



2020  
ANNUAL REPORT

CONSOLIDATED ABBREVIATED  
AND UNAUDITED FINANCIAL  
STATEMENTS

**MIRO** IS PLEASED TO  
PRESENT ITS 2020  
ANNUAL REPORT  
AND ABBREVIATED  
CONSOLIDATED  
UNAUDITED  
FINANCIAL  
STATEMENTS,  
OUR PRINCIPAL  
COMMUNICATION TO  
STAKEHOLDERS



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# 2 CHAIRMAN STATEMENT



I am honored to join the Miro Forestry & Timber Products team and delighted to write this first Chairman's Statement when the company is starting its exciting industrial phase.

2020 was a year with many important events and milestones for Miro. During the year, the company continued to grow the plantations both in Ghana and Sierra Leone and continued to be the company that plants the largest amount of green field plantations on the African continent. The plantations are the foundation for industrial operations and will provide a secure raw material supply for the Plywood, Edge Glued Panels and Transmission Pole production in Ghana and Sierra Leone.

I would like to express my deepest thanks and gratitude to all the personnel of Miro, in Ghana, Sierra Leone and the UK, in continuing to do an excellent job in growing and developing the company and achieving the plantation targets. During my visit to the sites in Ghana and Sierra Leone in November 2020 I witnessed and met very professional and motivated people and an excellent team spirit.

In 2020 Miro finalised an investment round of USD 56 million from existing and two new key shareholders - Mirova from France and FinDev from Canada. This will secure financing until the industry production starts and the company becomes cash positive.

In Ghana we have started to build the first phase of the plywood factory and production will start during the summer of 2021. In Sierra Leone, we started production of transmission poles and we have secured the first sales contract. In Sierra Leone we are also finalizing upgrading the Edge Glued Panel factory and full production will start during summer 2021. Covid-19 has delayed the construction projects by some weeks, but so far we have avoided serious delays.

The global demand outlook for wood products is strong, and regardless of the Covid-19 pandemic, the consumption of wood products including plywood and edge glued panels have continued to grow. People have had to stay home in lockdowns, and we are witnessing a strong growth in home repair and maintenance works.

As the company is moving from being a pure plantation company to becoming a forest products and industrial company, we have strengthened the team with strong industry experience. Both in Sierra Leone and Ghana we have employed managers that have extensive manufacturing experience in all our product groups.

The Board has also been strengthened with industry and local business experience. I would like to welcome Ross Barlow and Robert Dovlo to the Board and the exciting industry journey we have started. I would also like to thank Richard Laing, past Chairman, Hanna Skelly and Andrew Tillery,

past Board members for their contribution in the development of the company during the past years.

During the coming years Miro will become West Africa's leading forest product industry and plantation company. This journey will have its challenges, but we have a great team to encounter these, and I am looking forward to continuing the work together.

Sampsu Auvinen, Executive Chairman



## MISSION

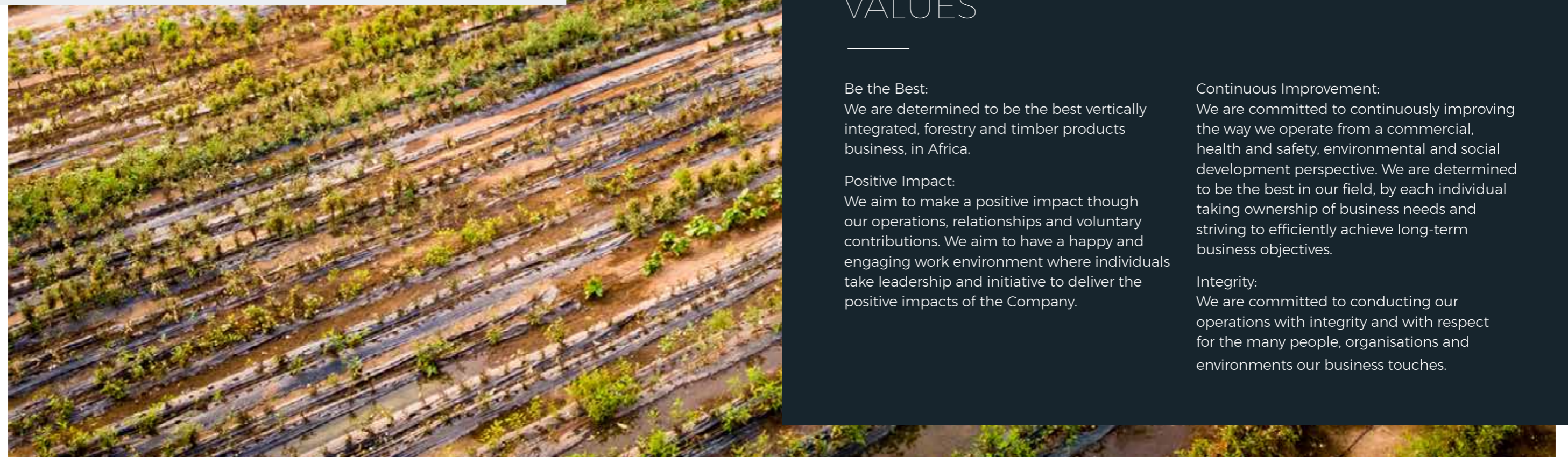
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To develop and operate globally high-quality and cost competitive commercial forestry plantations producing plywood, sawn timber panels, poles and wood biomass sustainably to Forestry Stewardship Council™ (FSC™) standards whilst providing environmental, social and economic benefit to local communities.

## VISION

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Be Africa's leading forestry company based on shareholder value add, sustainability standards, environmental and social development benefits; with a passionate and determined team and supportive stakeholders.



## VALUES

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### Be the Best:

We are determined to be the best vertically integrated, forestry and timber products business, in Africa.

### Positive Impact:

We aim to make a positive impact through our operations, relationships and voluntary contributions. We aim to have a happy and engaging work environment where individuals take leadership and initiative to deliver the positive impacts of the Company.

### Continuous Improvement:

We are committed to continuously improving the way we operate from a commercial, health and safety, environmental and social development perspective. We are determined to be the best in our field, by each individual taking ownership of business needs and striving to efficiently achieve long-term business objectives.

### Integrity:

We are committed to conducting our operations with integrity and with respect for the many people, organisations and environments our business touches.



## BOARD OF DIRECTORS

### **Sampsa Auvinen, Chairman**

Sampsa has been working in the forest industry for 27 years. Sampsa is a Board Professional serving on the Board of numerous forest industry and related companies in Finland, Estonia, Latvia, France, Germany and the United Kingdom. Prior to becoming a Board Professional, Sampsa was Group CEO of Norvik Timber Industries for 9 years and before that he worked at Pöyry Forest Industry Consulting. He has been the President of the European Organisation of the Sawmill Industries since 2015 and a Board Member of the European Confederation of the Woodworking Industries since 2016. Sampsa has a Bachelor's degree Business Administration from European University and he is a guest lecturer at the Stockholm School of Economics in Riga.

### **Andrew Collins, Co-founder, Chief Executive Officer**

Andrew Collins has extensive experience in structuring and completing emerging market investments and has been responsible for managing and driving the expansion of Miro Forestry since inception. Prior to Miro, Andrew spent three years developing and financing biomass energy projects in Europe; which continue to be expanded by the assembled management teams. After business school, Andrew was a corporate finance investment banker with Panmure Gordon & Co. completing IPOs, secondary offerings, mergers and acquisitions in a broad range of sectors. Andrew holds a Masters in Engineering from the University of Bristol and a Masters in Finance from the Cranfield School of Management.

### **Charlie Bosworth, Co-founder, Strategy Director**

Charlie Bosworth has a background in emerging market business development and management and is a forestry business specialist. Charlie has been responsible for the technical (forestry and wood processing) and strategic development of Miro Forestry since inception. Charlie previously worked for Sunshine Technology as part of the venture set-up team developing the company's forestry and biofuel operations and systems capacities in Yunnan, China. Charlie holds an MA in Politics from Cambridge University.

### **Ross Barlow, Non-executive Director**

Ross has been performing senior General, Operations and Project Management roles for a number of Australasian companies within the forest products industry for over 20 years. Ross has led the commissioning and subsequent operation of MDF and particleboard plants, a biomass pellet plant and has led the design, construction and commissioning of a high-volume automated softwood sawmill. In his most recent role Ross was responsible for the commissioning and subsequent operation and optimisation of a new plywood plant, Australia's largest. Ross holds a Master of Business Administration degree from Massey University (NZ).

### **Robert Dovlo, Non-executive Director**

Robert Dovlo has led major strategic initiatives and operations in Agribusiness as well as in the Oil & Gas industry in Africa, USA, Latin America and South Asia working for multinational companies. Robert was previously CEO, Louis Dreyfus Commodities West Africa, where he led successful initiations and development of various agribusiness investments in seven countries. He has 20 plus years of experience in general management, developing and implementing corporate and business unit strategies, transformations and turnarounds. He has managed value chain investments in Agribusiness and had P & L roles in challenging environments and emerging economies.

### **Ilkka Norjamäki, Non-executive Director**

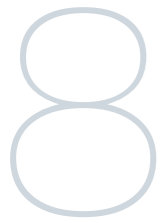
Ilkka has more than 15 years of experience in forestry and forest industry sectors in emerging markets and particularly Africa. In his previous position, he was the Head of Forestry Consulting at Indufor, one of the leading global forestry consulting companies. Currently he is Investment Manager at the Finnish Fund for Economic Cooperation Ltd (Finnfund), where he is responsible for forestry and forest industry investments, including origination and structuring.

### **Jacob Logothetis, Non-executive Director**

Jacob is Managing Director of Aqua Ventures International FZE, a family office specializing in alternative investments. Jacob oversees a pipeline of private equity, venture capital and structured fund investments in sectors including natural resources, real estate and technology. He is also responsible for the company's liquid investment portfolio. Jacob has advised and managed approximately US\$1.3bn of investments into a range of sectors and holds an MBA from Manchester Business School and New York University - Leonard Stern School of Business.

### **Keith Alexander, Non-executive Director**

Keith has been involved with businesses operating in Africa for over 30 years and most recently he was a director at Actis LLP where he was a member of the management team of the Actis Africa Agribusiness Fund. Prior to Actis, Mr. Alexander was employed by CDC Group plc where he focused on agribusiness investments in emerging markets.



## CORPORATE GOVERNANCE

Miro has several Board committees as set out and summarized below:

### Forestry – Technical Committee

The purpose of the Forestry Technical Committee is to assist the board in its oversight of forestry and plantation operations. This includes providing technical support and advice related to nursery, silviculture and harvesting operations, growth and yield modelling, research and development, pest and disease management and other forestry matters.

### Industry – Technical Committee

The Industry Technical Committee assists the board in providing oversight over the Company's industrial timber processing development. This includes the provision of technical advice and support on matters related to the Company's timber processing facilities (plywood and edge glue panel mills, and utility pole production and treatment facilities), as well as on ancillary technical services (power, water, other technical services). The Committee also assists with the Company's market development strategy.

### Environmental & Social Governance Committee

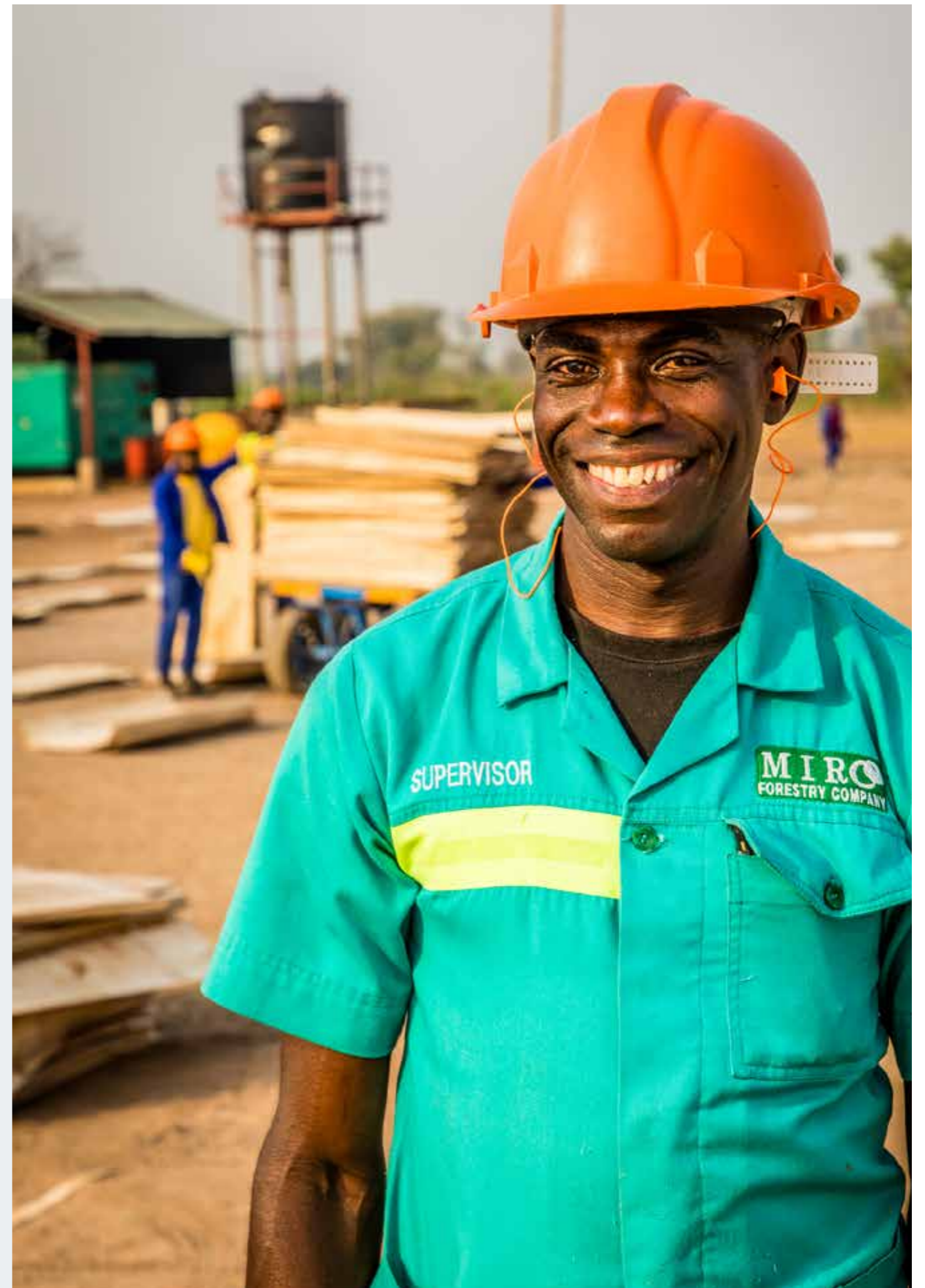
The Committee provides oversight on all environmental, social, safety, security, and job quality aspects of the business. The Committee is made up of specialist advisers from certain of the Company's shareholders. The Committee meets quarterly aiming to ensure best international practices are adhered to and to monitor compliance to International Finance Corporation – Performance Standards (IFC PS) and International Labor Organization (ILO) conventions. The Committee also assists with measuring impact of the Company's operations.

### Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the Board in overseeing the integrity of the Group's financial reporting, including supporting the Board in meeting its responsibilities regarding financial statements and the financial reporting systems and internal controls. The Committee monitors, on behalf of the Board, the effectiveness and objectivity of internal and external auditors. In relation to risk the Committee provides input to the Board in its assessment of enterprise risks and determination of risk appetite as part of the overall setting of strategy for the Group and assists the Board in its oversight of the Group's risk management framework.

### Remuneration Committee

The Committee is responsible for setting the policy for the remuneration of the executive management, determining targets for performance-related pay and determining the total individual remuneration package of each senior executive (such measurable and actionable targets then being replicated in remuneration arrangements throughout the organization). This is undertaken in full consideration of the UK Corporate Governance Code.



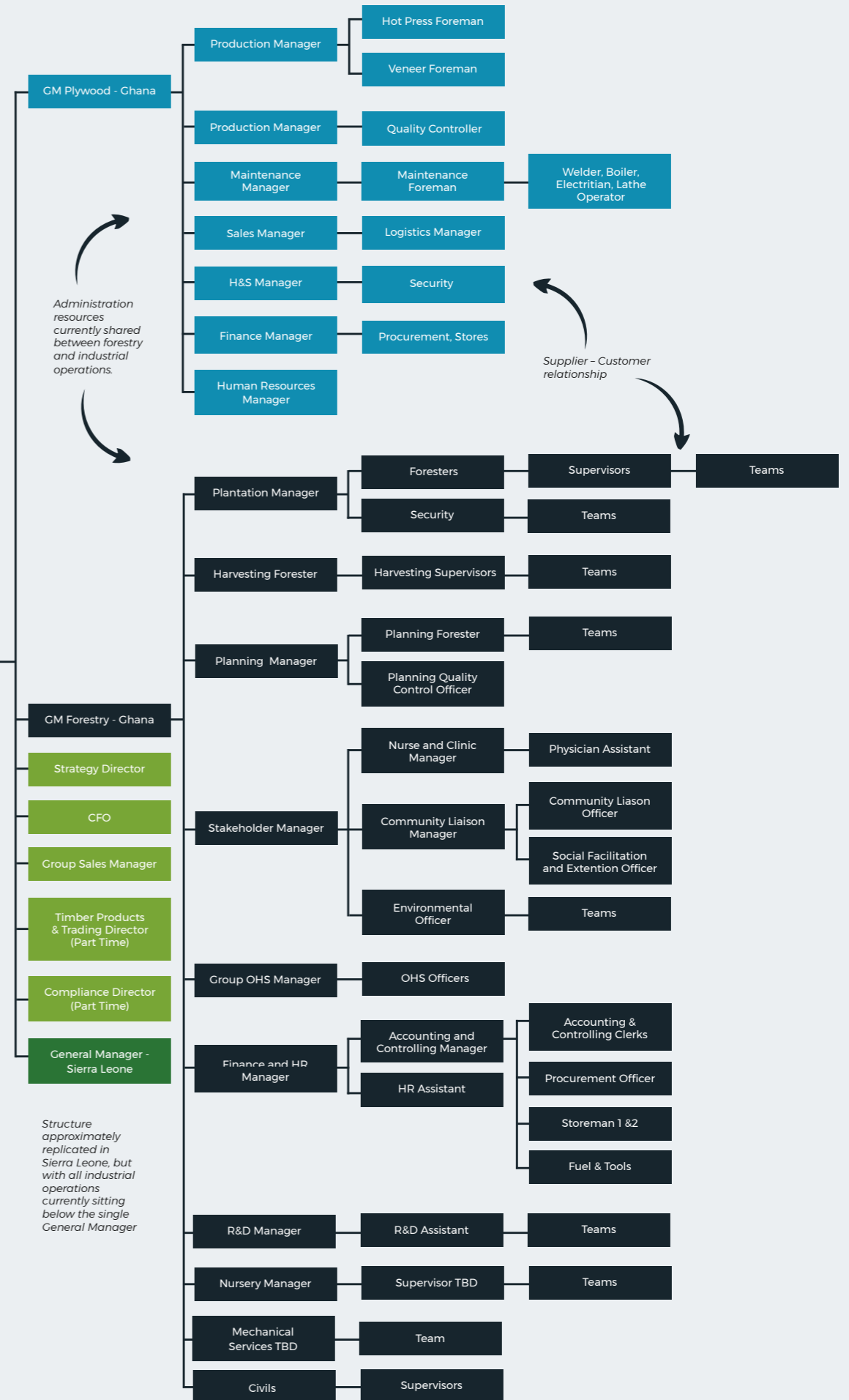
# 10 ORGANIGRAM

The following sets out the organizational structure of the Group:



BOARD

CEO



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## THE GROUP AT A GLANCE

Established in 2009, Miro is a commercial forestry and timber products group operating in West Africa. We operate in Ghana and Sierra Leone and are focused on the production of plywood for the construction market (both regional and overseas), transmission poles for electrification and edge glue panels.

We operate over 17,000 ha of sustainable plantations (over 20 million trees) consisting of principally Eucalyptus, Acacia, Gmelina and Teak specie, and are expanding our plantations at a rate of 1,500 to 3,000ha per annum. We have been the largest developer of new plantations in Africa for the last few years.

As our wood-flows continue to mature and increase we are investing into industrial wood processing operations with a focus on plywood production for the local and export markets. We are focused on maintaining and expanding quality forest plantations to deliver log volumes at globally competitive cost, and to efficiently process these into finished timber products (principally plywood) to generate consistent revenues at sustainable margins.

Across the group we employ a team of approximately 2,000 people. Miro operates to high environmental and social governance standards and we are Forestry Stewardship Council (FSC™) certified.

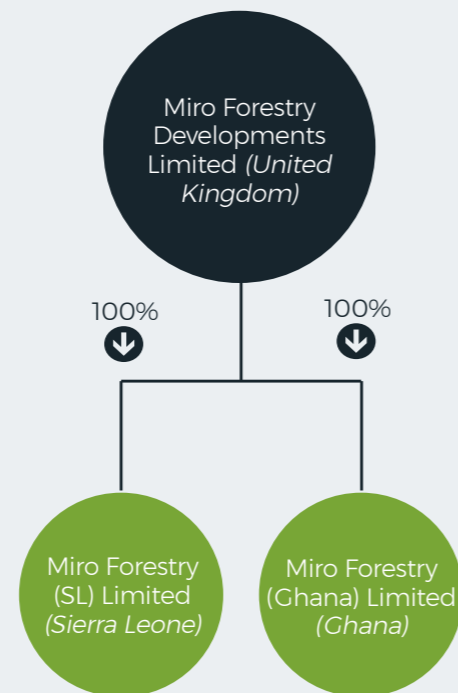
Our strategy is to continue expanding and developing profitable industrial wood processing operations to meet increasing wood-flows over the next few years prior to seeking a trade sale or IPO after 2025.

Land Holding<sup>(1)</sup>  
c.50,000 ha

Plantation Forest Area  
Established and Managed

- 17,278 ha of which
- Eucalyptus: 8,878 ha
  - Gmelina: 2,711 ha
  - Acacia: 2,737 ha
  - Teak: 2,649 ha
  - Other: 303 ha

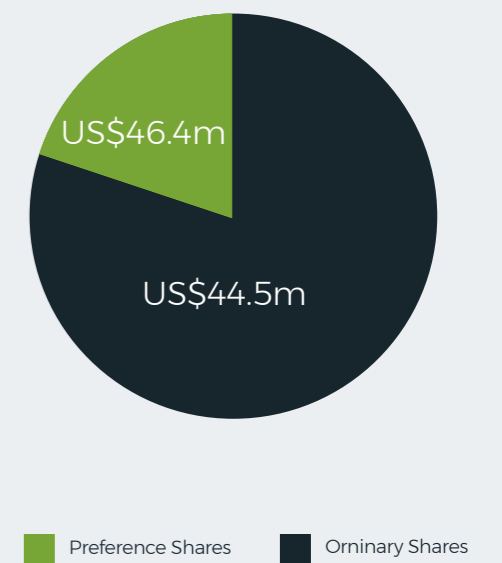
1) Includes only land signed under a ratified lease agreement or Public Private Partnership (PPP) arrangement. Additional strategic land is under negotiation in both Ghana and Sierra Leone.



### Valuation and Financing



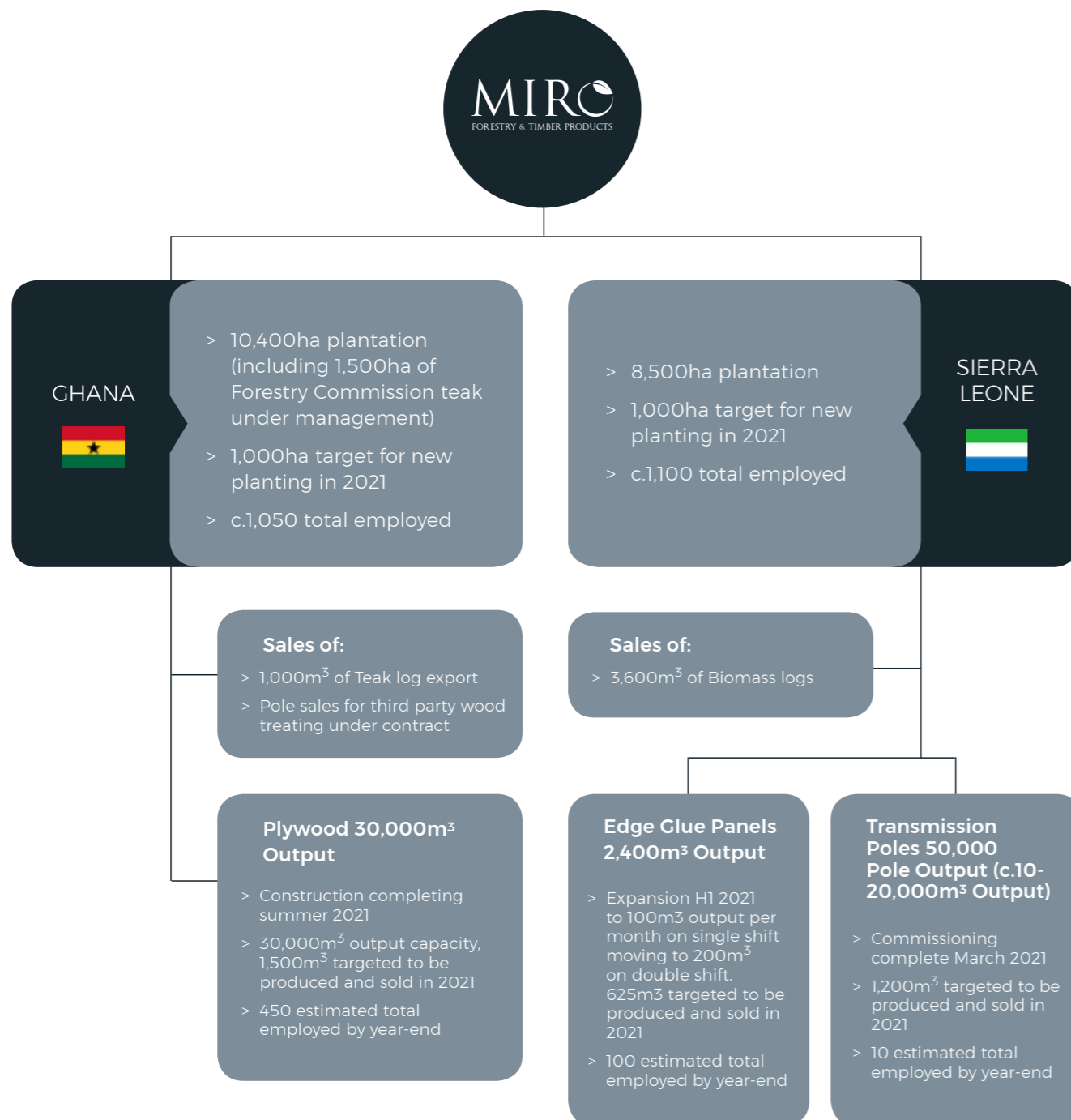
### Total Invested Group Equity and Debt at Year End 2020



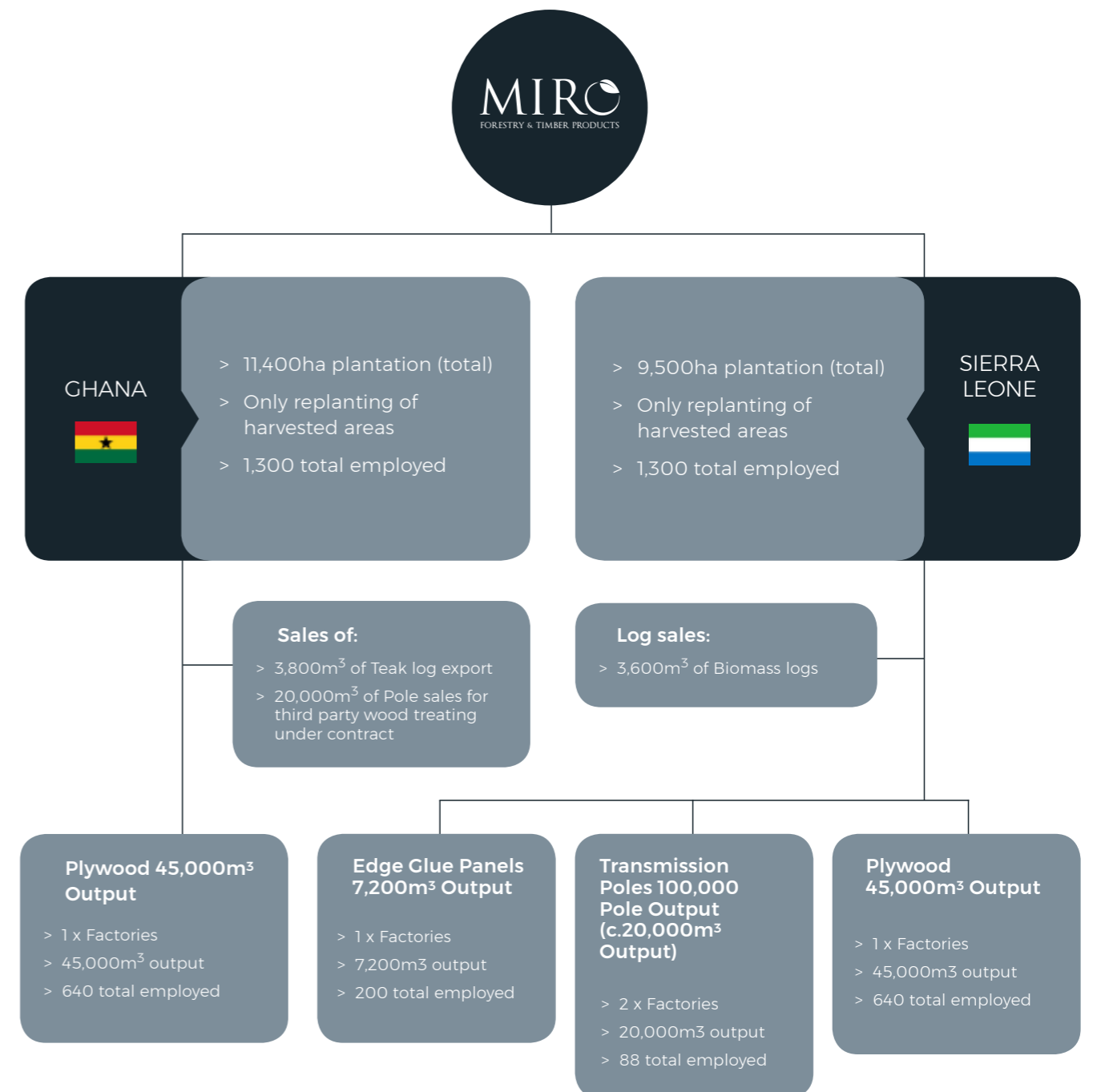


As a vertically integrated plywood and timber products group we control our timber supply chain from seedling to finished product. With globally low-cost forestry operations and an experienced team we can consistently supply our customers with a quality product and service, competitively priced.

The following sets out the expected composition of the group at year-end 2021



Based on current strategy and financing the following outlines the expected structure of the group at year-end 2025 (the point from which Miro is seeking an exit via a sale or IPO):



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## THE GROUP AT A GLANCE

MIRO is financed by approximately 30 shareholders including DFIs, private equity funds, family offices and individuals. In 2020 and early in 2021 Miro completed a significant capital raising and restructuring totalling US\$56 million. Miro is therefore fully funded by straight equity and redeemable preference equity carrying a 6.5% fixed dividend. As a result, Miro is debt free with a conservative capital structure.



### Key Data<sup>(2)</sup>

Year-End	2018(A)	2019(A)	2020(A)	2021 (F)	2025 (F)	2030 (F)
Hectares of Planted Standing Timber	12,950	15,601	17,278	18,900	20,900	21,190
Biological Asset Value (BAV) (US\$m)	\$40m	\$60m	\$58.2m	\$109m	\$185m	\$209m
Hectares Clearfell Harvested	-	141	85	323	2,390	3,000
Cumulative Investment <sup>3</sup> (US\$m)	\$53.3m	\$64.8m	\$89m	\$113m	\$123m	\$123m
Revenue (US\$m)	\$0.4m	\$0.5m	\$0.6m	\$2.3m	\$62m	\$144m
EBITDA (US\$m)	\$7m	\$6.2m	-\$16.2mm	\$5.9m	\$36m	\$58m

1) Total investments and commitments as at publication (end-February 2021).

2) Current estimate figures. Acronym (A) eg 2018 (A) denotes numbers are actuals realised. Acronym (F) denotes forecast.

3) Includes all Group investment (into plantations and industrial operations).







### FORESTS

#### LAND HOLDING

50,297ha  
HECTARES UP 5%

#### PLANTED HECTARES

INCREASED BY 11%  
TO 17,278 HECTARES  
(OF WHICH 90%  
PLANTED BY MIRO)

#### SPECIES MIX

EUCALYPTUS  
8,878HA (51%)

GMELINA  
2,711HA (16%)

ACACIA  
2,737HA (16%)

TEAK  
2,649HA (15%)

OTHER  
303HA (2%)

#### BIOLOGICAL ASSETS

US\$58M

#### HARVEST VOLUME

15,290m<sup>3</sup> UP 64%



### TIMBER PRODUCTS MANUFACTURING

2,410m<sup>3</sup> OF VENEER  
PRODUCTION  
28% SOLD DEEP SEA  
EXPORT, 72% SOLD LOCALLY.

EDGE GLUE PANEL  
FIRST SALES

GHANA PLYWOOD FACTORY  
CONSTRUCTION UNDERWAY,  
TO BE COMMISSIONED  
MID-2021



### TIMBER PRODUCTS TRADING

SIERRA LEONE TRANSMISSION  
POLE TREATMENT AUTOCLAVE  
AND KILNS COMMISSIONED OF  
50,000 POLE OUTPUT CAPACITY  
PER ANNUM.

THIRD PARTY TIMBER PRODUCT  
TRADING REVENUE INCREASED  
WITH PLYWOOD (PRICES OF  
c. US\$450/m<sup>3</sup>) AND POLES  
SALES IN PARTICULAR.

Note: All figures are as at year-end 2020. All comparisons are to prior year-end figures.



## FINANCIALS

**10% AVERAGE INCREASE IN SHARE PRICE OVER LAST SIX YEARS. START 2021 PRICE OF US\$13.23/(SHARE)**

**YEAR END COMPANY EQUITY VALUE OF US\$77.2 MILLION**  
A c.70% PREMIUM OVER EQUITY INVESTED



## INTELLECTUAL VALUE

**MAINTAINED FOREST MANAGEMENT UNIT FSC CERTIFICATION IN BOTH COUNTRIES**

**FSC CHAIN OF CUSTODY CERTIFICATION FOR ALL INDUSTRIAL OPERATIONS**

**MEMBERS OF INTERNATIONAL TREE-BREEDING R&D COLLECTIVE (CAMCORE)**

**RECRUITMENT OF KEY INDUSTRIAL AND HARVESTING SPECIALISTS**



## PEOPLE

**OVER 80% OF THE WORKFORCE EXTERNALLY TRAINED**

**OVER 2,000 PEOPLE EMPLOYED**  
**20% WOMEN**

**ACCESS TO MEDICAL CARE FOR ALL EMPLOYEES**

**A FURTHER 400 PEOPLE EMPLOYED THROUGH DIRECT CONTRACTORS**



## ENVIRONMENT

**OVER 1,300,000 TONNES OF ATMOSPHERIC CO2 CUMULATIVELY SEQUESTERED**

**OVER 7,000 HA UNDER ACTIVE CONSERVATION MANAGEMENT WITH 1,000 HA OF HIGH CONSERVATION VALUE FOREST AND 160 HECTARES OF REHABILITATION PLANTING.**



## SOCIAL DEVELOPMENT

**SOCIAL PROJECTS** REMAINED FOCUSED ON FOOD SECURITY, ACCESS TO WATER AND ACCESS TO EDUCATION.

**OVER US\$ 150,000** SPENT ON COMMUNITY SUPPORT

**ADDITIONAL COMMUNITY** SUPPORT WAS ENLISTED DURING THE PANDEMIC, INCLUDING AWARENESS CAMPAIGNS, SANITATION SUPPLIES AND A KITCHEN GARDEN INITIATIVE.

**ROLL OUT OF FORESTRY SMALLHOLDER SCHEME,** PLANTING APPROXIMATELY 50 HA ON A TRIAL BASIS

PROVISION OF **HEALTH SERVICES** TO EMPLOYEES AND HEALTH AWARENESS CAMPAIGNS FOR COMMUNITIES AND EMPLOYEES. INCLUDING PARTNERSHIPS WITH HEALTH CARE PROVIDERS AND NGO'S



## FINANCING

In 2020 we raised US\$48 million of new financing into the Group from new and existing investors. Early this year we then topped this up with additional investment from FinDev Canada and the LDN Fund (managed by Mirova), thus taking our total raise to US\$56 million. This sum fully funds Miro, and thus, whilst there may be some refinancing over the next few years it nevertheless allows full focus on the operations and industrialisation of Miro as further discussed in this report.

This financing of US\$56 million is as redeemable preference shares carrying a fixed dividend of 6.5%. Thus the Group is now debt free, with a conservative capital structure, funded by straight equity (ordinary shares) and redeemable preference shares alone.

## INDUSTRIAL OPERATIONS

### PLYWOOD - GHANA

Miro's major end product focus is the production of plywood. In Ghana we are well into the construction of our 30,000m<sup>3</sup>/annum output plywood factory, due to complete mid this year. This construction remains on schedule, with plywood manufacturing equipment arriving from February, however there is a possibility that future Covid related restrictions may slow the commissioning of this plant. Once commissioned, we have scheduled an 18 month ramp-up to full production on a double shift basis.



*Plymill construction (foundation completion stage)*

Whilst plymill construction is underway we continue to produce rotary veneer in our existing veneer plant, which will later be connected to the new plywood plant. This veneer we are no longer selling to third parties but are stockpiling ready for the production of plywood once the plant is commissioned.

After a global search the manager of the existing veneer plant has been promoted to become General Manager of the full plywood operation. Mr. Jagdeesh Tewari has very extensive plywood production expertise overseas and in Ghana and is a very capable manager with a can-do and motivated attitude.

Since his appointment we have recruited, locally in Ghana from other plywood operators and from overseas, the full compliment of managers for the plymill business. We therefore now have a full management compliment with these individuals and labour starting at site at pre-agreed times between now and the commissioning of the mill.

As part of this project, we are relocating our administration, accommodation and forestry operations to this plymill site so that we have one central management base, located approximately centrally to the plantation area. This also provides the benefit that we have one base to control and easier communication between all parts of the business. As a result we are building management accommodation and offices at the plymill site, the first phase of which will also complete mid-2021.



*Management block and General Manager accommodation*

### EDGE GLUE PANELS – SIERRA LEONE

Given the site conditions in Sierra Leone and high rainfall, Miro has significant hectares of Acacia mangium timber. This timber is suitable for plywood but also particularly in demand for Edge Glue Panels (EGP). Miro currently has a simple factory in Sierra Leone with an installed output capacity of 5m<sup>3</sup> of EGP per day. This factory built originally with minimal capex of c.US\$150,000 is now being developed into a more significant factory environment with concrete work and the addition of certain equipment to ease pinch-points. In addition, a stronger management team has been recruited into the business unit.

Miro has proven production of quality, export grade, EGP panels from this factory, with such panels exported to Interbuild ([www.interbuild.eu](http://www.interbuild.eu)) a global wholesaler of EGP and furniture products. Now with the factory upgrade of physical infrastructure and management, we are targeting to increase production over the next 12-18 months to 200m<sup>3</sup>/month of export quality panels, on a double shift operating basis.

Subject to the performance of this vs. plywood production in Ghana, the precise expansion of industrial timber product operations in Sierra Leone will be decided (the proportion of plywood production vs. EGP) to meet the increasing wood-flows from the plantation.



## INDUSTRIAL OPERATIONS (CONT.)

### TREATED POLES – SIERRA LEONE

We have now completed the commissioning of a pole treatment plant and associated drying kilns in Sierra Leone. This plant is capable of producing 50,000 treated electricity transmission poles per annum, CCA treated. We have therefore started to produce some standard pole lengths into stock, and to advertise our presence as the only domestic producer of treated electricity poles. We have a number of orders in the pipeline for poles, for the domestic energy grid, and therefore do expect sales to commence soon.



Pole delivery from plantation to treatment works



CCA treatment plant when nearing completion of civils

### FORESTRY & PLANTATIONS

With industrial operations, as described above, increasing in both countries with maturing wood volumes, our harvesting operations are necessarily scaling concurrently. We have invested into certain specific harvesting and haulage equipment and are therefore increasing wood-flows to the industrial operations to meet with their budgeted demand. In addition, we continue to sell timber directly from the plantation, notably teak as logs to India, small farming poles for the local market in Ghana, and waste biomass from our Sierra Leone plantation.

This year we are due to establish a further c.2,000ha across the group, having achieved this same target in 2020. A key focus for our plantation activities remains on R&D to ensure we have the best genetic material for our sites to deliver higher utilisable timber volumes in given timeframes at competitive cost. In this respect we continue to increase the proportion of establishment with clonal material, this year our planting being 60% clonal which we plan to increase next year as more clonal selections and our clonal capabilities improve. Coupled with this we are pleased with the quality of our nursery operations across both countries, delivering high quality planting stock, to time and budget. Within the nurseries we are moving more to a hydroponic system of clonal material production from which we expect increased quality at better cost.

We have so far had negligible fire issues during the 2020-2021 fire season typically lasting until March/April/May. The focus across our plantation operations remains on protecting and maintaining the plantation we have established, to minimise losses and thus ensure maximum output volume at given cost. As our plantation area increases the importance of this vs. new establishment continues to increase, and is thus a core area of focus across the group as a whole.

### CARBON CREDITS

During the course of 2020 and in early 2021, South Pole, a carbon credit firm, assessed Miro's tonnes of carbon sequestered to date (under the voluntary carbon scheme). The auditable and applicable tonnes of carbon sequestered has been calculated as just over 300,000 tonnes. These credits are now being audited by Verra (an audit body) and will be available for sale from April this year with an expected price of Euro 4.5 – 8.0 per tonne (thus approximately Euro 1.8 million). Given South Pole have conducted this assessment and paid for auditor costs (thus Miro incurring no direct cost) South Pole will receive a commission just over 20% with Miro retaining the rest of the revenue from this carbon sale.



Hereafter we can then expect sales of carbon credits every few years due to the additional carbon sequestration of our plantations in such intervening period (the value of which entirely dependent on the growth rate of our plantations and other technical factors, and the price of credits).

### TRADING

Over 2020 Miro has significantly developed its timber trading activities with a focus on trading industrial timber products into Ghana and Sierra Leone. In 2020 Miro traded transmission poles, plywood and other panel products into Ghana and Sierra Leone, thus building an active presence in a market into which Miro will sell its same own products. In total, revenue from the trading of these third party products produced is over US\$280,000 in 2020. This is an element of the business Miro intends to increase, alongside increased volume of sales of Miro's own produced timber products, for which Miro has a very competent sales and trading team.



## 2020 HIGHLIGHTS

- > Established a total of 2,089 hectares across the group, with quality genetic material delivered from our quality and efficient nurseries, achieving target.
- > Increased clonal production to 35% of stems planted.
- > Increased harvesting operations more than 60% across the group to a total of 15,290m<sup>3</sup> in the year.
- > Produced and sold over 2,400m<sup>3</sup> of veneer, generating a revenue of US\$280,000.
- > Commenced the build of a 50,000 pole capacity treatment plant in Sierra Leone and a 30,000m<sup>3</sup> output plywood mill in Ghana, developing the teams for both.
- > Traded over 800m<sup>3</sup> of timber products into Ghana and Sierra Leone generating a revenue of US\$280,000.

## 2021 OUTLOOK AND TARGETS

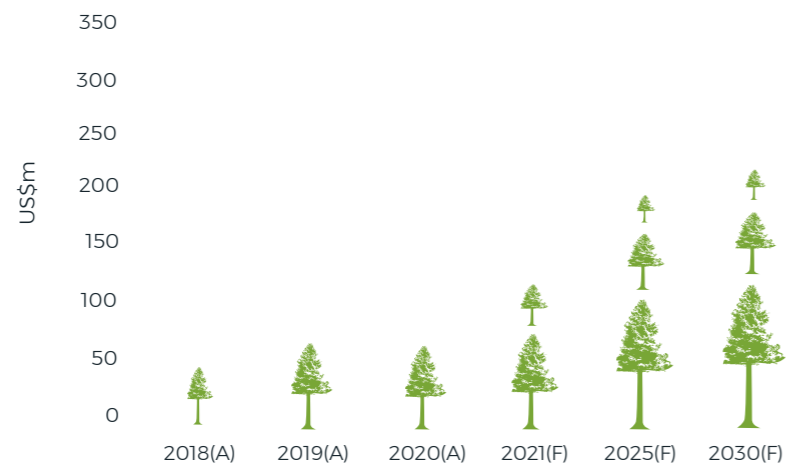
Clearly all targets in 2021 may continue to be hampered by Covid19, however as at today management believe the below remain realistic goals.

- > Increase group revenue 260% to US\$2.3m.
- > Establish c.2,000ha in the year achieving target with more than 60% planted from clonal material from Miro's R&D programme.
- > Complete the construction and commissioning of Miro's 30,000m<sup>3</sup> output capacity plymill in Ghana, producing and selling >1,500m<sup>3</sup> in the year.
- > Complete the commission of Miro's 50,000 pole output CCA treatment facility in Sierra Leone and produce >1,200m<sup>3</sup> of treated poles for sale in 2021/2022.
- > Upgrade the Company's Edge Glue Panel factory in Sierra Leone, and develop management, producing and selling >625m<sup>3</sup> in the year.
- > Achieve a Lost Time Injury Frequency Rate<sup>1</sup> not higher than 1.7.
- > Increase in high quality, job specific training and upskilling with a focus on female employees.

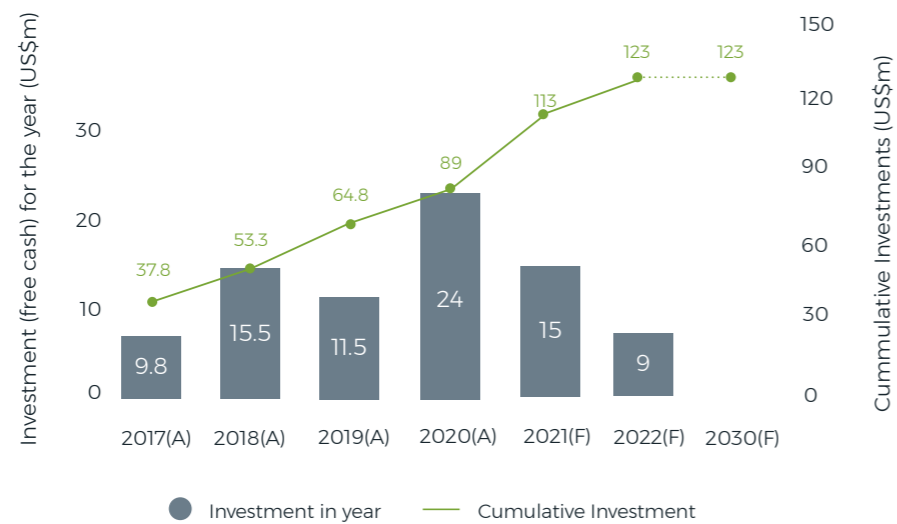
<sup>1</sup> Calculated by number of lost time injuries multiplied by 20,000 divided by hours worked.

### FINANCIAL METRICS

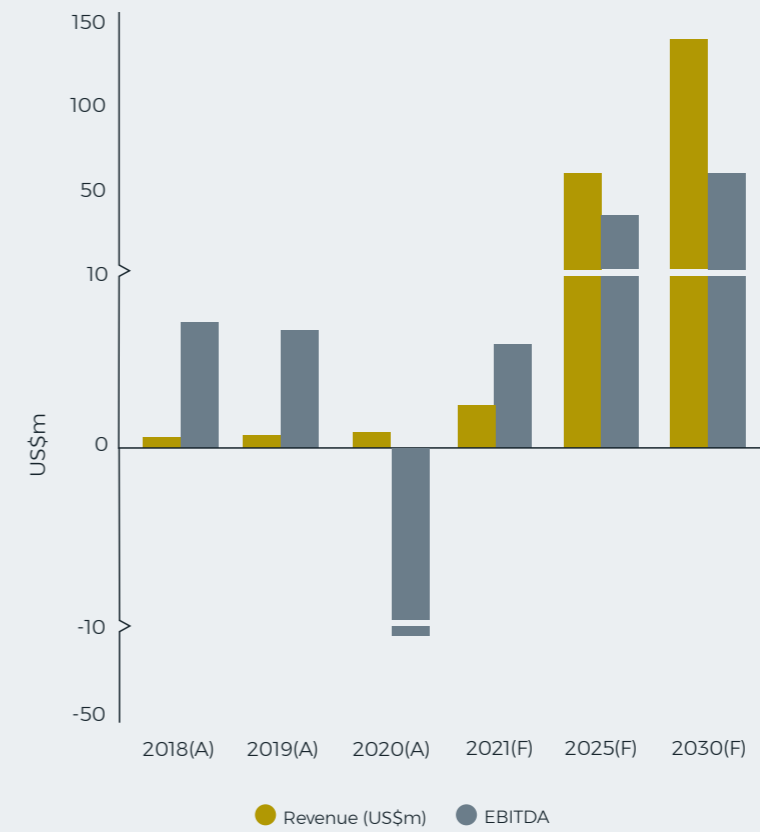
BIOLOGICAL ASSET VALUE (BAV)



INVESTMENTS (US\$m)



REVENUE AND EBITDA (US\$m)

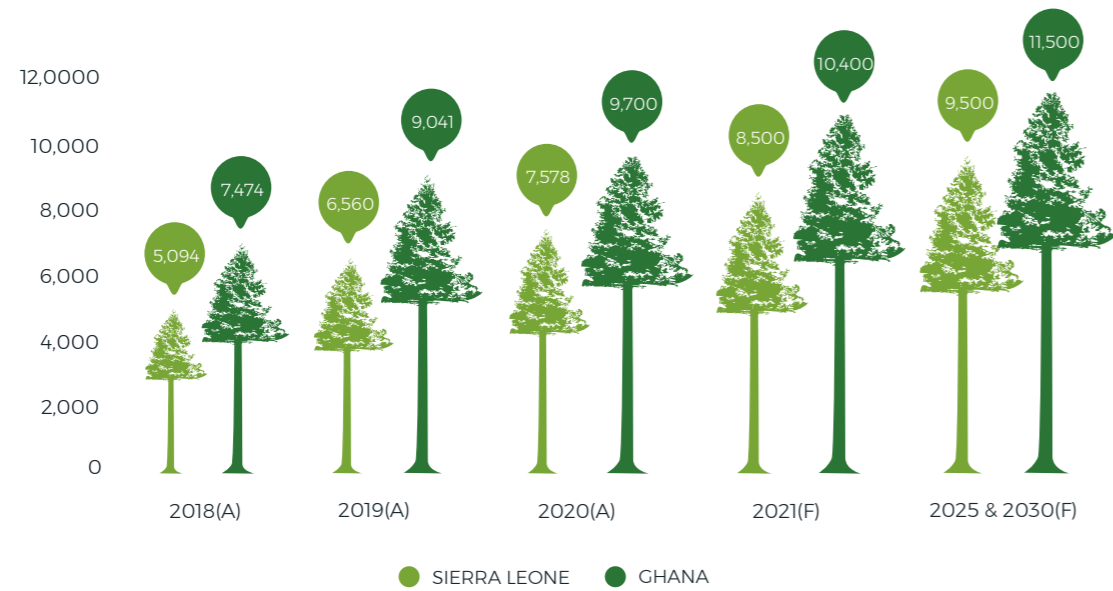


Note: 2021 figures onwards are estimates only.

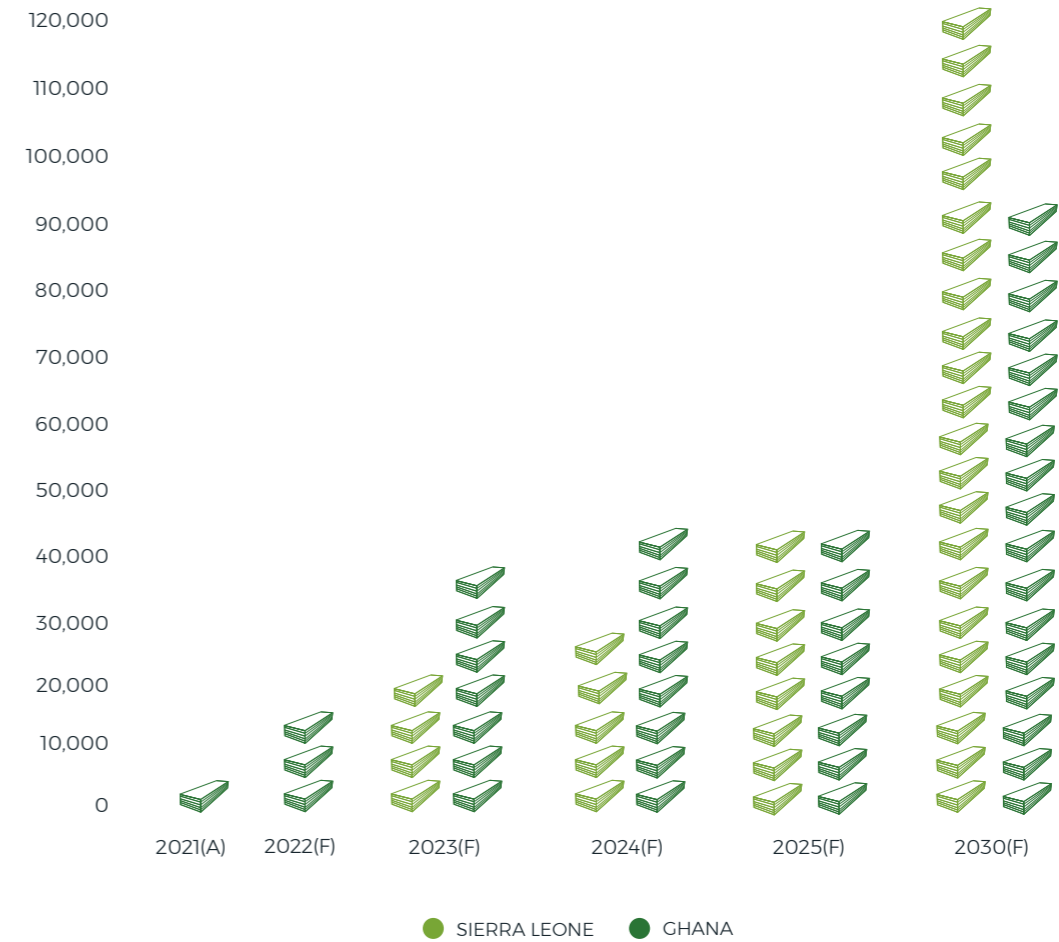


### OPERATIONAL

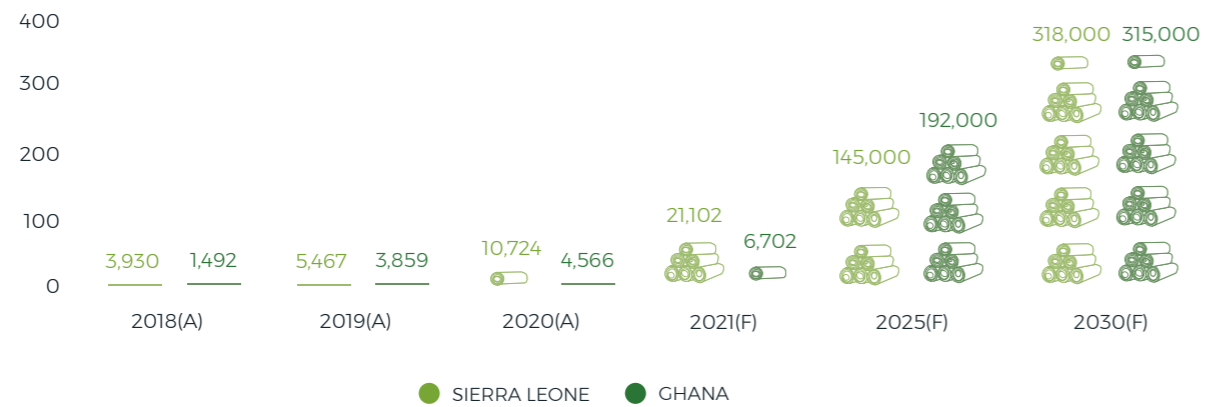
STANDING TIMBER (HA)



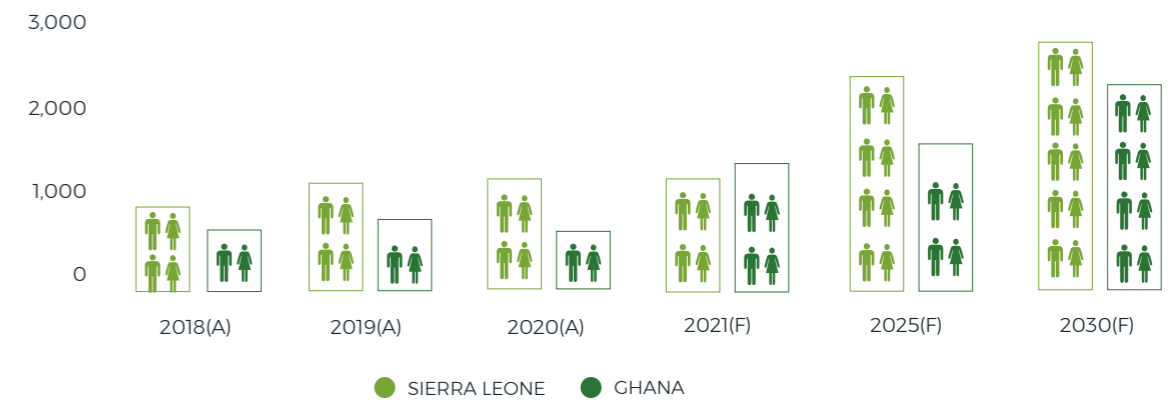
VOLUME OF PLYWOOD PRODUCED



VOLUME OF TIMBER HARVESTED ('000 m<sup>3</sup>)



EMPLOYEE HEADCOUNT\*



\* Includes casual labour

# 40 OUR IMPACT

## OUR PEOPLE & COMMUNITIES

Investing in our people and communities helps us to ensure the long-term sustainability of our business. To be the largest sustainable forestry company in West Africa we need a talented, motivated and resilient workforce.



of the workforce is female. There has been a steady rise in women being promoted and recruited at more senior levels



Where requisite skills and experience exist Miro always recruits locally in preference to nationally or from overseas. Only 4% of permanent employees are expatriate.



Promoting open and transparent channels of communication with all stakeholders. Robust Grievance mechanism in place with ongoing awareness activities.



Access to medical cover, partnerships with medical service providers, maternity and compassionate leave for all employees



of direct employees come from within 30km of site

In the course of 2019



people employed (FTE)



of employees and contractors supplied with PPE - NO PPE=NO WORK

Annual Health and Safety campaigns reaching approximately



Aiming to build an independent safety culture, based on international Health and Safety standards.

## CONSERVATION & ENVIRONMENT

Approximately 20 million trees planted by Miro to date



ha of managed conservation area



net tonnes of atmospheric carbon dioxide equivalent (tCO<sub>2</sub>e) sequestered by Miro's plantations



ha of sustainable forest land developed and managed by Miro



This will produce over 2.5 million cubic metres of sustainable timber (timber that may otherwise be cut unsustainably from indigenous forests)

For the past few years, Miro has been undertaking landscape restoration activities in both Ghana and Sierra Leone, planting indigenous species within its own conservation areas to encourage the restoration of a biodiverse forest environment. Miro's conservation areas are chosen and managed such that they join riparian areas and can act as wildlife corridors. These activities have been undertaken on an increasing scale in recent years as our experience and success has grown (we established c.100 hectares in Ghana during 2020) the positive impact on the environment is substantial.

Interest is growing rapidly in the potential of tree-planting to sequester large volumes of atmospheric carbon. Several oil majors have recently announced major investments into "nature-based solutions" to climate change. Following initial discussions with Shell, BP and others (including Tullow Oil), we proposed a large-scale landscape restoration programme that would replant thousands of hectares of forest with indigenous species, financed through the forward sale of carbon credits. Shell have agreed to fund the development work necessary to put together a detailed financial proposal for this reforestation/landscape restoration model.

Miro is working with EcoSecurities, a leading carbon consultant, to develop a carbon financing structure that aligns Miro and the financing party/parties over the long term, with Miro being paid full costs plus margin in advance for carrying out establishment and maintenance activities, plus a value kicker if carbon prices rise above a benchmark in the future.

In addition to the substantial financial and environmental benefits of this expanded programme, this will benefit Miro operationally by encouraging the regeneration of dense forest on our conservation areas. Since these areas are interwoven with our commercial plantations, this improves the overall fire resistance of our commercial plantations and reduces the effective area that Miro is required to defend against illegal encroachment activities such as illegal farming and poaching.

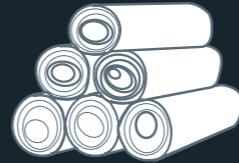
As carbon prices continue to rise, we believe that this could develop into a very attractive and profitable business opportunity for Miro.

# 42 OUR IMPACT

## ECONOMIC IMPACT

2,410m<sup>3</sup>

of veneer products sold into the local and export market over 2020 (in addition, Edge Glue Panels and pallets also sold).



100%

substituting unsustainable timber and imports.

c.US\$370,000

paid for land rent, government taxes and fees in the year

3,057 poles

delivered for rural electrification

US\$60million

biological asset value (current value of the plantations)

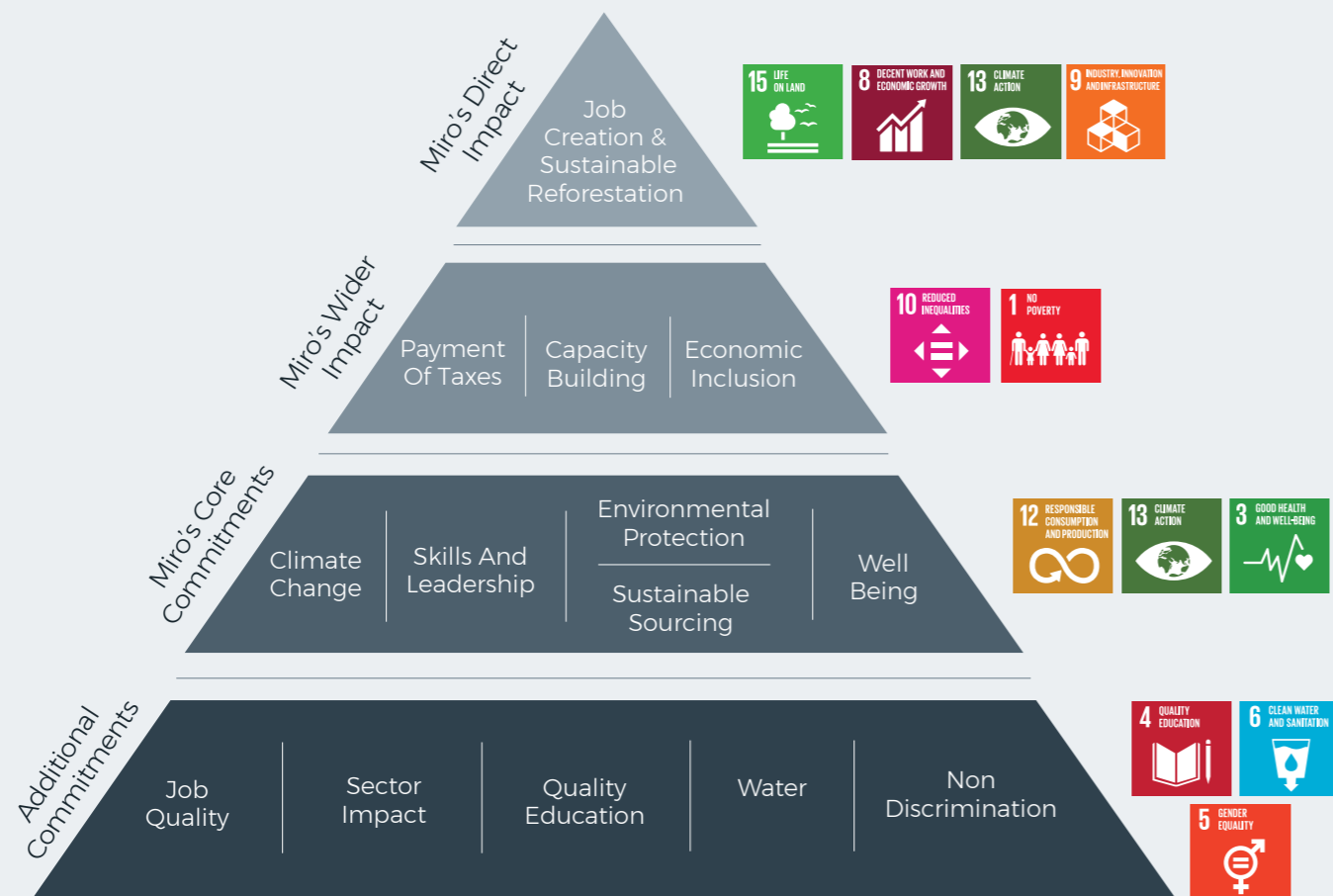
229km of new roads built by the company.



# 44

## SUSTAINABLE DEVELOPMENT GOALS

MIRO MEASURES ITS IMPACT AGAINST THE MOST APPLICABLE SDG'S





# 46

## CERTIFICATES & STANDARDS

MIRO is fully Forestry Stewardship Council™ (FSC™) certified. We also operate to International Finance Corporation Performance Standards and we comply with ISO and International Labour Organisation standards (and are working on becoming ISO and CE certified in due course).



# 48

## OUR PRODUCTS



PLYWOOD



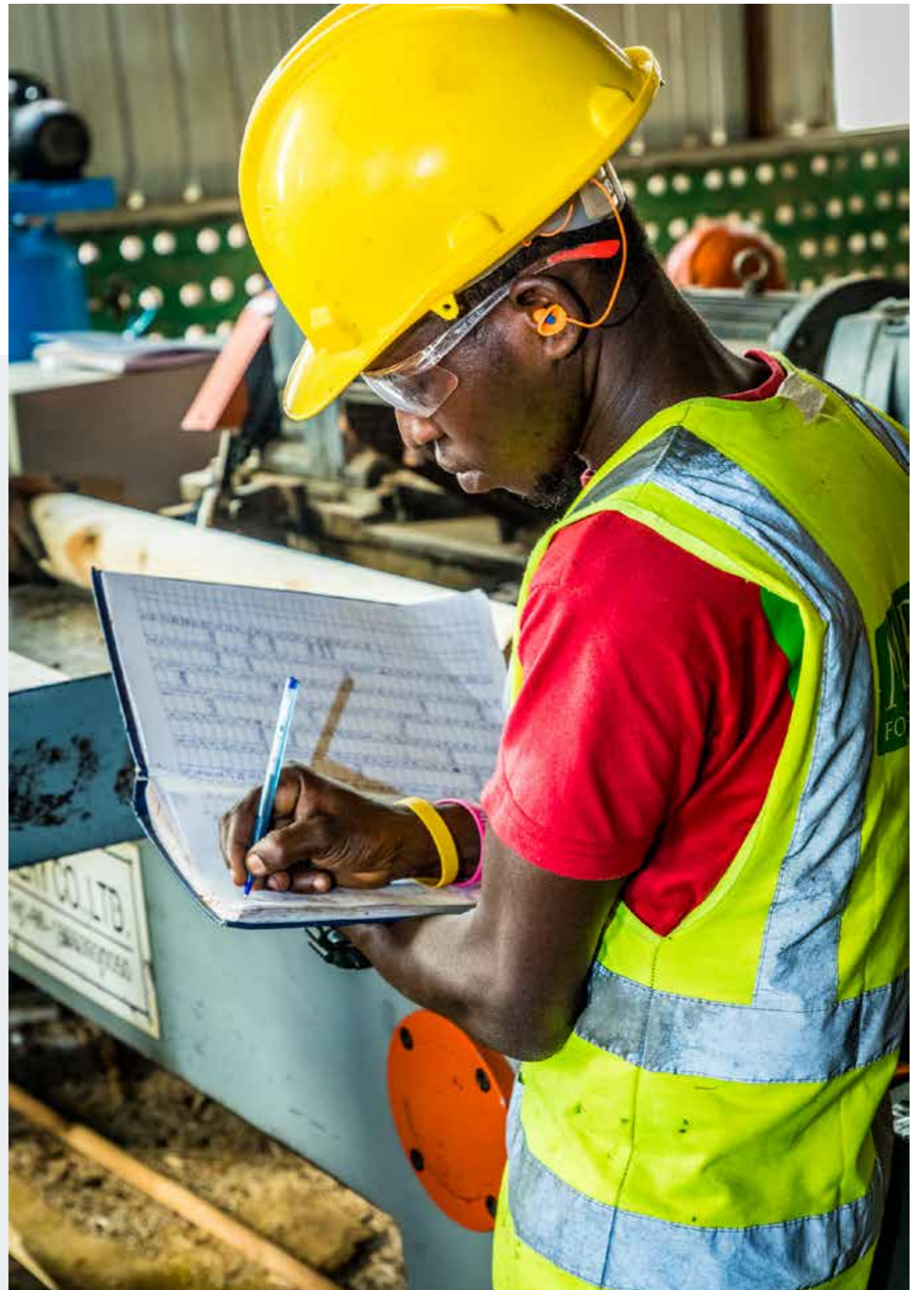
EDGE GLUE PANELS



UTILITY POLES



BIOMASS

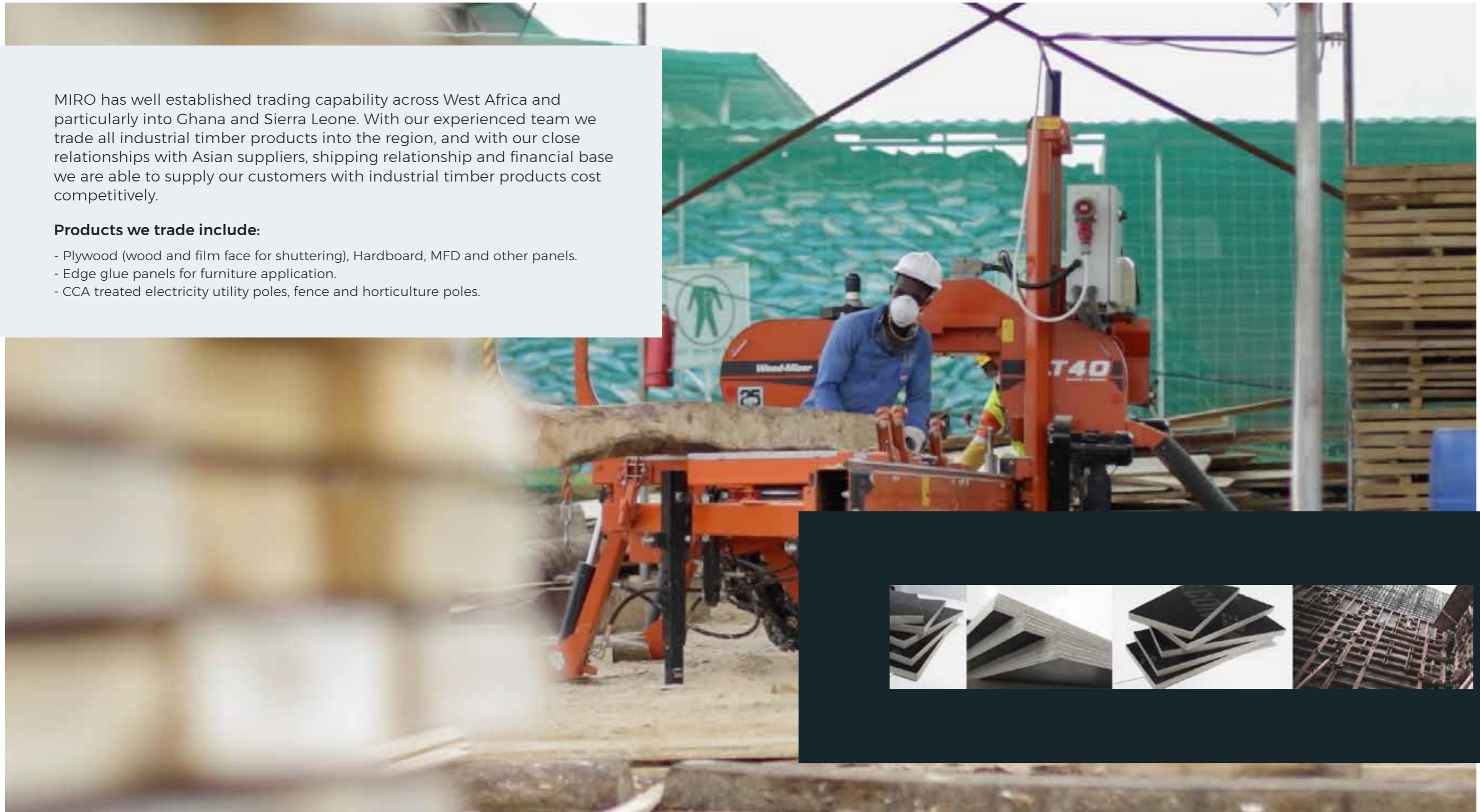


# 50 TRADING

MIRO has well established trading capability across West Africa and particularly into Ghana and Sierra Leone. With our experienced team we trade all industrial timber products into the region, and with our close relationships with Asian suppliers, shipping relationship and financial base we are able to supply our customers with industrial timber products cost competitively.

**Products we trade include:**

- Plywood (wood and film face for shuttering), Hardboard, MFD and other panels.
- Edge glue panels for furniture application.
- CCA treated electricity utility poles, fence and horticulture poles.



2020 GROUP ABBREVIATED  
CONSOLIDATED UNAUDITED  
FINANCIAL STATEMENTS

MIRO FORESTRY DEVELOPMENTS LIMITED  
Consolidated Statement of Comprehensive Income  
For the Year Ended 31 December 2020

	Year ended 31 December 2020 US \$	Year ended 31 December 2019 US \$
<b>Revenue</b>	<b>698,374</b>	499,286
Cost of sales	<b>(1,590,461)</b>	(1,245,830)
<b>Gross loss</b>	<b>(892,086)</b>	(746,544)
Fair value (loss) / gains	<b>(9,514,879)</b>	13,258,327
General, administrative and selling expenses	<b>(7,042,017)</b>	(7,985,842)
<b>Operating (loss) / profit</b>	<b>(17,448,982)</b>	4,525,941
Other income	<b>377,141</b>	176,987
Finance costs	<b>(2,623,347)</b>	(1,373,314)
<b>(Loss) / profit before tax</b>	<b>(19,695,188)</b>	3,329,614
Taxation	-	809,971
<b>(Loss) / profit for the year</b>	<b>(19,695,188)</b>	4,139,585
Other comprehensive income	-	-
<b>Total comprehensive (loss) / income</b>	<b>(19,695,188)</b>	4,139,585
<b>(Loss) / profit for the year attributable to:</b>		
Owners of the parent	<b>(19,695,188)</b>	4,139,585
<b>Total comprehensive (loss) / income attributable to:</b>		
Owners of the parent	<b>(19,695,188)</b>	4,139,585

## MIRO FORESTRY DEVELOPMENTS LIMITED

Registered Number: 09361425  
Consolidated and Company Statement  
of Financial Position

As at 31 December 2020

	2020 US\$	2019 US\$
<b>Non-current assets</b>		
Right of use assets	1,944,571	1,771,269
Property, plant & equipment	7,076,139	4,189,890
Biological assets	58,249,996	60,219,397
Investments	-	-
	<u>67,270,706</u>	<u>66,180,556</u>
<b>Current assets</b>		
Trade and other receivables	3,147,515	1,913,283
Inventory	1,556,883	1,227,970
Cash and cash equivalents	940,461	927,486
	<u>5,644,859</u>	<u>4,068,739</u>
<b>Total assets</b>	<u>72,915,565</u>	<u>70,249,295</u>
<b>Equity</b>		
Share capital	5,835,063	5,795,763
Share premium	36,397,136	35,917,244
Share options	3,003,044	3,073,229
Retained losses	(23,226,121)	(3,895,357)
<b>Total equity</b>	<u>22,009,122</u>	<u>40,890,879</u>
<b>Current liabilities</b>		
Lease liabilities	251,466	225,408
Short term borrowings	-	3,038,276
Trade and other payables	1,183,611	1,164,898
	<u>1,435,077</u>	<u>4,428,582</u>
<b>Non-Current liabilities</b>		
Lease liabilities	1,568,550	1,489,422
Preference share dividend liability	1,527,196	-
Redeemable Preference shares	46,375,620	-
Loans and borrowings	-	23,440,412
<b>Total liabilities</b>	<u>50,906,443</u>	<u>29,358,416</u>
<b>Total shareholders' fund and liabilities</b>	<u>72,915,565</u>	<u>70,249,295</u>

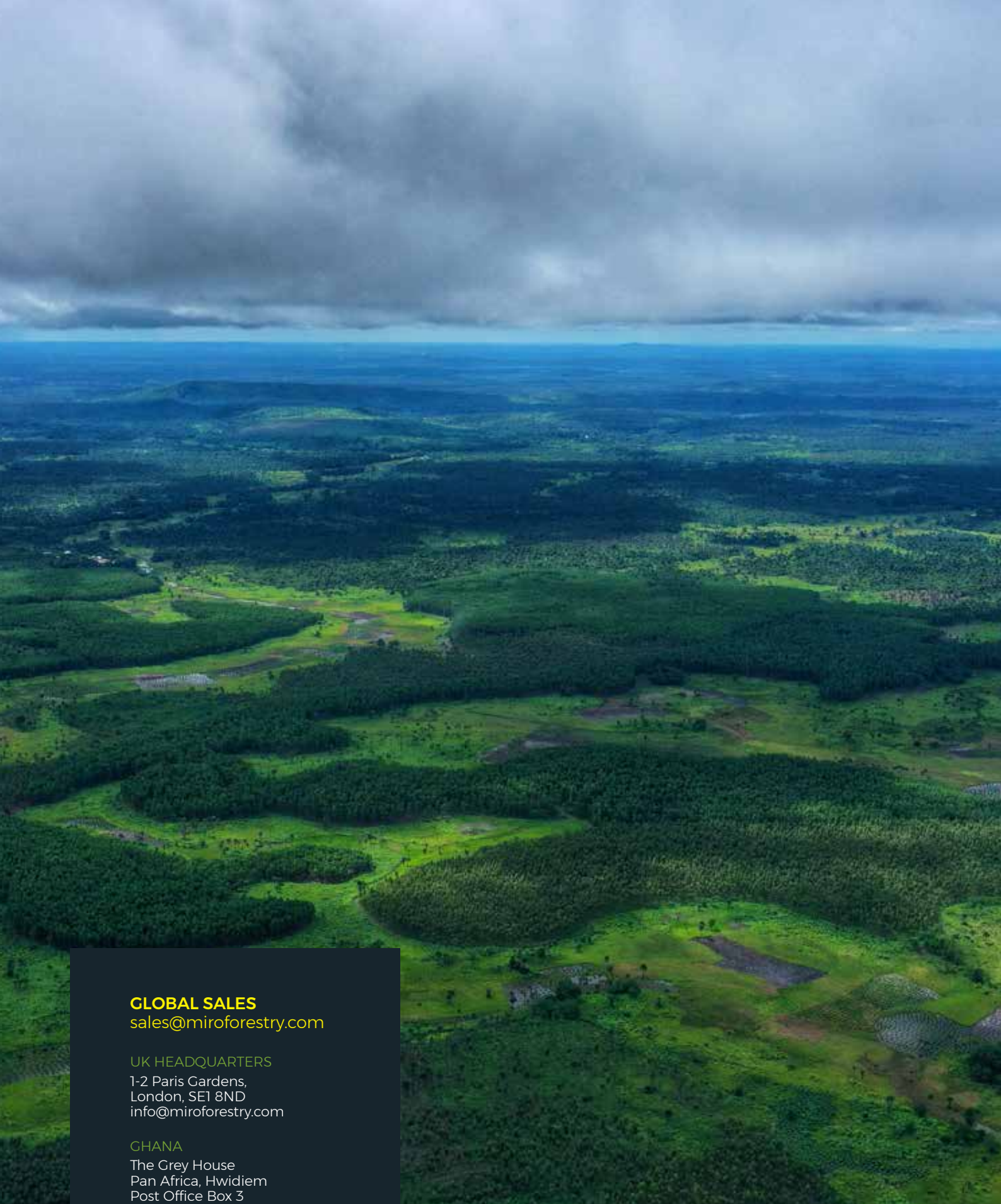
## MIRO FORESTRY DEVELOPMENTS LIMITED

### Consolidated and Company Statement of Changes in Equity

For the Year Ended 31 December 2020

	Share Capital US\$	Share Premium US\$	Share Options US\$	Retained Earnings US\$	Total US\$
Balance at 1 January 2019	5,133,326	28,234,729	3,880,813	(9,575,166)	27,673,702
IFRS 16 restatement	-	-	-	139,718	139,718
Correction of error	-	-	-	(68,890)	(68,890)
<b>Restated Balance at 1 January 2019</b>	<u>5,133,326</u>	<u>28,234,729</u>	<u>3,880,813</u>	<u>(9,504,338)</u>	<u>27,744,530</u>
Profit for the year	-	-	-	4,139,585	4,139,585
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive Income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,139,585</u>	<u>4,139,585</u>
Issue of shares	479,104	5,555,852	-	-	6,034,956
Share options reserve transfer	-	-	(1,469,396)	1,469,396	-
Restated Founder warrants exercised	183,333	2,126,663	-	-	2,309,996
Share options expense	-	-	661,812	-	661,812
<b>Restated total transactions with owners, recognised directly in equity</b>	<u>662,437</u>	<u>7,682,515</u>	<u>(807,584)</u>	<u>1,469,396</u>	<u>9,006,764</u>
<b>Restated balance at 31 December 2019 and 1 January 2020</b>	<u>5,795,763</u>	<u>35,917,244</u>	<u>3,073,229</u>	<u>(3,895,357)</u>	<u>40,890,879</u>
Loss for the year	-	-	-	(19,695,188)	(19,695,188)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,695,188)</u>	<u>(19,695,188)</u>
Issue of shares	2,324	27,676	-	-	30,000
Share options reserve transfer	-	-	(364,424)	364,424	-
Employee share options exercised	36,976	452,216	-	-	489,192
Share options expense	-	-	294,239	-	294,239
<b>Total transactions with owners, recognised directly in equity</b>	<u>39,300</u>	<u>479,892</u>	<u>(70,185)</u>	<u>364,424</u>	<u>813,431</u>
<b>Balance at 31 December 2020</b>	<u>5,835,063</u>	<u>36,397,136</u>	<u>3,003,044</u>	<u>(23,226,121)</u>	<u>22,009,122</u>





**GLOBAL SALES**

[sales@miroforestry.com](mailto:sales@miroforestry.com)

**UK HEADQUARTERS**

1-2 Paris Gardens,  
London, SE1 8ND  
[info@miroforestry.com](mailto:info@miroforestry.com)

**GHANA**

The Grey House  
Pan Africa, Hwidjem  
Post Office Box 3  
Asante Akyem, Agogo  
[ghana@miroforestry.com](mailto:ghana@miroforestry.com)

**SIERRA LEONE**

18 Charlotte Street, Freetown  
[sierraleone@miroforestry.com](mailto:sierraleone@miroforestry.com)

**MIRO**  
FORESTRY & TIMBER PRODUCTS