



**ANGLO AFRICAN AGRICULTURE PLC**  
**DIRECTORS' REPORT AND CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 APRIL 2020**

## Anglo African Agriculture plc (“AAA” or the “Company”)

Half yearly report for the six months ended 30 April 2020

### The Chairman’s Report

We are reporting our results to the end of 30 April 2020 but since then much has changed due to the Coronavirus pandemic. It has been difficult to quantify the layers of complexity it has added to the business, however it has been immense. As indicated previously, Dynamic Intertrade will see a significant improvement in annual sales year on year in local currency. This will to a certain extent be mitigated by the commercial effects of the Coronavirus which include a reduction in liquidity from funders and creditors as well as margin pressures. In addition, the deterioration of the exchange rate for the South African Rand will affect the results in the reporting currency. However overall, we can be pleased with the positive performance now being seen by Dynamic Intertrade. The Comarco transaction is still progressing, however capital raising in these uncertain times has been difficult to say the least. With that said, the gas project in Northern Mozambique has been given the final investment decision (“FID”) and will be proceeding, which will make Mozambique one of the largest producers of LNG in the world. The construction of the facility will be one of the most expensive construction projects in the world and, currently, it is only predominantly accessible by sea. Comarco is strategically placed to take advantage of supporting the contractors developing the gas fields and associated infrastructure.

### Dynamic Intertrade (“DI”)

For the period under review DI has been negatively impacted by the economic slowdown in South Africa which coincided with the country’s demotion to junk status and the resulting weakening of the South African currency. For the 6-month period ending 30 April 2020, the combined effect has been a 10.5% reduction in revenue from R17.67 million in 2019 to R15.82 million. DI imports the majority of its inventory and this reflected in the costs of revenue remaining almost static at R11.1 million for 2020 (R11.4 million for 2019). Operating expenses have also been impacted by the current economic environment where importation charges increased by 79% from 2019 contributing to the 9.2% increase in expenditure from R4.7 million in 2019 to R5.2 million in 2020.

Since the half year end, the company has secured, inter alia, a large order of R18m from one of our largest customers which will be fulfilled before the end of December 2020. The directors and management have also implemented several initiatives to return the company to profitability and thus have a clear strategy and are executing it. This allows us to be positive about the future of DI.

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)

DIA is in the process of being disposed of and as a result no equity accounting of its results have been reported.

### Group Results for the period

Although the loss for the period has increased from £206,961 to £210,067 this is as a result DI having a very disappointing first six months emanating from a poor first quarter. Transaction costs have decreased. The loan granted to Touchwood Investments Limited generated an interest income of £65,499 up from £43,217.

### Outlook

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 payable in AAA new ordinary shares. The parties have signed the extension of the longstop date to 31 August 2020. Given that the futures of both

Comarco and AAA are closely related, it is the companies' shared belief that the current delay will not change the long-term outcome and that the transaction will continue should the longstop date be passed.

The Company and its advisors are currently working on various initiatives (as announced previously) to enable the Proposed Acquisition to take place with a substantially smaller equity fund raise or part acquisition and will update the market in due course. The Board continues to believe this Proposed Acquisition is worth pursuing as it should create significant value for shareholders.

The \$1mn loan made to Comarco is due for repayment in November 2020 and after accrued interest will be \$1.3mn. The Board hopes the Proposed Acquisition will have completed before then and so it would become an intercompany loan. However if the Proposed Acquisition is not complete and payment cannot be made then AAA has an option to acquire at nominal value the company that owns the Touchwood Property which is valued at over \$12mn which gives it more than adequate security.

The Board remains confident of the future for Dynamic Intertrade despite the current global environment which is affecting so many companies. Sales since the interim period have remained strong and are currently on par with last year and are set to improve with the abovementioned sales order.

With the current business performing soundly and the acquisition of the Comarco Group progressing, I believe the outlook for the Company and its shareholders is promising.

Although the indicative orders look positive, due to the uncertainties caused by the Coronavirus the company cannot give future guidance year on year.

#### **Post period events**

The Board has today announced an equity placing of £102,676 at 4p for general working capital purposes and to help grow sales at DI as with additional capital, sales can be accelerated.

We also announced today that the board has re-negotiated the terms of the existing Convertible loan notes of £250,000 with the Lender, a high net worth individual, which were due for repayment in October 2020. A 12-month extension has been agreed and interest payments changed to capital repayments. In return the conversion price has been lowered to 5p. The Board is grateful to the Lender and subject to the completion of the Proposed Acquisition, expects this loan to be converted in future

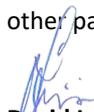
#### **Responsibility Statement**

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  
24 July 2020

**FOR FURTHER INFORMATION PLEASE CONTACT:**

**Anglo African Agriculture plc**

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**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.aaapl.com> or contact the following:

## Interim Condensed Consolidated Statement of Comprehensive Income

		6 months Ended 30 April 2020 £	Year ended 31 October 2019 £	6 months Ended 30 April 2019 £
<b>Turnover</b>		792,743	1,819,552	969,580
Cost of Sales		(553,925)	(1,220,658)	(626,933)
Gross Profit		<b>238,818</b>	<b>598,894</b>	<b>342,647</b>
Other Income / Expenditure		-	848	815
Share of profit/loss of associate		-	-	1,273
Administrative expenses	4	(396,285)	(621,411)	(422,037)
Admission expenses		(89,476)	(249,798)	(158,000)
<b>Operating loss</b>		<b>(246,943)</b>	<b>(271,467)</b>	<b>(235,302)</b>
Finance costs		(28,623)	(114,034)	(14,877)
Finance income		65,499	100,836	43,217
Loss before taxation		<b>(210,067)</b>	<b>(284,665)</b>	<b>(206,962)</b>
Tax on loss on ordinary activities		-	-	-
<b>Loss after taxation</b>		<b>(210,067)</b>	<b>(284,665)</b>	<b>(206,962)</b>
<b>Other Comprehensive Income impairment of investment in associate</b>		-	(90,825)	
<b>Total comprehensive loss for the year from continuing operations</b>		<b>(210,067)</b>	<b>(375,490)</b>	<b>(206,962)</b>
<b>Loss attributable to ordinary shareholders</b>		<b>(210,067)</b>	<b>(284,665)</b>	<b>(206,962)</b>
<b>Total comprehensive loss for the period</b>		<b>(210,067)</b>	<b>(375,490)</b>	<b>(206,962)</b>
Basic and diluted earnings per share	5	(1.08p)	(1.47p)	(0.05p)

## Interim Condensed Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Share Based Payments Reserve	Retained Earnings	Total Equity
	£	£	£	£	£
<b>Balance at 31 October 2018</b>	<b>387,984</b>	<b>2,519,909</b>	<b>83,377</b>	<b>(2,420,919)</b>	<b>570,351</b>
Loss for the period	-	-	-	(206,962)	(206,962)
<b>Balance at 30 April 2019</b>	<b>387,984</b>	<b>2,519,909</b>	<b>83,377</b>	<b>(2,627,881)</b>	<b>363,389</b>
Loss for the period	-	-	-	(77,703)	(77,703)
Other comprehensive loss	-	-	-	(90,825)	(90,825)
<b>Balance at 31 October 2019</b>	<b>387,984</b>	<b>2,519,909</b>	<b>83,377</b>	<b>(2,796,409)</b>	<b>194,861</b>
Loss for the period	-	-	-	(210,067)	(210,067)
<b>Balance at 30 April 2020</b>	<b>387,984</b>	<b>2,519,909</b>	<b>83,377</b>	<b>(3,006,476)</b>	<b>(15,206)</b>

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

		6 months Ended 30 April 2020	Year ended 31 October 2019	6 months Ended 30 April 2019
Notes		£	£	£
<b>Assets</b>				
<b>Non-Current Assets</b>				
		226,645	226,644	226,645
	Goodwill on Consolidation			
6	Property, Plant and Equipment	18,817	30,838	42,398
7	Loan receivable	962,216	871,579	821,036
	Investment in Associate		-	98,252
	<b>Total Non-Current Assets</b>	<b>1,207,678</b>	<b>1,129,061</b>	<b>1,188,331</b>
<b>Current assets</b>				
9	Investment in Associate (held for sale)	6,154	6,154	-
	Inventories	71,904	67,359	62,833
	Trade and Other Receivables	340,249	422,775	343,739
	Cash and Cash Equivalents	36,228	5,218	109,184
	<b>Total Current Assets</b>	<b>454,535</b>	<b>501,506</b>	<b>515,756</b>
	<b>Total Assets</b>	<b>1,662,213</b>	<b>1,630,567</b>	<b>1,704,087</b>
<b>Equity and Liabilities</b>				
10	Share Capital	387,984	387,984	387,984
10	Share Premium Account	2,519,909	2,519,909	2,519,909
	Share-Based Payments Reserve	83,377	83,377	83,377
	Retained Earnings	(3,006,476)	(2,796,409)	(2,627,881)
	<b>Total Equity</b>	<b>(15,206)</b>	<b>194,861</b>	<b>363,389</b>
<b>Non-Current Liabilities</b>				
	Borrowings	328,355	363,091	103,368
	Convertible Loan Notes	250,000	250,000	252,465
	<b>Total Non-Current Liabilities</b>	<b>578,355</b>	<b>613,091</b>	<b>355,833</b>
<b>Current Liabilities</b>				
	Trade and Other Payables	1,099,064	822,615	984,865
	<b>Total Liabilities</b>	<b>1,099,064</b>	<b>822,615</b>	<b>984,865</b>
	<b>Total Equity and Liabilities</b>	<b>1,662,213</b>	<b>1,630,567</b>	<b>1,704,087</b>

## Interim Condensed Consolidated Cash Flow Statement

	6 months Ended 30 April 2020 £	Year ended 31 October 2019 £	6 months Ended 30 April 2019 £
Notes			
<b>Cash flows from operating activities</b>			
Operating loss	(246,943)	(271,467)	(235,302)
Add: Depreciation	9,832	24,245	12,835
Add: Foreign exchange movements	(22,154)	830	(442)
Add: Share Based Payments Reserve	-	-	-
Add: (Profit)/loss on disposal of property, plant and equipment	-	(128)	(129)
Add: (Loss) from equity accounted investment	-	-	(1,273)
Finance costs	(28,623)	(114,034)	(14,877)
Interest received	65,499	100,836	-
<b>Changes in working capital</b>			
Decrease in inventories	(4,545)	51,619	56,145
Decrease / (increase) in receivables	82,526	45,904	124,939
(Decrease) / increase in payables	276,449	(175,794)	(11,079)
<b>Net cash flow from operating activities</b>	<b>132,041</b>	<b>(337,989)</b>	<b>(69,183)</b>
<b>Investing Activities</b>			
Acquisition of property, plant and equipment	(797)	(2,411)	(1,236)
Disposal of property, plant and equipment	-	181	129
Loan Receivable advanced	(65,499)	(871,579)	(777,819)
<b>Net cash flow from investing activities</b>	<b>(66,296)</b>	<b>(873,809)</b>	<b>(778,926)</b>
<b>Cash flows from financing activities:</b>			
Net proceeds from issue of shares	9	-	-
Convertible loan notes issued	-	-	-
(Decrease) / Increase in borrowings	(34,736)	271,193	11,470
<b>Net cash flow from financing activities</b>	<b>(34,736)</b>	<b>271,193</b>	<b>11,470</b>
<b>Net cash flow for the period</b>	<b>31,009</b>	<b>(940,605)</b>	<b>(836,639)</b>
Opening Cash and cash equivalents	5,219	945,824	945,824
<b>Closing Cash and cash equivalents</b>	<b>36,228</b>	<b>5,219</b>	<b>109,185</b>

# 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 2019.

## 2. Basis of Preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 April 2020 have been prepared in accordance with International Accounting Standard N°34, Interim Financial Reporting, were approved by the board and authorised for issue on 24 July 2020.

The basis of preparation and accounting policies set out in the Annual Report and Accounts for the year ended 31 October 2019 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 2020 and on the basis of the accounting policies expected to be used in those financial statements.

The figures for the six months ended 30 April 2020 and 30 April 2019 are unaudited and do not constitute full accounts. The comparative figures for the year ended 31 October 2019 are extracts from the 2019 audited accounts. The independent auditor’s report on the 2019 accounts was not qualified but included a material uncertainty 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. 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 group for the six month period ended 30 April 2020 was £246,943 (30 April 2019: loss of £235,302, year ended 31 October 2019: loss of £271,467). The operating loss incorporated the following main items:

	<b>6 months Ended 30 April 2020 £</b>	<b>Year ended 31 October 2019 £</b>	<b>6 months Ended 30 April 2019 £</b>
Accounting and administration fees	10,160	14,373	27,750
Admission expenses	89,476	249,798	158,000
Brokership fees	18,021	20,116	15,000
Legal and professional fees	1,533	13,099	14,569
Registrar fees	525	15,947	12,650
Personnel expenses	153,862	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:

	<b>6 months Ended 30 April 2020 (Unaudited) £</b>	<b>Year ended 31 October 2019 (Audited) £</b>	<b>6 months Ended 30 April 2019 (Unaudited) £</b>
Loss after tax	(210 067)	(284 665)	(206 961)
Weighted average number of ordinary shares in issue	19,399,198	19,399,198	387,783,984
Basic and diluted loss per share (pence)	(1.08p)	(1.47p)	(0.05p)

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 2020 there were 8,188,066 (31 October 2019 – 8,188,066 and 30 April 2019 – 8,188,066) outstanding share warrants and 1,047,809 (31 October 2019 – 1,047,809 and 30 April 2019 – 1,047,809) 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
	£	£	£	£
<b>Cost</b>				
<b>As at 31 October 2018</b>	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)
<b>As at 30 April 2019</b>	22,119	4,763	300,454	327,336
Exchange difference	(1 052)	(227)	(14 270)	(15 549)
Additions	-	111	1,069	1,180
Disposals	-	-	(1 906)	(1 906)
<b>As at 31 October 2019</b>	21,067	4,647	285,347	311,061
Exchange difference	(2 804)	(867)	(37 728)	(41 399)
Additions	-	108	689	797
Disposals	-	-	-	-
<b>As at 30 April 2020</b>	18,263	3,888	248,308	270,459
<b>Accumulated depreciation</b>				
<b>As at 31 October 2018</b>	17,378	3,394	273,747	294,519
Charge for the year	1,598	257	10,726	12,581
Released on disposal	-	-	(433)	(433)
Exchange difference	61	(218)	(21 572)	(21 729)
<b>As at 30 April 2019</b>	19,037	3,433	262,468	284,938
Charge for the year	1,215	271	10,178	11,664
Released on disposal	-	-	(1 853)	(1 853)
Exchange difference	(1 009)	(185)	(13 332)	(14 526)
<b>As at 31 October 2019</b>	19,243	3,519	257,461	280,223
Charge for the year	776	300	8,757	9,833
Released on disposal	-	-	-	-
Exchange difference	(2 649)	(644)	(35 121)	(38 414)
<b>As at 30 April 2020</b>	17,370	3,175	231,097	251,642
<b>Net Book Value</b>				
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
As at 31 October 2019	1,824	1,128	27,886	30,838
<b>As at 30 April 2020</b>	<b>893</b>	<b>713</b>	<b>17,211</b>	<b>18,817</b>

The holding company held no tangible fixed assets at 30 April 2020, 31 October 2019 and 30 April 2019.

## 7. Loan receivable

	6 months Ended 30 April 2020 (Unaudited) £	Year ended 31 October 2019 (Audited) £	6 months Ended 30 April 2019 (Unaudited) £
Loan to Touchwood Investments Ltd	962,216	871,579	821,036
Carrying value	962,216	871,579	821,036

On the 12<sup>th</sup> 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 2020, 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 2020	Proportion (%) of equity interest 2019
Dynamic Intertrade (Pty) Limited	Value Added Agricultural Products	South Africa	100%	100%

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.

## 9. Investment in Associate

	6 months Ended 30 April 2020 (Unaudited) £	Year ended 31 October 2019 (Audited) £	6 months Ended 30 April 2019 (Unaudited) £
Investment in Dynamic Intertrade Agri (Pty) Ltd	6,154	96,979	96,979
Equity accounted profit/ (loss) for the period	-	-	1,273
Impairment of investment	-	(90 825)	-
Carrying value	6,154	6,154	98,252

## 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 2.0p (April 2019 - 0.1p) each	Number of shares	Share Capital	Share Premium
		£	£
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
Share consolidation at 20:1	(368,584,566)	-	-
Share issue	-	-	-
Balance at 31 October 2019	19,399,188	387,984	2,519,909
Share issue	-	-	-
<b>Balance at 30 April 2020</b>	<b>19,399,188</b>	<b>387,984</b>	<b>2,519,909</b>

## 11 Events Subsequent to 30 April 2020

There were no material events subsequent to April 2020.

## Directors and Advisers

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