

05 July 2022

**Cambium Global Timberland Limited**

**("Cambium" or the "Company")**

**Notice of General Meeting & Cancellation from Trading on AIM**

The Board of Cambium (**AIM: TREE**) announces that Notice of a General Meeting has been published today and is available to view on the Company's website, at <http://www.cambium.je/>.

The Company will hold the General Meeting at its Registered Office, IFC 5, St Helier, Jersey, JE1 1ST on 03 August 2022 at 11.00 a.m.

The Board requests that shareholders wishing to vote cast their votes by appointing the chairman of the meeting as their proxy rather than to attend in person. At the same time, the Board does not wish to reduce the ability of shareholders to exercise their other rights as shareholders, and therefore any shareholder or shareholder representative wishing to do so may contact SANNE Group not less than 48 hours before the time appointed for holding the meeting and request a videoconference link to enable participation by that means.

**Introduction**

The Company's stated strategy is to implement an orderly realisation of the Group's investments with a view to achieving a balance between returning cash to Shareholders and maximising value. The Company has now completed its exit from its entire portfolio of properties and is left with receivables comprising deferred purchase consideration payments, and cash at bank. The receivables are being serviced in line with the sale agreements and all payments are expected to be received by February 2023. Efforts to improve further the final outcome for shareholders, by exploring opportunities first for a sale of the receivables for a cash sum discounted to present day value, and secondly for extracting value from the Company's AIM admission via a reverse takeover, were referred in my Chairman's statement dated 26 November 2021 in the financial statements for the year ended 30 April 2021. I stated there that, after protracted negotiations on both fronts, the "Brazil risk" had proved unattractive to counter-parties with the result that the Board had turned its attention to further cost cutting for the final part of the journey and was exploring the most cost-effective way to return capital to shareholders before finally closing the book.

**Trading Update**

Cambium formerly owned plantation forests in various countries. All have now been sold. As stated above, the balance of deferred consideration is still awaited which, at the date of this announcement, amounts to 9,453,183 Reals only (£1,504,853 at exchange rates as at the Latest Practicable Date).

As announced in the Company's interim results for the six months to 31 October 2021 (note 8), released on 27 January 2022, the Company's net asset value was £6,694,389 and there were 73,728,284 issued shares.

Cash balances as at the Latest Practicable Date were £5,474,395 and R\$72,010 (£1 : R\$6.2818).

**General Meeting**

There is no longer any foreseeable likelihood of a transaction to improve further the final outcome for shareholders. In any event, the Company's outstanding receivables have now been significantly reduced by further scheduled cash receipts. Therefore the Directors have concluded that the time is now appropriate to convene the General Meeting in order to propose the Resolutions.

Commencing a winding up now, to be followed by the intended significant distribution to shareholders referred to below (under "**Anticipated distributions**") with a smaller final distribution to follow in 2023, is seen by the Directors as likely overall to be the more tax efficient and quickest way to return funds to shareholders rather than distribute funds which could be treated as income in their hands. In addition, the commencement of a

winding-up and the consequent cancellation of admission to trading on AIM are expected to produce costs savings over the period to the final (smaller) capital distribution referred to below, as compared to the alternative of not commencing the winding up until after the outstanding receivables have been collected. The anticipated saving in costs is expected to include elements resulting from the cancellation of admission to trading on AIM as well as from the commencement of winding up. In the view of the Directors, it is not feasible to wind up without the admission to trading on AIM being cancelled, nor is it in the interests of shareholders as a whole for the admission to trading to be cancelled without the Company going into winding up.

The General Meeting, notice of which is set out at the end of the Circular, is to be held at IFC5, St Helier, Jersey JE1 1ST at 11:00 a.m. on 03 August 2022. The General Meeting is being held for the purpose of considering and, if thought fit, passing –

1. as a Special Resolution, **Resolution 1** set out in the Notice of General Meeting, to commence a summary (solvent) winding up under the Law,
2. as an Ordinary Resolution conditional (for the purposes of Rule 41 of the AIM Rules for Companies) upon the consent of not less than 75% of votes cast, **Resolution 2** set out in the Notice of General Meeting, to consent to cancellation of the admission to trading of the Company's ordinary shares on AIM, and
3. as a Special Resolution, **Resolution 3** set out in the Notice of General Meeting, to amend article 12 of the articles of association of the Company (**Article 12**) altering the requirements for a transfer of shares to be approved in reflection of the fact that, if Resolution 2 is passed, transfers of shares in the Company will no longer be subject to the AIM Rules for Companies.

Shareholders' attention is drawn to the fact that, if Resolution 2 is passed with the level of consent referred to above, it is expected that the cancellation of admission to trading of the Company's ordinary shares on AIM will be effective as from 07:30 a.m. on 04 August, 2022, and accordingly that the last day for trading will be 03 August, 2022.

The Directors draw the attention of Shareholders to paragraphs 12.02 and 12.03 of the proposed new Article 12, enabling the Directors to decline approval of share transfers. The Directors point out specifically that they would reserve the right to utilise that power in the event of any shortfall in the provision of any of the information referred to in 12.03.

Article 146(2) of the Companies (Jersey) Law 1991, requires that, not more than 28 days prior to the date of the General Meeting, each of the Directors sign a statement of solvency to the effect that, having made full enquiry into the Company's affairs, he is satisfied that the Company will be able to discharge in full: (i) existing liabilities within the six months after the commencement of the winding up, and (ii) liabilities that will fall due after the end of that period, as they fall due. It is expected that each of the directors will do so within the specified time-scale.

#### **Cancellation of the admission to trading of the Company's ordinary shares on AIM**

Should shareholders vote to wind up the Company and distribute its assets, the Directors consider it appropriate for the Company to cancel the admission of its shares to trading on AIM. Shareholders should note that, as from the cancellation of admission on AIM becoming effective, there will be no formal market for trading to take place in the Company's shares. The Company will however seek to assist any shareholders looking to sell or buy its shares following cancellation by putting together any such shareholders to see if they can agree a private transaction. However, there can be no guarantee that a shareholder will be able to trade in shares after cancellation or that the Company will maintain any arrangements to match potential buyers and sellers.

#### **Further costs reductions**

There will be once-only costs associated with the cancellation of admission to trading on AIM and moving into winding-up. However, on an ongoing basis taking those steps will be expected to result in overall costs savings.

On the assumption that the dissolution of the Company takes place in or around May 2023 it is anticipated that aggregate savings (as compared with costs if commencement of the winding up was to be deferred until around May 2023) will amount to at least £50,000. Principal elements of the anticipated reduction are reduction in future board costs (see below), termination of the role of WH Ireland as AIM nominated adviser, and the cessation of AIM-related administration costs.

With regard to board costs, to reflect better the needs of the Company through the final leg of its strategy implementation, the Board is to be trimmed from three to two. Having completed the job he joined Cambium to do, Svante Adde will step down as a director, producing a cost saving at the rate of £25,000 pa.

At the same time, I and Mark Rawlins will reduce our annual fee rates from £48,000 to £29,500 and from £25,000 to £20,000 respectively. We cannot however ourselves carry the cost of any unexpected time-consuming turn of events and we have to reserve the right to charge at an hourly rate of £300 for any such unexpected work. These changes will take effect from the passing of the Resolutions. In addition, so long as the interim distribution referred to in the next paragraph is of not less than 6.5p per share and is paid to shareholders no later than 05 August, 2022 or thereabouts, and the second distribution referred to in the next paragraph is of not less than 1p per share and is paid to shareholders no later than 31 May, 2023 or thereabouts, I will receive an additional payment of £20,000 and Mr Rawlins will receive an additional payment of £10,000. The Remuneration Committee believes those adjustments properly reflect the expected course of the task ahead and better align board remuneration with shareholder interests.

### **Anticipated distributions**

Subject to Resolution 1 being duly passed and the Company thereby being placed into summary winding-up, the Board will promptly declare an interim distribution to Shareholders of 6.5p per share, which will be payable in the course of the winding up. It is anticipated that there will be a second (intended to be the final) distribution to Shareholders at the conclusion of the winding-up. Subject to unforeseen circumstances it is anticipated that the second distribution will be approximately 1.50p per Share.

In the event of developments materially affecting the amounts or timings of anticipated distributions the Company will inform Shareholders by way of notice posted under the "INVESTOR DOCUMENTS" tab in the "Shareholder Communication" drop-down list on the Company's website at [www.cambium.ie](http://www.cambium.ie).

Shareholders are informed that it will not be possible to make payment of any distribution to any Shareholder if verification of such Shareholder's identity has been requested, and not provided to the satisfaction of the Directors, so as to enable full compliance with all applicable regulatory, anti-money laundering and other due diligence requirements, including those of the company secretary in relation to its own procedures.

### **Expected Timetable**

Publication of Circular, Notice of General Meeting and Form of Proxy	05 July, 2022
Latest time and date for receipt of completed Forms of Proxy	11:00 a.m. on 01 August, 2022
Date and time of General Meeting	11:00 a.m. on 03 August, 2022
Expected last day of dealings in Ordinary Shares on AIM	03 August, 2022
Expected time and date of Cancellation	7.00 a.m. on 04 August 2022
Anticipated timing of first winding up distribution	04 August, 2022
Anticipated timing of second (final) winding up distribution	31 May 2023

### **Action to be taken**

You will be contacted separately if verification of your identity is required prior to the payment to you of any distribution.

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible so as to be received by the Company's registrars, Link Asset Services, at PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF no later than 11:00 a.m. on 01 August, 2022. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrars (Crest Participant ID: RA10) so that it is received by no later than 11:00 a.m. on 01 August, 2022. The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you, prior to the final time for receipt of proxies, from changing your instructions to your proxy and submitting a replacement Form of Proxy if you wish.

### **Recommendations**

The preference of the Board is that the Resolutions pass or fail together, without the possibility that one or two resolutions could pass and the other(s) could fail. A special resolution of the Company to commence a winding up requires a majority of votes in favour of two-thirds of the votes cast. Under Rule 41 of the AIM Rules for Companies, a resolution to cancel the admission to trading of the Company's shares requires the consent of not less than 75% of the votes cast. The Board has adopted what it regards as the better view of Jersey law, namely that a special resolution of the Company cannot be framed so as to require a greater majority than two-thirds of the votes cast. It follows that, as it stands, the winding up proposal, the cancellation of admission proposal and the proposal to amend Article 12 cannot be framed as a single resolution requiring either a two-thirds majority or a 75% majority, and they can only be proposed as separate resolutions. **Shareholders are therefore strongly encouraged to vote or abstain from voting in the same way on all three of the Resolutions.**

The Directors consider the proposals set out in the Resolutions to be fair and reasonable and in the best interests of the Shareholders and the Company as a whole. Accordingly, **the Directors unanimously recommend that the Shareholders vote in favour of Resolutions 1, 2 and 3.**

As the independent director in regard to the reduction in board costs described above, Svante Adde has obtained and considered a competitive proposal from a well-known third-party accounting and advisory firm to conduct the liquidation. Mr Adde concluded that the cost to Cambium of the reduced directors' fees proposal from Mark Rawlins and me is "in the middle" of the fee range in the competitive proposal. Accordingly, taking into account the incumbent directors' joint prior knowledge of the business and the situation of the Company and their working relationships with the third parties whose further input may have to be called on to collect final receivables, calculate and discharge final liabilities, and take matters to their conclusion, **it is Mr Adde's recommendation to Shareholders that it is in their interest for the remaining steps as indicated above to be managed to such conclusion by the incumbent directors remaining after Mr Adde steps down and on the above terms.**

**SHAREHOLDERS NOT WISHING OR NOT ABLE TO HOLD SHARES IN A COMPANY IN SUMMARY WINDING UP OR SHARES WHICH ARE NOT ADMITTED TO TRADING ON A RECOGNISED MARKET SHOULD CONSIDER DISPOSING OF THEIR SHARES PRIOR TO THE DATE OF THE GENERAL MEETING.**

Definitions in this announcement are the same as those included in the Circular.

For further enquiries, please contact:

**Cambium Global Timberland Limited**

Tony Gardner-Hillman (Chairman)

Tel: +44 (0)1534 486 980

**WH Ireland Limited (Nomad and Broker)**

James Joyce / Darshan Patel

Tel: +44 (0)207 220 1666

**Sanne Fund Services (Jersey) Limited (Administrator and Company Secretary)**

Tel: +44 (0)1534 835835