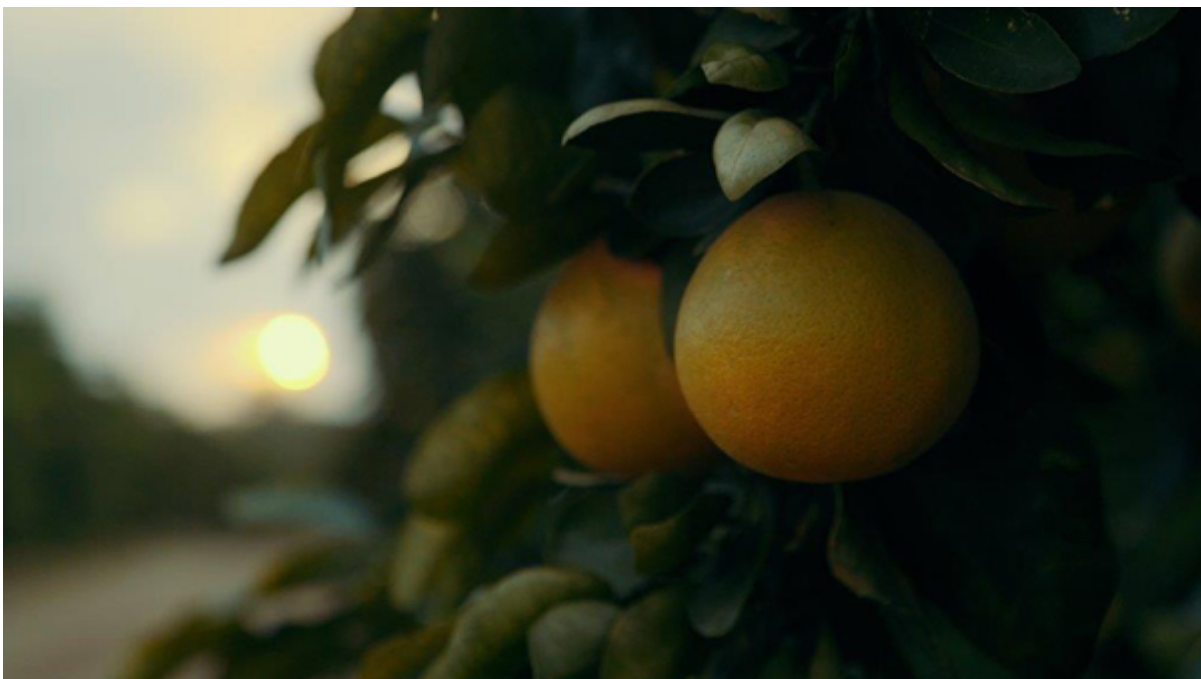


Juergen Mueller (FruitOne Europe) looks ahead to the South African citrus season:

"Global citrus market is constantly confronted with many uncertainties"

The world citrus market is continuously confronted by many uncertainties, lately the geopolitical situation in Europe is affecting the seasonal planning and progressively challenging all segments of the supply chain. Certainly, the fresh industry has learned it's lessons from the complicated Covid crisis and was forced to adapt their business models and react swiftly to many new conditions. In addition, the larger part of the fresh sector will need to respond to the immediate effects of the unexpected and regrettable war in Ukraine.



South Africa has started some weeks ago with the first lemon exports to the world. Facing the new market circumstances, the exportable volume will have to be redistributed among the existing markets, adding China as a new receiver. According to the latest lemon production's estimation an additional volume of 6% compared to last season will be available.



The FruitOne Group is prepared for different market scenarios. In recent years we have been shaping the distribution according to our premium customer mix. Stable relations into the retail chains and food service worldwide, are granting us the base for a solid business model.



We have already loaded the first South African lemons for Europe, earlier than normal, mainly in order to match new retail programs and assist established customer lines. The advantage of the reopening hospitality sector in most of the European countries is adding demand and showing a

positive trend.

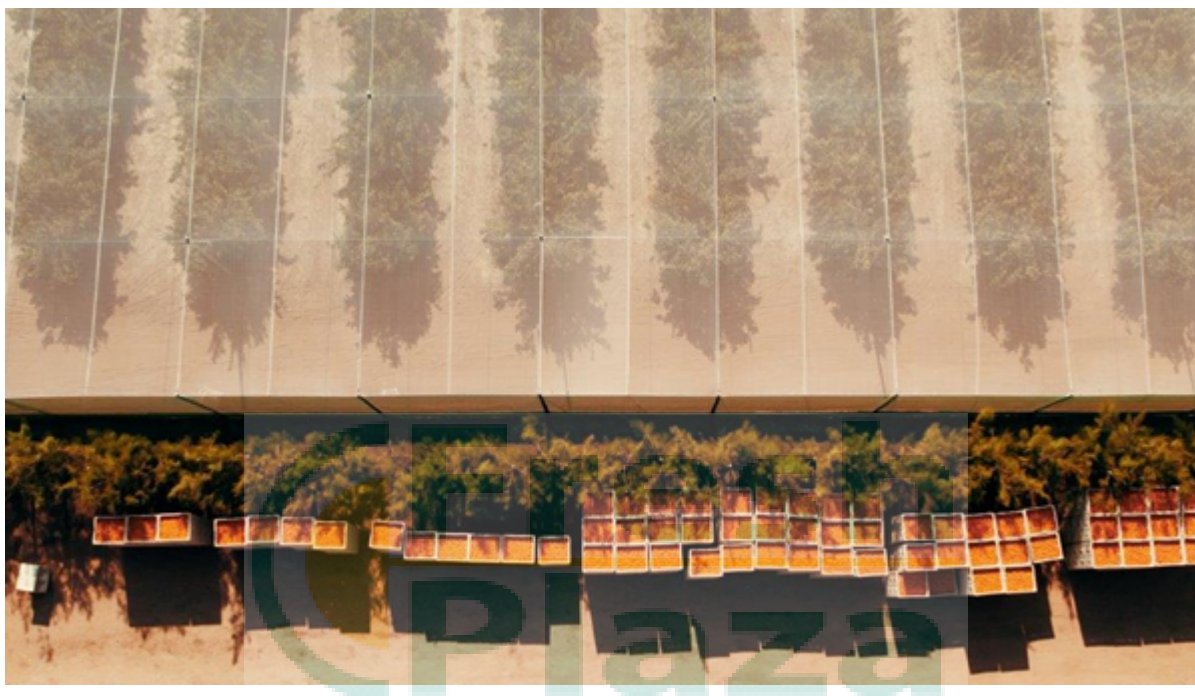


RSA is expecting a stable citrus production and no extraordinary damaging natural event has been reported. This year Star Ruby grapefruit is showing a slight volume decrease (-4% vs. 2021) and juice- oranges expect to reach a higher yield (6 % vs. 2021). We have the challenge to reach all customer's expectations timely, having in mind that the logistics will show different obstacles throughout the season.



Although we are confronted with significant higher costs on sea freight, inland transport, production and packaging (labour, fertilizers, energy, fuel), we are still committed to invest in more efficient production practices. Our sustainability goals are intact despite of the additional and intensive effort.

Our focus is to improve further our production and packing processes, like netting all our Tango orchards and upgrading our packing lines capacity, including our chemical free line.



In order to face the new conditions and respond in the best possible way, our team at production, food safety and commercial levels has been expanded in Europe. This year we appointed two senior Sales Managers and a Technical Manager. Our European team has achieved good results during the first pandemic years and now we are prepared to tackle the new season with an even greater team: Alfonso Baron and Gerardo Cubillos are strengthening the commerce department with several years of experience in different continents and products. Neil Botha, previously responsible for the quality department in FruitOne South Africa, has just joined the European team to enhance the status of our food safety department.

By the beginning of June, we are moving to our new premises in Rotterdam region, next to our logistical partner R&M, where we will expand our possibilities to manage and pack customized programs.



Our dynamic approach, focused investments and agile response to new circumstances will continue shaping our way to manage the season throughout the supply chain.

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