

PME African Infrastructure Opportunities plc

Letter from the Chairman

Dear Shareholders

I am writing to you to give you an update on PME African Infrastructure Opportunities plc (the “Company”) and together with its subsidiaries (the “Group”).

The Company has not provided an Interim Statement for the six months ended 30 June 2021. The directors have taken the decision not to produce an interim statement in order to minimise costs. I am therefore writing to the shareholders with an update of the Company given that the next update is expected to be included in the 2021 Annual Report which will be released in Q2 2022.

PME Properties Limited, the wholly owned subsidiary in Tanzania, continues to trade profitably and generate cash. It owns one building in Dar Es Salaam, Tanzania. The building still has three tenants who continue to pay their rent. It has not been possible to increase rents or let out the empty space (approximately 30% of the building). The economic position of Tanzania is slowly improving and the demand for high end office space in Dar Es Salaam is very gradually improving under the new President.

The Company still continues to trade at a loss before tax, similar to the previous year. Operating and administration expenses for the six months to 30 June 2021 were US\$142,000 (30 June 2020: US\$266,000). As reported in the 2020 Annual Report, US\$200,000 was upstreamed to the Company in the first half of 2021.

In Tanzania the potential police enquiry continues incurring further costs by the Group. Both our legal adviser and property manager are assisting with the ongoing enquiries. Our lawyers are working with the relevant parties to close out the matter and to attempt to stop the complainant from filing any further complaints.

Due to these ongoing police enquiries, it is not possible to proceed with an action in the high court to remove the caveat from the land register. The building cannot be sold until the caveat is removed.

The Tanzanian tax authorities has carried out a tax audit of the Tanzanian subsidiary company covering the tax years 2016 to 2020. Significant time has been spent on a comprehensive response by our property manager, tax adviser and the administrator in the Isle of Man. We expect the final assessment from the tax authorities shortly with potentially an additional tax demand.

As a result, no further upstream of cash has taken place since the initial US\$200,000. It has been decided to wait for the result of the tax audit to be issued before instigating any further cash distribution from Tanzania.

In the meantime, the liabilities at the Isle of Man level continue to increase. Service providers have agreed a delay in settlement of their fees until further cash is received. The directors are taking every opportunity to reduce expenditure, for example, by not producing interim accounts.

The Company finds itself in a difficult position. The remit of the directors is to sell the remaining asset and return any proceeds to shareholders once all creditors and closure costs have been dealt with. As explained above it is not possible to sell the building until the caveat has been lifted and this will only be possible once the police investigation is closed. The

management of cash resources has become more difficult in the last six months. The directors will continue to manage the cash position and maintain the all-necessary statutory requirements.

Paul Macdonald

Chairman

26 November 2021