

11 February 2021

Camellia Plc
Trading update, settlement of claims related to African operations and governance update

Trading update and Covid-19

Camellia confirms that underlying profit* for 2020 is expected to be significantly above market expectations at around £15.0m due to a combination of better than expected trading results in Agriculture coupled with lower costs across our operations.

Whilst our UK based operations continue to be impacted by the lock down, our agricultural operations have been able to produce largely as normal throughout the pandemic. Demand for tea has varied regionally, with India prices remaining relatively strong but Kenya continues to produce record crop volumes which is affecting prices for both Kenya and Malawi. Group macadamia volumes have exceeded expectations and our citrus and soya crops made a stronger contribution than we anticipated.

In addition, BF&M's Q3 results which were announced in December showed a stronger than expected operating result for the period, with favourable claims experience being a key driver of performance. This was partially offset by higher reinsurance rates associated with the ongoing impact of hurricane losses, and lower gross premiums written across the Group resulting from Covid-19.

Cash and cash equivalents net of borrowings at 31 December 2020 amounted to £87.8m. In addition, the market value of the investment portfolio at that date was £50.5m.

We anticipate announcing our final results during April at which we time we will also announce the dividend for 2020.

Settlement of claims related to African operations

In January 2020, Camellia Plc announced that it and certain UK subsidiary companies faced legal claims in the UK based on allegations against two businesses in its African operations, namely Kakuzi in Kenya and EPM in Malawi.

These claims have now been resolved at settlements costing up to £4.6m in relation to the Kenyan claims, and £2.3m in relation to the Malawian claims. Details of the settlements reached can be found in appendices A and B to this announcement.

These are in addition to the previously announced legal and other costs associated with these allegations and will also be reflected in the 2020 results.

Safeguarding and Stewardship Committee

As announced in November 2020, the Board of Camellia has established a Safeguarding and Stewardship Committee chaired by William Gibson. This committee is made up of current Non-Executive Directors and outside experts, the first of whom is Louise Nicholls, Chair of Suseco and former head of human rights and food sustainability at a leading UK supermarket.

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

Notes:

*Underlying profit is profit before tax for the Group before impairment charges, legal and other costs relating to group claims and excluding the gain on disposal of the Horizon farm property.

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APPENDIX A

SETTLEMENT OF CLAIMS IN KENYA

As announced in October 2020, Camellia Plc and two subsidiary companies in the group have faced claims of alleged personal injuries suffered by local residents allegedly carried out by security guards employed by Kakuzi Plc ('Kakuzi') in Kenya. The claims brought by UK law firm Leigh Day in the High Court in London were originally also against Kakuzi, but those claims were dropped and the litigation went ahead against Camellia Plc and its subsidiaries Linton Park Plc and Robertson Bois Dickson Anderson Limited ('the companies').

The companies announce that an innovative and mutually beneficial resolution of all the claims has been reached, without any admission of liability by the companies or by Kakuzi. The companies hope that this resolution will clear the path for the investigations into the allegations and, as required, prosecution of any offenders.

The settlement is intended not only to resolve the claims themselves, but also to help Kakuzi to strengthen its relations with the local communities and to continue to support the thousands of smallholder farmers who rely on Kakuzi to get their avocados to market. In particular, Kakuzi's Operational-level Grievance Mechanism ('OGM') (which was announced in October 2020) will be developed and implemented, with wide-ranging stakeholder consultation. The OGM will be compliant with UN Guiding Principles on Business and Human Rights. It will allow any future complaints of personal injury or human rights abuses at Kakuzi to be resolved fairly, locally and quickly. Triple R Alliance, a leading human rights and OGM consultancy, will review, guide and oversee the OGM. An Independent Monitor will also observe and report on the OGM.

Although not party to the litigation or the settlement, Kakuzi has confirmed that it will be putting in place certain measures, for the benefit of the communities on and around its farm. These include: (1) the funding of charcoal kilns and access to firewood so local communities can produce and sell sustainable charcoal for their own income generation; (2) building two social centres for community meetings; (3) employing predominantly female Safety Marshalls on Kakuzi's farm to give visible reassurance to those using access routes and particularly women; and (4) building three new roads accessible to the community without any requirement to obtain a licence to give people better access to local amenities (5) the establishment of a Technical Working Group to survey and demarcate land which has been previously donated by Kakuzi and (6) the design and implementation of a human rights defenders policy.

Kakuzi has also brought in independent experts IBIS to conduct a human rights impact assessment of Kakuzi's operations, so that local communities and commercial partners can have confidence in Kakuzi's commitment to, and attainment of, the highest standards of business and human rights going forward.

The cost (over three years) of these projects, together with payments for the individual claimants and a contribution to their legal fees will be up to a sum of £4.6 million.

The companies have reached this resolution because it is the best way of supporting Kakuzi in continuing its long-standing and important work with the communities on and around the Kakuzi farm, which includes comprehensive outreach, CSR and engagement initiatives such as maintaining and supporting local schools, and providing medical facilities for employees and their families, and medical outreach programmes to the local communities. Kakuzi's ESG report can be accessed here: <https://www.kakuzi.co.ke/pages/626c9d3d-e4ad-4da3-acb8-1ed90c57be23/articles/626c9d3d-e4ad-4da3-acb8-1ed90c57be23.pdf>. This work is fundamental

to the ethos of Kakuzi which strives to uphold the highest standards of ethics in its engagements with all stakeholders.

Camellia commends Kakuzi, and its leadership team, for their commitment to promoting the highest standards of ethical business practice, the protection of human rights and the welfare of all those who live and work around Kakuzi. As stated by Kakuzi on 16 October 2020, all stakeholders should behave respectfully and lawfully towards one another, and that any reprisal against claimants/employees/community members is wholly unacceptable.

The resolution also reflects Leigh Day's confidence in the steps that Kakuzi has committed to take, supported by Camellia and, in particular, confidence in Kakuzi's OGM. As an indicator of that confidence, Leigh Day has agreed not to bring or support any further claims against any part of the Camellia Group in connection with their operations in Kenya, for a substantial period.

APPENDIX B SETTLEMENT OF CLAIMS IN MALAWI

In January 2020, Camellia Plc announced that it and subsidiary companies faced legal claims based on allegations against two businesses in its African operations. The businesses involved are Kakuzi in Kenya and Eastern Produce Malawi Limited ("EPM") in Malawi. This announcement provides an update on the Malawi allegations only.

Camellia Plc has, along with its subsidiaries Linton Park Plc and Robertson Bois Dickson Anderson Limited (together, the "Companies") agreed, with no admission of liability, a resolution of all claims brought against them by law firm Leigh Day on behalf of 36 women living in the Mulanje and Thyolo districts of Malawi. The claimants alleged that they had suffered sexual harassment and gender-based violence while employed by EPM.

Settlement has been reached at a very early stage, before service of legal proceedings, and so avoids, most importantly for the women making these claims, drawn out and costly litigation in England.

Despite the Companies' and EPM's strong belief that, however abhorrent the allegations were of deliberate acts of sexual violence committed by individual male workers, EPM and the Companies would not have been found legally responsible for them, they saw that there were real benefits to all concerned in resolving the claims quickly. This is particularly to send a clear message from EPM and the Companies to all who work in or with them, that sexual harassment and gender-based violence will not be tolerated. EPM and the Companies also know that even if they had successfully defended these claims all the way to trial they would not have been able to recover their legal expenses from the claimants.

Working constructively with Leigh Day, the resolution is innovative and will reinforce steps that EPM has been taking in Malawi for several years to promote gender equality, female empowerment, and respectful relationships between men and women working for and living on or near EPM's estates.

A new EPM Women's Empowerment Initiative will fund projects to improve the skills, employment opportunities, and educational attainment of women and girls in and around EPM's operations, providing benefits both to the claimants and the wider community. These projects include EPM Gender Equality Scholarships for 10 women, comprising guaranteed tuition and living costs throughout an undergraduate degree/other higher education course in Malawi; a specialist female leadership training programme to support the career progression of women into more senior positions at EPM; funding community civic education programmes concentrating on Sexual Harassment and Gender Equality; relocating and upgrading primary school facilities to include a community meeting hall; and building and maintaining boreholes in locations designed to benefit women and children locally to EPM's estates; and establishing three new Victim Support Units (VSUs) at local police units. Consultations will be held with stakeholders, including women working and living in and around EPM, to ensure these projects have maximum impact. Triple R Alliance (a respected consultancy group in this area - <http://tripleralliance.ca/>) has been engaged by EPM to monitor, guide and oversee, independently, EPM's Women's Empowerment Initiative.

In addition, agreement has been reached on changes to EPM's working practices, including to support the protection of women workers, notably by the introduction of Women's Safeguarding Supervisors across EPM's estates.

Prior to this agreement, EPM had already set up an Operational-level Grievance Mechanism ("OGM"), compliant with UN Guiding Principles on Business and Human Rights, so that any complaints of sexual harassment and/or gender-based violence related to its operations could be resolved fairly, under the direction of a Malawian female Independent Senior Lawyer and with independent and paid-for legal advice available to complainants. The OGM also ensures that counselling support is available for any vulnerable complainant. The OGM is already having a positive impact in and around the estates. Triple R Alliance will also review, guide and oversee the OGM and an Independent Monitor will also report on it.

An important objective for EPM and the Companies in this settlement is to make sure that if anyone believes EPM's Sexual Harassment Policy has been breached their complaint can be raised and properly resolved through the OGM. This will bolster confidence that EPM will not tolerate sexual harassment or gender-based violence in any form and reassure complainants they can come forward and get prompt resolution and redress for any wrong. This is a vital ingredient in achieving long-term improvement of gender relations in Malawi, which are rooted in interrelated economic, social, educational and cultural dynamics.

The cost (over three years) of projects funded under the EPM Women's Empowerment Initiative, together with redress for the Claimants individually and contribution to their legal fees will be £2,313,400.

Under the terms of the settlement and given the constructive dialogue between the Companies and Leigh Day about EPM's work on the ground to improve gender equality and in particular the OGM, Leigh Day will not bring or support any other claims relating to or in connection with the Camellia Group's operations in Malawi for a substantial period of time. This reflects Leigh Day's confidence that the OGM and EPM's Women's Empowerment Initiative, and the involvement of Triple R Alliance and independent monitoring, have the potential to bring long-term and positive change for women and gender relations in southern Malawi.

The Companies are pleased that constructive discussions with Leigh Day have resulted in a resolution of these claims that not only benefits the women represented by Leigh Day but also delivers wider and longer-term benefits to the communities in which they live. It is better to enhance the working and living conditions of employees of EPM, rather than fighting expensive, drawn-out litigation.

We hope that the steps EPM has already taken in Malawi, and the actions it has committed to in this settlement, will help cement its reputation as a force for good in the communities in which it operates.

The Companies and EPM are committed to bringing about continued positive change and development on and around EPM's estates. This settlement and the associated community initiatives should lead to a significantly improved working environment in EPM's operations in Malawi, most especially for women. They acknowledge the significant cooperation and contribution of Leigh Day in achieving this outcome, and thank them for their efforts to bring this about