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Woodbois Limited
20 September 2019

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014.

Woodbois Limited
("Woodbois", the "Group" or the "Company")
(AIM: WBI)

Preference Share Restructure into 4% Convertible Bond

Woodbois, the African focused forestry and timber trading company, is pleased to provide an update to the announcement of the 11th July on the proposed restructure of the perpetual preference shares in its subsidiary Argento Ltd ("Preference Shares") into a 4% convertible bond 2024 ("Bonds") to be issued by the Company.

The Company has now received irrevocable undertakings from 100% of the holders of the Preference Shares ("Preference Shareholders") to accept the terms offered by the Company to purchase the Preference Shares in exchange for the issue of Bonds by the Company, at a ratio of US$400 in nominal value of Bonds for every one Preference Share. The issue of the Bonds has been authorised by a resolution of the board. The Bonds are constituted by a trust deed between the Company and Woodside Corporate Services Limited acting as trustee for the Bonds. Neville Registrars Limited has been appointed by the Company to act as transfer agent for the Bonds.

CEO Paul Dolan commented "I'm delighted to report that this transaction marks another important milestone in the transformation of the Company's capital structure. The resulting improvement of transparency within the balance sheet will leave the Company much more strongly positioned to take advantage of the many opportunities ahead."

Convertible Bond Terms
The Bonds will be issued in registered form with a nominal value of US$1 each. The Bonds bear interest at the rate of 4% per annum calculated by reference to the principal amount thereof and payable annually in arrears within ten business days following 30 December in each year with the exception of 30 December 2019. The Bonds are redeemable on 30 June 2024 (unless converted or redeemed earlier) and may be converted into ordinary shares in the capital of the Company ("Ordinary Shares") on notice at any time prior to redemption at a conversion ratio of 8p per Ordinary Share and an exchange rate of £1/US$1.25.

The Bonds are freely transferable and will rank as senior debt of the Company but will not be secured.

The Company may redeem all but not some only of the Bonds at their principal amount, together with accrued but unpaid interest in the following circumstances: (i) if after 30 January 2020, the Volume Weighted Average Price of an Ordinary Share on 10 Dealing Days in any period of 30 consecutive Dealing Days is greater than £0.12; or (ii) not less than 90% by principal amount of Bonds have been redeemed or converted.

Full details of the Bond Terms and Conditions are available on our website at www.woodbois.com.

Concert Party
The Takeover Panel deems the holders of the Preference Shares/Bonds to be a 'concert party' for the purposes of the Takeover Code. Upon conversion of all of the Bonds, the new Ordinary Shares so issued would account for 39.2% of the enlarged issued Ordinary Share capital.

Under Rule 9 of the Takeover Code, where any person acquires, whether by a single transaction or a series of transactions over a period of time, interests in securities which (taken together with securities in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of the Company, that person is normally required by the Takeover Panel to make a general offer to the shareholders of the Company to acquire their shares. Further, when any person individually, or a group of persons acting in concert, already holds interests in securities which carry between 30 and 50 per cent. of the voting rights of the Company, that person may not normally acquire further securities without making a general offer to the shareholders of the Company to acquire their shares.

In order to avoid an inadvertent breach of Rule 9 of the Takeover Code, Pelham Limited (a company controlled by Miles Pelham, the former chairman of the Company), the owner of 73.3% of the Preference Shares, has undertaken to the Company that its aggregate interest (as defined in the Takeover Code) in Ordinary Shares, when aggregated with all

Ordinary Shares which have been issued to (and are still held by) any other Preference Shareholders on conversion of the Bond; and all other Ordinary Shares in which the other Preference Shareholders are interested (as defined in the Takeover Code) and in respect of which the Company is aware (having made all reasonable enquiries), will not at any time exceed 28.0% of the enlarged issued Ordinary Share capital of the Company.

Purchase of Convertible Bonds

The Company will now proceed to exchange contracts with each of the Preference Shareholders.

The transaction is deemed to be a 'related party transaction' for the purposes of the AIM Rules for Companies. Accordingly, the Board, apart from Paul Dolan (who has an interest in the Preference Shares and so is precluded from taking part in the deliberations), having consulted with Arden Partners as its nominated adviser, consider the terms of the transaction are fair and reasonable insofar as shareholders are concerned.

Woodbois Limited

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