

*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*

15 December 2021

## **Anglo African Agriculture plc**

**(“AAA” or the “Company”)**

### **Corporate Update – Restructuring and future opportunities**

The Company is pleased to provide a progress update since the proposed acquisition of the Comarco group of companies was terminated (the “**Failed Comarco Transaction**”) and the loan repaid. This has required a considerable restructuring of the Company in collaboration with stakeholders, including creditors, holders of Convertible Loan Notes (“**CLNs**”) and holders of options and warrants.

#### **Creditors**

As a consequence of the Failed Comarco Transaction, the Company incurred considerable liabilities, principally as a result of fees incurred with professional advisers. The Board is pleased to announce that it has reached a settlement with all of the creditors who provided services in connection with the Failed Comarco Transaction. This settlement has reduced our creditor position by about 50% and has left the group with a cash position of approximately £550,000. As part of the settlement, the AAA board has decided that, subject to shareholder approval, a certain proportion of amounts owing to one creditor will be converted into equity in AAA as outlined further below.

#### **Convertible Loan Notes**

All of the holders of CLNs amounting to £853,000 in principal, together with accrued interest of £106,919 (as at 31 October 2021), have agreed to new terms such that the repayment date will be extended to 30 September 2023 with a conversion price being the lower of a) 5p or b) a 10% discount to the 30 day VWAP ahead of conversion. The interest rate on the CLNs will remain unchanged at 12%.

#### **Option and Warrant Holders**

Holders of warrants arising from 2018 and 2020 equity fundraises have had their warrants reset to expire on 1 February 2024 and to be exercisable at 5p.

The options and warrants are now as follows:

Warrants:	138,067 at 20p with expiry date 05/09/2022
	8,050,000 at 5p with expiry date 01/02/2024
	2,566,889 at 5p with expiry date 01/02/2024
Options:	597,809 options at 20p with expiry date 05/09/2022
	300,000 options at 11p with expiry date 05/09/2022

## Dynamic Intertrade

The group is now left with its food product manufacturing and trading business, Dynamic Intertrade (“DI”), which is currently trading in a tough environment, but remains competitive in the market. It has just received two tenders from their largest clients for an additional twelve and six months and is increasing its sales force. The twelve month contract is subject to review after 6 months however DI is confident it will retain the business. Dynamic Intertrade continues trading below its pre-pandemic levels however it is improving margins and ensuring costs are kept in check.

## Directors’ interests

Following the restructuring, the table below summarises the interests of the Directors in the share capital of the Company:

	Ordinary shares	Percentage of Total Voting Rights	Warrants at 5p (expiring 01/02/24)	Options at 20p (expiring at 05/09/22)	Options at 11p (expiring at 05/09/22)	CLNs (maturing on 30 September 2023)
Andrew Monk*	1,106,338	5.0%	500,000	91,952	100,000	
Robert Scott**	213,231	1.0%	128,578	50,000		£41,000
Matthew Bonner	165,891	0.8%	128,578	180,000		£42,000

\* Andrew Monk’s entire shareholding is held within his SIPP (Fitel Nominees Limited) and Hargreaves Hale Limited

\*\* Robert Scott’s warrants are held through Carimar International Limited

In addition, in part payment of sums owed by the Company to VSA Capital Limited (“VSA Capital”), the Financial Adviser and Broker to AAA, AAA board has proposed to issue, subject to shareholder approval, 3,823,627 new ordinary shares (“New Ordinary Shares”) to VSA Capital. Andrew Monk is Chief Executive and substantial shareholder of VSA Capital Group plc, the holding company of VSA Capital. Following the issue of the New Ordinary Shares to VSA Capital, the interests of VSA Capital in the share capital of the Company would be as follows:

	Ordinary shares	New Ordinary Shares	Total	Percentage
VSA Capital	122,233	3,823,627	3,945,860	15.3%

In addition, VSA Capital holds 191,266 warrants and CLNs amounting to £212,000. In addition, Andrew Raca, director of VSA Capital, holds 91,952 options in AAA at exercise price of 20p expiring on 5 September 2022.

## General Meeting

A general meeting of the company will be held to, amongst other matters, propose resolutions to authorise the Company to issue the New Ordinary Shares. A circular will be issued to shareholders in due course.

The New Ordinary Shares will rank *pari passu* with the existing ordinary shares. Once the Company has issued the New Ordinary Shares, subject to shareholder authority, the Company will make

application for admission of the New Ordinary Shares to the Official List and to trading on the main market (standard segment) of the London Stock Exchange.

### **Future Direction**

Since the termination of the Comarco transaction numerous groups have approached the Board with opportunities of various sorts. The Board is currently evaluating these and hopes to make a fairly rapid decision. The key determinant will be which opportunity can give the best return to shareholders in a relatively short period of time. The Board believes some of the proposals would be of significant value to shareholders, but all are still at an early stage.

Andrew Monk commenting,

“When I was re-appointed Chairman at the end of July I envisaged a short appointment to either close the Comarco Transaction which had gone on too long or to abort it and find a new direction for the Company. A decision had to be made as the whole transaction had taken too long and also the port was rapidly losing money which meant the original terms would have been unattractive to AAA. We had hoped to find a resolution that worked for both parties and it was, somewhat bizarrely, disappointing to simply find our loan returned and about \$1.5mn in our bank account without any paperwork and no full and final settlement agreement, but this behaviour by the vendors also perhaps explains why this deal was struggling.

I still do not intend to be Chairman for long and am hopeful that we can quickly close a deal where everyone can benefit from a healthier share price.”

For further information, please visit [www.aaapl.com](http://www.aaapl.com) or contact the following:

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