

ASX ANNOUNCEMENT

18 December 2020

COSTA SIGNS LEASE IMPLEMENTATION DEED WITH MIRA

Costa Group Holdings Limited (ASX: CGC), Australia's leading grower, packer and marketer of fresh fruit and vegetables announces it has signed a Lease Implementation Deed with Macquarie Infrastructure and Real Assets ("MIRA") for those farms Costa currently leases from Vitalharvest. The Deed will only take effect if MIRA's offer is successful to either acquire 100% of the issued units in Vitalharvest by way of a trust scheme, or all the assets of Vitalharvest if the trust scheme is not approved.

There are seven farms currently leased by Costa from Vitalharvest, which include three citrus farms in South Australia and four berry farms (two in NSW and two in Tasmania). The two large citrus packing sheds which pack Costa and third-party grower fruit are owned and operated by Costa.

The Lease Implementation Deed entered into with MIRA provides for a fixed rent lease agreement for each of the seven farms, for 20 years plus a ten-year option. The rent yields reflect current market conditions for large scale horticulture assets and the terms are otherwise consistent with existing agreements Costa has with MIRA.

Costa's existing leases for these farms contain both fixed and variable rent components and would be subject to a market rental review if renewed in 2026. The fixed rental and twenty-year duration of the new leases will, if implemented, provide long term rental certainty for Costa in relation to these citrus and berry assets.

In the event the new leases between Costa and MIRA are realised, they are expected to be value accretive over the medium to longer term.

Authorised by David Thomas, Company Secretary

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 4,700+ planted hectares of farmland, 30 hectares of glasshouse facilities and three mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and four berry farms in China.

For further information contact:

Michael Toby – Group Corporate Affairs Manager T: +613 8363 9071