



## KAKUZI PLC

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# PROFIT WARNING ANNOUNCEMENT

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Consistent with the provisions of Paragraph G.05 (1) (f) and (2) of the Fifth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, Kakuzi Plc issues this profit warning notice and cautionary statement to our current investors, potential investors and the general public. This profit warning notice arises from trading information, market forecasts and the preliminary unaudited full-year financial results, among other data sources currently at the Board's disposal. We, therefore, wish to report that our net earnings for the year ended 31<sup>st</sup> December 2021 will potentially be at least 25% lower than that reported for the year ended 31<sup>st</sup> December 2020.

The anticipated drop in full-year earnings is principally as a result of:

1. Hass avocado production which is prone to a year of low production after a year of high production (a principle known as biannual bearing). 2021 Hass production was 18% lower than last year. As announced in the half-year trading results commentary, the lower yield was anticipated.
2. Lower global market prices in our European markets. This is due to an oversupply of fruit from Peru and Columbia which impacted prices during the same period that our fruit was also in the market.

However, our other crops have performed as expected with an increasingly strong performance from the macadamia business, which validates the investments made into diversification over the years.

Continuing this product diversification strategy is of critical importance. This strategy aims to mitigate the global market volatility and overreliance on any one product.

By order of the Board

**Nicholas Ng'ang'a**  
**Chairman**  
**5<sup>th</sup> January 2022**

**DISCLAIMER:** This announcement is for information purposes only. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offerings, Listings and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.