

AfriAg Global PLC
(“AfriAg Global”, the “Group” or the “Company”)

Unaudited Interim Results for the six months to 30 June 2018

AfriAg Global PLC (NEX: AFRI), the London listed global agri-logistics specialists, today announces another sound period of trading with the publishing of these unaudited interim results for the 6-month period ended 30 June 2018.

Our global distribution footprint has continued during the year, as we moved to distributing perishable food products by road, air and sea for and to global customers (South Africa, Mauritius, Mozambique, Zimbabwe, Zambia, DRC, Kenya, USA, UK, France, Holland, Russia, Japan, New Zealand and others).

In addition, the Company recently broadened its investment strategy to include investments in the exciting global medicinal cannabis sector. And on 17 September 2018, the Company announced that it has formally engaged the London office of law firm, Hill Dickinson LLP, to assist with the Company’s application process to become a licensed cultivator and producer in the UK of medical cannabis. The UK is one of the world’s largest producers of legal medical cannabis under special licences granted by the UK Government.

David Lenigas, Executive Chairman of AfriAg Global, commented:

“As usual, the business is continuing to perform well. The second half of every calendar year is usually much stronger than the first half, and we see no reason why this trend should not continue. I am particularly excited about the recent shareholder approval gained to allow AfriAg to invest in the fast-growing legal medical cannabis space. We as a board have a number of near-term initiatives we are pursuing that will hopefully, if closed, add significant value to the Company.”

Investment policy change to include Medical Cannabis investments:

On 12 September 2018, shareholder approval was obtained at a general meeting for the expansion of the Company’s investment strategy to include medicinal cannabis. The Company has now expanded its existing investment strategy to also include investments in companies, projects or products that are progressing research in and development of medicinal cannabis and its derivatives, producing or cultivating medicinal cannabis, producing or supplying products derived from or related to cannabis (including, but not limited to, hemp and cannabidiol products); and/or commercialising or marketing medicinal cannabis and its derivatives. The Company sees tremendous opportunities in the sector.

The Board has also appointed a technical committee, comprising Masello Sello and Germina ‘Mamoeti Mphoso on 20 August 2018 (the “Technical Committee”).

Masello Sello qualified as a lawyer from the National University of Lesotho and since qualification has worked within the Ministry of Law and Constitutional Affairs in Lesotho where she assisted with drafting and reviewing the country’s laws and regulations governing cannabis including:

- Lesotho’s Drugs of Abuse (Cannabis) Regulations 2018; and
- Lesotho’s Medicines Control and Medical Devices Control Bill 2018.

Masello has also worked in the Ministry of Health in Lesotho where she has gained wide experience across a number of health-related matters including the use of cannabis for medicinal purposes.

Germina Mamoeti Mphoso was awarded with a Master of Technology in Pharmaceutical Sciences from Tshwane University of Technology in South Africa. From 2010 to 2016, Germina held the position of Head of Pharmacy Strategy and Regulation in Lesotho. She was responsible for the management of pharmaceutical operations in government and private health facilities in Lesotho and compliance with relevant procedures, rules and regulations. Since then, Germina has worked as Chairman of the Lesotho Narcotics Control Bureau. Her role involves implementing Lesotho’s Drug Abuse Act 2008, licensing matters and reviewing potential clients within Lesotho’s cannabis industry.

As a consequence of their experiences, Masello and Germina both have an in-depth understanding of the cannabis industry and an extensive network of contacts. The Technical Committee will be responsible for reviewing potential investments and reporting to the Board on a regular basis. The Board believes that their collective experience, together

with their extensive network of contacts and the Company's Technical Committee, will assist them in the identification, evaluation and funding of appropriate investment opportunities within the medicinal cannabis sector.

AfriAg Marketing Pty Ltd (100% owned by AfriAg Global Plc):

AfriAg Marketing has experienced a good period of trading activity, with revenues during the period of £1.501 million in 2018 (2017: £1.829 million).

This consistent revenue not only demonstrates strong development, it also reinforces the belief that the company's low-overhead, grower-focused structure works in today's market. The model has been keenly welcomed by both our growers and our end customers in Europe and North America.

During this year, the business has been focusing on consolidating our core activities of exporting, distribution and trading of a wide range of fruit and vegetable perishable food lines, including blueberry, passion fruit, pineapple, apple, strawberry, butternut, peas, fine beans, mange tout, sugar snap, baby corn, chillies, baby veg, and herbs to name our top product lines.

Foreign exchange management with the wild fluctuations in global currency rates always proves challenging, however profit levels remained good during the period at £38,000 (2017: £127,000). The second half of our calendar year is always stronger than the first, so we hope to see a robust second half coming up.

AfriAg (Pty) Limited (40% owned by AfriAg Global Plc):

The Company is pleased to report that the specialist global agri-logistics group AfriAg (Pty) Ltd ("AfriAg"), in which the Company has a 40% equity shareholding, continues to generate stable revenues and profits comparable to the same period last year. Full financials of this investment are generally reported with the year end financial statements.

Financial Results:

During the period, the Company had revenues of £1.501m (6 months ended 30 June 2017: £1.829m) and made a gross profit of £38,000 (6 months ended 30 June 2017: £127,000). The total comprehensive loss for the period attributable to equity holders of the parent was £82,000 (6 months ended 30 June 2017: loss £17,000).

There was a weighted loss per share of 0.007p (30 June 2017: loss per share 0.004p).

Current assets at 30 June 2018 amounted to £1,112,000 (30 June 2017: £1,141,000).

The unaudited interim results to 30 June 2018 have not been reviewed by the Company's auditor

Outlook:

The overall business is running very smoothly, and we anticipate further growth in all sectors. We reasonably expect this trend to continue. We also see our recently broadened investment strategy involving medical cannabis initiatives as an area of new focus for the Company going forward and we see tremendous upside for this sector.

The Board would like to take this opportunity to thank our shareholders, staff and consultants for their continued support and I look forward to reporting further significant progress over the next period and beyond.

The directors of the Company accept responsibility for the contents of this announcement.

David Lenigas
Executive Chairman
26 September 2018

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Condensed Consolidated Statement of Comprehensive Income (unaudited)
for the 6 months ended 30 June 2018

	6 months to 30 June 2018 Unaudited £'000	6 months to 30 June 2017 Unaudited £'000	Year ended 31 December 2017 Audited £'000
Revenue	1,501	1,829	3,122
Cost of sales	(1,463)	(1,702)	(2,842)
Gross Profit	38	127	280
Administration expenses	(156)	(195)	(378)
Share Based Payment Charge	-	-	-
Operating (loss)	(118)	(68)	(98)
Share of associate result	19	21	72
Finance costs	-	-	(1)
Investment income	2	(12)	(11)
(Loss) before tax	(97)	(59)	(38)
Tax	-	-	-
Retained (loss) for the period	(97)	(59)	(38)
Other comprehensive income			
Gain on revaluation of available for sale investments	-	1	-
Transfer to income statement	22	14	14
Translation exchange gain	(7)	27	(3)
Total comprehensive income	15	42	11
Total comprehensive (loss) for the period attributable to equity holders of the parent	(82)	(17)	(27)
(Loss) per share (pence)	2		
Basic	(0.007)	(0.004)	(0.003)
Diluted	(0.007)	(0.004)	(0.003)

All of the revenues and loss above derived from continuing operations.

Condensed Consolidated Statement of Financial Position (unaudited)**At 30 June 2018**

	30 June 2018	30 June 2017	31 December 2017
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Non-current assets			
Property, plant & equipment	8	6	5
Investments in associates	1,609	1,539	1,590
Total non-current assets	1,617	1,545	1,595
Current assets			
Inventory	-	-	3
Trade and other receivables	866	1,012	846
Available for sale assets	-	2	1
Cash and cash equivalents	246	127	443
Total current assets	1,112	1,141	1,293
Total assets	2,729	2,686	2,888
Current liabilities			
Trade and other payables	(842)	(907)	(919)
Total current liabilities	(842)	(907)	(919)
Net current assets	270	234	374
Net assets	1,887	1,779	1,969
Equity			
Share capital	1,461	1,381	1,461
Share premium account	8,648	8,528	8,648
Share based payment reserve	279	279	279
Revaluation reserves	-	(21)	(22)
Foreign currency reserve	27	64	34
Retained earnings	(8,528)	(8,452)	(8,431)
Total equity	1,887	1,779	1,969

**Condensed Consolidated Statement of Changes in Equity (unaudited)
for the 6 months ended 30 June 2018**

	Share capital	Share premium	Share based payment reserve	Foreign currency reserve	Revaluation reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2016	1,381	8,528	279	37	(36)	(8,393)	1,796
(Loss) for the period	-	-	-	-	-	(38)	(38)
Currency translation (loss)	-	-	-	(3)	-	-	(3)
Transfer to income statement	-	-	-	-	14	-	14
Total Comprehensive Income	-	-	-	(3)	14	(38)	(27)
Shares issued	80	120	-	-	-	-	200
Share based payment charge	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	80	120	-	-	-	-	200
At 31 December 2017	1,461	8,648	279	34	(22)	(8,431)	1,969
(Loss) for the period	-	-	-	-	-	(97)	(97)
Currency translation (loss)	-	-	-	(7)	-	-	(7)
Transfer to income statement	-	-	-	-	22	-	22
Total Comprehensive Income	-	-	-	(7)	22	(97)	(82)
Shares issue costs	-	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-
At 30 June 2018	1,461	8,648	279	27	-	(8,528)	1,887

Condensed Consolidated Statement of Cash Flows (unaudited)
for the 6 months ended 30 June 2018

	6 months to 30 June 2018 Unaudited £'000	6 months to 30 June 2017 Unaudited £'000	Year ended 31 December 2017 Audited £'000
Cash flows from operations			
Operating (loss)	(118)	(68)	(98)
Decrease in inventories	3	9	6
(Increase)/decrease in trade & other receivables	(20)	(36)	130
(Decrease) in trade & other payables	(77)	(80)	(68)
Depreciation	-	-	4
Share option charge	-	-	-
Net cash used in operating activities	(212)	(175)	(26)
Investing activities			
Investment income	2	1	2
Finance costs	-	-	(1)
Receipts on sale of AFS investments	1	36	35
Payments for PPE assets	(3)	(2)	(4)
Net cash from investing activities	-	35	32
Financing activities			
Issue of share capital	-	-	200
Issue costs	-	-	-
Net cash from financing activities	-	-	200
Net (decrease)/increase in cash and cash equivalents	(212)	(140)	206
Cash and cash equivalents at the beginning of period	443	240	240
Effect of foreign exchange on cash and cash equivalents	15	27	(3)
Cash and cash equivalents at the end of period	246	127	443

Notes to the Condensed Consolidated Interim Financial Information (unaudited)

1. General information

The condensed consolidated interim financial information for the period ended 30 June 2018 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 31 December 2017. The figures for the period ended 31 December 2017 have been extracted from these accounts, which have not been required to be delivered to the Isle of Man Registrar of Companies, and do however contain an unqualified audit report.

The condensed consolidated interim financial information contained in this document does not constitute statutory accounts. In the opinion of the directors the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

The Condensed Consolidated Interim Financial Information was approved by the Board of Directors on 26 September 2018.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union with the exception of International Accounting Standard ('IAS') 34 – Interim Financial Reporting. Accordingly, the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Group's 2017 annual financial statements.

2. (Loss) per share

The calculation of the (loss) per share is based on the (loss) attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	6 months to 30 June 2018 Unaudited £'000	6 months to 30 June 2017 Unaudited £'000	Year 31 December 2017 Audited £'000
(Loss) attributable to equity holders of the Group	(97)	(59)	(38)
Weighted average number of ordinary shares ('000s)	1,461,001	1,381,001	1,405,110
(Loss) per share – basic	(0.007)	(0.004)	(0.003)
(Loss) per share – diluted	(0.007)	(0.004)	(0.003)

3. Events after the end of the reporting period

On 12 July 2018, the Company announced it had raised £300,000 before expenses through a subscription for 300,000,000 new ordinary shares at a price of 0.1pence per share.

4. A copy of this interim financial statement is available on the Company's website: www.afriagglobal.com.