

4 January 2024

Camellia Plc
(the "Company" or the "Group")

Update on refocussing investments and Bardsley England

Progress in refocussing investments

BF&M

As announced on 6 June 2023, we agreed the sale of our 37% holding in BF&M to Bermuda Life Insurance Company Limited, a subsidiary of Argus Group Holdings Limited ("Argus") for a cash consideration of \$100m (the "Sale"), conditional on receipt of a number of regulatory and tax approvals.

Following the announcement of this proposed disposal, BF&M's board implemented a shareholder rights agreement, the objective of which was to act as a 'poison pill' in the event of any new shareholder seeking to register a more than 15% shareholding without BF&M's consent. This shareholder rights agreement has since been removed. However, BF&M has since separately announced a partnership with Equilibria Capital Management Limited (Argus' major shareholder) under which Equilibria will grant BF&M an exclusive option to acquire a 13.7% stake in Argus. As part of this partnership, BF&M has also committed to a significant investment in a dedicated Equilibria investment fund which will include the initial investment in respect of a 16.3% stake in Argus.

These developments have impacted the anticipated timetable for regulatory approvals for the Sale such that we now expect it to be delayed into Q1 2024.

Collections

In line with the stated strategy, the Company sold a significant number of items from the manuscript collection, predominantly at auction in December 2023, generating net proceeds of approximately £2.6 million. A gain on disposal of approximately £1.9 million will be reflected in the 2023 results.

Bardsley England

Since acquisition and as previously announced, Bardsley England has consistently failed to perform to expectation incurring significant losses in each year. A combination of factors has contributed to this unacceptable outcome. These include above inflation increases in labour costs, due to government policy on pay for seasonal workers which had a consequent impact on wage rates for permanent workers. In addition, very high inflation in electricity, fertiliser, chemicals and fuel costs as a result of the Ukraine war had an indirect inflationary impact on other costs. Although consumers have experienced significant food inflation, key retail customers have continued to resist any meaningful selling price increases. The sales programme for the Bardsley's 2023 harvest is in place but unfortunately prices achieved are insufficient to make any meaningful headway into the cost inflation experienced over the last two years. Attempts to mitigate cost increases through the restructurings undertaken in 2021 and again in early 2023 have had limited impact.

Most of the UK top fruit sector is experiencing difficulties and many producers have removed orchards, discontinued planting and in the worst cases stopped farming. Similar cases are reported in the wider fresh produce sector.

Considering the trading environment, and despite the significant efforts made by Bardsley's management to increase efficiency and to explore new more profitable markets, it has become apparent that there is no reasonable turnaround plan which would result in a profitable business. The losses are unsustainable and as a result Bardsley England is now consulting with its employees on a proposed orderly wind down of the business. Customer's programmes for the 2023 harvest will be supported with closure of all operations expected in Q2 2024. In the meantime, Bardsley England is seeking to maximise the value realisation from its assets.

An update on Group trading will be provided when appropriate.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation.

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