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31 December 2019

Anglo African Agriculture PLC

Update on proposed Reverse Takeover

The Company wishes to provide an update on the proposed acquisition of the Comarco group of companies ("**Comarco Group**"), and the associated fundraising. The Comarco Group is based in Kenya and engaged in port and marine logistics in East Africa.

AAA has been working with the management of Comarco Group for nearly two years, providing assistance on its restructuring of operations and positioning it for growth. On 12 November 2018, the Board of AAA announced that a \$1 million secured loan (the "**Port Loan**") was advanced to provide general working capital to the Comarco Group. The Port Loan was provided as part of AAA's assistance to restructure Comarco Group. The Port Loan is repayable in November 2020 and is currently accruing interest at 15%. It is secured against the Comarco Group's Touchwood property valued at \$9mn. The sum repayable under the Port Loan would be approximately \$1.3mn (c.£1mn).

On 9 June 2019, AAA signed conditional share purchase agreements ("**SPAs**") to acquire the entire share capital of a number of the Comarco Group companies (the "**Proposed Acquisition**").

A further announcement was made by the Company on 4 November 2019 regarding the publication of a registration document, and its confirmation on its intention to proceed with the Proposed Acquisition. Since that time AAA has had numerous meetings with institutional and other investors and has garnered significant international interest in investing in the Company. Appetite from UK institutions was disappointing as funds at the smaller end of the market have struggled with the consequences of the demise of Woodford Investment Management, Brexit and the recently held General Election.

We have seen significant interest from private equity and also strategic investors, but these groups typically do not invest directly in listed equity. The SPAs contained a long stop date of 31 December 2019, after which the agreements would lapse.

In anticipation of the technical lapse of the SPAs, both the Company and the vendors of Comarco Group have verbally agreed to extend the long stop date. A signed extension will be obtained in the new year.

AAA and the management of Comarco Group continue to believe a listing is important and also wish to deliver the value of the Port and its associated operations to the AAA shareholders. The intention is thus to continue with the Proposed Acquisition by way of a traditional public equity raise but also consider expanded structures where private equity or strategic investors may invest in the Comarco Group assets at an asset level alongside AAA. The impact of such a structure would mean less dilution for AAA shareholders and yet still provide material exposure to the growth of the port and marine logistic businesses.

Discussions are ongoing with numerous groups at both the public equity and asset level to determine the most beneficial structure and investment partner/s. The Board will keep shareholders apprised of developments in the weeks ahead.

Simon Phillips, Chief Executive of Comarco Group, commented:

"We are pleased with the very strong interest shown by investors and their very high level of engagement in the process. Although disappointed by unfavorable and uncertain market conditions in London, I believe evaluating additional structures is in the best interests of AAA shareholders. We remain very excited about Comarco Group's activities and look forward to updating the market on progress in the future."

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