The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Agriterra Limited / Ticker: AGTA / Index: AIM / Sector: Agriculture

Agriterra Limited ('Agriterra' or the 'Company')

Unaudited Interim Results and Trading Restoration

Agriterra Limited, the AIM listed African agricultural company, announces its unaudited interim results for the six months ended 30 September 2019.

Restoration to trading on AIM

The Company's ordinary shares were suspended from trading on AIM at 7.30 a.m. on 1 October 2019 as a result of a delay in the publication of the Company's audited annual results for the year ended 31 March 2019 (the "2019 Annual Accounts"). The 2019 Annual Accounts were published to the market earlier today, however the ordinary shares have remained suspended pending release of the Company's interim results for the six month period ended 30 September 2019. Accordingly, the release of this announcement facilitates lifting of the suspension, and trading on AIM of the Company's shares is expected to recommence from 7.30 a.m. tomorrow.

For further information please visit www.agriterra-ltd.com or contact:

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CHAIR'S STATEMENT

I am pleased to provide an update on our performance in the first half of the 2020 financial year ('HY-2020'). We had not been able to update the market earlier on these results, pending the finalisation of our audited financial statements for the year ending 31 March 2019. As shareholders are aware, the Company's shares have been suspended from trading on AIM since 1 October 2019, pending further investigation into a theft uncovered by management in June 2019.

Fraud Investigation

Following the report to the Auditors of the incidence of theft which occurred on 17 June 2019, the Auditors requested a detailed investigation of the circumstances. An initial management review brought to light a further incident concerning a fictitious purchase of grain in January 2019. Consequently, the Audit Committee commissioned an external team of internal auditors to conduct a detailed review of the procurement cycle. This review brought to light a further incidence in December 2018, together with a potential theft of petty cash which could not be accounted for. The gross loss to the Group of all incidences was $ 21,000 with a net loss of $ 9,000. The Auditors questioned the independence of the internal audit team and therefore could not conclude that the frauds did not have a material impact on the financial statements without the need for a forensic audit. The Company commissioned PKF Littlejohn LLP to perform the forensic audit, the scope of which was agreed with the Auditors. The forensic audit concluded that there was no evidence that further incidences of fraud had occurred and that there was no material impact on the financial statements of those incidences which had come to light. The additional costs incurred by the Auditors in respect of the frauds were approximately $55,000 and by the forensic auditor approximately $ 155,000.

Operational update

Grain division

Sales to relief agencies after Cyclone Idai, underpinned sales in the Grain division in our traditionally quiet first quarter, however inventory overhang in the market as a result of the aid programmes slowed continued sales progress in the second quarter.

Revenue for the 6 months improved to $ 3.9m (HY-2019: $ 1.5m) and consequently EBITDA improved to $ 0.4m (HY-2019: Loss of $ 0.3m). The finance costs fell to $ 352,000 (HY-2019: $ 467,000) resulting in a significantly reduced loss after tax of $ 139,000 (HY-2019: $ 789,000).

Improved quality and the commissioning of a 1kg packaging line, are expected to lead our entry directly into the informal sector in the second half. Delay in the approval of additional overdraft facilities to finance the procurement of maize, meant that the division was not able to take advantage of lower early season maize prices. Consequently, it is expected that the division's margins will be under more pressure in the second half.

Beef division

After a significant improvement in the division's trading in the prior year, the Beef division has seen a fall in volumes as the South African Rand depreciated to less than 4 Metical during Q1/early Q2 FY-20. This has led to tough trading conditions in the south of the country where our beef product has to compete with imports from South Africa.

Revenue for the 6 months fell to $ 2.2m (HY-2019: $ 2.6m) and EBITDA declined to a loss of $ 0.4m (HY-2019: restated loss $ 0.2m). Finance costs increased to $ 84,000 (HY-2019: $ 52,000) and the loss after tax increased to $ 708,000 (HY-2019: restated loss $ 364,000). The comparative results for the Beef division have been restated to reflect an adjustment to inventories of $ 0.2m that came to light during the annual audit.

Plans are being made and finance sought to develop a sustainable presence in the Maputo market. This will provide a platform for growth in the Beef division.

Results

Group revenue for the half-year ended 30 September 2019 increased 47% to $ 6.1m (H1-2019: $4.1m). As a result of an improved trading performance in the Grain division, and despite the difficulties in the Beef division, the Group's trading operations showed a reduction in the operating loss (incl. other gains and losses) before interest to $ 0.41m (H1-2019: restated loss $ 0.63m). Central costs increased to $ 0.42m (H1-2019: $ 0.32m) after incurring $ 0.2m of additional forensic audit costs in respect of the previous year. Consequently, the Group operating loss fell to $ 0.8m (H1-2019: restated loss $ 1.0m). After an interest charge of $ 0.5m (H1-2019: $ 0.5m) the loss after tax attributable to shareholders was $ 1.3m (H1-2019: restated loss $ 1.5m). During the period, inventories increased $ 0.9m and capital expenditure less disposals amounted to $ 0.3m. Net debt at 30 September 2019 was $ 4.8m (31 March 2019: $ 2.4m).

Outlook and COVID-19

Elections were held in October 2019 and led to variable demand in Q3 FY-20 for both divisions and the availability of maize has put pressure on margins in Q4.

COVID-19 has had a significant negative impact globally, both economically and socially. There is a risk that there will be a significant outbreak of the COVID-19 virus in Mozambique, which could potentially impact the population and the Group's operations through the contraction of the economy.

All operating companies have already introduced comprehensive training and awareness programmes, combined with practical measures to protect staff health and maintain operating capabilities. The Group remains alert to the fast changing environment and is prepared to put in place mitigating actions as events develop. Our products are key staples in the domestic Mozambican market and demand is not expected to be significantly affected should the pandemic take hold. In the case of a prolonged and profound impact on the national economy of the COVID-19 pandemic, the demand for meal in particular, is likely to remain strong.

On the supply side the local maize crop looks to be very good and will start coming off in the next few weeks. There will be no need to purchase imported maize. Discussions are already being had with the Government disaster planning teams, Ministry of Agriculture and the Provincial Governor to ensure the continued ability of local maize to come to market. Alternative sources of inputs, such as packaging, are available locally if imports are threatened by closure of overseas factories and borders.

The recent decline in the oil price, has led to a postponement of investment in the sector in the North and reinforces the importance of developing the presence of our Beef division in the South, a key driver for improved performance next year.

CSO Havers
Chair
31 March 2020

CONSOLIDATED INCOME STATEMENT

	Note	**6 months ended 30 September 2019 Unaudited**	6 months ended 30 September 2018 Unaudited (Restated)	Year ended 31 March 2019 Audited
	Note	**$000**	$000	$000
CONTINUING OPERATIONS				
Revenue	2	**6,082**	4,134	10,629
Cost of sales		**(4,793)**	(3,502)	(9,891)
Increase in fair value of biological assets		**76**	117	478
Gross profit		**1,365**	749	1,216
Operating expenses		**(2,249)**	(1,705)	(3,860)
Other income		**4**	-	225
Profit on disposal of property, plant and equipment		**51**	-	340
Operating loss		**(829)**	(956)	(2,079)
Net finance costs	3	**(439)**	(519)	(1,016)
Loss before taxation		**(1,268)**	(1,475)	(3,095)
Taxation		**-**	-	-
Loss for the period	2	**(1,268)**	(1,475)	(3,095)
Loss for the period attributable to owners of the Company		**(1,268)**	(1,475)	(3,095)
LOSS PER SHARE				
Basic and diluted loss per share – US Cents	4	**(6.0)**	(6.9)	(14.6)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 September 2019 Unaudited	6 months ended 30 September 2018 Unaudited (Restated)	Year ended 31 March 2019 Audited
	$000	$000	$000
Loss for the period	**(1,268)**	(1,475)	(3,095)
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences	**(185)**	157	(133)
Other comprehensive (loss)/income for the period	**(185)**	157	(133)
Total comprehensive loss for the period attributable to owners of the Company	**(1,453)**	(1,318)	(3,228)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2019 Unaudited $000	30 September 2018 Unaudited (Restated) $000	31 March 2019 Audited $000
Non-current assets				
Property, plant and equipment		**6,283**	6,436	6,292
Intangible assets		**160**	-	166
		6,443	6,436	6,458
Current assets				
Biological assets		**701**	695	830
Inventories		**1,594**	1,590	675
Trade and other receivables		**952**	1,268	698
Cash and cash equivalents		**1,590**	2,818	2,197
		4,837	6,371	4,400
Total assets		**11,280**	12,807	10,858
Current liabilities				
Borrowings	5	**3,727**	2,367	1,708
Trade and other payables		**1,218**	376	1,186
		4,945	2,743	2,894
Net current (liabilities)/assets		**(108)**	3,628	1,506
Non-current liabilities				
Borrowings	5	**2,674**	3,040	2,850
Total liabilities		**7,619**	5,783	5,744
Net assets		**3,661**	7,024	5,114
Share capital	6	**3,373**	3,373	3,373
Share premium		**151,442**	151,442	151,442
Share based payments reserve		**172**	1,988	172
Translation reserve		**(17,055)**	(16,580)	(16,870)
Accumulated losses		**(134,271)**	(133,199)	(133,003)
Equity attributable to equity holders of the parent		**3,661**	7,024	5,114

The unaudited condensed consolidated financial statements of Agriterra Limited for the 6 months ended 30 September 2019 were approved by the Board of Directors and authorised for issue on 31 March 2020. Signed on behalf of the Board of Directors:

CSO Havers
Chair

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended 30 September 2019 Unaudited**	6 months ended 30 September 2018 Unaudited (Restated)	Year ended 31 March 2019 Audited
		$000	$000	$000
Loss before tax for the period		**(1,268)**	(1,475)	(3,095)
Adjustments for:				
Amortization and depreciation		**420**	178	620
Profit on disposal of property, plant and equipment		**(51)**	(122)	(340)
Foreign exchange (gain)/loss		**(42)**	(188)	80
Increase in value of biological assets		**(76)**	(117)	(478)
Net decrease in biological assets		**205**	577	754
Finance costs		**441**	519	1,016
Interest received		**(2)**	-	-
Operating cash flows before movements in working capital		**(373)**	(628)	(1,443)
(Increase)/decrease in inventories		**(919)**	(665)	238
(Increase)/decrease in trade and other receivables		**(254)**	(86)	392
Increase/(decrease) in trade and other payables		**32**	(61)	744
Cash used in operating activities		**(1,514)**	(1,440)	(69)
Corporation tax paid		**-**	-	-
Interest received	**3**	**2**	-	-
Net cash used in operating activities		**(1,512)**	(1,440)	(69)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment, net of expenses incurred		**51**	142	346
Acquisition of property, plant and equipment		**(385)**	(47)	(920)
Acquisition of intangible assets		**(3)**	-	(193)
Net cash (used in)/generated from investing activities		**(337)**	95	(767)
Cash flow from financing activities				
Finance costs	**3**	**(441)**	(519)	(1,016)
Net drawdown/(repayment) of overdrafts	**5**	**1,913**	(2,821)	(3,258)
Net (repayment)/drawdown of loans and finance leases	**5**	**(230)**	3,958	3,773
Net cash generated from/(used in) financing activities		**1,242**	618	(501)
Net decrease in cash and cash equivalents		**(607)**	(727)	(1,337)
Effect of exchange rates on cash and cash equivalents		**-**	4	(7)
Cash and cash equivalents at beginning of period		**2,197**	3,541	3,541
Cash and cash equivalents at end of period		**1,590**	2,818	2,197

GENERAL INFORMATION

Agriterra Limited ('Agriterra' or the 'Company') and its subsidiaries (together the 'Group') is focussed on the agricultural sector in Africa. Agriterra is a non-cellular company limited by shares incorporated and domiciled in Guernsey, Channel Islands. The address of its registered office is Richmond House, St Julian's Avenue, St Peter Port, Guernsey GY1 1GZ.

The Company's Ordinary Shares are quoted on the AIM Market of the London Stock Exchange ('AIM').

The unaudited condensed consolidated financial statements have been prepared in US Dollars ('US$' or '$') as this is the currency of the primary economic environment in which the Group operates.

1. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the 6 months ended 30 September 2019 (the 'H1-2019 financial statements'), which are unaudited and have not been reviewed by the Company's Auditor, have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), as adopted by the European Union, accounting policies adopted by the Group and set out in the annual report for the year ended 31 March 2019 (available at www.agriterra-ltd.com). The Group does not anticipate any significant change in these accounting policies for the year ended 31 March 2020. References to 'IFRS' hereafter should be construed as references to IFRSs as adopted by the EU.

This interim report has been prepared to comply with the requirements of the AIM Rules of the London Stock Exchange (the 'AIM Rules'). In preparing this report, the Group has adopted the guidance in the AIM Rules for interim accounts which do not require that the interim condensed consolidated financial statements are prepared in accordance with IAS 34, *'Interim financial reporting'*. Whilst the financial figures included in this report have been computed in accordance with IFRSs applicable to interim periods, this report does not contain sufficient information to constitute an interim financial report as that term is defined in IFRSs.

The financial information contained in this report also does not constitute statutory accounts under the Companies (Guernsey) Law 2008, as amended. The financial information for the year ended 31 March 2019 is based on the statutory accounts for the period then ended. The Auditors reported on those accounts. Their report was unqualified and referred to going concern as a key audit matter. The Auditors drew attention to note 3 to the financial statements concerning the Group's ability to continue as a going concern which shows that the Group will need to renew its overdraft facilities, maintain its current borrowings and raise further finance in order to continue as a going concern.

The H1-2019 financial statements have been prepared in accordance with the IFRS principles applicable to a going concern, which contemplate the realisation of assets and liquidation of liabilities during the normal course of operations. Having carried out a going concern review in preparing the H1-2019 financial statements, the Directors have concluded that there is a reasonable basis to adopt the going concern principle.

2. SEGMENT INFORMATION

The Board consider that the Group's operating activities during the period comprised the segments of Grain and Beef, undertaken in Africa. In addition, the Group has certain other unallocated expenditure, assets and liabilities, either located in Africa or held as support for the Africa operations.

The following is an analysis of the Group's revenue and results by operating segment:

6 months ended 30 September 2019 – Unaudited	**Grain $000**	**Beef $000**	**Unallocated $000**	**Eliminations $000**	**Total $000**
Revenue					
External sales[2]	**3,888**	**2,194**	**-**	**-**	**6,082**
Inter-segment sales[1]	**263**	**-**	**-**	**(263)**	**-**
	4,151	**2,194**	**-**	**(263)**	**6,082**
Segment results					
- Operating profit/(loss)	**203**	**(669)**	**(418)**	**-**	**(884)**
- Interest expense	**(352)**	**(84)**	**(3)**	**-**	**(439)**
- Other gains and losses	**10**	**45**	**-**		**55**
Loss before tax	**(139)**	**(708)**	**(421)**	**-**	**(1,268)**
Income tax	**-**	**-**	**-**	**-**	**-**
Loss for the period	**(139)**	**(708)**	**(421)**	**-**	**(1,268)**

6 months ended 30 September 2018 – Unaudited (Restated)	Grain	Beef	Unallo-cated	Elimina-tions	Total
	$000	$000	$000	$000	$000
Revenue					
External sales[2]	1,549	2,585	-	-	4,134
Inter-segment sales[1]	385	-	-	(385)	-
	1,934	2,585	-	(385)	4,134
Segment results					
- Operating loss	(322)	(312)	(322)	-	(956)
- Interest expense	(467)	(52)	-	-	(519)
Loss before tax	(789)	(364)	(322)	-	(1,475)
Income tax	-	-	-	-	-
Loss for the period	(789)	(364)	(322)	-	(1,475)

Year ended 31 March 2019 – Audited	Grain	Beef	Unallo-cated	Elimina-tions	Total
	$000	$000	$000	$000	$000
Revenue					
External sales[2]	5,586	5,043	-	-	10,629
Inter-segment sales[1]	873	-	-	(873)	-
	6,459	5,043	-	(873)	10,629
Segment results					
- Operating loss	(1,168)	(973)	(503)	-	(2,644)
- Interest expense	(916)	(100)	-	-	(1,016)
- Other gains and losses	309	252	4	-	565
Loss before tax	(1,775)	(821)	(499)	-	(3,095)
Income tax	-	-	-	-	-
Loss for the year	(1,775)	(821)	(499)	-	(3,095)

(1) Inter-segment sales are charged at prevailing market prices.
(2) Revenue represents sales to external customers. Sales from the Grain and Beef divisions are principally for supply to the Mozambican market.

The segment items included within continuing operations in the consolidated income statement for the periods are as follows:

6 months ended 30 September 2019 – Unaudited	**Grain**	**Beef**	**Unallo-cated**	**Elimina-tions**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Depreciation and amortisation	**173**	**239**	**8**	**-**	**420**

6 months ended 30 September 2018 – Unaudited (Restated)	Grain	Beef	Unallo-cated	Elimina-tions	Total
	$000	$000	$000	$000	$000
Depreciation	22	156	-	-	178

Year ended 31 March 2019 – Audited	Grain	Beef	Unallo-cated	Elimina-tions	Total
	$000	$000	$000	$000	$000
Depreciation and amortisation	374	236	10	-	620

3. NET FINANCE COSTS

	6 months ended 30 September 2019 Unaudited $000	6 months ended 30 September 2018 Unaudited $000	Year ended 31 March 2019 Audited $000
Interest expense:			
Bank loans, overdrafts and finance leases	**441**	519	1,016
Interest income:			
Bank deposits	**(2)**	-	-
	439	519	1,016

4. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	6 months ended 30 September 2019 Unaudited US$000	6 months ended 30 September 2018 Unaudited (Restated) US$000	Year ended 31 March 2019 Audited US$000
Loss for the period/year for the purposes of basic and diluted earnings per share attributable to equity holders of the Company	**(1,268)**	(1,475)	(3,095)
Weighted average number of Ordinary Shares for the purposes of basic and diluted lossper share	**21,240,618**	21,240,618	21,240,618
Basic and diluted loss per share - US cents	**(6.0)**	(6.9)	(14.6)

The Company has issued options over ordinary shares which could potentially dilute basic loss per share in the future. There is no difference between basic loss per share and diluted loss per share as the potential ordinary shares are anti-dilutive.

5. BORROWINGS

	30 September 2019 Unaudited $000	30 September 2018 Unaudited $000	31 March 2019 Audited $000
Non-current			
Bank loans and finance leases	**2,674**	3,040	2,850
Current			
Bank loans and finance leases	**860**	793	801
Bank overdrafts	**2,867**	1,574	907
	3,727	2,367	1,708
	6,401	5,407	4,558

Grain division

On 25 May 2018 the existing 300 million Metical facility was restructured into a 240 million Metical ($ 3.77m) 5 year term loan with an interest rate of the Bank's prime lending rate +0.25% and a 12 month 60 million Metical ($ 0.94m) overdraft facility at the Bank's prime lending rate less 1.75%. At 30

September 2019, the principal outstanding on the term loan was 184 million Metical ($ 3.0m) and the amount drawn on the overdraft facility was 59.1 million Metical ($ 0.96m).

In July 2019 the division entered into a new finance lease arrangement for 12.7 million Metical ($ 206,000) secured on certain vehicles.

In September 2019, additional overdraft facility agreements were agreed of 90 Million Metical. At 30 September 2019, the amount drawn on these facilities was 88.8 million Metical (S 1.44m).

As at 30 September 2019, the Group had undrawn overdraft borrowing facilities for the Grain division of $ 46,000 (2018: $ 104,000).

Beef division

On 18 February 2019, the Group entered into a finance lease for MTN 27.6m ($ 0.43m) repayable over 5 years, secured on certain agricultural equipment.

The Beef division has an overdraft facility of 30 million Metical ($ 0.48m). The amount drawn down at 30 September 2019 was $ 0.47m (2018: $ 0.4m).

As at 30 September 2019, the Group had undrawn overdraft borrowing facilities for the Beef division of $ 13,000 (2018: $ 75,000).

Reconciliation to cash flow statement

	At 31 March 2019	Cash flow	Foreign Exchange	At 30 September 2019
Non-current bank loans and finance leases	2,850	(264)	88	**2,674**
Current bank loans and finance leases	801	34	25	**860**
Overdrafts	907	1,913	47	**2,867**
	4,558	1,683	160	**6,401**

6. SHARE CAPITAL

	Authorised Number	Allotted and fully paid Number	US$000
At 31 March 2019, 30 September 2018 and 2019	**23,450,000**	**21,240,618**	**3,135**
At 31 March 2019, 30 September 2018 and 2019			
Deferred shares of 0.1p each	**155,000,000**	**155,000,000**	**238**
Total share capital	**178,450,000**	**176,240,618**	**3,373**

The Company has one class of ordinary share which carries no right to fixed income.

The deferred shares carry no right to any dividend; no right to receive notice, attend, speak or vote at any general meeting of the Company; and on a return of capital on liquidation or otherwise, the holders of the deferred shares are entitled to receive the nominal amount paid up after the repayment of £1,000,000 per ordinary share. The deferred shares may be converted into ordinary shares by resolution of the Board.