

Friday 6 May 2022

## **Camellia Plc**

### **Director Changes and Trading Update**

#### **Resignation of CEO**

Camellia Plc announces that Tom Franks, having substantially achieved the objective of focusing the group's investments into the core activities of agriculture and food and beverage distribution, has indicated his wish not to stand for re-election at the forthcoming Annual General Meeting ("AGM") which is expected to be held in late June.

The Board is initiating a search process to identify a new Chief Executive Officer ("CEO") and will update the market in due course. Malcolm Perkins will take on the CEO duties in the interim, after the AGM.

Malcolm Perkins, Chairman, commented:

"I would like to thank Tom for his contribution to the business as CEO since 2015, including through a very challenging few years. We wish him well for the future."

#### **Appointment of independent non-executive Director**

Camellia is pleased to announce the appointment of Rachel English, a Fellow of the Institute of Chartered Accountants, as an independent non-executive director of the Company with effect from Friday 6 May 2022.

Rachel has extensive international and general management experience, having served on the board of several significant businesses including as set out below under additional disclosures. She has a particular focus on ESG matters.

#### **Resignation of Independent non-executive Directors**

Camellia also announces that William Gibson and Gautam Dalal have indicated that they will not be standing for re-election at the forthcoming Annual General Meeting. The Company thanks them both for their contribution to the Board and wishes them well in the future.

Further appointment of new non-executive Directors to the Board will be announced in due course. The Company remains committed to complying with the principles set out in the Quoted Companies Alliance Corporate Governance Code.

#### **Trading Update**

##### *2021 Results*

Full year results in respect of the year to 31 December 2021, which are in line with the guidance issued in December 2021, are expected to be announced in late May.

##### *Outlook for 2022*

Revenues and profits for the year to date are ahead of the same period of 2021 and for the full year are expected to be significantly ahead of that of 2021 and ahead of market expectations. This reflects improved trading conditions in all markets for tea, higher production of macadamia,

significantly improved soya prices and our expectation that 2022 will be an “on year” for Hass avocado.

### *Tea*

In India the last of the limited tea stocks left over from 2021 have now been sold and the first auction of the new season opened in March 2022 with strong pricing. In Bangladesh prices remained under pressure for prior season teas due to the high volumes of inventory carried forward. However, the market for new season teas has started firm and is expected to remain relatively stable as stocks are now depleted and the new season production has yet to gain momentum.

The indications in both India and Bangladesh are that markets will remain firm for the early part of the new season, and thereafter as is normal, pricing will be determined by regional production volumes.

In Kenya, our average selling prices in the period to the end of April 2022 were significantly higher than the same period of 2021 although this was partially offset by significantly lower production. Pricing levels looking forward will depend on country wide production volumes and the impact of the reserve pricing policy for KTDA teas (KTDA manages the production and wholesaling of smallholder-produced teas).

While selling prices in Malawi have firmed, they are below those of the same period of 2021. The market is expected to be volatile for a period due to uncertainty relating to logistics (as detailed below) and will also be influenced by the general direction of the Kenya market. Our production volumes in Malawi are also lower than that of last year.

### *Macadamia*

Harvesting of the 2022 crop is underway and the indications are that volumes will be ahead of 2021 levels. However, we expect net selling prices to be lower than in 2021.

### *Avocado*

The Pinkerton harvest is well advanced with volumes ahead of 2021, however we expect prices to be lower. The Hass season has now started with volumes expected to be significantly ahead of 2021 reflecting the fact that it is an “on year” for Hass”.

### *Apples and pears*

Bardsley England, a significant apple grower in the UK, was acquired in August 2021. The last of the 2021 season stock is being sold at prices in line with our expectations. It is too early to predict the crop profile for 2022.

### *Logistics and input costs*

Durban (South Africa) port is currently experiencing significant disruption which is creating logistical challenges for our tea exports from Malawi and may impact the timing of macadamia sales from both Malawi and South Africa.

Wage negotiations for 2022 are ongoing in all our key operating jurisdictions. In the UK, Bardsley England is experiencing wage inflation of 13%. In common with others in the agriculture sector,

we are experiencing significant cost inflation on key inputs such as fertiliser, fuel and energy costs across all our operations.

## **Additional Disclosures**

Further information, as required pursuant to Schedule 2(g) of the AIM Rules for Companies, is set out below:-

Rachel English (aged 60)

### *Current directorships*

- *Mishcon De Reya Group plc*
- *Helios Foundation For Sustainable Development*
- *Helios Social Enterprise*

### *Past directorships within the last 5 years*

- *Interswitch Holdings Limited*
- *Acacia Mining plc (subsequently Barrick Tz Limited)*
- *Adam Smith International Ltd; The Amphion Group Limited; Adam Smith Advisory Group Limited; Adam Smith Services Limited*
- *The Private Infrastructure Development Group Limited*
- *Kuwait Energy plc*

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

## **Enquiries**

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