future forecasts with further risks to performance foreshadowed. Unfortunately the downside risk of these challenges continues.

In addition, the prolonged and extreme dry and hot conditions across many of our operations are manifesting in actual and projected deterioration in fruit sizing and yield in citrus, avocados and blueberries exacerbating price declines.

In summary:

- Whilst referencing the difficult mushroom trading conditions in August we expected that these would ease as the year progressed. Unfortunately, trading remains difficult with little relief in demand and pricing. The Monarto project production facility is now being commissioned and the new phase 1 compost unit will be operational from January 2020. Monarto will progressively achieve full production from Q2 2020.
- We have accelerated the closure of aged higher cost mushroom sites in Tasmania and Queensland. Therefore the company expects to take a significant one off restructuring and impairment charge of \$60-70 million in its full year financial statements. The charge will have minimal cashflow impact.

8

Updated Costa business outlook continued



- With raspberries, the financial impact of raspberry crumble continues to build with the season peak still to come. Intensive mitigation work is being done but this is taking longer than expected. Looking forward the impact for 2020 is expected to moderate.
- Industry peak blueberry volumes were anticipated prior to Costa peak volumes. However industry volume remains high resulting in continued price pressure. Full year impact will be material. Our premium Arana offering is providing some offset. Forward strategic initiatives previously outlined, including blueberry shoulder season expansion and raspberry and blackberry long cane programs, should provide positive uplifts in 2020.
- Continued extreme hot and dry conditions are negatively affecting fruit size and yield in avocados, blueberries and the late season citrus crop. In addition, the dry weather is resulting in significantly higher water costs at Guyra and in the Riverland. Extensive work is being conducted to ensure continued operations at the existing Guyra tomato operations, however a decision has been made to pause construction activity for the Guyra tomato expansion until we have sufficient water.
- The early and mid season Citrus harvest provided confidence for a strong full year outcome. However extended dry and hot conditions impaired fruit growth in late season navel orange and mandarins causing significantly lower fruit size and yield with lower pricing outcomes from smaller fruit grades. This has increased demand for water due to lack of rain with spot prices at high levels. Exports continue to achieve a positive result.
- The Costa portfolio is designed to deliver consistent earnings growth through a balancing of the over and under performance across our categories, as has previously occurred. Unfortunately CY19 forecast is for all produce categories apart from Tomatoes to deliver below expectation. Management is focused on mitigating these unusual impacts and ensuring Costa is well positioned, subject to receiving adequate rainfall in our operating regions, for a return to more balanced portfolio performance from CY20.

9



Trading update

10

Drought conditions in Australia

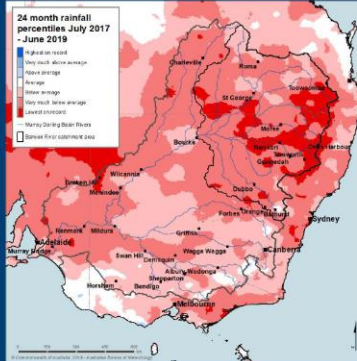


Severe weather conditions resulting in extreme and prolonged dry and hot conditions in a number of our regions

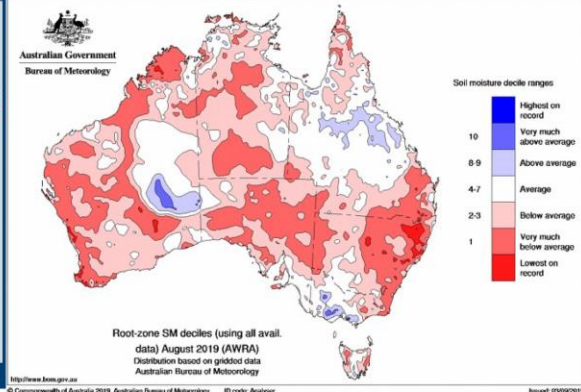
Historically low levels of rainfall...

Murray–Darling Basin - Rainfall

- Rainfall in the MDB in the last 30 months is the lowest on record
- Rainfall in the northern MDB is the lowest on record for the last 30, 24 and 18 month periods
- The drought is now worse than the great Federation Drought of 1901-1903
- The area in the black outline feeds the Darling River



are impacting soil moisture levels throughout Australia



- Continued hot and dry conditions are affecting fruit size and yield in avocados, blueberries and the late season citrus crop
- Increasing water costs at Guyra and in the Riverland
- Significant CY19 earnings impact

Source: Australian Bureau of Meteorology

11

What has changed since the interim results?



A key driver of Produce earnings volatility has been prolonged extreme dry weather which has impacted crop yields, negatively affected fruit size and resulted in lower pricing

Category	Impact	Comments
Mushrooms	↓	Channel mix, and pricing below forecast expectations
Berries	↓↓	Further price impact due to higher industry blueberry volume Blueberry sizing issue on late crop due to prolonged dry weather Raspberry crumble impost being actively managed but higher than initial estimates
Citrus	↓↓↓	Significant yield reduction on key late season varieties – summer navels, afourer and honey murcott mandarins
Avocado	↓↓	NSW season impacted by hail and fruit sizing Additional investment in crop nutrition programs
Tomato	—	In line with forecast, however some additional cost for water
International	—	Some royalty income deferred to 2020 due to timing of plant sales
Costa Farm & Logistics	—	In line with forecast

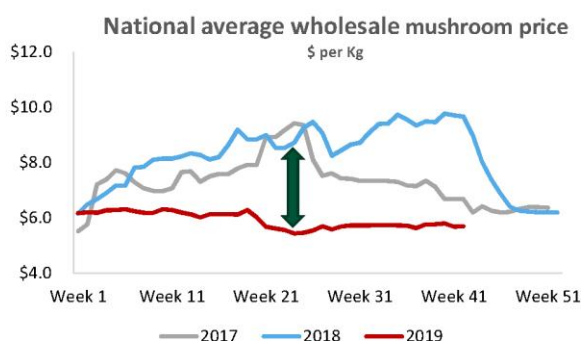
12

Trading update – Produce: Mushroom

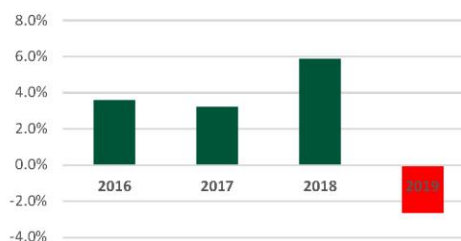


Challenging current demand-supply-pricing dynamic in the industry

- Whilst referencing the difficult mushroom trading conditions in August, we expected that these would ease as the year progressed. Unfortunately, trading remains difficult with little relief in demand and pricing. The Monarto project production facility is now being commissioned and the new phase 1 compost unit will be operational from January. Monarto will progressively achieve full production from Q2 2020
- We have accelerated the closure of aged higher cost mushroom sites in Tasmania and Queensland. Therefore the company expects to take a significant one off restructuring and impairment charge of \$60-70 million in its full year financial statements, the charge will have minimal cashflow impact



Mushroom category value growth



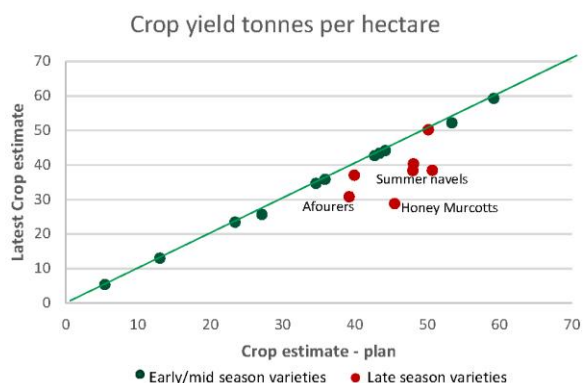
13

Segment update – Produce: Citrus

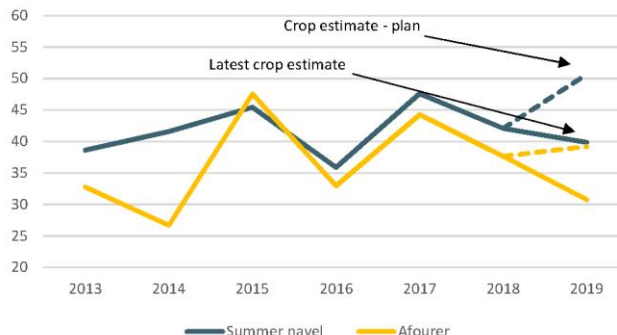


A poor finish to the season with smaller fruit size and lower yields. Export demand remained strong throughout

- The early and mid season Citrus harvest provided confidence for a strong full year outcome. However extended dry and hot conditions impaired fruit growth in late season navel orange and mandarins causing significantly lower fruit size and yield with lower pricing outcomes from smaller fruit grades. 2019 crop now estimated at ~90,000 tonnes
- The drought has increased demand for water due to lack of rain with spot prices at high levels
- Fruit fly – on site treatment established; no further fruit fly incidents have been detected
- Exports continue to achieve a positive result



Biennial bearing cycle - CY19 below last 'off year'



14

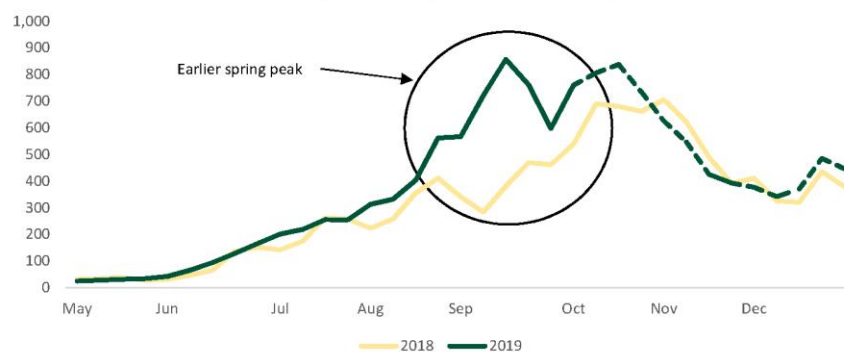
Trading update – Produce: Berry



Headwinds as foreshadowed have continued to impact CY2019 results

- The financial impact of raspberry crumble continues to build with the season peak still to come. Intensive mitigation work is being done but this is taking longer than expected. Looking forward, the impact for 2020 is expected to moderate
- Industry peak blueberry volumes were anticipated prior to Costa peak volumes. However industry volume remains high resulting in continued price pressure. Full year impact will be material. Our premium Arana offering is providing some offset
- Forward strategic initiatives, including blueberry shoulder season expansion and raspberry and blackberry long cane programs, should provide positive uplifts in 2020

Industry Blueberry Volume - '000 kgs



Source: Nielsen Homescan

15

Trading update - Other



Produce

Avocado: NSW crop impacted by hail at Comboyne farm, and small fruit sizing

- NSW crop volumes impacted by drought conditions and a significant hail event at Comboyne farm in September; localised event to one farm
- NSW regional fruit sizing lower than expectation; impacting farm and marketing earnings
- Additional investment in farming inputs & nutritional programs
- Overall farm production now ~900k trays this year, but still expected to reach ~2m trays over the next 5 years with on-going tree maturity

Tomato: Going strong but dry weather impacting

- Continued solid trading performance
- Prolonged dry weather requiring alternative water solutions to be sourced
- Decision taken to pause GH4 10ha expansion project due to water security concerns

CF&L

- Continued solid trading performance

International

- Crop development across Morocco and China in line with expectations. Early season volumes will commence harvest in CY19 across both regions with Agadir first contribution
- Royalty income lower with timing of plant sales into H1 CY2020

16

Updated CY19 guidance and outlook for CY20



- CY19 has been a challenging and disappointing year, with performance below expectations, due to a combination of cyclical, one-off and structural issues
- This year our diversified business model has not been as effective as in prior years, however we continue to believe our portfolio of categories and growth strategy will deliver strong shareholder returns over the medium to long term
- CY19 guidance reduced to EBITDA-SL of approximately \$98 million NPAT-SL of approximately \$28 million, recognising the challenges of forecasting in the current environment
- The financial performance of our produce categories and International are expected to improve in CY20, supported by recent and ongoing investment in the business, operational initiatives and (for some categories) more normalised market conditions
- At this point in time based on current information Costa expects CY20 EBITDA-SL to be approximately \$150 million and NPAT-SL to be approximately in line with CY18 NPAT-SL (which was \$56.6 million) prior to taking into account the impact of the equity raising¹
- The 2020 forecast contemplates a moderate improvement of dry weather and drought conditions in Australia and more normal season and crop cycles in Australia and Morocco. Should the severity of current drought conditions persist or intensify the company will be required to deal with reduced availability of water in some regions, increased water consumption by crops, high water cost, as well as impacts on yield, fruit size and timing dependent on regional variation in heat and dry conditions and individual crop responses.

1. The after-tax interest saving from repaying debt with net equity raising proceeds is expected to contribute an additional approximate \$3m to CY20 NPAT-S

17

Key themes and assumptions for CY20



Produce: the forecast contemplates a moderate improvement of dry weather and drought conditions and more normal season and crop cycles in Australia and Morocco

Factors considered in outlook	
Mushroom	<ul style="list-style-type: none"> • New Monarto capacity fully commissioned during Q2 CY20 • Costa production network optimisation with higher cost sites closed • Current market pricing dynamic unsustainable with price pressure easing • Higher straw input cost with drought impact
Berry	<ul style="list-style-type: none"> • Improvement in FNQ blueberry production with 42ha replanted during CY19 • Raspberry crumble issues are substantially mitigated with modest carry over • Continued expansion of Arana premium program to offset commoditisation • Blackberries achieve 52 week coverage with modest earnings contribution
Avocado	<ul style="list-style-type: none"> • Continued volume growth from tree maturity at existing farms (~0.9 - 1.1m trays) • No significant fruit sizing issues with impact on pricing
Tomato	<ul style="list-style-type: none"> • Current strong performance continues from existing footprint • GH4 expansion paused to improve water security for the existing glasshouse • Additional water security addressed through bores and offtake agreements
Citrus	<ul style="list-style-type: none"> • Citrus yield to return back to average levels of a "off season" crop of at least 90k tonnes for the Riverland farms • Resolution of fruit fly issue • Water pricing remains elevated, with a reasonable outlook for allocations

18

Key themes and assumptions for CY20

International



Factors considered in outlook	
Morocco	<ul style="list-style-type: none">• Morocco returns to a normal year of production, with yield volume and timing consistent with long terms trends• New incremental early season production from Agadir from December 2019
China	<ul style="list-style-type: none">• Continued strong demand for blueberries• Production from Manhong farm to commence• Yield improvement with actions undertaken to address CY19 challenges (eg pollination)



Equity
raising



Optimising Costa's capital structure



- Costa has been undertaking a major expansion program and has invested over \$400 million in capex and M&A since IPO. This investment has:
 - Established a substantial and growing business in China
 - Built scale and 52 week supply across 3 berry types in Australia
 - Enhanced our mushroom capability through expansion in lowest cost production
 - Continued to build a citrus operation of scale with advanced packing automation
 - Established a new 10ha environmentally sustainable snacking tomato glass house facility
 - Established Avocados as the 5th vertically integrated produce pillar
- Costa has funded this expansion predominantly through cash flow and external debt, as well as some off-balance sheet financing, and while the current financial performance has been impacted by a number of challenges, Costa's footprint is well invested to deliver strong shareholder returns over the medium to long term
- Costa today announces that it is raising approximately \$176 million through a fully underwritten¹ accelerated renounceable pro-rata entitlement offer with retail rights trading ("Entitlement Offer")
- The equity raising will strengthen Costa's balance sheet and position the company to deliver on current and future growth initiatives
- Although Costa's strategy is growth oriented, management maintains a prudent and disciplined approach to capital deployment and generally targets a minimum return on capital of 20% on new investments in three to five years (typically measured as EBITDA divided by capital employed)
- Costa targets a long term leverage range of 1.5 to 2.0x Net Debt / EBITDA

Notes:

- Please refer to note 1 on slide 7 of this presentation

21

Entitlement Offer overview



Offer structure and size	<ul style="list-style-type: none"> Fully underwritten¹ 1 for 4 accelerated renounceable pro rata entitlement offer with retail rights trading to raise approximately \$176 million² Approximately 80 million New Shares to be issued under the Offer Record Date for the Entitlement Offer is 7:00pm (AEDT) on 31 October 2019
Offer pricing	<ul style="list-style-type: none"> Entitlement Offer price of \$2.20 per New Share 31.4% discount to the theoretical ex-rights price ("TERP") of \$3.21³
Institutional Entitlement Offer	<ul style="list-style-type: none"> Institutional Entitlement Offer opens today and closes 29 October 2019 Entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild opening on 29 October 2019 and closing pre-market on 30 October 2019⁴
Retail Entitlement Offer	<ul style="list-style-type: none"> Retail Entitlement Offer opens 6 November 2019 and closes on 18 November 2019 Retail entitlements trading for certain eligible investors available on ASX from 30 October 2019 to 11 November 2019 Entitlements not taken up and entitlements of ineligible retail shareholders will be sold in the retail shortfall bookbuild to be conducted on 21 November⁴
Ranking	<ul style="list-style-type: none"> New Shares issued will rank pari passu with existing shares
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 is fully underwritten¹ by UBS AG, Australia Branch, the lead manager, book runner and underwriter

Notes:

- Please refer to note 1 on slide 7 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
- 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

22

Impact of equity raising on balance sheet and net debt



A\$m	Jun-19	Pro forma adjustment	PF Jun-19
Cash & cash equivalents	50.4		50.4
Receivables	127.7		127.7
Inventories	25.5		25.5
Biological assets	62.3		62.3
Equity accounted investments	17.0		17.0
Intangibles	253.7		253.7
Property, plant & equipment	459.4		459.4
Right of use asset	296.8		296.8
Other assets ¹	36.2	1.6	37.8
Total Assets	1,329.0	1.6	1,330.6
Payables	124.2		124.2
Borrowings	354.8	(171.0)	183.8
Provisions	25.9		25.9
Lease liabilities	300.6		300.6
Other liabilities	29.8		29.8
Total Liabilities	835.2	(171.0)	664.2
Net Assets	493.8	172.6	666.4
Share capital	408.1	172.6	580.7
Profit reserve	68.2		68.2
Other reserves and NCI	17.5		17.5
Equity	493.8	172.6	666.4

- \$176 million equity raising with proceeds used to repay debt (\$171 million net of transaction costs)
- Jun-19 leverage on a pro forma basis of 1.14x
- All bank covenants expected to be met in CY19 and CY20
- The equity raising will strengthen Costa's balance sheet and position the company to deliver on current and future growth initiatives

	Jun-19	Adj	PF Jun-19
Net debt	304.9	(171.0)	133.9
Net debt / LTM EBITDA-SL	2.59x		1.14x

1. Pro forma adjustment relates to a deferred tax asset being recognised as a result of Costa incurring equity raise transaction costs.

23

Equity raising timetable



Event	All dates 2019 ¹
Announcement of Entitlement Offer	28 October
Institutional Entitlement Offer opens	28 October
Institutional Entitlement Offer closes	29 October
Institutional bookbuild closes (pre-market)	30 October
Costa shares recommence trading	30 October
Retail rights commence trading (on deferred settlement basis)	30 October
Entitlement Offer record date (7:00pm AEDT)	31 October
Retail Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	6 November
Retail Entitlement Offer opens	6 November
Settlement of New Shares issued under Institutional Entitlement Offer	8 November
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	11 November
Close of retail rights trading	11 November
Retail Entitlement Offer closes (5:00pm AEDT)	18 November
Retail Entitlement Offer shortfall bookbuild	21 November
Settlement of New Shares issued under the Retail Entitlement Offer	26 November
Allotment of New Shares issued under the Retail Entitlement Offer	27 November

Notes:
1 All dates and times are indicative and subject to change without notice; AEDT refers to Australian Eastern Daylight Time

24



Costa strategy and portfolio

25

Costa strategy remains robust



- ✓ Australia's leading grower, packer and marketer of premium quality fresh fruit and vegetables
- ✓ Capitalising on multiple domestic growth platforms in categories with year-round production capability
- ✓ Established international farming portfolio in Morocco and China supplying premium blueberries and raspberries to high growth markets
- ✓ Adoption of protected cropping to reduce environmental risk and enhance our ability to optimise yield and quality
- ✓ Continually investing in our people and capabilities
- ✓ Developing product varieties that deliver competitive advantage and extend our production and supply period
- ✓ Establishing premium brands that provide quality and consistency and create loyal consumers
- ✓ Driving sustainability through our Sustainable Commercial Farming initiative

26

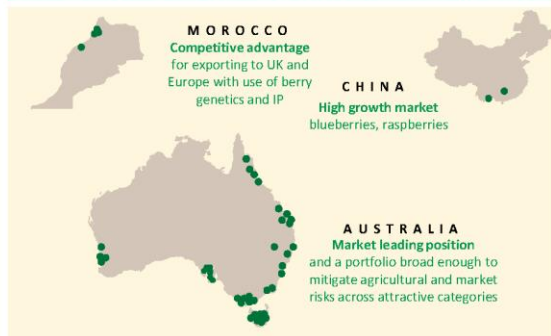
Portfolio overview



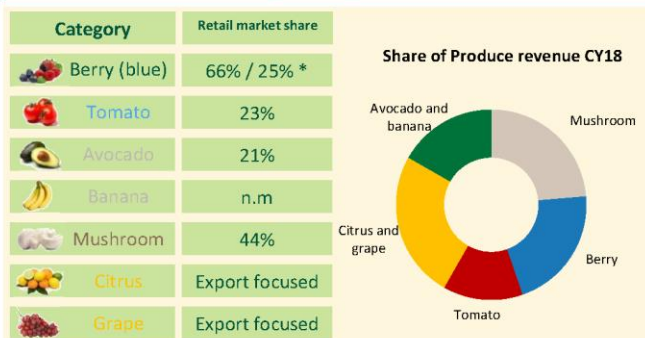
Leading grower, packer and marketer of fresh produce

- 4,500ha of farmed land across Australia
- 6 blueberry farms in Morocco and 3 berry farms in China
- 30ha of glasshouse production
- 40+ farming, wholesale market and distribution operations
- Three divisions: Produce, International, Costa Farms & Logistics
- Proprietary IP portfolio with leading growing technologies and techniques

Strategically positioned in high growth international markets

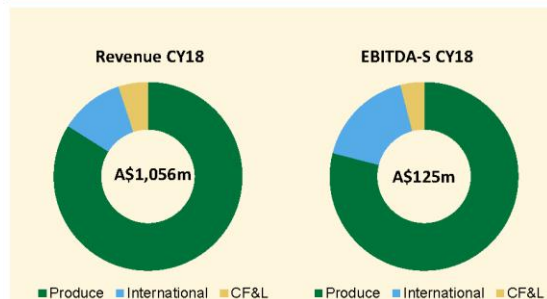


Costa's diverse, market-leading product portfolio



* 66% marketing, 25% farming

Costa's attractive business profile



27

Favourable industry dynamics driving continued growth

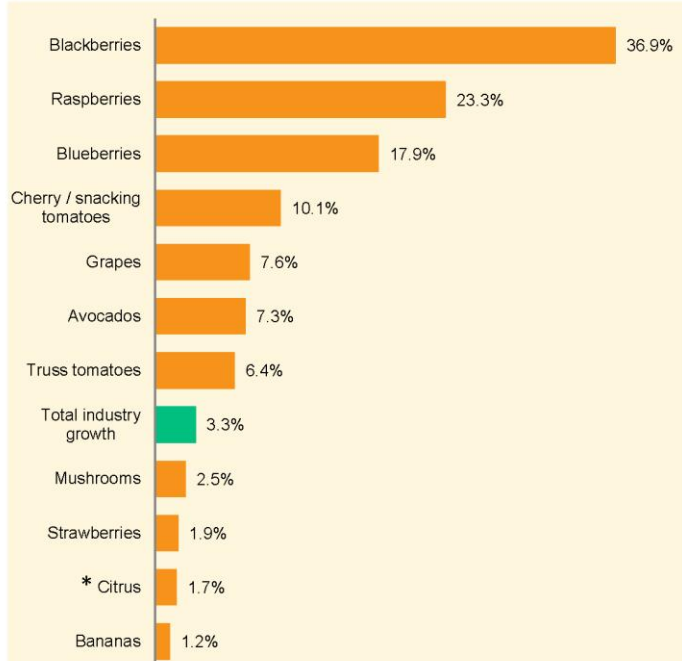


Favourable industry dynamics

- The Australian fruit and vegetable industry is an attractive sector for growth driven by favourable industry dynamics:
 - **Population growth:** Australian population expected to grow at a CAGR of c.1.8% from 2017 – 2027
 - **Dietary habits:** Australian dietary trends within Costa's core categories provide tailwinds for continued growth
 - **Convenience:** Demand for convenience remains a strong preference for Australian consumers
 - **Favourable perceptions of Australian-grown produce:** Costa believes that Australian-grown produce is perceived favourably by Australian and international consumers for freshness, quality and safety

Source: Nielsen Homescan, Australian Bureau of Statistics

Retail category growth by sales value (2015A-2019F CAGR)










* Citrus is primarily an export crop, domestic growth rates not relevant

28

Portfolio footprint



Significant investment in our current portfolio footprint with further benefits to be realised over the short to medium term

Category	2019 current portfolio	Current maturity %	Future volume uplift
Berries - Aus 	734 hectares	~80%	Increase in blackberry, blueberry and raspberry volumes
Mushrooms 	530 tonnes per week	~90%	Monarto ramp up to full production from Q2 2020
Citrus 	2,996 hectares	~95%	Citrus volume growth from young tree maturity
Tomatoes 	30 hectares	~75%	Guyra GH4 expansion
Avocado 	721 hectares	~45%	Avocado volumes increases with tree age
Berries - China 	174 hectares	Less than 50%	Volume growth from new berry plantings
Berries - Morocco 	314 hectares	~70%	Volume growth from new berry plantings

29

Costa's vertically integrated business model is strategically designed to achieve competitive advantage and manage agricultural risk



Diversification

- Diversified category **portfolio** with scale and market share
- **Vertically integrated** produce operations
- **Geographic spread** of production
 - National Australian footprint across the 6 states
 - International berry footprint (Morocco, China)
- Royalty income streams
- Multiple sales channels (domestic & export)

IP, technology and people

- **Superior product genetics**, both developed internally and through external partnering arrangements
- Costa adopts a 'lowest cost' mindset
- Efficient production techniques
 - Modern farming, harvesting and irrigation
- Post-harvest and product quality discipline
- Product innovation and branding

Protected cropping

- Costa's core produce categories have the potential for protected cropping to mitigate environmental risk

- **Protected cropping** techniques across a number of key categories (~65% of produce related earnings)
- Growing indoors, in glasshouses, under tunnels & permanent netting, and in substrate manages risk and **improves yield & quality**

Year-round production

- Costa has invested in produce categories that are **large scale** and have the potential for year-round supply
 - **52-week supply** removes seasonality, maintains consumer reach and smooths cash flow
- Achieved by production methods, varietal selection and geographic spread
- Marketing programs aligned to supply patterns

Sustainable
Commercial
Farming

30



Key risks and selling jurisdictions



31

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 Costa and those of a more general nature, is set out below. 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.

Risks associated with Costa's operations

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. Drought conditions have persisted in some parts of Australia throughout CY19, including in areas where Costa has operations, and there is no certainty of what weather conditions will be in CY20 and beyond. Continued drought conditions in areas where Costa has significant operations may materially and adversely impact on Costa's profitability in those areas.

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 FY2018 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 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.

Industry supply

Excess supply can cause price competition in the fresh fruit and vegetable industry. For example, pricing across the berry category has softened over the past two years 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 CY20, under a full allocation scenario, Costa has secured approximately 30% of the balance required with fixed pricing under contractual commitments. Water rights are contingent on there being sufficient water in the Murray River. If there was 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 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 financial 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.

32

Key risks continued



Reliance on a number of 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 70% of FY2018 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 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.

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 Farm & Logistics. 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. For example, in CY19 Costa has experienced weaker than forecast results from each of its Produce categories except for tomato.

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 impact the dividends 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 or 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 (such as the recent "crumbly fruit" that has resulted in high waste and labour costs) 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.

33

Key risks continued



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.

Complaint 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 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 1H19, a female fruit fly was found at Costa's Impi farm at Lindsay Point and a 15-kilometre exclusion zone was implemented by the authorities, resulting in significant additional costs for Costa's citrus operations. Although the government expended significant resources to minimise the risk of additional female fruit flies in the Riverland region and no additional fruit flies have been detected in the region since that time, Costa's citrus operations may be impacted by further fruit fly outbreaks.

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, in respect of which there is a heightened risk in light of updates to Costa's earnings guidance in recent months, 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.

34

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.

35

Key risks continued



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.

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 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 the citrus crop packed, to various countries including Japan, the United States, China and South Korea. 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.

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 and 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.

36

Key risks continued



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 seasonal workers, or should there be any mistreatment of labour 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.

37

Key risks continued



Costa may not be able to access capital markets or refinance debt on attractive terms

Costa relies on debt and equity funding to help fund its operations, and its banking facilities will periodically need to be refinanced. Costa may also seek to raise additional debt finance or new equity in the future to grow the business. If there is a deterioration in the level of debt and equity market liquidity, or the terms (including pricing) on which debt or equity is available, this may prevent Costa from being able to refinance some or all of its debt on current terms or at all, or raise new equity respectively.

Costa's debt obligations are also subject to compliance with certain financial covenants. If Costa fails to meet those covenants, Costa may be forced to repay those debt obligations on demand. Costa may also not be able to put in place new debt facilities on acceptable terms by the time existing debt facilities expire.

Environmental risk

Costa's operations are subject to various federal, state and local environmental laws and regulations, in particular with respect to environmental pollution, contaminated lands, the use of environmentally hazardous chemicals, wastes and pesticides and water treatment and management, and a range of licences and permits are required for Costa to operate its farming operations. If Costa is responsible for any environmental pollution or contamination, or found to be in breach of a term and condition of one of its licences or permits, Costa may incur substantial costs, including fines, damages, sanctions and remediation costs, experience interruptions in its operations or delays in obtaining or renewing subsequent licence permits, or suffer reputational damage for violations arising under these laws or permit requirements.

In particular, certain of Costa's farming operations generate by-products including, for example spent compost (in its mushroom operations). Failure to properly dispose of this spent compost could result in Costa incurring a financial penalty and/or impact Costa's brands and reputation which could have a materially adverse effect on the sales of Costa produce and the financial performance and position of Costa.

Costa must also manage waste water by-products in its farming operations. In particular, some of Costa's farming sites do not currently have a municipal sewer or stormwater connection to the site's drainage system. This can place significant pressure on those site's stormwater and wastewater practices, particularly where Costa's farming operations are located in areas with high levels of rainfall. This could result in Costa being liable for the damage caused and/or impact Costa's brands and reputation which could have a materially adverse effect on the sales of Costa's produce and the financial performance and position of Costa.

38

Key risks continued



General risks

Underwriting risk

The underwriting agreement relating to the Entitlement Offer sets out various events, the occurrence of which will entitle the underwriter to terminate the underwriting agreement. Accordingly, there is a risk that the underwriter may terminate its obligations under the underwriting agreement if any such events occur. 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;
- Costa alters its capital structure without the consent of the underwriter, other than by issuing New Shares under the Entitlement Offer;
- 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 of Costa is charged with certain indictable offences;
- a change in the CEO, the CFO or the board of directors occurs; or
- *a change in other senior management occurs.

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.

Renouncement risk

If you are an eligible shareholder, and you do not take up or sell your entitlements under the Entitlement 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 Entitlement 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 Entitlement Offer.

39

Key risks continued



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 Entitlement 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.

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.

40

International Offer Restrictions



This document does not constitute an offer of Entitlements or New Shares of Costa 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.

Canada (British Columbia, Ontario and Quebec provinces)

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 and Registration 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.

Costa 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 Costa or its directors or officers. All or a substantial portion of the assets of Costa and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Costa or such persons in Canada or to enforce a judgment obtained in Canadian courts against Costa 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.

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 Costa 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 Costa. 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 Costa, provided that (a) Costa will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, Costa is not liable for all or any portion of the damages that Costa 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.

41

International Offer Restrictions (continued)



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 par les présentes 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.*

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

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale, in the European Union 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 the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong SAR

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 SAR, nor has it been authorised by the Securities and Futures Commission in Hong Kong SAR pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong SAR (the "SFO"). No action has been taken in Hong Kong SAR 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 SAR 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 SAR or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong SAR (except if permitted to do so under the securities laws of Hong Kong SAR) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong SAR or only to professional investors. 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 SAR within six months following the date of issue of such securities.

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

Japan

The Entitlements and the New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Entitlements or New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Entitlements or New Shares is conditional upon the execution of an agreement to that effect.

42

International Offer Restrictions (continued)



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 Costa 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.

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 "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 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 and 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) 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 Costa'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.

43

International Offer Restrictions (continued)



Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the Entitlements and New Shares be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of Entitlement and New Shares in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The Entitlements and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of the Entitlements and the New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Entitlements and the New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

United Arab Emirates

Neither this document nor the Entitlements or 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. Costa has not received authorisation 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. No services relating to the Entitlements or the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates.

No offer or invitation to subscribe for Entitlements or New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither 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.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and these securities 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 the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Costa.

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 Promotions) Order 2005 ("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 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.

44



Appendix



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;• Costa’s proportionate share of joint venture sales relating to the African Blue (prior to Costa’s majority share acquisition); and• 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.
EBITDA before SGARA (EBITDA-SL)	Earnings before interest, tax, depreciation, material items & amortisation and fair value movements in biological assets (SGARA) and adoption of AASB16
NPAT-SL	Net profit after tax attributable to shareholders, but excluding material items, amortisation, SGARA and adoption of AASB16

4.3 Institutional Entitlement Offer results



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

ASX ANNOUNCEMENT

30 October 2019

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 underwritten¹ 1 for 4 pro rata accelerated renounceable entitlement offer with retail rights trading ("Entitlement Offer").

Key Highlights

- **Institutional Entitlement Offer successfully completed, raising approximately \$87 million**
- **Institutional Entitlement Offer was strongly supported by eligible Costa institutional shareholders, who took up approximately 88% of their Entitlements**
- **Institutional Shortfall Bookbuild clearing price of \$2.30 per New Share, representing a \$0.10 premium to the Offer Price of \$2.20 per New Share**
- **Costa shares recommence trading on the ASX today**
- **Retail Entitlement Offer opens on Wednesday, 6 November 2019**

On Monday, 28 October 2019, Costa announced an Entitlement Offer to raise approximately \$176m. The equity raising will strengthen Costa's balance sheet risk and ensure that Costa has an appropriate capital structure in place to support the continuation of the Company's growth strategy in light of the recent trading and market uncertainty.

The Institutional Entitlement Offer raised approximately \$87 million from subscriptions for new fully paid ordinary shares in Costa ("New Shares") at \$2.20 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 88%².

A bookbuild for Institutional Entitlement Offer shortfall shares was conducted on Tuesday, 29 October 2019 to Wednesday, 30 October 2019 ("Institutional Shortfall Bookbuild") and attracted strong demand from both

¹ Subject to the qualifications set out in Note 1 of slide 7 of the investor presentation issued by Costa dated 28 October 2019

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)



existing shareholders and other institutional investors. The bookbuild cleared at a price of \$2.30 per New Share, which represents a premium of \$0.10 to the Offer Price of \$2.20 per New Share.

Eligible institutional shareholders who elected not to take up their entitlements and certain ineligible institutional shareholders will receive \$0.10 for each entitlement sold through the Institutional Shortfall Bookbuild. This payment will be made on or around Tuesday 12 November 2019.

Costa Group CEO, Harry Debney noted the company was pleased with the outcome of the institutional entitlement offer.

"We are very pleased our shareholders have strongly supported the equity raising, which is part of a prudent approach to ensure Costa's balance sheet will continue to allow the company to deliver on current and future growth initiatives in order to deliver strong shareholder returns in the medium to long term.

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 \$0.10 for their renounced entitlements", said Mr Debney.

The next and final stage of the Entitlement Offer is the Retail Entitlement Offer which will open on Wednesday, 6 November 2019 and we encourage Costa's Eligible Retail Shareholders to carefully review the Retail Information Booklet which will be despatched to them on or around Wednesday, 6 November 2019 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 \$90 million. The Retail Entitlement Offer will open at 9.00am (AEDT) on Wednesday, 6 November 2019 and close at 5:00pm (AEDT) on Monday, 18 November 2019.

Under the Retail Entitlement Offer, eligible retail shareholders are being offered the opportunity to subscribe for 1 New Share for every 4 existing shares held as at the Record Date (7:00pm (AEDT) on Thursday, 31 October), at the Offer Price of \$2.20 per New Share.

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").

³ Trading on a deferred settlement basis from Wednesday, 30 October 2019 until Wednesday 6 November 2019, then trading on a normal settlement basis from Thursday, 7 November 2019 until Monday, 11 November 2019



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 29 November 2019.

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 Wednesday, 6 November 2019 ("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.

Eligible retail shareholders are shareholders who are registered as a holder of Costa shares as at the Record Date; have a registered address in Australia or New Zealand; are not in the United States or 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 do not hold shares on behalf of an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder (to that extent); and are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer ("Eligible Retail Shareholders").

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 (Wednesday, 30 October 2019) on an ex-entitlement basis.

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 opens	28 October 2019
Institutional Entitlement Offer closes	29 October 2019
Institutional bookbuild closes (8:00am AEDT)	30 October 2019
Costa shares recommence trading	30 October 2019
Retail rights commence trading (on deferred settlement basis) ⁷	30 October 2019
Entitlement Offer record date (7:00pm AEDT)	31 October 2019
Retail Information Booklet and Application and Entitlement Forms despatched to Eligible Retail Shareholders	6 November 2019
Retail Entitlement Offer opens	6 November 2019
Settlement of New Shares issued under Institutional Entitlement Offer	8 November 2019
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer	11 November 2019
Close of retail rights trading	11 November 2019
Retail Entitlement Offer closes (5:00pm AEDT)	18 November 2019
Retail Entitlement Offer shortfall bookbuild	21 November 2019
Settlement of New Shares issued under the Retail Entitlement Offer	26 November 2019
Allotment of New Shares issued under the Retail Entitlement Offer ("Final Allotment")	27 November 2019
New Shares under the Final Allotment commence trading on ASX on a normal settlement basis	28 November 2019
Despatch of confirmation for New Shares issued under the Final Allotment; Payment of Retail Premium (if any)	29 November 2019

⁵ All dates and times are indicative and subject to change without notice; AEDT refers to Australian Eastern Daylight 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 Monday, 28 October 2019. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

UBS AG, Australia Branch are acting as sole lead manager, bookrunner and underwriter to the Entitlement Offer. King & Wood Mallesons are serving as legal adviser to Costa.

If you have any questions in relation to the Entitlement Offer, please contact the Costa Offer Information Line on 1800 990 479 (within Australia), +61 1800 990 479 (outside Australia) at any time between 8:30am and 5:30pm (AEDT) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

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

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 released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. Any entitlements or securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("US Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, no securities described in this announcement may be offered, sold or resold, directly or indirectly, in the United States or to a person acting for the account or benefit of a person in the United States, unless they have been registered under the U.S. Securities Act (for which Costa has no obligation to do or procure), or are offered, sold or resold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

Section 5

Australian Taxation Implications

Australian Taxation Implications

62

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 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.

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

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 Wednesday, 6 November 2019. The Announcements included in this Retail Information Booklet are current as at Wednesday, 6 November 2019. The Retail Information Booklet remains subject to change without notice.

There may be additional announcements that have been made by Costa after Wednesday, 6 November 2019 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 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, 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 Wednesday, 30 October 2019 until Wednesday, 6 November 2019, and on a normal settlement basis from Thursday, 7 November 2019 until Monday, 11 November 2019 (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, 28 November 2019 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.

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.

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 (AEDT) on Monday, 18 November 2019, 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 required by Costa in its absolute discretion. In this case, the amount required to be repaid will be net of any

Additional information

69

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 has applied 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 1800 990 479 (within Australia) or +61 1800 990 479 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) 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 <http://investors.costagroup.com.au/investor-centre> from Wednesday, 6 November 2019.

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.

Additional information

70

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 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 Act 2013 and 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. 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 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 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;
- 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 of Costa is charged with certain indictable offences;
- a change in the CEO, the CFO or the board of directors occurs; or
- *a change in other senior management occurs.

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 Underwriting Agreement provides that the Underwriter will not be issued any shares that would either cause it to breach the 20% takeover threshold contained in Chapter 6D of the *Corporations Act 2001* (Cth) or Australia's published Foreign Investment Review Board policy or which would require notification under the *Foreign Acquisitions and Takeovers Act 1975* (Cth). The issue size is approximately 80.2 million shares or 20% of Costa's issued capital post completion of the Entitlement Offer. If the Underwriter was required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date; and (ii) given the total raising size is equal to 20% of Costa's post shares on issue, the number of excess shares above 20% would be equal to any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment, and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the offer at the same price as the Entitlement Offer price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement where there is an excess shortfall. The directors of Costa reserve the right to issue any shortfall (including any excess shortfall) under the Entitlement Offer at their discretion. Any excess shortfall will be allocated to the Underwriter or to third party investors as directed by the Underwriter. The basis of allocation of any other shortfall will be determined by the directors of Costa at their discretion.

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;
- 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:

1800 990 479 (within Australia)

+61 1800 990 479 (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
AEDT	Australian Eastern Daylight 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 Monday, 28 October 2019 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> <p>→ to whom ASX Listing Rule 7.7.1(a) does not apply; and</p> <p>→ who has successfully received an offer under the Institutional Entitlement Offer (as the Underwriter determines in its discretion),</p> <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

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 4 Existing Shares held on the Record Date (being 7.00pm (AEDT) on Thursday, 31 October 2019) 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 80 million New Shares to Eligible Shareholders in the proportion of 1 New Share for every 4 Existing Shares held on the Record Date (being 7.00pm (AEDT) on Thursday, 31 October 2019) 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 (AEDT) on Thursday, 31 October 2019)
Extended Parties	In respect of Costa or the Underwriter, each of their affiliates and related body corporates, 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, 26 November 2019)
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 → to whom ASX Listing Rule 7.7.1(a) applies; and <p>who either:</p> <ul style="list-style-type: none"> → is in the United States or is acting for the account or benefit of a person in the United States (to the extent such person, including a nominee or custodian, holds securities for the account or benefit of a person in the United States); or → has a registered address outside the Eligible Jurisdictions and any other jurisdictions as Costa and the Underwriter agree

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	<p>A person:</p> <ul style="list-style-type: none"> → 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 → 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>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 (AEDT) on Thursday, 31 October 2019) 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 Tuesday, 29 October 2019, and the Institutional Entitlements of Ineligible Institutional Shareholders, were on Wednesday, 30 October 2019
Investor Presentation	The investor presentation in connection with the Entitlement Offer dated Monday, 28 October 2019, 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	\$2.20 per New Share
Offer Ratio	1 New Share for every 4 Existing Shares
Record Date	The Entitlement Offer record date (being 7.00pm (AEDT) on Thursday, 31 October 2019)
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 (AEDT) on Monday, 18 November 2019)
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
Retail Entitlement Offer Period	The period from Wednesday, 6 November 2019 to Monday, 18 November 2019
Retail Entitlement Trading Period	The period from Wednesday, 30 October 2019 to Monday, 11 November 2019
Retail Information Booklet	This booklet dated Wednesday, 6 November 2019, 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 (AEDT) on Monday, 18 November 2019, and the Retail Entitlements of Ineligible Retail Shareholders, will be sold on Thursday, 21 November 2019
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

79

- 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 (AEDT) on Monday, 18 November 2019 (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) in reliance on Regulation S;

Eligible Retail Shareholder Declarations

80

- 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;
- 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
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: 1800 990 479
Outside Australia: +61 1800 990 479
Open 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer Period