

CDC Group plc and Straight KKM 2 Limited Acquire Common Shares of Feronia Inc.



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TORONTO, May 31, 2019 (GLOBE NEWSWIRE) -- CDC Group plc (**CDC**) and Straight KKM 2 Limited (**KKM**) announce today that they have entered into and closed a subscription agreement (the **Subscription Agreement**) with Feronia Inc. (**Feronia**) pursuant to which each of CDC and KKM has acquired 164,071,101 common shares in the capital of Feronia (**Common Shares**) at a price of CAD\$0.075 per Common Share (based on a CAD\$1.344:US\$1.00 exchange rate).

Pursuant to the terms of the Subscription Agreement, 156,193,666 of the Common Shares issued to CDC were issued at a deemed price of CAD\$0.075 per Common Share in settlement of certain outstanding bridge loans previously provided by CDC to Feronia and the accrued but unpaid interest thereon. The remaining 7,877,435 Common Shares issued to CDC were issued for cash consideration at a price of CAD\$0.075 per Common Share. The total consideration paid by CDC under the Subscription Agreement was CAD\$12,305,332.60.

Immediately prior to the closing, CDC held 183,157,278 Common Shares, which at the time represented approximately 37.86% of the total issued and outstanding Common Shares. Immediately following the closing, CDC held 347,228,379 Common Shares, representing approximately 41.85% of the issued and outstanding Common Shares as at such time.

As further disclosed in its early warning report of June 22, 2018, CDC is also party to a loan facility (the **Loan Facility**) with Feronia of which, in certain circumstances, the principal amount of US\$5,141,182 and the accrued interest is convertible into Common Shares at price per Common Share of CAD\$0.275 (subject to various terms and adjustments). Assuming that the maximum amount under the Loan Facility is advanced to Feronia for the full term of four years and an interest conversion price of CAD\$0.275, the loan would be convertible into approximately 25,126,359 Common Shares and CDC would own and control approximately 372,354,738 Common Shares, representing approximately 44.75% of Feronia's issued and outstanding Common Shares (based on a CAD\$1.344:US\$1.00 exchange rate).

The entering into of the Subscription Agreement and CDC's acquisition of the Common Shares was undertaken in the ordinary course of CDC's business as a development finance institution. CDC may increase or decrease its investment in Feronia at any time depending on market conditions and any other relevant factors, subject to compliance with applicable law.

Pursuant to the terms of the Subscription Agreement, 46,508,537 of the Common Shares issued to KKM were issued at a deemed price of CAD\$0.075 per Common Share in settlement of certain outstanding bridge loans previously provided by KKM to Feronia and the accrued but unpaid interest thereon. The remaining 117,562,564 Common Shares issued to KKM were issued for cash consideration at a price of CAD\$0.075 per Common Share. The total consideration paid by KKM under the Subscription Agreement was CAD\$12,305,332.60.

Immediately prior to the closing, KKM held 183,157,277 Common Shares, which at the time represented approximately 37.86% of the total issued and outstanding Common Shares. Immediately following the closing, KKM held 347,228,378 Common Shares, representing approximately 41.85% of the issued and outstanding Common Shares as at such time.

As disclosed in its early warning report of January 26, 2018, KKM has the right to acquire from CDC 50% of the Common Shares issuable to CDC on conversion of the Loan Facility. Assuming the maximum amount under the Loan Facility is advanced to Feronia for the full term four years and an interest conversion price of CAD\$0.275, the loan would be convertible into approximately 25,126,359 Common Shares and KKM would have the right to acquire approximately 12,563,179 Common Shares, which, added to the Common Shares KKM currently owns, would represent approximately 43.24% of Feronia's issued and outstanding Common Shares (based on a CAD\$1.344:US\$1.00 exchange rate).

The entering into of the Subscription Agreement and KKM's acquisition of the Common Shares was undertaken for investment purposes. KKM may increase or decrease its investment in Feronia at any time depending on market conditions and any other relevant factors, subject to compliance with applicable law.

CDC and KKM will each file an early warning report pursuant to National Instrument 62-104 - *Takeover Bids and Issuer Bids* on SEDAR (www.sedar.com) under Feronia's SEDAR profile. Feronia's head office is located at: Suite 1800, 181 Bay Street, Toronto, Ontario M5J 2T9. CDC is incorporated in the United Kingdom.

For more information or to obtain a copy of the early warning reports, please contact:

Straight KKM 2 Limited

c/o Augentius Fund Administration (Mauritius) Limited

Level 3

Alexander House

35 Cybercity,

Ebène

Republic of Mauritius

Attention: Kalaa Mpinga

Tel: +230 269 4166

or

CDC Group plc

123 Victoria Street

London SW1E 6DE

United Kingdom

Attention: Rhyddid Carter

Tel: +44 (0) 7824 552 326

Email: rcarter@cdcgroup.com

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