

The information contained within this announcement is deemed to constitute inside information pursuant to the EU (Withdrawal) Act and amended pursuant to Market Abuse (Amended) (EU Exit) Regulations 2019. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For immediate release

23 March 2021

Anglo African Agriculture plc

(“AAA” or the “Company”)

Corporate Update and Issue of Convertible Loan Notes

The Company is pleased to provide a progress update on the proposed acquisition of the Comarco group of companies (the “**Comarco Group**”). The Comarco Group is based in Mombasa, Kenya and is engaged in port and marine logistics activities in East Africa.

Results for the year ended 31 October 2020

The Company earlier today released the Directors’ Report and Financial Statements for the year ended 31 October 2020 on the London Stock Exchange news service. A copy of the announcement can be found on the Company’s website (www.aaapl.com), in the “News and Documents” section.

Comarco business update

Despite the uncertainty created by Covid-related lockdowns and business interruptions, the main markets in which Comarco operates have seen a rebound in activity compared to the calendar year 2020.

Although the LNG project in Mozambique has already formally commenced, there has been a pause caused by Covid and security concerns. The project is expected to restart in earnest in July 2021. Comarco Marine Division is making the necessary preparations in Mombasa and Mozambique with a number of strategic partners to be ready when this happens. In the meantime the management team has focused on regional projects and Comarco has secured contracts in the coastal waters in and around Kenya, Tanzania, Mozambique and Somalia as well as its first contract on Lake Tanganyika.

In the Comarco Port Division delivery of iron ore into the yard for export is set to recommence in earnest in early April 2021. Negotiations to secure a substantial coal import contract are at an advanced stage. This will substantially boost throughput volumes and the overall performance of the port.

In the meantime Comarco’s on-going work with the Fujita Corporation in support of the Southern Bypass Road Construction project as well as the soon-to-commence Kilindini harbour bridge construction project, will benefit both the Marine and Port divisions.

Issue of Convertible Loan Notes

The Company is pleased to announce that it has agreed to issue £603,000 (gross) convertible loan notes (“**CLNs**”) by converting existing sums due to creditors and also by raising sums from private

investors. The proceeds will be used for general working capital purposes and costs associated with the proposed acquisition of the Comarco Group. The CLNs will attract interest at a fixed rate of 12% compounded annually, are convertible into the Company's ordinary shares at a price of 5p and, if converted, will entitle the noteholders to receive warrants on a 1:1 basis in respect of ordinary shares that the CLNs will be converted into and exercisable at a price of 5p per share for a period of one year from issue. If not converted, the notes will be repayable on 23 March 2023.

Gross cash proceeds of £220,000 will be received from participating private investors while the remaining £383,000 will result from settlement of existing sums due to creditors by the Company.

Certain directors of the Company have agreed to convert the following sums owed to them by the Company in respect of unpaid salaries into CLNs.

The following directors have agreed to convert the following amounts of their outstanding director fees into CLNs on the same basis as the funds secured from third party investors:

Matthew Bonner	£42,000
Robert Scott	£41,000
David Lenigas	£53,000
Total	£136,000

If the CLNs were converted, they would result in the directors receiving the following number of shares and warrants:

Director	Number of shares	Percentage of issued share capital	Number of Warrants
Matthew Bonner	840,000	3.8%	840,000
Robert Scott	820,000	3.7%	820,000
David Lenigas	1,060,000	4.8%	1,060,000
Total	2,720,000	12.4%	2,720,000

VSA Capital Limited, the Financial Adviser and Corporate Broker to the Company, and a connected party due to Andrew Monk being a director of both the Company and VSA Capital Limited, has agreed to convert £212,000 of its outstanding fees into CLNs on the same basis as the funds secured from third party investors. If the CLNs were converted, they would result in VSA Capital receiving the 4,240,000 ordinary shares amounting to 19.3 per cent. of the Company's issued share capital, and 4,240,000 warrants.

In addition, the price of warrants attributable to the £250,000 convertible loan note issued on 1 October 2018 for a two year term and extended to 30 September 2021 will be amended for the warrants to be exercisable at a price of 5p per share, instead of 7p.

The conversion of sums due to creditors and the capital raise demonstrates the support the Company has been afforded by private investors as well as its directors and creditors.

Transaction funding update

The Company is working with Comarco in order to secure the necessary arrangements to provide sufficient working and expansion capital to conclude the RTO and put the combined group on a growth path after Admission.

Discussions and due diligences with equity and debt funders are progressing. Further announcements will be made once binding agreements are executed.

For further information, please visit www.aaapl.com or www.comarcogroup.com contact the following:

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