POMEROON TRADING (HOLDINGS) LIMITED
(“Pomeroon”, the “Group” or the “Company”)

INTENTION TO FLOAT ON THE GUYANA STOCK EXCHANGE

Building a Guyanese coconut sector champion

Background

Pomeroon Trading, a coconut growing and processing agribusiness with operations on the Pomeroon River in Guyana, is listing all of its shares on the Guyana Stock Exchange.

Pomeroon began operations in Guyana in 2017. Our vision from day one was to build a sustainable agriculture company: vertically integrated and focused on exports, but with a strong social mission and respect for the natural environment.

Our first asset is a 700-acre estate flanked by the Pomeroon River and the Atlantic Ocean – the Stoll Estate. We are leasing the farm (under a 50-year renewable lease) from Guyanese family owners who have lived in the region for generations.

We currently process coconuts into copra and will soon process coconut water. We also grow a variety of cash crops for the local market, Guyana’s top hotels and supermarkets.

Funding history, Listing and the Initial Public Offering (“IPO”)

For two years the founders have invested their own money alongside investments received from private investors from the UK, Canada and the Caribbean into our activities.

The Company has approximately one million shares already in issue and the shareholders have agreed to list all of these shares on the Guyana Stock Exchange (the “Listing”). Our founders and employees intend to retain the shares that they own in the Company on Listing, and many have indicated that they will be participating in the IPO Shares that will be made available through the IPO.

As well as the Listing, the Company has agreed to issue an additional 133,333 new shares at a price of USD 7.50 per share (the “IPO Shares”) for any new investors who wish to invest in the Company. For the last two years we have been raising equity proceeds at a price of USD 6.00 per share. The uplift to the offering price of USD 7.50 per share reflects the progress that has been achieved and an increase in value through our activities to date. Some of the founders and employees intend to buy some of the IPO Shares at the offering price of USD 7.50 per share.
The significance of our IPO

Whilst Guyana has an incredible natural environment and huge potential for agricultural growth, there are no listed agriculture companies for private or institutional investors to invest in. We aim to change this.

Through the Listing and issuance of the IPO Shares we are opening up the Company to public investors and demonstrating to the Guyanese people and Government of Guyana that we are aligned with the country for the long term. We believe the returns that we expect to deliver to shareholders should be available for any Guyanese investors who wish to participate in the IPO and continue our journey of success.

We are one of three companies to successfully list on the Guyana Stock Exchange over the last decade. We hope that our timing, allied to the economic growth that Guyana is now enjoying, will help encourage many others to follow in our footsteps.

Coconuts – a booming market but a shortage of supply

Until now Guyanese agriculture has relied on sugar, rice and tobacco; with coconuts this is all changing. Global demand for coconut products is rising 10% per annum whilst global supply of coconuts is lagging. Here there exists a massive opportunity, and yet the Caribbean grows less than 1% of the world’s coconuts.

With its fertile lands, rich agricultural traditions, and proximity to the world’s largest demand centre (North America), Guyana is perfectly positioned to take advantage of this boom.

Why we are listing

We will be using the money we raise at IPO to invest in processing and value-add activities around the produce we grow. We hope that listed shares will make us a more accessible partner for other domestic and regional operators to merge and partner with us and help us grow. Moreover, we want the people and institutions of Guyana to share in our growth and future dividends.

Commenting on the IPO:

Jared Kissoon - Chief Operating Officer - said:
"I am responsible for the operations of Pomeroon. I joined the company a year ago with the mandate to build a business that would become a poster child for Guyanese agriculture. Our IPO gives the Guyanese Stock Exchange its first float in a decade and its first ever listed agriculture company. We are building a regional champion of the coconut industry for all of Guyana to be proud of"

David Lammy MP- Special Adviser to Pomeroon - said:
"I hope Pomeroon's IPO will excite all my fellow Guyanese people as much as it excites me. At a time of huge and understandable focus on the oil and gas industry, it is proof that the country's Green State Development Strategy is serving in parallel to attract investment, expertise and responsible practise to the agriculture industry. The Guyanese have a long and successful history in farming and know that their country should be the bread basket of the Caribbean. Companies like Pomeroon and hopefully those that follow them will help realise this potential"
Zena Bone - owner of the Stoll Estate - said:

"I grew up on the Stoll estate and my parents planted it. In 2016 I purchased an excavator with my sister and began rehabilitation of our beautiful and very special farm. It was an enormous task and Pomeroon are the perfect partner to be turning our land into a world class business. We are processing and adding value to what we grow and successfully trialling many new crops. Meanwhile Amerindian families continue to live and work on the estate, and I have watched the team continue my tradition of providing material support to local schools and families in our surrounding villages. I hope others will now wish to join us on this journey, investing in and then benefitting from the work of Pomeroon."

**Plan of Distribution**

The Company has historically raised money from institutional and family office investors via direct subscription and also contracted engagements with two FCA authorised and approved broker firms based in the United Kingdom. The Company is making the IPO Shares available through direct subscription and also via a partnership with GuyAm Bank (as placing agent and broker, the “Agent”).

Investors wishing to subscribe via the Agent will be able both to receive copies of management presentations and materials and receive a schedule of slots to meet with the directors and senior advisors of the Company.

**Contact details are set out below. Additionally, the Company is hosting two briefing and introduction sessions to introduce the team and business to interested parties. These will be held at the Cara Lodge Hotel on Thursday 12th and Wednesday 18th September from 5pm with a formal presentation at 5:30pm and drinks from 6:30pm. All guests are welcome.**

**Contact**
NOTES TO EDITORS

About the Company

Pomeroon Trading (“PTI”) is the Caribbean's socially responsible grower and processor of coconuts and spices. From our main asset - a prestigious 700-acre estate in the Pomeroon River region of Guyana - we are helping the Guyanese coconut industry grow into a giant. The estate rehabilitation program includes replanting with more efficient coconuts varieties, building a coconut nursery for seedlings and implementing an intercropping program spanning bananas to ginger. We process coconut copra and various spices on site; in the near future we plan to invest in additional processing facilities including coconut water and tropical fruits.

Coconut water is one of the fastest growing consumer products, estimated to reach a USD $8bn market in 2023. Global demand for coconut products is rising 10% per annum yet global supply of coconuts is lagging (and 95% of nuts still come from smallholder farmers). Guyana, with its fertile soils outside of the hurricane belt, is poised to take advantage and become a major supplier to the US market.

History

The Pomeroon River of Guyana was first inhabited by the Cariwanna tribes over 3,000 years ago. In 1581, Dutch colonialists from Zeeland established a trading post and over the coming decades the region exported sugar, coffee, citrus and cotton. Whilst mixed agriculture estates have been present in the region for over 500 years, the first dedicated coconut estates appeared in the early 1800s. Today, there is an estimated 20,000 acres of actively farmed coconut land in the region (and at least twice that in rice production).

The Stoll Estate is one of the Pomeroon’s longest-established estates and has actively farmed coconuts for over 100 years. At its peak, the estate produced over 5 million coconuts per annum, as well as various other tropical fruits and vegetables. In 2015 the current owners carried out significant work to the estate (including purchasing equipment and improving draining infrastructure). In 2016 the owners of the Stoll Estate entered into negotiations with The Company and agreed to establish a three-month trial period ending June 2017. During this time, both sides conducted significant due diligence and established norms and expectations that would govern the future relationship. This then led to the signing of the current long-term lease signed between The Company and the current owners.

Whilst the Estate has been growing coconuts for nearly 100 years, only two years of audited accounts exist. This is because audited accounts were not prepared by the owners of the estate before the involvement of The Company. However, on the basis that the nature of the activities on the Estate has always been coconut production, the operations in these earlier years are likely to be similar in nature to those of the last two years and current year subject of course to the improved techniques and operations implemented by The Company.

Operations

The Company aims to be the Caribbean’s leading socially responsible grower and processor of coconuts and spices. Through its wholly owned subsidiary, PTI, it holds one long-term (50 year, renewable) coconut estate lease (of approximately 700 acres) in the Pomeroon River and is looking to expand its agricultural land to 2,000 and further to 5,000 acres (in aggregate) in the coming years.
The Company is a limited company registered in the Cayman Islands with one wholly owned subsidiary, PTI, which is incorporated in Guyana. PTI manages all of The Company’s current agriculture operations in Guyana and is the lessee of the coconut estate in the Pomeroon River.

The Company’s main asset is currently the Stoll Estate, Pomeroon, covering approximately 700-acres of mixed coconut land (some existing trees yielding around 600,000 dry coconuts per annum) and newly-planted Dwarf Hybrid varieties. The Company (through PTI) has invested in extensive drainage across the estate, including kokers, access dams and over 100 waterways allowing for efficient harvesting logistics. Stoll Estate is generating revenues in excess of USD $100,000. Once the newly planted trees bear fruit (which is expected to occur in 2-3 years), PTI expects harvested quantities to increase. At steady state, revenue for this farm is expected to be circa 15x current volumes.

The Stoll Estate is now considered one of the leading coconut estates in Guyana. All rehabilitation at the Stoll Estate is being completed within the coming months (and is fully financed). Thereafter The Company will turn its attention to developing one or more follow-on assets / estates. The Company intends to showcase the Stoll Estate as a model farm that will be replicated on a greater scale elsewhere in Guyana. The Company believes that the systemic fragmentation in the coconut supply chain has hampered competitiveness on an international scale: with the proposed consolidation and scaled approach, The Company believes it can grow the Guyanese coconut industry into a significant international player.

The Stoll Estate has undergone extensive rehabilitation overseen and led by a team of agricultural experts. This includes weed clearance, draining digging, coconut seedling planting, and the implementation of a wide-ranging intercropping programme. Intercropping is good for business (it provides significant ongoing revenue whilst the coconut trees grow) and good for nature (intercrops replenish soil nutrients, minimise soil erosion and control weeds). The Company is running a number of data-driven pilot projects for intercrops that are suitable for both the local and international market, including growing moringa (saijan), passionfruit, turmeric and bananas.

Due to the systemic shortage of first-class planting material in Guyana, PTI established the Pomeroon Coconut Seedling Nursery: this is one of the Caribbean’s largest private-sector nurseries growing over 50,000 seedlings per annum. The Company’s in-house team of roaming agronomists inspect farms before procuring seed-nuts and perform rigorous analysis of germination rates and health of the seedlings. The Pomeroon Coconut Seedling Nursery will supply The Company’s other estates (to be acquired) in Guyana with high-quality seedlings and in due course PTI intends to sell seedlings to local smallholder farmers, thereby helping the wider coconut ecosystem grow.

PTI has agricultural partnerships with NAREI (Guyana's National Agriculture Research and Extension Institute) and CARDI (the Caribbean Agriculture Research and Development Institute). The Company also works with the ITC (International Trade Center based out of Geneva) as a “model farmer” to showcase best practice within Guyana and disseminate knowledge to smallholder farmers. In October 2018, The Company was invited by the WRI (World Resource Institute) to be Guyana’s first Financial Partner of Institute 20x20, a country-led effort seeking to change the dynamics of land degradation in Latin America and the Caribbean by bringing twenty million hectares of land into restoration by 2020.

Guyana has traditionally been considered the regional supply basket for coconuts in the Caribbean. However, The Company believes there is significant potential for expansion of the regional coconut industry. The majority of exports are as unprocessed de-husked coconuts and there are few experienced exporters of finished product.
The Company believes that the future of the Guyanese coconut sector lies in opening up the export market. In due course, The Company therefore intends to build first-class processing facilities to export coconut water and various spices to North America, the Caribbean and Europe. It is anticipated that The Company’s processing facilities will be supplied 40-50% by coconuts from its own agricultural estates, the rest coming from partner farmers. A model of vertical integration will allow The Company to capture value up the chain and have control over both inputs and outputs.

**Sector Outlook**

Over the last decade, the demand for coconuts world-wide has increased over 500% due to the explosive increase in consumption of coconut products such as coconut oil, desiccated coconut, coir fibre, pith, desiccated coconut, coconut cream, coconut milk, spray dried coconut milk powder, coconut shell products, shell charcoal, shell powder, virgin coconut oil and assorted derivatives (including even coconut mattresses).

Whilst global demand for coconut products is rising an estimated 10% per annum, global supply of coconuts is lagging. Moreover, 95% of nuts still come from smallholder farmers. Production has fallen 7% in Asia since 2012 (due to adverse weather conditions, ageing estates, poor agricultural practice and a trend towards urbanisation): this is critical because Asia has traditionally been the world’s leading supplier of coconuts with over 75% of global production. The Caribbean – widely considered the natural home to the coconut – underperforms in coconut yields and produces less than 1% of the world’s 70 billion coconuts. The Company believes that Guyana, with its fertile soils outside of the hurricane belt, is poised to take advantage and become a major supplier to the US market.

The Company’s main focus is tapping into the growing trend for high-quality coconut water. Coconut water is considered a healthy alternative to carbonated and sugar-laden drinks and meets the rising consumer demand for drinks that are free from artificial flavours, sweeteners, preservatives, additives, and gluten. The global packaged coconut water is one of the fastest – growing consumer products with the worldwide market estimated to reach $8.3bn in 2023 from $2.2bn in 2016, growing at CAGR of over 20%.

**Impact in the Community**

In 2017, The Company and PTI started the Pomeroon Community Initiative (the “Initiative”), a not-for-profit endeavour that selects and implements community projects in the Pomeroon Region. The Initiative currently focuses on education, computer literacy and female empowerment.

Through the Initiative, The Company has completed the following projects including: building a dining room at the Hackney Primary School (January 2018); organising seminars for female entrepreneurs focused on helping rural business access funding and practical skills training (August 2018); building a library and computer at the Abram’s Creek Primary School (January 2019). Future initiatives will include a library and computer centre at a second school in the Pomeroon and collaboration with Wakapoa Secondary School’s Agricultural Science Department.

The PTI workforce receives health and safety training and PTI provides all workers with personal protective equipment where appropriate. Workers at the Stoll Estate are paid fairly and in a timely manner: PTI pays above the minimum wage and offers a reliable source of income for hard-working people in the Pomeroon. PTI’s corporate policies prohibit discrimination of any form based on caste, national origin, ethnicity, sexual orientation, religion, age, disability, gender, marital status, pregnancy, health or political affiliation. Workers have free movement and are not
confined to the Stoll Estate – indeed, they are free to work for other farmers in the region if they so wish.

PTI’s local content corporate policy prioritises procurement from CARICOM and The Company employs a series of Guyanese corporate advisors. All employees are expected to abide by strict internal anti-bribery and anti-money-laundering policies.

The Company seeks to advance the UN’s Sustainable Development Goals in the following ways: recycling rainwater; investing in climate-smart irrigation; empowering women by providing a safe work environment (100% of the Pomeroon Seedling Nursery employees are women); and ensuring inclusive agricultural education for partner farmers and nearby smallholders.

PTI has a strong commitment to working in equilibrium with its natural habitat. Unlike some entities in the edible oils industry, PTI has never cut down rainforest for its operations. Rather, PTI invests in restoring land and fighting degradation and water contamination. Coconut trees have proven potential for carbon sequestration: according to an independent assessment, the greenhouse gas emission reduction potential of a 5,000 acre coconut estate is around 12,000 metric tons of carbon dioxide equivalents per year.
IMPORTANT NOTICES

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT AN ADMISSION DOCUMENT OR A PROSPECTUS. IT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER TO SELL OR ISSUE, OR A SOLICITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR, ANY SECURITIES, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH, ANY CONTRACT OR COMMITMENT WHATSOEVER.

Investors should not subscribe for or purchase any securities referred to in this announcement except on the basis of information in the prospectus (the "Prospectus") to be published by in connection with the proposed admission of the ordinary shares in the capital of the Company to trading on the Guyana Stock Exchange. Copies of the Prospectus will, following publication, be available on the Company's website at www.pomeroon.co

The contents of this announcement, have been prepared and issued by and are the sole responsibility of the Company. The Agent has not reviewed or verified the content of this announcement and therefore the Agent does not give any warranties as to the accuracy of any of the statements or facts set forth in the announcement. The contents of the announcement shall not be construed as constituting any representation or warranty given by the Agent.

Any purchase or subscription of the IPO Shares should be made solely on the basis of the information contained in the Prospectus (to be issued by the Company) and no reliance shall be placed on the contents of this announcement by any investor.

None of the Company, the Agent nor any of their respective affiliates, their respective directors, officers, partners, employees, advisers or agents or advisers or any other person, accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions contained in this announcement (or whether any information has been omitted from this announcement) or of any other information relating to the Company or its Group, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents, or otherwise arising in connection therewith. No reliance may or should be placed by any person for any purpose whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change and does not purport to be full or complete. None of the Company nor the Agent undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Listing or the IPO. This announcement has not been approved by any competent regulatory authority.

The date of the IPO may be influenced by factors such as market conditions. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. The value of shares can decrease as well as increase. This announcement does not constitute a recommendation concerning the IPO. Persons considering investment in the Company should seek their own independent financial advice immediately from their stockbroker, solicitor, accountant or other independent adviser authorised who specializes in advising on the acquisition of shares and other securities and should complete their own diligence and investigation of the Company.

This announcement may include forward-looking statements regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance, achievements of or dividends paid by the Group to be materially different from actual results, performance or achievements, or dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's net asset value, present and future business strategies and income flows and the environment in which the Group will operate in the future. These forward-looking statements speak only as of the date of this announcement.