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Camellia PLC
06 June 2023

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

Sale of holding in BF&M Limited ("BF&M")

Camellia is pleased to announce it has entered into an agreement for the sale of its entire holding of 3,394,403 shares (approximately 36.9%) in BF&M, one of its associate companies, to Bermuda Life Insurance Company Limited, a subsidiary of Argus Group Holdings Limited for a cash consideration totalling US\$100.0 million (approximately £80.4 million), a premium of 34% to the closing price of a BF&M share on 5 June 2023 and a premium of 31% to the book value of Camellia's holding as at 31 December 2022. Any special dividend declared and paid by BF&M (if any) between the signing of the agreement and completion will be deducted from the cash consideration. This sale represents a further step in Camellia's policy of divesting non-core assets.

The disposal is conditional on the satisfaction of certain conditions, including regulatory and tax approvals and notifications in a number of jurisdictions, and the satisfaction of customary conditions precedent. Subject to the satisfaction or waiver of these conditions, completion is expected in Autumn 2023.

It is possible that taxes and/or fees may become payable in securing the necessary pre-closing approvals and notifications although such amount cannot be determined until the required applications have been submitted. If Camellia's share of such items exceeds agreed thresholds then the Company has the ability to terminate the contract should it so wish. The purchaser has the same termination right in respect of their share of such costs.

Whilst completion of the transaction is not expected until Q4 2023 and therefore the exact use of proceeds may vary depending on circumstances between now and completion, the receipt of the funds realised by this sale, together with funds raised from the disposal of other non-core assets, will enable the Company to accelerate its development programme and continue to diversify its agricultural production by crop and geographic location. The Board considers Camellia's shares to be significantly undervalued and, in the event of any surplus funds arising, will also therefore consider the merit of returning these to shareholders by means of a share buy-back. The Company may, in the meantime, undertake a modest buyback exercise in accordance with the authority given at the Annual General Meeting.

BF&M Limited is the holding company of the BF&M group of companies ("BF&M Group") which is a Bermuda listed insurance group operating in Bermuda and the Caribbean. The two largest operating companies within the BF&M Group are BF&M Life Insurance Company Limited, a leading provider of life, health and pensions products, and BF&M General Insurance Company Limited, the leading general insurer providing all forms of property, casualty, motor and marine products.

Over recent years BF&M's results have been volatile and in 2022 have been materially adversely impacted by the fluctuations in financial markets and this, together with increased underwriting exposure, has led Camellia to view this investment as beyond its risk appetite.

In the year ended 31 December 2022 Camellia's share of the results of BF&M was a loss of £3.7 million (2021: profit of £6.4 million).

Camellia's net assets attributable to the BF&M holding as at 31 December 2022 was £61.5 million and the value of the shares using the closing price for BF&M shares on 5 June 2023 was £59.9 million. The sale is expected to generate a gain on disposal which will be calculated at completion of the transaction.

Argus Group Holdings Limited is significant Bermuda listed multi-line insurance and financial services organisation offering a full range of insurance, pensions and investment products internationally.

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

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