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23 September 2020

Anglo African Agriculture plc

(“AAA” or the “Company”)

Update on the Proposed Reverse Takeover

The Company is providing an update on the proposed acquisition of the Comarco group of companies (the **“Comarco Group”**) and the associated fundraising. The Comarco Group is based in Mombasa, Kenya and is engaged in port and marine logistics activities in East Africa.

AAA has been working with the management of the Comarco Group for over two years, assisting on the group’s operational restructuring and strategic positioning for growth. On 12 November 2018, the Board of AAA announced that a \$1 million loan was advanced to provide general working capital to Comarco Group (the **“Port Loan”**). The Port Loan was provided as part of AAA’s assistance to restructure the Comarco Group. The Port Loan is repayable in November 2020 and is currently accruing interest at 15%. The sum repayable under the Port Loan would be approximately \$1.3mn (c.£1mn).

On 9 June 2019, AAA signed conditional share purchase agreements (the **“SPAs”**) to acquire the entire share capital of a number of the Comarco Group companies (the **“Proposed Acquisition”**). The SPA’s were extended until 31 August 2020.

The Board of AAA continue to believe that completing the RTO is in the best interests of both AAA shareholders and Comarco shareholders. There have been significant ongoing efforts continuing to be made to finalise funding. However, COVID pandemic and the associated government restrictions on travel have prevented site visits and progress being made. The Board of AAA and Comarco have been discussing terms of a new extension of the SPAs linked to an extension of the Port Loan but have decided that it is not critical to agree to new terms as both groups are intrinsically tied by the transaction. From an AAA perspective, the November repayment date for the loan is far more critical.

In the event that an extension to the loan agreement is not finalised and the Port Loan is not repaid, AAA has an option to acquire for a nominal sum the entire share capital of Touchwood Investments Limited. Touchwood Investment Limited’s major asset is a 4.74-acre area of land within the Comarco port. The Board believes that this option would be worth considerably more than the \$1.3mn Port Loan itself.

In the meantime, the Comarco Port is seeing a pick-up in demand as anticipated, principally due to the commencement of operations for the Mozambique LNG project.

Despite an initial estimation that the Dynamic Intertrade (“DI”) revenue will be ahead year on year, liquidity issues in South Africa have delayed such revenue. Major South African creditors in the last month, due to the uncertain economic future, have been rapidly reducing their loan and trade finance books. As a result, the magnitude of increase in revenue will be lower than previously estimated. Despite difficult conditions, DI has maintained full operations during this time. Management are looking at alternative local funding sources to ameliorate this and are hopeful as this would allow revenue to increase in line with expectations.

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