CAMELLIA PLC

INTERIM REPORT 2026

Contents

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Chief executive's statement

The financial results achieved by Camellia in the first half of each year provide only a limited indication of the likely full-year outcome. The more significant components of the year's results generally emerge during the latter part of the third quarter and in the fourth quarter.

Overall, trading results for the first half of 2026 were better than the corresponding period for 2025. While revenue (£104.6 million) was 3% lower due to the sale of three loss-making Indian tea gardens, the trading result improved to a loss of £5.0 million from a loss of £9.6 million in H1 2025. This was as a result of strong cost discipline, efficiency measures and improved yields and pricing.

The group results in the first half of 2026 represent better results in our Indian, Bangladeshi and Kenyan tea businesses but a weaker outcome from Kakuzi, our Kenyan avocado and macadamia business, and our Malawian operations. The results in other businesses are largely in line with the prior year's performances. More detail on each of the businesses is provided in the Operational Report.

In May 2025, the Company announced its medium-term Value Enhancement Plan ('VEP'), which is directing its efforts to restore sustainable profitability. The VEP is intended to improve profitability, reduce portfolio risk and accelerate growth. In January 2026, the Board set two priorities for the year: to support the Operating Companies in delivering sustainable efficiency improvements and to substantially complete the disposal of UK-based non-operating assets.

The Operating Companies continued their efforts to reduce their costs of production, with some success during the first half. However, part of this progress was offset by increases in fuel, fertiliser and energy costs arising from the war in Iran. The conflict has also had two more specific effects: restrictions on Red Sea transit have lengthened avocado shipping times and affected product quality on arrival in Northern Europe; and JING, the Group's UK packet tea business, has experienced a substantial decline in demand from Middle Eastern customers, one of its largest markets.

The Company has made good progress in the disposal of its non-operating assets. Following the sale of Linton Park and several other estate properties earlier this year, substantially all the UK investment properties have now been sold. The Company has also progressed the disposal of its art and stamp collections, including the successful sale of its Indian art, and expects this programme of disposals to be substantially complete by the end of 2026. Non-operating asset disposals generated cash proceeds of £29.2 million and profits of £18.4 million, which will be available to fund growth investment.

Alongside these priorities, the Company has continued to progress its four announced growth projects, as well as assess further investment opportunities to increase the pipeline of revenue growth, diversify revenue, and reduce portfolio risk.

At this relatively early stage in their implementation, all four growth projects are proceeding to plan. These are material projects with total capex of £15 million committed over the next five years targeting circa £35 million of new annual revenue by 2035.

The Company's Indian business completed the sale of Chalouni, its third tea garden disposal in India, during the first half for £1.5 million with a profit on disposal of £0.5 million. As with the two gardens sold in 2025, the disposal is consistent with the VEP objective of reducing portfolio risk.

With regard to the outlook for the full year 2026 the Company continues to face logistics, cost and market demand challenges as noted above. These factors, together with uncertain price and crop yield outcomes, make predicting full-year results difficult. Net income in the second half may benefit from further gains on asset sales, although less substantial than those in H1 2026.

The principle uncertainty in the remaining months of the year and into 2027 with be El Niño. Any impact from the phenomenon is likely to be most significantly experienced in our South African and Malawian businesses.

At the AGM in June 2026 all resolutions put to shareholders were passed, including approval of the final dividend of 260p per ordinary share, the appointment of BDO LLP as auditor and the adoption of new Articles of Association.

This year, Frédéric Vuilleumier and Rachel English retired from the Board. The Company thanks them for their service. In July 2026, the Company appointed Orli Arav as an independent Non-Executive Director.

Operational report

India

India reported a trading loss of £3.3 million for H1 2026, compared with a trading loss of £9.9 million in H1 2025. Bulk tea production increased to 10.1 million kg from 9.3 million kg in the prior year, supported by favourable weather conditions. The average bulk tea selling price increased to Rs321/kg from Rs280/kg in H1 2025. Revenue decreased to £31.1 million from £33.6 million due to the impact of the sale of three tea gardens.

The Chalouni tea estate was sold in April 2026 with gross proceeds of £1.5 million. This takes the number of estates sold to three.

Packet tea trading profits rose to £0.7 million (2025: £0.6 million) primarily due to higher realised prices. Work continues to re-focus this business unit on higher-margin product lines. Instant tea trading profit was £0.5 million (2025: £0.4 million), again driven by higher realised prices.

Bangladesh

Bangladesh reported a trading loss of £3.2 million for H1 2026, compared with a trading loss of £4.6 million in H1 2025. Tea production increased to 3.4 million kg from 3.0 million kg in the prior year. The average tea selling price increased to Tk261/kg from Tk188/kg in H1 2025. Despite higher crop production and higher prices, revenue decreased to £6.5 million from £7.3 million, reflecting lower 2025 year-end inventory compared to the prior year.

The Tea Board of Bangladesh minimum pricing mechanism remained in place during the period. The 2026 minimum price for tea has been set at 245 Taka per kg. The business continues to look at ways to improve operational efficiency, including through mechanisation, the use of employee facial recognition systems to record employee attendance and production, and the payment of wages through mobile phone technology. Opportunities to realise cash through the sale of non-operating assets continue to be explored.

Eastern Produce Kenya

Eastern Produce Kenya reported a trading profit of £1.6 million in H1 2026, compared with a trading loss of £0.2 million in H1 2025. Tea production increased to 10.7 million kg from 10.2 million kg in the prior year. The average realised selling price increased to US$1.94/kg from US$1.82/kg in H1 2025. Revenue increased to £17.9 million from £16.7 million, with improved gross profit more than offsetting higher operational and administrative costs.

Kakuzi

Kakuzi reported a trading loss of £0.1 million in H1 2026, compared with a trading profit of £2.5 million in H1 2025. Avocado production in the period was slightly mixed, with Hass and Carmen volumes ahead of the prior year and Pinkerton broadly in line. Revenue decreased to £5.6 million from £8.3 million, principally reflecting timing of Hass avocado sales and weaker macadamia pricing. The anticipated lighter avocado crop and disrupted shipping routes negatively impacted the results for the period. Macadamia production increased to 428 tonnes from 413 tonnes, but the average macadamia selling price decreased to US$9.72/kg from US$11.56/kg in H1 2025.

Malawi

Malawi reported a trading profit of £2.9 million in H1 2026, compared with a trading profit of £5.0 million in H1 2025. Revenue increased to £24.0 million from £19.2 million. Underlying agricultural performance was more mixed: tea production decreased to 14.7 million kg from 15.0 million kg, while average tea prices decreased to US$1.15/kg from US$1.18/kg. Macadamia production declined to 361 tonnes from 430 tonnes. Cost pressures remained significant, particularly in macadamia production.

Tanzania

Tanzania reported a trading loss of £0.4 million in H1 2026, compared with a trading loss of £0.9 million in H1 2025. The improvement reflected lower administrative costs and a positive movement in gross profit. Development of the Tanzania avocado operation continues: 55 Ha of new orchards have been planted in H1 2026. The total newly planted area is expected to reach 100 Ha by the end of the year. Construction of the one-million-cubic-metre Mgagao dam is progressing, with completion expected by the end of November 2026. A new avocado packhouse is also under construction and is expected to be operational for the 2026 crop harvested in the fourth quarter of 2026.

South Africa

South Africa reported a trading profit of £0.1 million, compared with a trading loss of £0.2 million in H1 2025. Revenue decreased to £0.3 million from £0.5 million, reflecting weaker macadamia pricing and sales phasing. Macadamia production increased to 155 tonnes from 111 tonnes, but average selling prices decreased to US$6.40/kg from US$9.65/kg.

Brazil

Brazil reported a trading profit of £1.9 million in H1 2026, compared with a trading profit of £2.0 million in H1 2025. Revenue increased to £6.2 million from £5.5 million, with gross profit supported by the fair value movement on biological assets and stronger production economics. Soya production increased to 17,968 tonnes from 17,489 tonnes, while maize production increased to 5,471 tonnes from 5,397 tonnes. Soya selling prices were broadly in line with the prior year at R$2,116/tonne, while maize prices decreased to R$1,152/tonne from R$1,211/tonne. Cost of production increased in the period, due to higher fertiliser and fuel costs.

Other businesses

The non-core businesses reported a trading profit of £0.1 million in H1 2026, compared with a trading profit of £1.2 million in H1 2025. AJT Engineering's revenue decreased to £8.9 million from £13.0 million due to reductions in Engineering orders and phasing of the Site Services work. The business recorded a trading loss of £0.2 million (2025: £1.4 million profit) because of the reduced activity and adverse project timing. JING Tea's revenue increased to £3.6 million from £3.1 million, while its trading loss narrowed to £0.2 million from £0.5 million in H1 2025. Higher distribution and operating costs and weaker demand in key Middle Eastern markets continued to affect the business. EP Cape generated revenue of £0.3 million and recorded a trading loss of £0.1 million.

Corporate and exceptional items

Corporate and central items benefited materially from disposal activity and treasury gains. Profit on disposal of assets classified as held for sale was £18.4 million, while profit on disposal of tea estates was £0.5 million. Other gains and losses were £0.4 million, reflecting exchange gains on US treasury deposits partly offset by a hyperinflationary monetary loss related to Malawi. Group net cash was £51.6 million at 30 June 2026 (2025: 36.9 million), and total liquidity, including cash, money market holdings, gilts and treasury deposits, was £133.2 million (2025: 101.7 million).

Key crops production and price range table

The table below compares production and average selling prices for the Operating Companies' key crops in H1 2026 and H1 2025. It also presents FY 2025 outcomes and, where available, the current FY 2026 estimates.

Production is primarily influenced by weather during the growing season. Pricing dynamics vary by country and crop and reflect local and global supply, as well as demand.

Country / business	Metric	Unit	*H1 2025*	H1 2026	*FY 2025*	FY 2026 current estimate
Bangladesh	Tea production	million kg	*3.0*	3.4	*13.5*	13.5 – 14.5
Bangladesh	Average tea selling price	Tk/kg	*187.6*	261.23	*222.23*	230 – 250
India	Bulk tea production	million kg	*9.3*	10.1	*27.8*	28 – 30
India	Average bulk tea selling price	Rs/kg	*280*	321	*268*	245 – 265
EP Kenya	Tea production	million kg	*10.2*	10.7	*22.0*	22.0 – 25.5
EP Kenya	Average tea selling price	US$/kg	*1.82*	1.94	*1.78*	1.90 – 2.00
Kakuzi*						
Malawi	Tea production	million kg	*15.0*	14.7	*23.2*	17 – 20
Malawi	Average tea selling price	US$/kg	*1.18*	1.15	*1.13*	1.15 – 1.25
Malawi	Macadamia production	tonnes	*430*	361	*528*	415 – 430
Malawi	Average macadamia selling price	US$/kg	*10.29*	–	*11.50*	9.50 – 10.50
South Africa	Macadamia production	tonnes	*111*	155	*411*	436
South Africa	Average macadamia selling price	US$/kg	*9.65*	6.40	*10.92*	9.50 – 10.50
Brazil	Soya production	tonnes	*17,489*	17,968	*17,630*	18,079
Brazil	Average soya selling price	R$/tonne	*2,118*	2,116	*2,127*	2,161
Brazil	Maize production	tonnes	*5,397*	5,471	*16,946*	15,625
Brazil	Average maize selling price	R$/tonne	*1,211*	1,152	*1,102*	1,081

** As Kakuzi is a listed entity, it is not possible to provide unpublished forward-looking guidance or unpublished current year data. More information about Kakuzi performance is available at https://www.kakuzi.co.ke/investors.*

Interim Management Report

The CEO's Statement and Operational Report form part of this report and it includes information about important events that have occurred during the six months ended 30 June 2026 and their impact on the financial statements set out herein.

Principal risks and uncertainties

The Report of the Directors in the statutory financial statements for the year ended 31 December 2025 (available on the Company's website: www.camellia.plc.uk) highlighted risks and uncertainties that could have an impact on the Group's businesses. These risks and uncertainties continue to be relevant for the remainder of the year. In addition, the Operational Report included in this report refers to certain specific risks and uncertainties that the Group is presently facing.

Statement of Directors' Responsibilities

The Directors confirm that these condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting', and that the interim management report herein includes a fair review of the information required by sections 4.2.7 and 4.2.8 of the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The Directors of Camellia Plc are listed in the Camellia Plc statutory financial statements for the year ended 31 December 2025, except for Frédéric Vuilleumier who resigned on 4 June 2026 and on 2 July 2026, Orli Arav was appointed as independent non-executive Director. There have been no other subsequent changes of Directors and a list of current Directors is maintained on the Group's website at www.camellia.plc.uk.

By order of the Board

Simon Turner
Chairman

2 September 2026

Condensed Consolidated Income Statement

for the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Continuing operations				
Revenue	5	104.6	*107.7*	*268.0*
Cost of sales		(86.2)	*(91.8)*	*(212.2)*
Gross profit		18.4	*15.9*	*55.8*
Other operating income		1.7	*1.6*	*2.8*
Distribution costs		(5.4)	*(7.0)*	*(18.7)*
Administrative expenses		(19.7)	*(20.1)*	*(38.9)*
Trading (loss)/profit	5	(5.0)	*(9.6)*	*1.0*
Profit on disposal of assets classified as held for sale	7	18.4	*1.5*	*1.6*
Profit on disposal of tea estates, properties and heritage assets		0.5	*1.0*	*4.7*
Impairments of held for sale assets, bearer plants and investment properties		–	*–*	*(1.3)*
Other gains and losses	8	0.4	*(4.2)*	*(5.1)*
Profit on disposal and fair value movements on money market investments		0.2	*0.1*	*0.3*
Operating profit/(loss)	6	14.5	*(11.2)*	*1.2*
Investment income		–	*0.3*	*0.5*
Finance income		2.5	*2.8*	*5.2*
Finance costs		(1.3)	*(1.4)*	*(3.4)*
Net exchange gain/(loss)		0.2	*(0.6)*	*0.2*
Employee benefit expense		(0.3)	*(0.3)*	*(0.7)*
Net finance income	9	1.1	*0.5*	*1.3*
Profit/(loss) before tax	6	15.6	*(10.4)*	*3.0*
Taxation	10	(3.3)	*(1.3)*	*(7.2)*
Profit/(loss) for the period from continuing operations		12.3	*(11.7)*	*(4.2)*
Profit for the period from discontinued operations		–	*–*	*0.1*
Profit/(loss) after tax		12.3	*(11.7)*	*(4.1)*
Profit/(loss) attributable to:				
Owners of Camellia Plc		11.8	*(11.8)*	*(4.9)*
Non-controlling interests		0.5	*0.1*	*0.8*
		12.3	*(11.7)*	*(4.1)*
Profit/(loss) per share - basic and diluted				
From continuing operations	12	466.8p	*(429.0)p*	*(190.5)p*
From continuing and discontinued operations	12	466.8p	*(429.0)p*	*(186.7)p*

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2026

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Profit/(loss) for the period	12.3	*(11.7)*	*(4.1)*
Other comprehensive income/(expense):			
Items that will not be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income:			
Fair value adjustment for the financial assets disposed	(0.1)	*0.1*	*0.9*
Unwind of deferred tax on financial assets	(0.4)	*(0.4)*	*1.8*
Changes in the fair value of financial assets	1.6	*2.0*	*2.1*
Remeasurements of post employment benefit obligations	0.8	*1.4*	*3.7*
Deferred tax movement in relation to post employment benefit obligations	(0.3)	*–*	*(0.7)*
	1.6	*3.1*	*7.8*
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences	0.9	*(15.8)*	*(10.5)*
	0.9	*(15.8)*	*(10.5)*
Other comprehensive income/(expense) for the period, net of tax	2.5	*(12.7)*	*(2.7)*
Total comprehensive income/(expense) for the period	14.8	*(24.4)*	*(6.8)*
Total comprehensive income/(expense) attributable to:			
Owners of Camellia Plc	14.1	*(21.7)*	*(6.3)*
Non-controlling interests	0.7	*(2.7)*	*(0.5)*
	14.8	*(24.4)*	*(6.8)*

Condensed Consolidated Balance Sheet

at 30 June 2026

	Notes	30 June 2026 £'m	*30 June 2025 £'m*	*31 December 2025 £'m*
ASSETS				
Non-current assets				
Intangible assets		4.4	*4.6*	*4.5*
Property, plant and equipment	13	137.4	*133.9*	*136.9*
Right-of-use assets		11.4	*11.5*	*11.7*
Investment properties		1.2	*12.2*	*1.2*
Biological assets		15.7	*13.7*	*14.7*
Equity investments at fair value through other comprehensive income		14.8	*27.3*	*14.6*
Money market investments at fair value through profit or loss		5.7	*5.9*	*5.7*
Held for maturity investments at amortised cost	14	20.5	*20.0*	*35.3*
Other investments - heritage assets		2.0	*7.0*	*2.0*
Retirement benefit surplus	19	2.3	*–*	*1.4*
Trade and other receivables	15	1.7	*2.0*	*1.7*
Total non-current assets		217.1	*238.1*	*229.7*
Current assets				
Inventories		55.7	*52.9*	*38.6*
Biological assets		7.6	*8.2*	*8.7*
Trade and other receivables	15	60.3	*39.9*	*41.0*
Money market investments at fair value through profit or loss		0.5	*0.1*	*0.4*
Held for maturity investments at amortised cost	14	15.0	*–*	*–*
Treasury deposits at amortised cost		42.3	*45.4*	*40.9*
Current income tax assets		0.4	*0.5*	*0.7*
Cash and cash equivalents (excluding bank overdrafts)		66.3	*55.5*	*65.9*
		248.1	*202.5*	*196.2*
Assets classified as held for sale	16	3.3	*0.6*	*14.1*
Total current assets		251.4	*203.1*	*210.3*

	Notes	30 June 2026 £'m	*30 June 2025 £'m*	*31 December 2025 £'m*
LIABILITIES				
Current liabilities				
Financial liabilities - borrowings	17	(14.9)	*(22.5)*	*(12.3)*
Lease liabilities		(0.7)	*(0.6)*	*(0.8)*
Trade and other payables		(58.4)	*(52.0)*	*(43.8)*
Current income tax liabilities		(4.2)	*(1.0)*	*(2.7)*
Employee benefit obligations	19	(0.7)	*(0.7)*	*(0.5)*
Provisions	18	(9.6)	*(9.2)*	*(6.9)*
Total current liabilities		(88.5)	*(86.0)*	*(67.0)*
Net current assets		162.9	*117.1*	*143.3*
Total assets less current liabilities		380.0	*355.2*	*373.0*
Non-current liabilities				
Financial liabilities - borrowings	17	(2.2)	*(2.7)*	*(2.3)*
Lease liabilities		(6.8)	*(7.1)*	*(7.0)*
Deferred tax liabilities		(27.5)	*(25.8)*	*(27.4)*
Employee benefit obligations	19	(6.8)	*(7.2)*	*(6.8)*
Total non-current liabilities		(43.3)	*(42.8)*	*(43.5)*
Net assets		336.7	*312.4*	*329.5*
EQUITY				
Called up share capital	20	0.3	*0.3*	*0.3*
Share premium		15.3	*15.3*	*15.3*
Reserves		283.5	*260.9*	*276.0*
Equity attributable to owners of Camellia Plc		299.1	*276.5*	*291.6*
Non-controlling interests		37.6	*35.9*	*37.9*
Total equity		336.7	*312.4*	*329.5*

	Notes	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Cash (used in)/generated from operations				
Cash flows from operating activities	21	(8.1)	*(17.5)*	*10.1*
Interest received		2.6	*2.8*	*4.4*
Interest paid		(1.1)	*(1.4)*	*(3.1)*
Income taxes paid		(2.1)	*(1.7)*	*(3.4)*
Contribution to defined benefit pension plan		(0.5)	*(0.5)*	*(1.0)*
Net cash (used by)/generated from operating activities		(9.2)	*(18.3)*	*7.0*
Net cash used by discontinued operations		–	*(0.1)*	*(0.1)*
Net cash flow (used by)/generated from operations		(9.2)	*(18.4)*	*6.9*
Cash flows from investing activities				
Purchase of property, plant and equipment		(5.5)	*(5.0)*	*(11.9)*
Proceeds from sale of non-current assets		1.3	*3.8*	*11.8*
Proceeds from sale of assets held for sale		13.9	*7.6*	*8.4*
Biological assets: non-current - net (additions)/disposals		(0.6)	*0.4*	*(0.2)*
Dividends received from discontinued operations		–	–	*0.1*
Purchase of investments		(6.8)	*(34.5)*	*(46.1)*
Proceeds from sale of investments		7.3	*6.9*	*22.8*
Income from investments		–	0.3	0.5
Net cash generated from/(used by) investing activities		9.6	*(20.5)*	*(14.6)*
Net cash used by investing activities - discontinued operations		–	–	*(0.1)*
Net cash flow generated from/(used by) investing activities		9.6	*(20.5)*	*(14.7)*

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Cash flows from financing activities				
Equity dividends paid		–	–	*(6.6)*
Purchase of own shares		–	*(12.7)*	*(12.7)*
Dividends paid to non-controlling interests		(1.0)	*(0.7)*	*(0.8)*
New loans		–	*1.2*	–
Loans repaid		(0.4)	*(0.5)*	*(0.9)*
Payments of lease liabilities		(0.5)	(0.3)	(0.8)
Net cash flow used by financing activities		(1.9)	*(13.0)*	*(21.8)*
Net cash from financing activities - discontinued operations		–	–	–
Net cash flow used by financing activities		(1.9)	*(13.0)*	*(21.8)*
Impact of hyperinflation		0.1	*0.4*	*(0.8)*
Net decrease in cash and cash equivalents from continuing operations		(1.4)	*(51.4)*	*(30.2)*
Net cash outflow from discontinued operation		–	*(0.1)*	*(0.2)*
Cash and cash equivalents at beginning of period - continuing (including cash with restrictions)		54.1	*83.6*	*83.6*
Cash and cash equivalents at beginning of period - discontinued		–	*0.2*	*0.2*
Exchange (losses)/gains on cash		(1.1)	2.2	0.7
Cash and cash equivalents at end of period - continuing (including cash with restrictions)		51.6	*34.4*	*54.1*
Cash and cash equivalents at end of period - discontinued		–	*0.1*	–
Cash and cash equivalents at end of period - total (including cash with restrictions)	22	51.6	*34.5*	*54.1*

For the purposes of the cash flow statement, cash and cash equivalents are included net of overdrafts repayable on demand.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026

	Notes	Share capital £'m	Share premium £'m	Treasury shares £'m	Retained earnings £'m	Other reserves £'m	Total £'m	Non-controlling interests £'m	Total equity £'m
		Attributable to the owners of Camellia plc							
At 1 January 2025		0.3	15.3	(0.4)	320.0	(26.7)	308.5	39.2	347.7
Loss for the period		–	–	–	(11.8)	–	(11.8)	0.1	(11.7)
Other comprehensive expense for the period		–	–	–	1.0	(10.9)	(9.9)	(2.8)	(12.7)
Transfer of realised gains on disposal of financial assets		–	–	–	2.0	(2.0)	–	–	–
Purchase of own shares	20	–	–	–	(4.0)	–	(4.0)	–	(4.0)
Dividends	11	–	–	–	(6.6)	–	(6.6)	(0.7)	(7.3)
Translation of hyperinflationary results		–	–	–	–	0.3	0.3	0.1	0.4
At 30 June 2025		0.3	15.3	(0.4)	300.6	(39.3)	276.5	35.9	312.4
At 1 January 2025		0.3	15.3	(0.4)	320.0	(26.7)	308.5	39.2	347.7
Loss for the period		–	–	–	(4.9)	–	(4.9)	0.8	(4.1)
Other comprehensive expense for the period		–	–	–	5.4	(6.8)	(1.4)	(1.3)	(2.7)
Transfer of realised gains on disposal of financial assets		–	–	–	9.4	(9.4)	–	–	–
Purchase of own shares	20	–	–	–	(4.0)	–	(4.0)	–	(4.0)
Dividends	11	–	–	–	(6.6)	–	(6.6)	(0.8)	(7.4)
At 31 December 2025		0.3	15.3	(0.4)	319.3	(42.9)	291.6	37.9	329.5
Profit for the period		–	–	–	11.8	–	11.8	0.5	12.3
Other comprehensive income for the period		–	–	–	0.1	2.2	2.3	0.2	2.5
Transfer of realised gains on disposal of financial assets		–	–	–	0.3	(0.3)	–	–	–
Dividends	11	–	–	–	(6.6)	–	(6.6)	(1.0)	(7.6)
At 30 June 2026		0.3	15.3	(0.4)	324.9	(41.0)	299.1	37.6	336.7

1. Basis of preparation

These financial statements are the interim condensed consolidated financial statements of Camellia Plc, a company registered in England, and its subsidiaries (the Group) for the six month period ended 30 June 2026 (the Interim Report). The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Report and Accounts (the Annual Report) for the year ended 31 December 2025.

The financial information contained in this interim report has not been audited and does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2025 has been delivered to the Registrar of Companies. The auditors' opinion on these accounts was unqualified and does not contain an emphasis of matter paragraph or a statement made under Section 498(2) and Section 498(3) of the Companies Act 2006.

The interim condensed financial statements have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (IFRS) including IAS 34 "Interim Financial Reporting". For these purposes, IFRS comprise the Standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by the IFRS Interpretations Committee (IFRS IC).

These interim condensed consolidated financial statements were approved by the Board of Directors on x September 2026. At the time of approving these financial statements, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Changes to accounting policies

These interim condensed financial statements have been prepared on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2025. Amendments to IFRSs effective for the financial year ending 31 December 2026 are not expected to have a material impact on the Group.

3. Going concern

The Directors considered the impact of the current strategy and trading environment as set out in the Chairman's Statement and operating review on the business for the next 15 months. We have considered variables which may impact on revenue, profits and cash flows. In light of the nature of our business, we expect our agriculture businesses will continue to operate broadly as currently.

At 30 June 2026, the Group had cash and cash equivalents of £66.3 million, treasury deposits of £42.3 million, gilts investments of £35.5 million and money market investments of £6.2 million, totalling £150.3 million. In addition, the Group had a portfolio of investments with a fair market value of £14.6 million. Group borrowing was £17.1 million. It is expected that short-term loans and overdrafts due for renewal during the next 12 months will be renewed in the ordinary course of business.

During the period, the Group disposed of a number of assets that had been previously classified as held for sale, which will generate an additional £15.7 million of cash, when these proceeds are received.

The Directors believe that the Company and the Group are well placed to manage their financing and other business risks satisfactorily and have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. The Directors therefore continue to adopt the going concern basis in preparing the financial statements.

4. Cyclical and seasonal factors

Due to climatic conditions the Group's tea operations in India and Bangladesh produce most of their crop during the second half of the year. Tea production in Kenya remains at consistent levels throughout the year but in Malawi the majority of tea is produced in the first six months.

Soya in Brazil is generally harvested in the first half of the year. The majority of the macadamia crop in Malawi and South Africa is harvested in the second half of the year but in Kenya the majority of macadamia is harvested in the first half. Avocados in Kenya are mostly harvested in the second half of the year.

There are no other cyclical or seasonal factors which have a material impact on the trading results.

5. Segment reporting

Six months ended 30 June 2026

Continuing operations	Bangladesh £'m	India £'m	EP Kenya £'m	Kakuzi £'m	Malawi £'m	South Africa £'m	Tanzania £'m	Brazil £'m	Other £'m	Corporate £'m	Total £'m
Revenue											
External sales	6.5	31.1	17.9	5.6	24.0	0.3	–	6.2	12.9	0.1	104.6
Trading (loss)/profit	(3.2)	(3.3)	1.6	(0.1)	2.9	0.1	(0.4)	1.9	0.1	(4.6)	(5.0)
Profit on disposal of assets classified as held for sale	–	–	–	–	–	–	–	–	–	18.4	18.4
Profit on disposal of tea estate	–	0.5	–	–	–	–	–	–	–	–	0.5
Other gains and losses	–	–	–	–	(0.1)	–	–	–	–	0.5	0.4
Profit on disposal and fair value movements on money market investments	–	0.2	–	–	–	–	–	–	–	–	0.2
Operating profit/(loss)	(3.2)	(2.6)	1.6	(0.1)	2.8	0.1	(0.4)	1.9	0.1	14.3	14.5
Comprising											
– adjusted operating (loss)/profit before tax	(3.2)	(3.1)	1.6	(0.1)	2.8	0.1	(0.4)	1.9	0.1	(4.1)	(4.4)
– profit on disposal of assets classified as held for sale	–	–	–	–	–	–	–	–	–	18.4	18.4
– profit on disposal of tea estate	–	0.5	–	–	–	–	–	–	–	–	0.5
	(3.2)	(2.6)	1.6	(0.1)	2.8	0.1	(0.4)	1.9	0.1	14.3	14.5
Net finance income/(cost)	(0.5)	(0.2)	0.1	0.1	(0.4)	(0.4)	(0.3)	0.1	(0.2)	2.8	1.1
Profit/(loss) before tax	(3.7)	(2.8)	1.7	–	2.4	(0.3)	(0.7)	2.0	(0.1)	17.1	15.6
Taxation											(3.3)
Profit for the period from continuing operations											12.3
Profit for the period from discontinued operations											–
Profit after tax											12.3

5. Segment reporting *(continued)*

Six months ended 30 June 2025

Continuing operations	*Bangladesh £'m*	*India £'m*	*EP Kenya £'m*	*Kakuzi £'m*	*Malawi £'m*	*South Africa £'m*	*Tanzania £'m*	*Brazil £'m*	*Other £'m*	*Corporate £'m*	*Total £'m*
Revenue											
External sales	7.3	33.6	16.7	8.3	19.2	0.5	–	5.5	16.3	0.3	107.7
Trading (loss)/profit	(4.6)	(9.9)	(0.2)	2.5	5.0	(0.2)	(0.9)	2.0	1.2	(4.5)	(9.6)
Profit on disposal of assets classified as held for sale	–	0.7	–	–	–	–	–	–	–	0.8	1.5
Profit on disposal of tea estate, property and heritage assets	–	0.5	–	–	–	–	–	–	–	0.5	1.0
Other gains and losses	–	–	–	–	(0.8)	–	–	–	–	(3.4)	(4.2)
Profit on disposal and fair value movements on money market investments	–	0.1	–	–	–	–	–	–	–	–	0.1
Operating (loss)/profit	(4.6)	(8.6)	(0.2)	2.5	4.2	(0.2)	(0.9)	2.0	1.2	(6.6)	(11.2)
Comprising											
- adjusted operating (loss)/profit before tax	(4.6)	(9.8)	(0.2)	2.5	4.2	(0.2)	(0.9)	2.0	1.2	(7.9)	(13.7)
- profit on disposal of assets classified as held for sale	–	0.7	–	–	–	–	–	–	–	0.8	1.5
- profit on disposal of tea estate, property and heritage assets	–	0.5	–	–	–	–	–	–	–	0.5	1.0
	(4.6)	(8.6)	(0.2)	2.5	4.2	(0.2)	(0.9)	2.0	1.2	(6.6)	(11.2)
Investment income	–	–	–	–	–	–	–	–	–	0.3	0.3
Net finance income/(cost)	(0.6)	(0.3)	0.2	0.1	(0.5)	(0.4)	(0.3)	1.0	(0.2)	1.5	0.5
(Loss)/profit before tax	(5.2)	(8.9)	–	2.6	3.7	(0.6)	(1.2)	3.0	1.0	(4.8)	(10.4)
Taxation											(1.3)
Loss for the period from continuing operations											(11.7)
Loss for the period from discontinued operations											–
Loss after tax											(11.7)

5. Segment reporting *(continued)*

Year Ended 31 December 2025

Continuing operations	*Bangladesh £'m*	*India £'m*	*EP Kenya £'m*	*Kakuzi £'m*	*Malawi £'m*	*South Africa £'m*	*Tanzania £'m*	*Brazil £'m*	*Other £'m*	*Corporate £'m*	*Total £'m*
Revenue											
External sales	*25.8*	*93.0*	*32.1*	*30.1*	*43.8*	*4.0*	*0.1*	*10.1*	*28.6*	*0.4*	*268.0*
Trading profit/(loss)	–	*(0.9)*	*1.0*	*3.1*	*4.5*	*(1.2)*	*(1.8)*	*3.6*	*0.5*	*(7.8)*	*1.0*
Profit on disposal of assets classified as held for sale	–	*0.7*	–	–	–	–	–	–	–	*0.9*	*1.6*
Profit on disposal of tea estates, properties and heritage assets	–	*1.5*	–	–	–	–	–	–	–	*3.2*	*4.7*
Impairments of held for sale assets, bearer plants and investment properties	–	*(0.2)*	–	–	–	–	–	–	–	*(1.1)*	*(1.3)*
Other gains and losses	–	–	–	–	*(2.2)*	–	–	–	–	*(2.9)*	*(5.1)*
Profit on disposal and fair value movements on money market investments	–	*0.2*	–	–	–	–	–	*0.1*	–	–	*0.3*
Operating profit/(loss)	–	*1.3*	*1.0*	*3.1*	*2.3*	*(1.2)*	*(1.8)*	*3.7*	*0.5*	*(7.7)*	*1.2*
Comprising											
- adjusted operating (loss)/profit before tax	–	*(0.7)*	*1.0*	*3.1*	*2.3*	*(1.2)*	*(1.8)*	*3.7*	*0.5*	*(10.7)*	*(3.8)*
- profit on disposal of assets classified as held for sale	–	*0.7*	–	–	–	–	–	–	–	*0.9*	*1.6*
- profit on disposal of assets classified as held for sale	–	*1.5*	–	–	–	–	–	–	–	*3.2*	*4.7*
- impairments of held for sale assets, bearer plants and investment properties	–	*(0.2)*	–	–	–	–	–	–	–	*(1.1)*	*(1.3)*
	–	*1.3*	*1.0*	*3.1*	*2.3*	*(1.2)*	*(1.8)*	*3.7*	*0.5*	*(7.7)*	*1.2*
Investment income	–	*0.1*	–	–	–	–	–	–	–	*0.4*	*0.5*
Net finance income/(cost)	*(1.2)*	*(0.7)*	*0.1*	*0.2*	*(0.9)*	*(0.6)*	*(0.2)*	*0.3*	*(0.4)*	*4.7*	*1.3*
Profit/(loss) before tax	*(1.2)*	*0.7*	*1.1*	*3.3*	*1.4*	*(1.8)*	*(2.0)*	*4.0*	*0.1*	*(2.6)*	*3.0*
Taxation											*(7.2)*
Loss for the year from continuing operations											*(4.2)*
Profit for the year from discontinued operations											*0.1*
Loss after tax											*(4.1)*

6. Adjusted loss

The Group seeks to present an indication of the underlying performance which is not impacted by exceptional items or items considered non-operational in nature. This measure of profit is described as 'adjusted' and is used by management to measure and monitor performance.

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Operating profit/(loss)	14.5	*(11.2)*	*1.2*
Exceptions or items considered non-operational:			
Profit on disposal of assets classified as held for sale	18.4	*1.5*	*1.6*
Profit on disposal of tea estates, properties and heritage assets	0.5	*1.0*	*4.7*
Impairments of held for sale assets, bearer plants and investment properties	–	*–*	*(1.3)*
Underlying operating loss before tax	(4.4)	*(13.7)*	*(3.8)*
Investment income	–	*0.3*	*0.5*
Net finance income	1.1	*0.5*	*1.3*
Adjusted loss before tax	(3.3)	*(12.9)*	*(2.0)*

The following items have been excluded in arriving at the adjusted measure and have been separately disclosed:

- A profit on disposal of assets classified as held for sale of £18.4 million (2025: six months £1.5 million - year £1.6 million)
- A profit on disposal of a tea estate in India of £0.5 million (2025: six months £0.5 million - year £1.5 million)
- A profit on disposal of investment properties and heritage assets of £nil (2025: six months £0.5 million - year £3.2 million)
- Impairments of held for sale assets, bearer plants and investment properties of £nil (2025: six months £nil - year £1.3 million)

7. Profit on disposal of assets classified as held for sale

During the period, the Linton Park Estate consisting of investment properties, property, plant and equipment and heritage assets that had been classified as held for sale has been sold, realising a profit on sale of £1.2 million and cash proceeds of £10.8 million.

During the period, artwork, held originally as heritage assets and property, plant and equipment, that had been classified as held for sale have been sold, realising a profit on sale of £17.2 million and net cash proceeds of £17.7 million, of which £2.0 million was received in the period.

During the period, two UK investment properties, that had been classified as held for sale have been sold, realising a profit on sale of £nil and net cash proceeds of £1.1 million.

For the period ended 30 June 2025, three properties and a number of the Group's art and manuscripts which had previously been classified as held for sale have been sold, realising a profit of £1.5 million.

For the year ended 31 December 2025, four properties and a number of the Group's art and manuscripts which had previously been classified as held for sale have been sold, realising a profit of £1.6 million.

8. Other gains and losses

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Exchange gain/(loss) on treasury deposits at amortised cost	0.5	*(3.4)*	*(2.9)*
Net monetary loss on hyperinflation	(0.1)	*(0.8)*	*(2.2)*
	0.4	*(4.2)*	*(5.1)*

9. Finance income and costs

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Finance costs - interest payable on loans and bank overdrafts	(1.1)	*(1.2)*	*(3.0)*
Interest payable on leases	(0.2)	*(0.2)*	*(0.3)*
Other interest payable	–	*–*	*(0.1)*
Finance costs	(1.3)	*(1.4)*	*(3.4)*
Finance income - interest income on short-term bank deposits	2.5	*2.8*	*5.2*
Net exchange gain/(loss) on foreign cash balances	0.2	*(0.6)*	*0.2*
Employee benefit expense	(0.3)	*(0.3)*	*(0.7)*
Net finance income	1.1	*0.5*	*1.3*

10. Taxation on loss on ordinary activities

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Current tax			
UK corporation tax			
UK corporation tax	0.9	*–*	*–*
Adjustment in respect of prior years	–	*–*	*–*
	0.9	*–*	*–*
Foreign tax			
Corporation tax	3.0	*1.4*	*5.0*
Adjustment in respect of prior years	–	*–*	*–*
	3.0	*1.4*	*5.0*
Total current tax	3.9	*1.4*	*5.0*
Deferred tax			
Origination and reversal of timing differences			
United Kingdom	–	*–*	*–*
Overseas deferred tax	(0.6)	*(0.1)*	*2.2*
Tax on profit/(loss) on ordinary activities	3.3	*1.3*	*7.2*

Tax on profit/(loss) on ordinary activities for the six months to 30 June 2026 has been calculated on the basis of the estimated annual effective rate for the year ending 31 December 2026.

11. Equity dividends

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2025 of 260p (2024: 260p) per share	6.6	*6.6*	*6.6*

Dividends amounting to £0.2 million (2025: six months £0.2 million - year £0.2 million) have not been included as group companies hold 62,500 issued shares in the company. These are classified as treasury shares.

12. Profit/(loss) per share (EPS)

	Profit £'m	Six months ended 30 June 2026 EPS Pence	*Loss £'m*	*Six months ended 30 June 2025 EPS Pence*	*Loss £'m*	*Year ended 31 December 2025 EPS Pence*
Attributable to ordinary shareholders - continuing operations	11.8	466.8	*(11.8)*	*(429.0)*	*(5.0)*	*(190.5)*
Attributable to ordinary shareholders - continuing and discontinued operations	11.8	466.8	*(11.8)*	*(429.0)*	*(4.9)*	*(186.7)*

Basic and diluted earnings per share are calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue of 2,527,795 (2025: six months 2,750,609 - year 2,624,141), which excludes 62,500 (2025: six months 62,500 - year 62,500) shares held by the Group as treasury shares.

13. Property, plant and equipment

During the six months ended 30 June 2026 the Group acquired assets with a cost of £5.5 million (2025: six months £5.0 million - year £11.9 million). Assets with a carrying amount of £1.0 million were disposed of during the six months ended 30 June 2026 (2025: six months £1.3 million - year £2.8 million). Assets with a net carrying value of £nil were reclassified to held for sale during the six months ended 30 June 2026 (2025: six months £nil - year £2.5 million).

14. Held for maturity investments at amortised cost

	30 June 2026 £'m	*30 June 2025 £'m*	*31 December 2025 £'m*
UK Gilt - maturity date of July 2027, 1.25% coupon rate and 3.72% yield	20.5	*20.0*	*20.3*
UK Gilt - maturity date of January 2027, 4.125% coupon rate and 3.66% yield	15.0	*–*	*15.0*
	35.5	*20.0*	*35.3*
Current	15.0	*–*	*–*
Non-Current	20.5	*20.0*	*35.3*
	35.5	*20.0*	*35.3*

15. Trade and other receivables

	30 June 2026 £'m	*30 June 2025 £'m*	*31 December 2025 £'m*
Current:			
Trade receivables	18.3	*21.2*	*21.8*
Proceeds receivable in relation to held for sale asset disposals	18.8	*–*	*–*
Other receivables	6.9	*5.0*	*4.7*
Prepayments	12.0	*9.0*	*9.3*
Accrued income	4.3	*4.7*	*5.2*
	60.3	*39.9*	*41.0*
Non-current:			
Other receivables	1.7	*2.0*	*1.7*

16. Assets classified as held for sale

During the period the following assets were transferred to held for sale:

	30 June 2026 £'m	*30 June 2025 £'m*	*31 December 2025 £'m*
At 1 January	14.1	*6.2*	*6.2*
Reclassified from property, plant and equipment	–	*–*	*2.5*
Reclassified from investment properties	–	*0.5*	*9.2*
Reclassified from heritage assets	–	*–*	*3.8*
Impairments	–	*–*	*(1.0)*
	14.1	*6.7*	*20.7*
Disposals during period	(10.8)	*(6.1)*	*(6.6)*
At end of period	3.3	*0.6*	*14.1*

During the period, the Linton Park Estate consisting of investment properties, property, plant and equipment and heritage assets that had been classified as held for sale have been sold, realising a profit on sale of £1.2 million and cash proceeds of £10.8 million.

During the period, artwork, held originally as heritage assets and property, plant and equipment, that had been classified as held for sale have been sold, realising a profit on sale of £17.2 million and net cash proceeds of £17.7 million, of which £2.0 million was received in the period.

During the period, two UK investment properties, that had been classified as held for sale have been sold, realising a profit on sale of £nil and net cash proceeds of £1.1 million.

17. Borrowings

Borrowings (current and non-current) include loans of £2.4 million (2025: six months £4.2 million - year £2.8 million) and bank overdrafts of £14.7 million (2025: six months £21.0 million - year £11.8 million). The following loan movements occurred during the six months ended 30 June 2026:

	£'m
Balance at 1 January 2026	2.8
Repayments	(0.4)
Balance at 30 June 2026	2.4

18. Provisions

	Wages and salaries £'m	Others £'m	Total £'m
At 1 January 2025	6.9	0.6	7.5
Exchange differences	(0.7)	–	(0.7)
Utilised in the period	(0.3)	(0.2)	(0.5)
Provided in the period	3.1	–	3.1
Unused amounts reversed in period	(0.2)	–	(0.2)
At 30 June 2025	8.8	0.4	9.2
At 1 January 2025	6.9	0.6	7.5
Exchange differences	(0.8)	–	(0.8)
Utilised in the period	(6.0)	(0.1)	(6.1)
Provided in the period	6.4	0.1	6.5
Unused amounts reversed in period	(0.2)	–	(0.2)
At 31 December 2025	6.3	0.6	6.9
Exchange differences	(0.2)	–	(0.2)
Utilised in the period	(0.4)	–	(0.4)
Provided in the period	3.1	0.2	3.3
At 30 June 2026	8.8	0.8	9.6
Current:			
At 30 June 2026	8.8	0.8	9.6
At 31 December 2025	6.3	0.6	6.9
At 30 June 2025	8.8	0.4	9.2

The wages and salaries provisions are in respect of ongoing wage and bonus negotiations in India and Kenya.

Others relate to provisions for legal and general claims.

19. Employee benefit obligations

The UK defined benefit pension scheme and the overseas pension, gratuity and medical benefit schemes operated in Group subsidiaries located in Bangladesh and India for the purpose of IAS 19 have been updated to 30 June 2026 from the valuations as at 31 December 2025 by the actuaries and the movements have been reflected in this interim statement.

An actuarial gain of £0.8 million was realised in the period in relation to the Group's employee obligations of which a gain of £1.4 million related to the UK defined benefit pension scheme. In relation to the UK defined benefit pension scheme a loss of £0.9 million was realised in relation to the scheme assets and a gain of £2.5 million was realised in relation to changes in the underlying actuarial assumptions and an experience loss of £0.2 million was realised. The assumed discount rate has increased to 5.65% (31 December 2025: 5.35%), the assumed rate of inflation (CPI) has increased to 2.35% (31 December 2025: 2.25%). There has been no change in the mortality assumptions used.

20. Share capital

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Authorised: 2,842,000 (2025: six months 2,842,000 - year 2,842,000) ordinary shares of 10p each	0.3	*0.3*	*0.3*
Allotted, called up and fully paid: ordinary shares of 10p each:			
At 1 January - 2,590,295 (2025: 2,820,930) shares	0.3	*0.3*	*0.3*
Purchase of own shares - nil (2025: 230,635) shares	–	*–*	*–*
At end of period - 2,590,295 (2025: 2,590,295) shares	0.3	*0.3*	*0.3*

Group companies hold 62,500 issued shares in the Company. These are classified as treasury shares.

On 5 December 2024, the Company commenced its share buyback programme, which ran until the Company's annual general meeting on 5 June 2025. In 2025 the Company purchased 15,551 shares for a total consideration including costs of £0.8 million and these shares were cancelled.

The Company was required by accounting standards to recognise the maximum potential obligation as at the year end in relation to the share buyback programme. This amounted to 134,530 at £65 per share, £8.7 million in total and was reflected as a liability as at 31 December 2024. Following the cessation of the share buyback programme, £7.9 million was written back to reserves in 2025.

In 2025, a Tender Offer was undertaken by the Company which resulted in 215,084 shares being purchased for a total consideration including costs of £11.9 million and these shares were cancelled.

21. Reconciliation of profit/(loss) to cash flow

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Profit/(loss) from operations	14.5	*(11.2)*	*1.2*
Depreciation and amortisation	4.5	*4.4*	*9.1*
Depreciation of right-of-use assets	0.3	*0.3*	*0.5*
Impairment of assets	–	*–*	*1.3*
Realised movements on biological assets - non-current	(0.2)	*(0.2)*	*(0.3)*
Money market investments at fair value through profit or loss - gain	(0.2)	*(0.1)*	*(0.3)*
Other gains and losses	(0.4)	*4.2*	*5.1*
Profit on disposal of non-current assets	(0.6)	*(1.1)*	*(4.7)*
Profit on disposal of assets classified as held for sale	(18.4)	*(1.5)*	*(1.6)*
Movements in provisions	2.9	*2.4*	*0.2*
(Increase)/decrease in inventories	(17.1)	*(10.3)*	*4.5*
Decrease/(increase) in biological assets	1.4	*(0.7)*	*(1.0)*
Increase in trade and other receivables	(0.5)	*(4.0)*	*(4.5)*
Increase in trade and other payables	5.7	*0.3*	*0.6*
Cash (used in)/generated from operations	(8.1)	*(17.5)*	*10.1*

22. Cash and cash equivalents

For the purposes of the cash flow statement cash and cash equivalents comprise:

	Six months ended 30 June 2026 £'m	*Six months ended 30 June 2025 £'m*	*Year ended 31 December 2025 £'m*
Cash and cash equivalents	66.3	*55.5*	*65.9*
Overdrafts repayable on demand (included in current liabilities - borrowings)	(14.7)	*(18.6)*	*(11.8)*
	51.6	*36.9*	*54.1*

Included in cash and cash equivalents is £1.2 million (2025: 30 June £1.2 million - 31 December £1.2 million) of cash which is restricted.

23. Contingent liabilities

The Group operates in certain countries where its operations are potentially subject to a number of legal claims. When required, appropriate provisions are made for the expected cost of such claims.

Malawi tax

The Malawi Revenue Authority (MRA) indicated in 2021 that it intended to collect VAT on sales made at auction and under private treaty for export, in the period since 2017. Tea sales intended for the export market were subject to an industry wide agreement with the MRA and the Reserve Bank of Malawi made at the time the auction was established, resulting in these deemed exports being zero rated for VAT. Following discussions between the Malawi government, the MRA and the tea industry, the MRA has given permission for the auction to continue with teas deemed as export zero rated for VAT. The assessment raised against Eastern Produce Malawi was suspended. Eastern Produce Malawi's estimated contingent liability for VAT on these deemed export sales, excluding any penalties and interest, is approximately £2.6 million.

In 2023 the MRA carried out a tax audit on the operations of Eastern Produce Malawi Limited for the period 2020 to 2022 and issued assessment notices amounting to £2.5 million in relation to corporation, value added, non-resident, fringe benefit and PAYE taxes, including related penalties and interest. On appeal this was reduced to £1.5 million, an amount of £0.3 million has been provided based on external advice received, the remaining £1.2 million is being strongly contested.

India tax

Assessments have been received for excise duties of £0.2 million, sales and entry tax of £1.5 million and of £0.6 million for income tax matters. These are being contested on the basis that they are without technical merit.

Also, a long running dispute between our local subsidiaries and the Government of West Bengal over the payment of a land tax, locally called, "Salami", remains unresolved. Lawyers acting for the Group have advised that payment of Salami does not apply, accordingly no provisions have been made. The sum in dispute, excluding fines and penalties, amounts to £1.0 million.

23. Contingent liabilities *(continued)*

Kenya land claims

Various parties have lodged claims at the National Land Commission (NLC) against Kakuzi Plc, potentially affecting the land on which it carries out its business. The company has instructed its legal advisers to represent it in these matters.

The recommendations made by the NLC have been scrutinized by Kakuzi's legal team and in their opinion lack any legal basis, including the position that the company selects 3,200 acres of land and surrenders it to the NLC. Consequently, Kakuzi's lawyers initiated legal proceedings seeking to set aside these recommendations. The company, in consultation with its professional legal advisers, believe that the company has a reasonable chance of successfully getting these recommendations set aside.

24. Related party transactions

There have been no related party transactions that had a material effect on the financial position or performance of the Group in the first six months of the financial year.

25. Subsequent events

There were no adjusting post balance sheet events.