ANGLO AFRICAN AGRICULTURE PLC

DIRECTORS' REPORT AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 APRIL 2019

Company Registration No. 07913053 (England and Wales)

Anglo African Agriculture plc ("AAA" or the "Company")

Half yearly report for the six months ended 30 April 2019

The Chairman's Report

Over the six-month period ended 30 April 2019 the Company has made material headway in terms of operations and growth strategy and it gives me great pleasure to report thereon.

The underlying operating businesses have performed well and in line with expectations.

Dynamic Intertrade ("DI")

For the period under review DI has grown revenue by 51.7% compared to the same comparable prior period. In addition, it has improved margins from 32.9% to 35.3%. NPBT has improved substantially for the period under review. For the period under review the business went from a loss before tax of R1 039 390 to a profit before tax of R1 161 646. The directors and management have a clear strategy and are executing it.
DI has maintained its FSSC22000 certification which is important when dealing with blue chip food manufacturing companies.

Dynamic Intertrade Agri ("DIA")
(46.8% owned by AAA)

Over the six-month period ended 30 April 2019 DIA's sales increased by 48% and its gross profit increased by 11% compared to the same comparable period. DIA wrote off historical bad debt amounting to ZAR286,635 at the end of 2018 which, while still profitable, negatively affected its net profit. As a result of this the Company's share of associate income has fallen from £3 636 to £1 273.

Group Results for the period

Although the loss for the period has increased from £147 794 to £206 962 this is primary as a result of transaction costs associated with the proposed Reverse Take Over of The Comarco Group and general listing costs. These transaction costs amount to £105 000. In addition, the loan granted to Touchwood Investments Limited generated an interest income of £43 217. Without these transaction costs and the finance income, the Group, on a like for like, comparative basis would have decreased its loss by £55 616, a 37.6% reduction.

Outlook

On a very positive note, the board announced in June 2019 the signed conditional share purchase agreements to acquire the entire issued share capital of a number of companies within the Comarco group of companies that are based in Kenya and engaged in the port and marine logistics business (the "Proposed Acquisition"). The consideration will be USD 30m, payable in AAA new ordinary shares at 0.5p per share. The companies are: Consolidated Marine Contractors Limited (CMC); Comarco Properties (EPZ) Limited (CPL); Kenya Marine Contractors (EPZ) Limited (KMC); Touchwood Investments Limited (TIL) and Comarco Supply Base (EPZ) Limited (CSB) (collectively the "Comarco Group"). The Proposed Acquisition is subject, inter alia, to an equity fundraising, the publication of a prospectus and shareholder approval in general meeting.

This transaction marks a turning point for Anglo African Agriculture. One of AAA's primary reasons for becoming involved with Comarco Group is based on the Company's belief that ports are long term growth assets and this particular port is of considerable strategic importance to East Africa. While Mombasa has long served as a key port in East Africa, the recently constructed railway project linking Mombasa to Kenya's capital city Nairobi has significantly reduced the journey time by 7.5 hours compared to the previous railway line. Large scale infrastructure improvements such as these only add to Mombasa's strategic importance in the region.

We have further been encouraged by the recent oil and gas transactional activity in the region and the ongoing liquefied natural gas focused work in Mozambique, all of which bode well for Comarco Group's marine logistics focused business. Anadarko has recently announced the Final Investment Decision (FID) in the "Area 1" of the Rovuma Basin in Mozambique, at $20 billion the FID is the largest Oil and Gas sanction ever made in Sub Saharan Africa. Comarco Group is one of the few marine operators in the region with the capacity and experience to take part in such large scale and specialised oil and gas marine projects and as such it is anticipated that Comarco Group will be competitive in the bidding for ongoing and upcoming tenders.

We are delighted to have reached agreement to acquire Comarco Group and we look forward to concluding the fundraising and the transaction in due course to set the Enlarged Group up for an exciting future."

With the current business performing soundly and the acquisition of the Comarco Group now signed and subject to closing I believe the outlook for the Company and its shareholders is exciting

Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year; and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Cautionary statement

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

David Lenigas
Non-Executive Chairman
29 July 2019

FOR FURTHER INFORMATION PLEASE CONTACT:

Anglo African Agriculture plc
David Lenigas, Non-Executive Chairman — Tel +44 (0) 20 7440 0640
Rob Scott, Executive Director — Tel +27 (0) 84 600 6001

VSA Capital Limited (Financial Adviser and Broker)
Andrew Raca — Tel +44 (0) 20 3005 5000

Forward looking statement

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as ''believe'', ''could'', "should" ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

For further information please visit http://www.aaaplc.com or contact the following:

Rob Scott	robscott@african-mining.com	Tel: +27 (0) 84 600 6001

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	6 months Ended 30 April 2019	Year ended 31 October 2018	6 months Ended 30 April 2018
		£	£	£
Turnover		**969 580**	**1 743 772**	**638 996**
Cost of Sales		(626 933)	(1 123 724)	(428 198)
Gross Profit		342 647	620 048	210 798
Other Income		815	53	5 143
Share of profit of associate		1 273	6 933	3 636
Administrative expenses	4	(422 037)	(909 145)	(350 165)
Admission expenses		(158 000)	(276 306)	-
Operating loss		**(235 302)**	**(558 417)**	**(130 588)**
Finance costs		(14 877)	(14 958)	(17 206)
Finance income		43 217	-	-
Loss before taxation		(206 962)	(573 374)	(147 794)
Tax on loss on ordinary activities		-	-	-
Loss after taxation		**(206 962)**	**(573 374)**	**(147 794)**
Loss and total comprehensive loss for the period		**(206 962)**	**(573 374)**	**(147 794)**
Basic and diluted earnings per share	5	(0.05p)	(0.26p)	(0.07p)

Interim Condensed Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Share Based Payments Reserve	Retained Earnings	Total Equity
	£	£	£	£	£
Balance at 31 October 2017	**206 984**	**1 765 536**	**16 445**	**(1 847 545)**	**141 420**
Share Issue	20 000	118 947	-	-	**138 947**
Loss for the period	-	-	-	(147 794)	**(147 794)**
Balance at 30 April 2018	**226 984**	**1 884 483**	**16 445**	**(1 995 339)**	**132 573**
Share Issue	161 000	635 426	-	-	**796 426**
Share based payments reserve	-	-	66 932	-	**66 932**
Loss for the period	-	-	-	(425 580)	**(425 580)**
Balance at 31 October 2018	**387 984**	**2 519 909**	**83 377**	**(2 420 919)**	**570 351**
Share Issue	-	-	-	-	**-**
Loss for the period	-	-	-	(206 962)	**(206 962)**
Balance at 30 April 2019	**387 984**	**2 519 909**	**83 377**	**(2 627 881)**	**363 389**

Share capital is the amount subscribed for shares at nominal value.
Retained losses represent the cumulative loss of the Group attributable to equity shareholders.
Share-based payments reserve relate to the charge for share-based payments in accordance with IFRS 2.

Interim Condensed Consolidated Statement of the Financial Position

	Notes	6 months Ended 30 April 2019	Year ended 31 October 2018	6 months Ended 30 April 2018
		£	£	£
Assets				
Non-Current Assets				
Goodwill on Consolidation		226 645	226 645	226 644
Property, Plant and Equipment	6	42 398	53 555	109 228
Loan receivable	7	821 036	-	-
Investment in Associate	9	98 252	96 979	93 682
Total Non-Current Assets		**1 188 331**	**377 179**	**429 554**
Current assets				
Inventories		62 833	118 978	206 107
Trade and Other Receivables		343 739	468 678	275 046
Cash and Cash Equivalents		109 184	945 823	48 769
Total Current Assets		**515 756**	**1 533 479**	**529 922**
Total Assets		**1 704 087**	**1 910 658**	**959 476**
Equity and Liabilities				
Share Capital	10	387 984	387 984	226 984
Share Premium Account	10	2 519 909	2 519 909	1 884 482
Share-Based Payments Reserve		83 377	83 377	16 445
Retained Earnings		(2 627 881)	(2 420 919)	(1 995 339)
Total Equity		**363 389**	**570 351**	**132 572**
Non-Current Liabilities				
Borrowings		103 368	91 898	-
Convertible Loan Notes		252 465	253 863	-
Total Non-Current Liabilities		**355 833**	**345 761**	**-**
Current Liabilities				
Trade and Other Payables		984 865	994 546	826 904
Total Liabilities		**984 865**	**994 546**	**826 904**
Total Equity and Liabilities		**1 704 087**	**1 910 658**	**959 476**

Interim Condensed Consolidated Cash Flow Statement

	Notes	6 months Ended 30 April 2019	Year ended 31 October 2018	6 months Ended 30 April 2018
		£	£	£
Cash flows from operating activities				
Operating loss		(235 302)	(558 416)	(130 588)
Add: Depreciation		12 835	48 993	25 574
Add: Foreign exchange movements		(442)	14 347	(11 384)
Add: Share Based Payments Reserve		-	66 932	-
Add: (Profit)/loss on disposal of property, plant and equipment		(129)	32 194	-
Add: (Loss) from equity accounted investment		(1 273)	(6 933)	(3 636)
Finance costs		(14 877)	(14 958)	(17 205)
Interest received		-	1	-
Changes in working capital				
Decrease in inventories		56 145	84 804	(2 324)
Decrease / (increase) in receivables		124 939	(88 264)	105 368
(Decrease) / increase in payables		(11 079)	22 848	(129 837)
Net cash flow from operating activities		**(69 183)**	**(398 452)**	**(164 032)**
Investing Activities				
Acquisition of property, plant and equipment		(1 236)	(8 949)	(2 099)
Disposal of property, plant and equipment		129	-	-
Increase in Loans Receivable		(777 819)	-	-
Convertible loan notes issued		-	250 000	-
Net cash flow from investing activities		**(778 926)**	**241 051**	**(2 099)**
Cash flows from financing activities:				
Net proceeds from issue of shares	10	-	935 374	138 948
Increase in borrowings		11 470	91 898	-
Net cash flow from financing activities		**11 470**	**1 027 272**	**138 948**
Net cash flow for the period		**(836 639)**	**869 871**	**(27 183)**
Opening Cash and cash equivalents		945 823	75 952	75 952
Closing Cash and cash equivalents		**109 184**	**945 823**	**48 769**

Notes to the Interim Condensed Consolidated Financial Statements

1. General Information

Anglo African Agriculture plc is a company incorporated in the United Kingdom. Details of the registered office, the officers and advisers to the Company are presented on the Directors and Advisers page at the end of this report. The Company has a standard listing on the London Stock Exchange main market. The information within these Interim condensed consolidated financial statements and accompanying notes must be read in conjunction with the Audited annual financial statements that have been prepared for the year ended 31 October 2018.

2. Basis of Preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 April 2019 have been prepared in accordance with International Accounting Standard N°34, Interim Financial Reporting, were approved by the board and authorised for issue on 29 July 2019.

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 October 2018 have been applied in the preparation of these condensed consolidated interim financial statements. These interim financial statements have been prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards ("IFRS") as endorsed by the EU that are expected to be applicable to the consolidated financial statements for the year ending 31 October 2019 and on the basis of the accounting policies expected to be used in those financial statements. IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers have been adopted with effect from 1 November 2018 and have had no material effect on the Group.

The figures for the six months ended 30 April 2019 and 30 April 2018 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 October 2018 are extracts from the 2018 audited accounts. The independent auditor's report on the 2018 accounts was not qualified but included an emphasis of matter in respect of going concern.

3. Segmental Reporting

In the opinion of the Directors, the Group has one class of business, being the trading of agricultural materials. The Group's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is South Africa. Apart from the equity accounted investment in Dynamic Intertrade Agri (Pty) Ltd which is also South African based, all revenues and costs are derived from the single segment. Historically this segment has experienced a high demand for its products in the months of July to December with a lower than average demand in the months of January to March.

4. Company Result for the period

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement account.

The operating loss of the parent Company for the six months ended 30 April 2019 was £253 301 (30 April 2018: loss of £130 588, year ended 31 October 2018: loss of £558 416). The operating loss incorporated the following main items:

	6 months Ended 30 April 2019	Year ended 31 October 2018	6 months Ended 30 April 2018
	£	£	£
Accounting and administration fees	8 038	14 373	27 750
Admission expenses	158 000	276 306	-
Brokership fees	3 731	31 200	15 000
Legal and professional fees	-	12 145	14 569
Registrar fees	14 053	13 659	12 650
Personnel expenses	170 028	332 596	180 453

5. Earnings per Share

Earnings per share data is based on the Group result for the six months and the weighted average number of shares in issue.

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	6 months Ended 30 April 2019 (Unaudited)	Year ended 31 October 2018 (Audited)	6 months Ended 30 April 2018 (Unaudited)
	£	£	£
Loss after tax	(206 962)	(573 374)	(147 794)
Weighted average number of ordinary shares in issue	387 783 984	220 465 924	226 983 754
Basic and diluted loss per share (pence)	(0.05p)	(0.26p)	(0.07p)

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 30 April 2019 there were 197 094 663 (31 October 2018 - 197 094 663 and 30 April 2018 – 2 761 330) outstanding share warrants and 17 956 185 (31 October 2018 - 17 956 185 and 30 April 2018 – 17 356 184) outstanding options, both are potentially dilutive.

6. Property, Plant and Equipment

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

Furniture, fixtures and equipment	17%
Leasehold improvements	20%
Plant and machinery	20%
Computer equipment	33%

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss in the year in which the asset is derecognised.

Group	Leasehold Property	Furniture and fixtures	Plant and machinery	Total
	£	£	£	£
Cost				
As at 31 October 2017	20 316	4 598	407 092	432 006
Exchange difference	1 167	508	41 252	42 927
Additions	-	74	2 024	2 098
As at 30 April 2018	21 483	5 180	450 368	477 031
Exchange difference	(1 884)	(494)	(32 110)	(34 488)
Additions	2 246	60	4 545	6 851
Disposals	-	-	(124 003)	(124 003)
As at 31 October 2018	21 845	4 746	298 800	325 391
Exchange difference	76	17	1 049	1 142
Additions	198	-	1 038	1 236
Disposals	-	-	(433)	(433)
As at 30 April 2019	**22 119**	**4 763**	**300 454**	**327 336**
Accumulated depreciation				
As at 01 November 2016	11 332	2 552	292 482	306 366
Exchange difference	(1 363)	(145)	(15 651)	(17 159)
Charge for the year	3 531	269	21 774	25 574
Released on disposal	-	-	22 454	22 454
As at 30 April 2018	14 119	2 998	347 119	364 236
Exchange difference	778	130	20 111	21 019
Released on disposal	-	-	(114 155)	(114 155)
Charge for the year	2 481	266	20 672	23 419
As at 31 October 2018	17 378	3 394	273 747	294 519
Exchange difference	61	(218)	(21 572)	(21 729)
Charge for the year	1 598	257	10 726	12 581
Released on disposal	-	-	(433)	(433)
As at 30 April 2019	**19 037**	**3 433**	**262 468**	**284 938**
Net Book Value				
As at 31 October 2016	13 675	1 953	143 967	159 595
As at 30 April 2018	7 364	2 182	103 249	112 795
As at 31 October 2018	4 467	1 352	25 053	30 872
As at 30 April 2019	**3 082**	**1 330**	**37 986**	**42 398**

The holding company held no tangible fixed assets at 30 April 2019, 31 October 2018 and 30 April 2018.

7. Loan receivable

	6 months Ended 30 April 2019 (Unaudited)	Year ended 31 October 2018 (Audited)	6 months Ended 30 April 2018 (Unaudited)
	£	£	£
Loan to Touchwood Investments Ltd	821 036	-	-
Carrying value	821 036	-	-

On the 12th of November 2018, the Company advanced a loan to Touchwood Investments Ltd, part of the Comarco Group ("Comarco") amounting to US$1 million. This loan is secured by a portion of the port that Comarco operates and is registered to Touchwood Investments Ltd. The loan is for an initial period of 24 months and bears interest at 12% for the first 9 months and then at 15% for the remainder of the loan period. The loan is repayable in full, including interest, at the end of the loan period.

8. Subsidiaries

AAA holds investments in the following subsidiary undertakings as at 30 April 2019, which principally affected the losses and net assets of the group.

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of equity interest 2017	Proportion (%) of equity interest 2016
Dynamic Intertrade (Pty) Limited	Trading in Agricultural Products	South Africa	100%	100%
Dynamic Intertrade Agri (Pty) Limited	Agricultural commodity trading and distribution	South Africa	46.8%	-

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated, using the acquisition method, from the date that control is gained and are stated at cost less, where appropriate, provisions for impairment. Entities that do not comply with this policy, but over which the group has a shareholding of between 20 and 50 percent of the voting rights are equity accounted from the date of acquisition and are stated at cost and adjusted for the results of these entities for the accounting period.

There were no material events following the 30 April 2019 half year.

9. Investment in Associate

	6 months Ended 30 April 2019 (Unaudited)	Year ended 31 October 2018 (Audited)	6 months Ended 30 April 2018 (Unaudited)
	£	£	£
Investment in Dynamic Intertrade Agri (Pty) Ltd	96 979	90 046	90 046
Equity accounted profit/ (loss) for the period	1 273	6 933	3 636
Carrying value	98 252	96 979	93 682

For further details, see note 8.

10. Share Capital

Ordinary shares are classified as equity. Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Allotted, called up and fully paid ordinary shares of 0.1p each	**Number of shares**	**Share Capital**	**Share Premium**
		£	**£**
Balance at 31 October 2017	206 983 754	206 984	1 765 535
Share issue – 1 November 2017	20 000 000	20 000	118 947
Balance at 30 April 2018	226 983 754	226 984	1 884 482
Share issue – 10 May 2018	161 000 000	161 000	635 427
Balance at 31 October 2018	387 983 754	387 984	2 519 909
Share issue	-	-	-
Balance at 30 April 2019	387 983 754	387 984	2 519 909

11 Events Subsequent to 30 April 2019

AAA announced following the period end that it has signed conditional share purchase agreements to acquire the entire issued share capital of a number of companies within the Comarco group of companies that are based in Kenya and engaged in the port and marine logistics business (the "Proposed Acquisition"). The consideration will be USD 30m, payable in AAA new ordinary shares at 0.5p per share. The companies are: Consolidated Marine Contractors Limited (CMC); Comarco Properties (EPZ) Limited (CPL); Kenya Marine Contractors (EPZ) Limited (KMC); Touchwood Investments Limited (TIL) and Comarco Supply Base (EPZ) Limited (CSB) ("Comarco Group"). The Proposed Acquisition is subject, inter alia, to an equity fundraising, the publication of a prospectus and shareholder approval in general meeting.

Directors and Advisers

Directors:	David Lenigas George Roach Robert Scott Andrew Monk Matthew Bonner
Company Number:	07913053
Registered Address:	New Liverpool House 15-17 Eldon Street London EC2M 7LD
Head Office:	New Liverpool House 15-17 Eldon House London EC2M 7LD
Financial Adviser & Broker:	VSA Capital Limited New Liverpool House 15-17 Eldon Street London EC2M 7LD
Auditors:	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Solicitors to the Company:	Keystone Law 48 Chancery Lane London WC2A 1JF
Registrars:	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA