



2022

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ANNUAL REPORT

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**MIRO** IS PLEASED TO  
PRESENT ITS 2021  
ANNUAL REPORT  
AND ABBREVIATED  
CONSOLIDATED  
AUDITED FINANCIAL  
STATEMENTS,  
OUR PRINCIPAL  
COMMUNICATION TO  
STAKEHOLDERS

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# 2 CHAIRMAN STATEMENT



2021 was a very eventful year for Miro Forestry and Timber Products. Although the operating environment was extremely challenging due to the COVID pandemic the company managed to achieve its goals both on the forestry side and on the industry side.

The COVID pandemic increased globally all commodity prices and logistics costs, and made travelling less predictable. Regardless of this, Miro finalized building its first plywood factory toward the end of the year in Ghana, then starting production in November 2021. As the production now ramps-up during 2022 the plywood is being sold into the domestic Ghana market, into the West Africa region and is being exported to European, MENA, and North American markets.

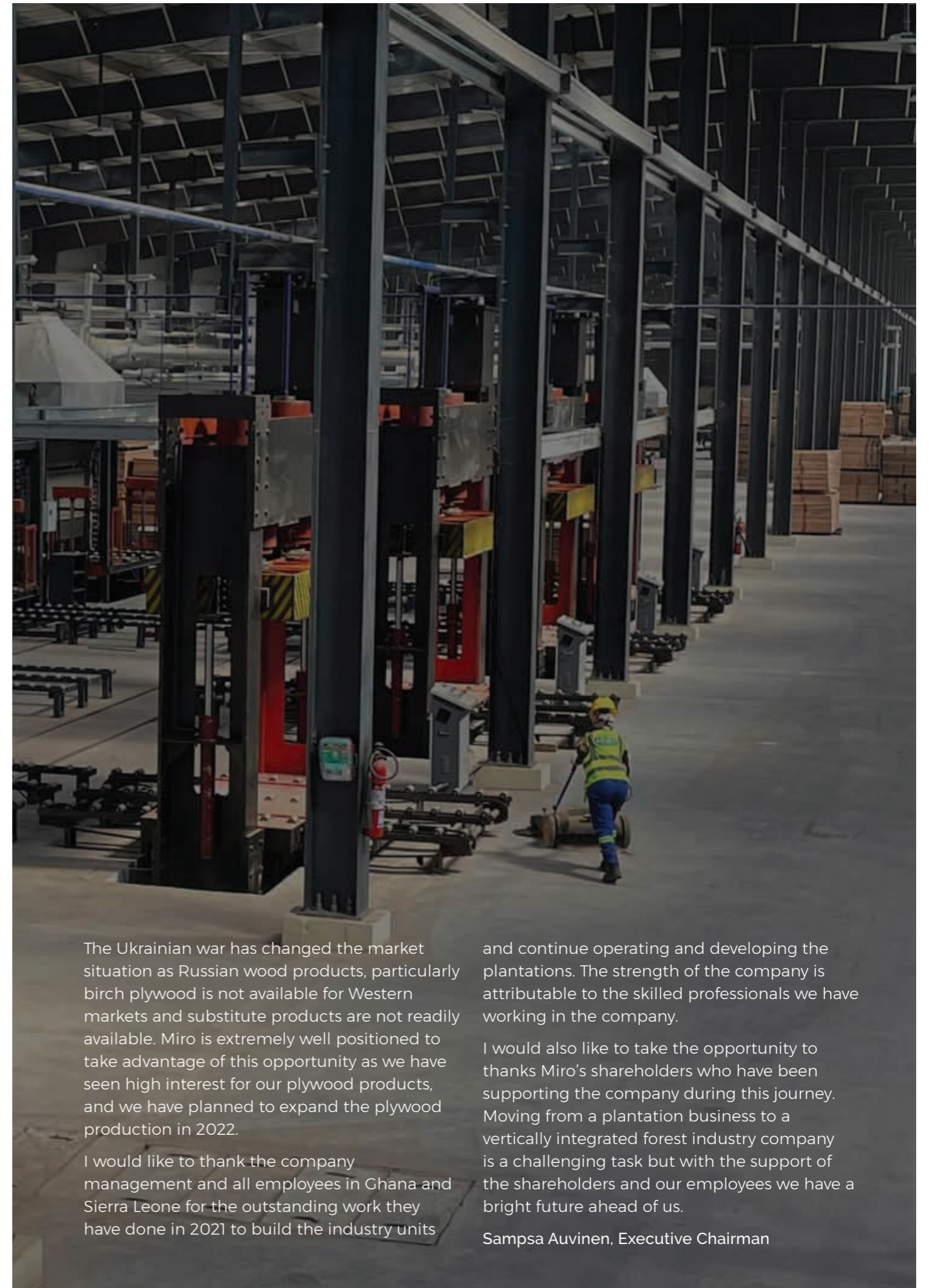
During 2021, Miro also started the production of transmission poles and edge glued panels in Sierra Leone. Transmission poles are sold primarily in the Western African markets but export sales to the MENA markets will also be developed going forward. Edge glued panels' production is for the

time being at a small scale and the production is currently predominantly exported to Europe.

The quality of all products has been extremely good and well-received by our customers. I am confident that as the industry operations are scaled-up, Miro will be known in the markets as a producer of quality timber products with FSC™ certification<sup>1</sup>. The foundation of the manufacturing is our own forest plantations. The R&D department has done excellent work with cloning, and we expect to see our plantation cycle speed-up with improving growth rates during the coming years. Years of trials are bringing very encouraging results as we continue to expand the area of our plantations in both Ghana and Sierra Leone.

As the industry operations will grow, Miro is also moving from manual harvesting to using modern harvesting equipment to meet the increased demand of raw material from the factories. The raw material logistics and supply chain from our own forests to our own factories will enable us to efficiently produce quality products for the global markets.

<sup>1</sup> Licence numbers FSC-C133731, FSC-C135138, FSC-C136035 and FSC-C135138.



The Ukrainian war has changed the market situation as Russian wood products, particularly birch plywood is not available for Western markets and substitute products are not readily available. Miro is extremely well positioned to take advantage of this opportunity as we have seen high interest for our plywood products, and we have planned to expand the plywood production in 2022.

I would like to thank the company management and all employees in Ghana and Sierra Leone for the outstanding work they have done in 2021 to build the industry units

and continue operating and developing the plantations. The strength of the company is attributable to the skilled professionals we have working in the company.

I would also like to take the opportunity to thank Miro's shareholders who have been supporting the company during this journey. Moving from a plantation business to a vertically integrated forest industry company is a challenging task but with the support of the shareholders and our employees we have a bright future ahead of us.

Sampsu Auvinen, Executive Chairman



## MISSION

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

## VISION

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

### 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 personally grow and develop and 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.

# 6

## THE GROUP AT A GLANCE



Miro is a vertically integrated plantation forestry and plywood manufacturing company, operating in West Africa. Miro was founded in 2009 and has since established over 20,000ha of forest on degraded lands in Ghana and Sierra Leone, planting over 20 million trees.

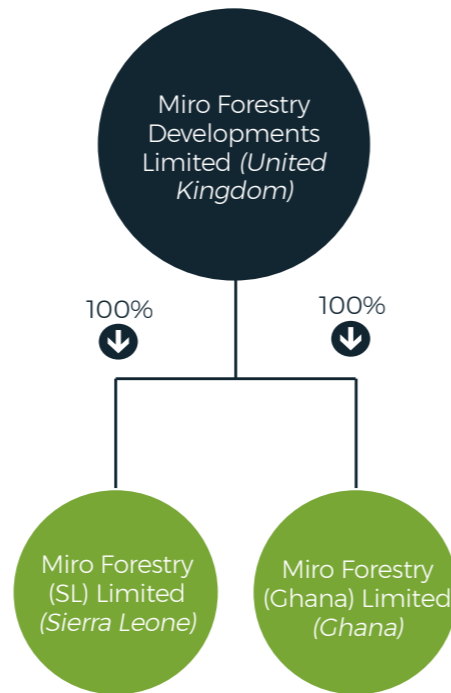
**We have planted more new land to forestry over the last 5 years than any other group on the African continent, all to Forest Stewardship Council (FSC™)<sup>1</sup> standards**

Miro produces plywood, finger jointed edge glue boards and utility transmission poles from its commercial forests. Miro is the largest vertically integrated plywood business in West Africa, producing high quality plywood for the growing West African market and for export. With globally low-cost forestry operations and an experienced team we can consistently supply our customers with a quality product and service, competitively priced.

Miro employs over 2,500 people across the group and is a major contributor to rural employment.

Miro generates c.200,000 tonnes of carbon credits per annum from its existing plantations and is starting to manage indigenous afforestation projects sequestering millions of tonnes of atmospheric CO<sub>2</sub>.

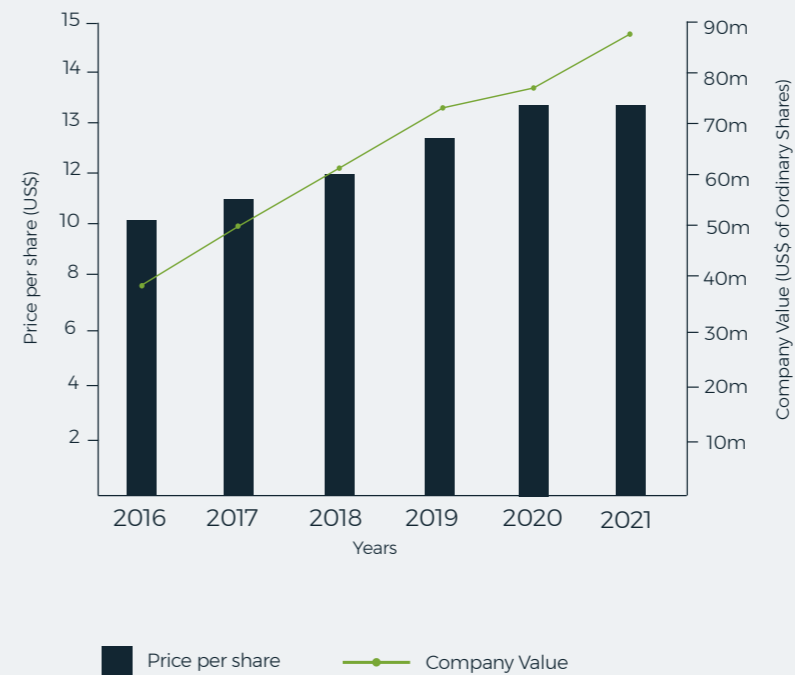
Miro consists of one of the most experienced plantation forestry and timber products teams on the African Continent.



<sup>1</sup> Licence numbers FSC-C133731, FSC-C135138, FSC-C136035 and FSC-C135138.



### Valuation and Financing



### Total Invested Group Equity at Year End 2021



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## THE GROUP AT A GLANCE

Miro has a strong international shareholder base, having raised over US\$110 million since inception. Miro is fully funded by straight equity and redeemable preference equity and as a result is debt free with a conservative capital structure.



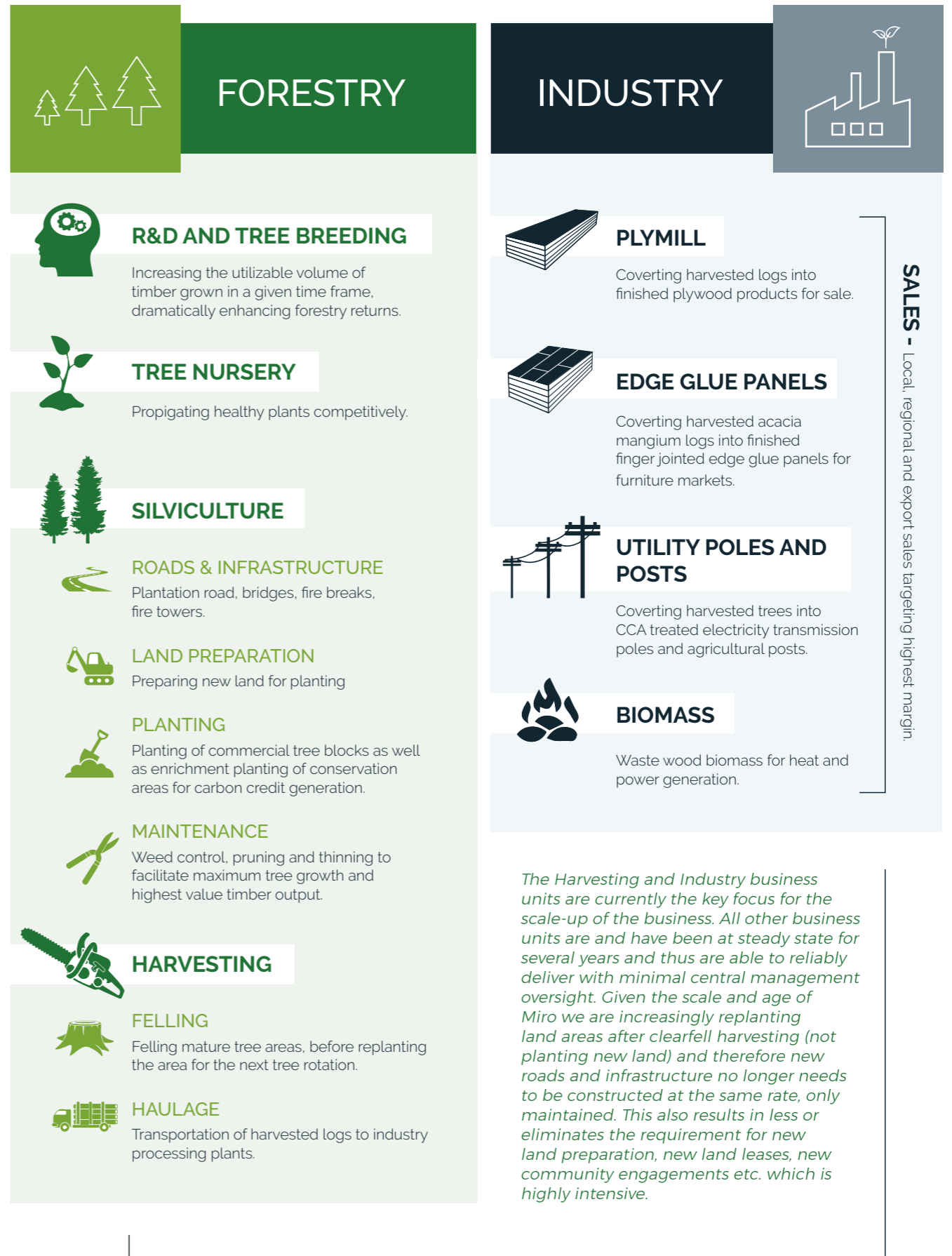
### Key Data<sup>(1)</sup>

Year-End	2019(A)	2020(A)	2021 (A)	2022 (F)	2025 (F)	2030 (F)
Hectares of Planted Standing Timber	15,601	17,278	19,220	20,000	21,000	24,000
Biological Asset Value (BAV) (US\$m)	\$60m	\$58.2m	\$65.1m	\$80m	\$136m	\$197m
Cumulative Investment <sup>3</sup> (US\$m)	\$64.8m	\$89m	\$115m	\$135	\$154m	\$154m
Revenue (US\$m)	\$0.5m	\$0.6m	\$2.3m	\$14m	\$42m	\$126m
EBITDA (US\$m)	\$6.2m	-\$16.2mm	(\$10.9m)	\$1.5m	\$25m	\$57m

1) Current estimate figures. Acronym (A) eg 2018 (A) denotes numbers are actuals realised. Acronym (F) denotes forecast.  
 2) Includes all Group investment (into plantations and industrial operations).

# 10 THE GROUP AT A GLANCE

Miro is divided into several distinct business units and sub-units, each with distinct management teams. This division of operations allows Miro the ability to scale efficiently and rapidly if needed, whilst keeping focus and tight control over the key aspects driving the overall performance of the Group. The following summarizes the business units of Miro:



**ADMINISTRATION** - Finance, Human Resources, Health and Safety, Workshop, Planning, Environmental and Social Compliance.

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## GROUP STRATEGY

Miro is focused on developing into a vertically integrated plywood business, fed by its own plantation forests. Miro has so far developed over 20,000ha of greenfield plantation forest, planting to a high quality, at large scale and cost-competitively. Our key strength is the low average cost per cubic metre of our logs delivered at the mill gate – this provides a major advantage over key competitors (see graph to right). As we continue to develop our forest operations, we are focused on making further reductions in delivered log cost. **These will be made possible by two key factors:**

**1** The Company has made significant investments into research and development. Our in-house tree breeding and silvicultural research programmes, active since 2015, will increase average rate of growth and timber quality. Our first selection of clones is already in commercial deployment, with c. 60% of stock planted in 2021 being clonal.

**2** As we begin harvesting and replanting our mature forest compartments, costs for the second and subsequent rotations drop significantly and forest performance will increase. Initial greenfield land acquisition, survey and clearance costs are all sunk costs and are not attributed to the second rotation or beyond. Furthermore, the Company's knowledge of site:species matching and silvicultural regimes is improving constantly, allowing us to more efficiently match the right species to the right site while optimizing forestry operations.

Processing our own timber provides full control over the value chain, and allows us to process as close as feasible to the forest, significantly reducing delivered log cost at the mill. In 2021, after an 18 month build period, we commissioned in Ghana of one of the largest plymills in West Africa.

In 2021, after commissioning, this plymill produced higher volumes, with the plywood selling at higher prices due to quality and price increases, than was

originally forecast. We are selling this plywood locally and into the export markets, which are extremely large, deep, buoyant and growing.

The successful development of our first industrial-scale mill represents a huge step forwards in the Company's development since it proves our entire business model from seed to finished product and hence cash, substantially de-risking the business.

The development is a landmark, but is also just the first of several steps towards full industrialization and the complete implementation of our plans.

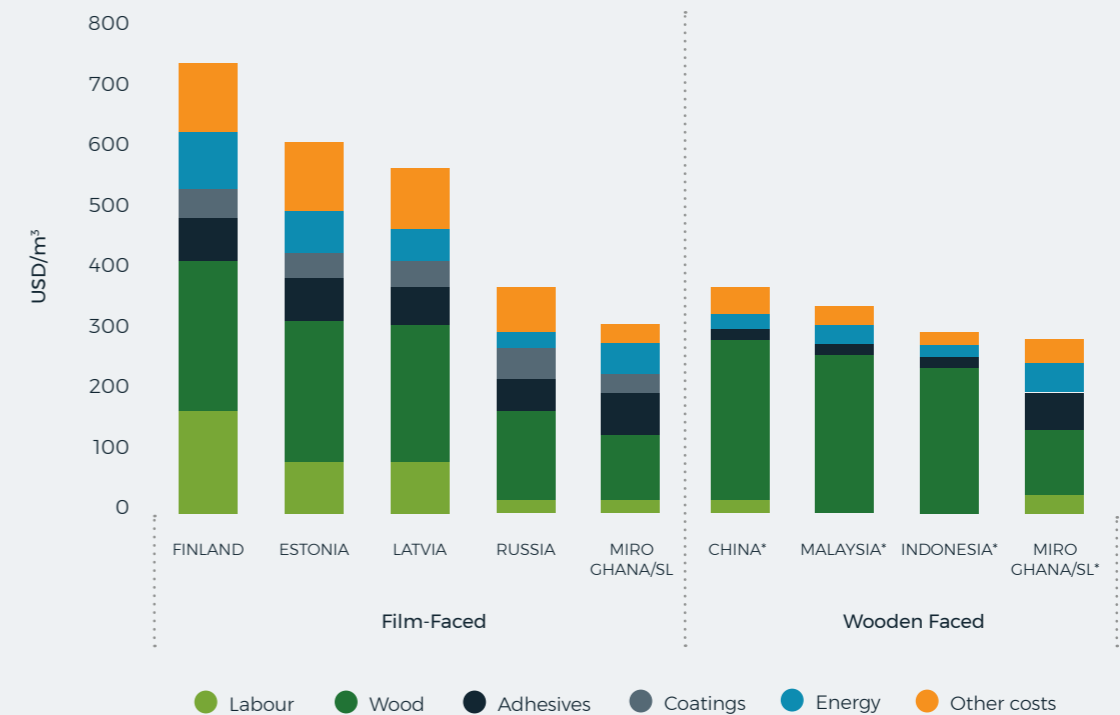
Woodflows will grow very significantly in volume over the next 5 years, and the processing capacity of Miro's factories must likewise grow. Achieving operational scale in timber processing is very important – to minimize the effect of overheads on margin and to increase operational efficiency.

It is also vital to achieve scale in order to gain commercial presence and market access to serious, long-term offtakers. As a result, and in order to become cash-flow positive and profitable from late 2024, we now need to replicate this proven plymill factory several times over during the next few years to absorb the steadily increasing timber volumes that are flowing from our forest plantations until we hit steady state in approximately 2034.

This will require major investment (\$154m in total by 2024). Our next major investment, beginning in Q3 2022, will be the construction of a 60,000m<sup>3</sup> output capacity plywood mill in Sierra Leone.



AVERAGE COSTS OF OVERLAID AND WOODEN PLYWOOD IN SELECTED COUNTRIES



\*Medium-sized mills (ca.50,000 - 75,000 m<sup>3</sup>/a) producing wooden faced plywood. Source: Indufor Database 2018-2020





Because we own our plantations, and to maximise the value derived from our forests, we produce limited volumes of other ancillary products besides our core focus on plywood. We produce treated utility transmission poles – a high margin product as the log requires limited processing (only needing to be debarked and CCA chemical treated) and because poles are large and expensive to transport, thus providing high margin opportunity for a local producer such as Miro to supplant imported poles.

However, the market for transmission poles is limited and political. Electrification projects are often reliant on donor or government funding which tends to be uncertain, and often subject to delays. Pole markets can be very lucrative but cannot be relied upon for stable, consistent revenue and profit. As a result, we aim to win as many pole supply tenders as possible, in this shallow market, aiming to maximise the added margin we can make from utility pole manufacture.

In addition, we produce Finger Jointed Edge Glue Boards from our Acacia mangium timber. This is a relatively new furniture product, attractive for the local and export markets which are deep and growing. The production and sale of this product allows Miro to benefit from sales into a growing retail market, offering good margin potential and

some product diversity.

Miro has afforested more land than any other group on the African Continent over the last few years, planting over 20 million trees, all to FSC standards and at globally competitive cost. As a result, and given Miro's strong shareholder base, Miro is highly attractive to global multinationals seeking carbon offsets from the afforestation of degraded grass and savannah lands.

Whilst Miro will continue to monetise the carbon credits generated from its existing plantations, Miro is now exploring several afforestation carbon project opportunities with certain global multinationals, whereby Miro would be funded upfront to permanently enrichment plant with indigenous species its conservation and other areas, with significant profit potential from a share in the resultant carbon credit streams. We see this business potential as highly complimentary and operationally beneficial to the core business of Miro establishing plantations and producing and selling plywood, and we expect it to be highly value accretive to the Group in the medium to long-term.

The following page summarises the current business of Miro and the core strategy of the Miro Group.

### OWNERSHIP OF THE TIMBER RESOURCE PLANTATION MANAGEMENT AND DEVELOPMENT

**WEST AFRICA**

**GHANA & SIERRA LEONE**

**Eucalyptus, Acacia and Gmelina hardwood logs**

2022: 85,000m<sup>3</sup> forecast  
2024: 190,000m<sup>3</sup> forecast  
2026: 270,000m<sup>3</sup> forecast

- c.20,000 hectares of plantation established (c.24,000ha by 2024, at full scale).
- Consistent planting of c.2,000ha/annum (Eucalyptus, Acacia, Gmelina), sustainably harvesting and replanting.
- Increasingly on second rotation, replanting harvested areas (instead of developing new land areas) leading to more cost competitive timber production given existing forestry infrastructure (roads, bridges...) and known site conditions.
- >50,000 hectares of plantation land leased
- R&D focus to improve growth rates, reduce rotation length, improve stem form, and pest and disease resistance
- Focused on growing maximum utilisable timber volume, as quickly as possible, at lowest cost. Miro has a track-record of competitive, low cost, timber production.
- Afforestation of conservation areas, and special projects generating carbon credits
- Sale of logs and agricultural poles locally.

### VERTICALLY INTEGRATED TIMBER INDUSTRIES

**Hardwood Plywood: Film, Wood and Melamine Face/Back**

2022: 22,000m<sup>3</sup> production  
2024: 50,000m<sup>3</sup>  
2026: 90,000m<sup>3</sup>

**Utility Poles**

2022: 4,970m<sup>3</sup> production (c.27,000 poles)  
2024: 12,600m<sup>3</sup>  
2026: 12,600m<sup>3</sup>

**Acacia Edge Glue Panels**

2022: 2,100m<sup>3</sup> production  
2024: 2,400m<sup>3</sup>

**Carbon sequestration from commercial plantations and conservation areas enrichment planted with indigenous species**

2022: 330,000 Verified Carbon Units (tonnes CO2e)  
2023 and beyond: significant depending on the volume of afforestation undertaken

### GLOBAL SALES

**Sold locally, regionally in West Africa and exported to Europe and beyond**

2022: US\$10m forecast  
2024: US\$23m forecast  
2026: US\$42m forecast

**Sold locally and regionally in West Africa, substituting imports**

2022: US\$2m forecast  
2024: US\$5m forecast  
2026: US\$5m forecast

**Sold locally and Export to Europe**

2022: US\$1.4m forecast  
2024: US\$1.6m forecast  
2026: US\$1.7m forecast

**Sold internationally to major multinationals**

2022: US\$1.8m profit forecast  
2023 and beyond: Higher profits from expected increasing carbon prices.

MAJOR COMPLIMENTARY BUSINESS POTENTIAL AND SHAREHOLDER VALUE ADDITION

# 16

## 2021 HIGHLIGHTS & TARGETS FOR 2022

### 2021 HIGHLIGHTS

- > Completed the build and commissioning in Ghana of one of the largest plymills in West Africa, then producing over 1,500m<sup>3</sup> of finished plywood, selling into the local market and for export at above target prices.
- > Increased harvesting operations **24%** across the group to a total of **18,945m<sup>3</sup>** in the year.
- > Produced **1,586m<sup>3</sup>** and sold **1,349m<sup>3</sup>** of plywood and other products generating total revenue of **US\$2.3m**.
- > Established a total of **2,254** hectares across the group, with quality genetic material delivered from our quality and efficient nurseries, achieving target.
- > Increased clonal production to **57%** of stems planted.
- > Traded over **1,783m<sup>3</sup>** of timber products into Ghana and Sierra Leone generating a revenue of **US\$773k**.

### 2022 OUTLOOK AND TARGETS

- > Increase group revenue **6x** to **US\$14.5m**.
- > Produce and sell over **22,050m<sup>3</sup>** of finished plywood, over **4,970m<sup>3</sup>** of utility poles and over **2,100m<sup>3</sup>** of Finger Jointed Edge Glue Panels.
- > Commence the construction of a 60,000m<sup>3</sup> output capacity plymill in Sierra Leone, and plan for the expansion of the existing Ghana plywood factory from 30,000m<sup>3</sup> to 45,000/60,000m<sup>3</sup> output.
- > Commence a US\$ multi-million carbon afforestation project with a major multinational on a cost / cost plus basis with a share in the resultant Voluntary Carbon Units.
- > Achieve a Lost Time Injury Frequency Rate\* not higher than 1.7.

\* Calculated by number of lost time injuries multiplied by 20,000 divided by hours worked.

# 18

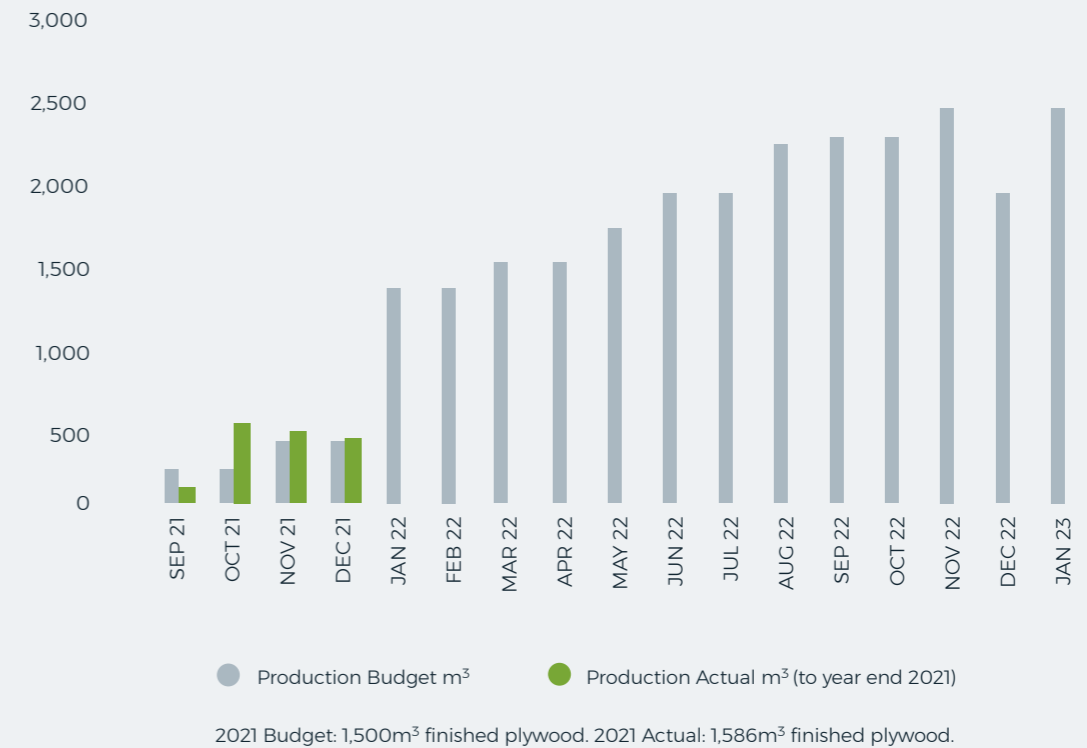
## OUR PERFORMANCE

With 2021 now just behind us, it is a perfect time to look back on our performance and achievements over 2021, and to look forward in more detail at our objectives for 2022. **The following charts summarize our performance vs. budget over 2021, and help us to look forward and understand our objectives for 2022.**



## GHANA PLYMILL PRODUCTION

### PLYWOOD MONTHLY PRODUCTION



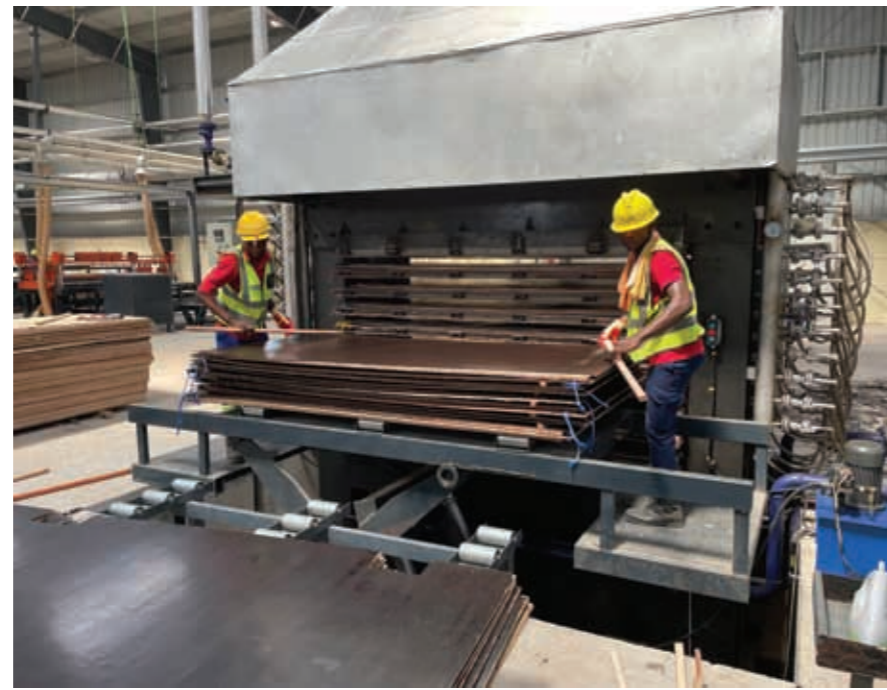
As you will see from the above, we exceeded our target production of 1,500m³ in 2021, after we finished commissioning the plymill only one month behind schedule in August - this is a great achievement. In addition, in part due to the high quality of plywood output from the mill, we also exceeded our sale price expectations.

Looking now to the current year, 2022, we are due to ramp up production significantly towards the full current installed capacity of the Ghana mill of 30,000m³ output / annum equivalent (we are budgeted to achieve >22,050m³ output in 2022). The major challenge to achieve this is the necessary ramp-up of our harvesting operations (and all the logistics, planning and permits that surround this). This requires a scale-up of our harvesting teams with more equipment and more people to consistently feed the plymill, which is most critical to Miro's overall performance.

Our strategy is to continue growing into a vertically integrated plymill group with the production and sale of plywood as the core revenue engine of the Miro group (and with ancillary Utility Pole and Finger Jointed Edge Glue Panel products alongside, to maximize the value from our forests). The market for our plywood product is extremely wide and deep, with most global plywood being imported from Asia without FSC certification. Therefore, whilst we will and must continue to find good long-term customers, and highest sustainable price-points, we do not see any notable challenge in the sale of our quality plywood, produced in a region where there is limited and dwindling competition.

In this respect we're pleased to state that our plywood has now been trialed, tested and approved by Peri ([www.peri.com](http://www.peri.com)) one of the largest and highest quality global plywood buyers.



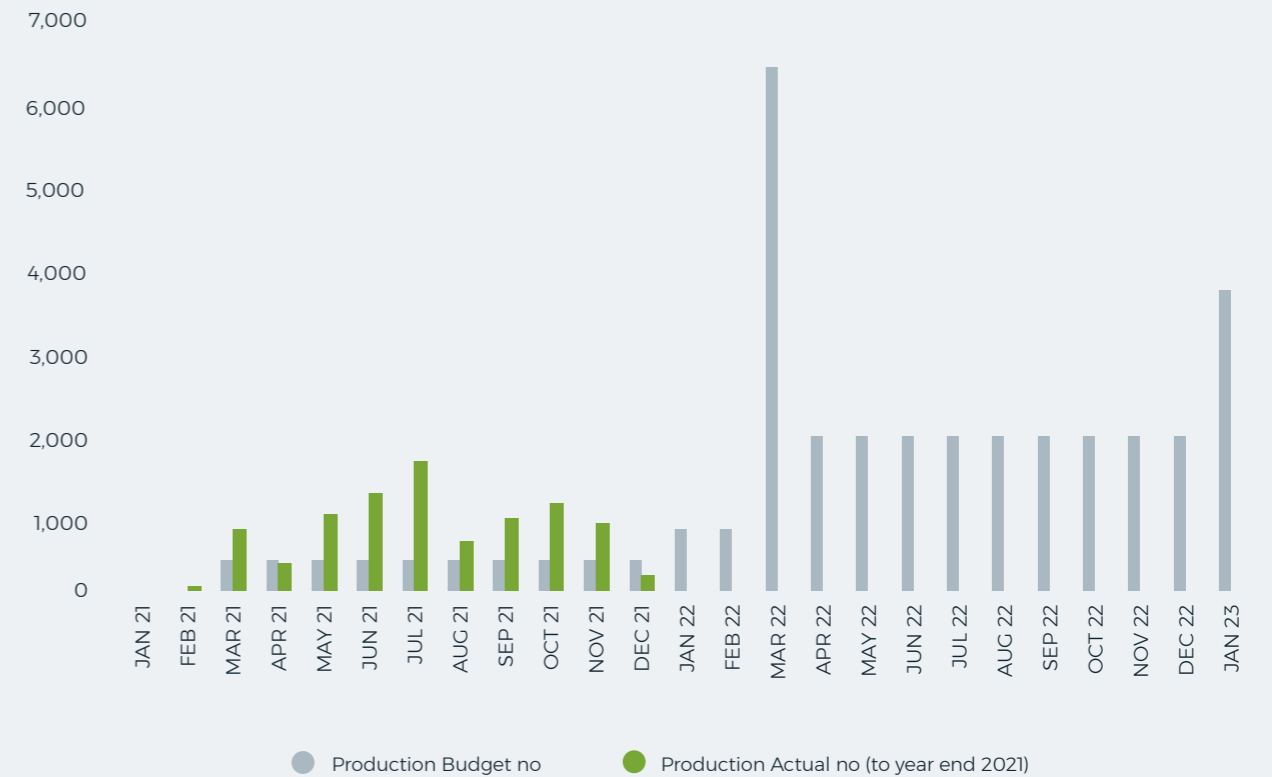


# 24 OUR PERFORMANCE



## GROUP POLE PRODUCTION

POLES MONTHLY PRODUCTION



2021 Budget: 6,000 poles. 2021 Actual: 11,000 poles.

Last year, over 2021, we very significantly exceed our pole production target across the Group. This is largely down to the quality of our team, facilitated by harvesting and all the administrative support functions of the business. In total in 2021 we sold, in Sierra Leone alone, 6,937 poles (c.1,218m<sup>3</sup>), well over our Group target of 1,200 poles.

This year, in 2022, we are budgeted to produce and sell >4,970m<sup>3</sup> of poles across the Group. We see almost no risk in us being able to harvest and process this number of poles, the key challenge is however the marketing and sales of this product.

Pole tenders are most often large and infrequent and highly political with challenges also from wood pole alternatives such as concrete and steel poles.

However, we are working with partners across Africa and beyond to identify and win large scales orders.

As the market for poles is narrow, political and volatile, we cannot rely on this product to generate consistent revenue to support the Miro group; hence why plywood is the core of the business. However, it is a low-cost product to make with attractive margin opportunity provided the long sales cash-flows can be competitively financed.

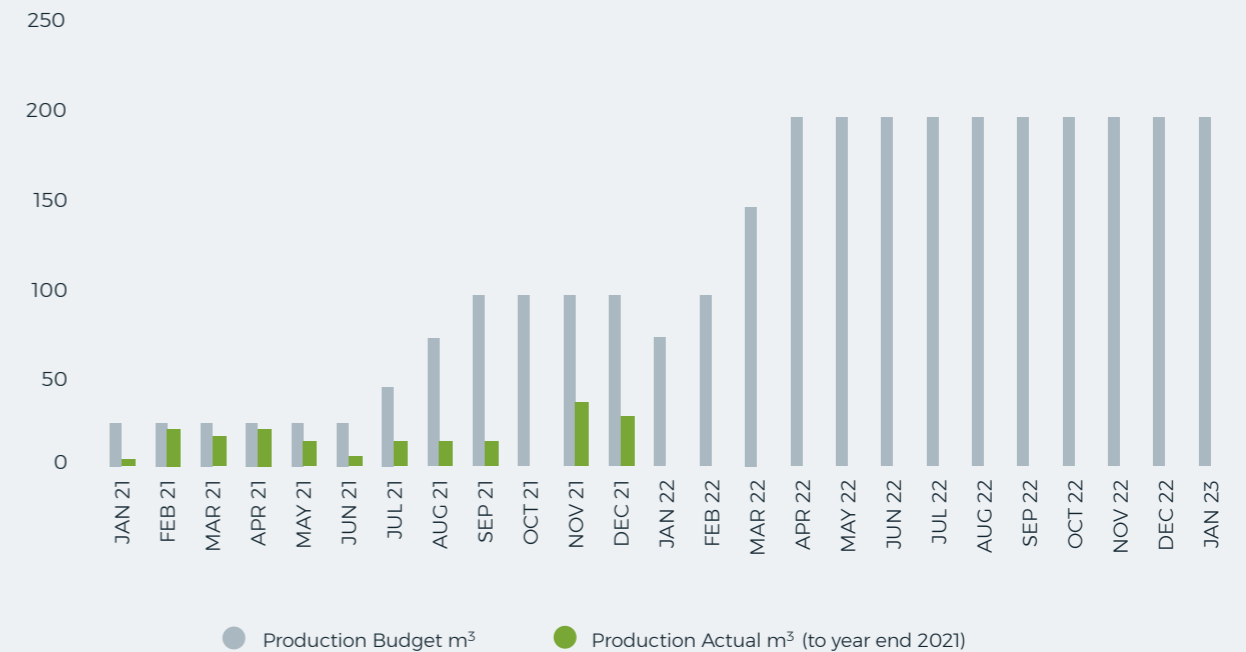
As a result, it is an important product for Miro, as a vertically integrated business, to generate maximum value from our plantations, and a product we need to continue striving to sell as much as the market allows.





## SIERRA LEONE EDGE GLUE PANEL PRODUCTION

EGP MONTHLY PRODUCTION



2021 Budget: 675m³ finished EGP. 2021 Actual: 180m³ finished EGP.

During 2021 we undertook significant expansion and improvement works to the Edge Glue Panel (EGP) mill in Sierra Leone. It is unfortunate, due to various logistical challenges of our suppliers, that the development of this mill took much longer than foreseen. In addition, we have then had further challenges in getting the machinery toward capacity and building into a second shift pattern, with in hindsight insufficient management numbers and support. As a result, we fell well short of our 2021 production target.

This is obviously disappointing, however a major achievement over the year has been the quality of what we've managed to produce consistently, albeit at limited volumes. In Sierra Leone we have very high-quality Acacia logs compared to Asia, in major part due to our silviculture regime and team competence. This quality material combined

with EGP management attention to delivering consistent quality has meant that we've now got a leading export quality EGP product, which is truly beautiful for indoor furniture applications. This is demonstrated by one of our customers, Jawoll Group ([www.jawoll.de](http://www.jawoll.de)), who are based in and sell our EGP into the very discerning and high-quality German market. Given our quality, FSC stamp and the fact we're the only Acacia EGP producer on the African Atlantic coast we have demand for many tens of times what we can produce, at attractive prices.

Looking forward to 2022, the key for this business unit is for us to rapidly increase output to budget. This we expect to achieve with increased management and manpower, and the now complete setup of our equipment which we'll further add-to over 2022.





## LOOKING FORWARD



Our plantations in both Ghana and Sierra Leone are large, now covering almost 10,000ha each. The wood-flow from these plantations is continuing to grow rapidly over the next decade, with our continued investment and strength in R&D, toward 500,000-600,000m<sup>3</sup> per annum.

As a result, over this same period our plymill operations, as well as poles and EGP, though at a lesser scale, need to grow rapidly to absorb the harvested timber, process it and thus convert it into cash to financially support the Miro group and thus the livelihoods of all involved in and around the business; which has such a big impact nationally and in particularly in the rural areas in which we operate.

The next major industrial expansion that we will undertake is the development of a 60,000m<sup>3</sup> output plymill in Sierra Leone this year. This project will then take 18 months to complete, but is a critical step as this business unit will be the revenue driver to support the entire Sierra Leone operation. We are therefore working hard to secure approval for this project as quickly as possible so we can limit our Group cash requirement and start offsetting our costs with greater revenue; and ultimately build best value.

To support this project once it is commissioned and starts producing, we are extending plywood export from our Ghana plymill, such that we can plug in supply from Sierra Leone when this mill comes onstream.

At a similar time, we will also be expanding the Ghana plymill up to 45,000-60,000m<sup>3</sup> output, for which we will require comparatively limited civil works, given our pre-design with expansion in mind.

To achieve all the above requires significant enlargement of our harvesting operations across Ghana and Sierra Leone. However, our commercial silviculture and social operations (even with enrichment planting of conservation areas for carbon sequestration) will start to ease as we are no longer scaling-up these operations, and as we start to enter second rotation planting, utilizing our existing infrastructure.

# 32 OUR PERFORMANCE

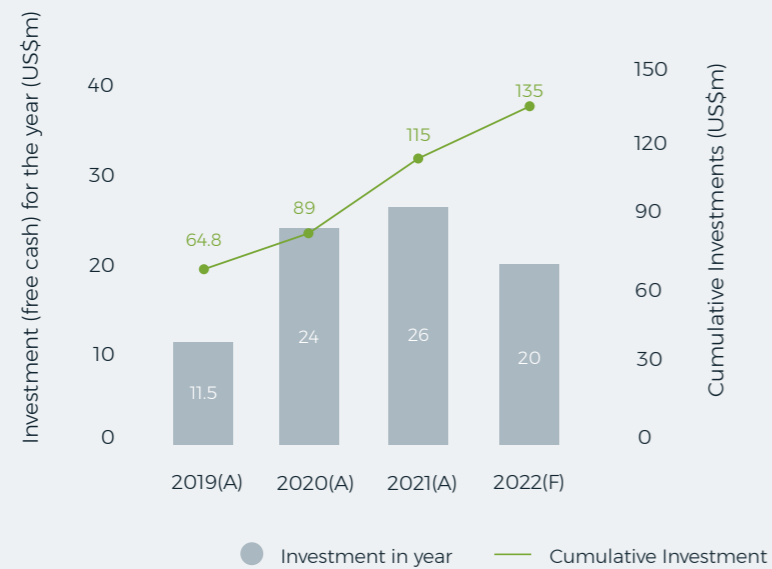
## FINANCIAL METRICS



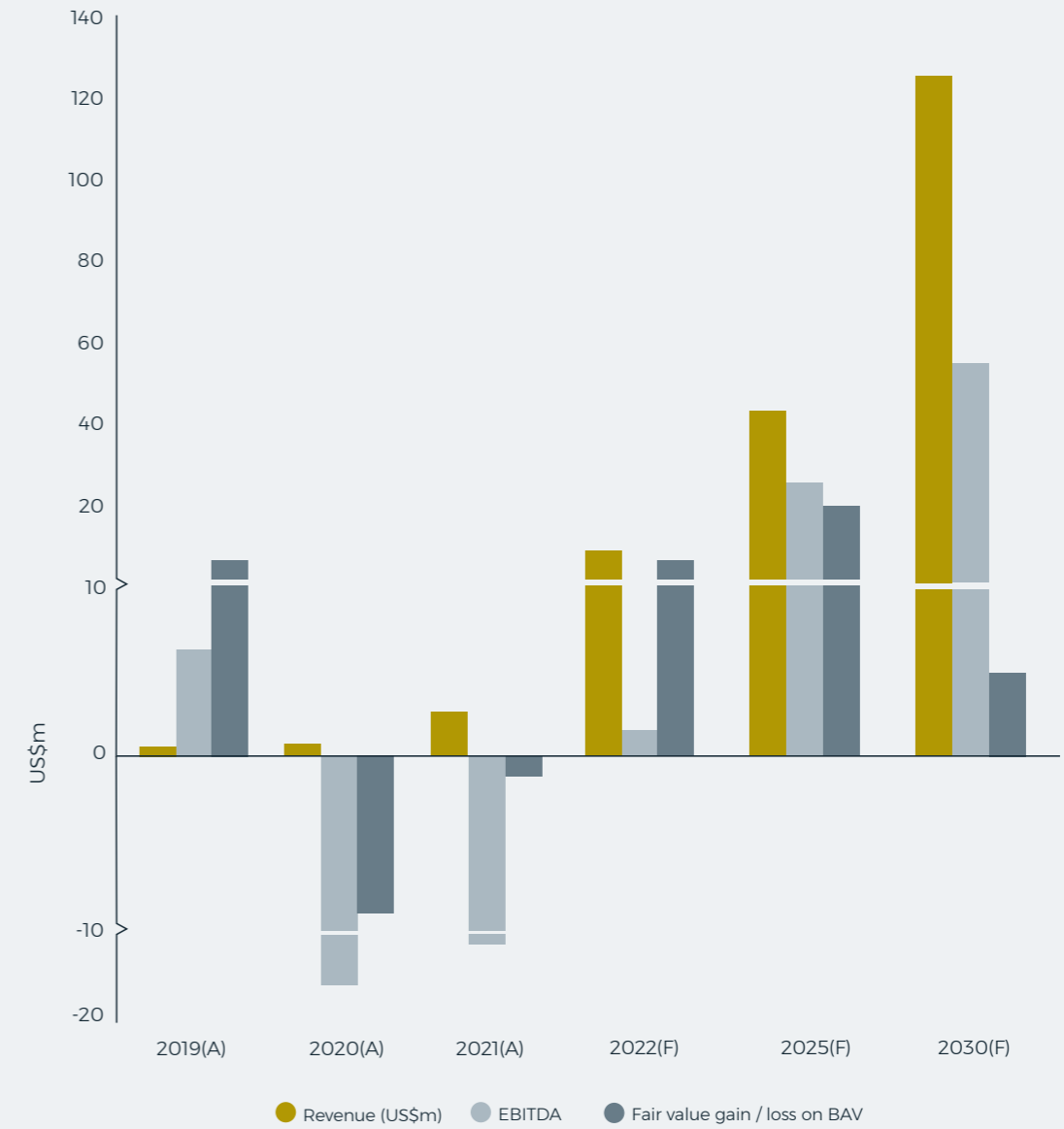
BIOLOGICAL ASSET VALUE (BAV)



INVESTMENTS (US\$m)



REVENUE AND EBITDA (US\$m)

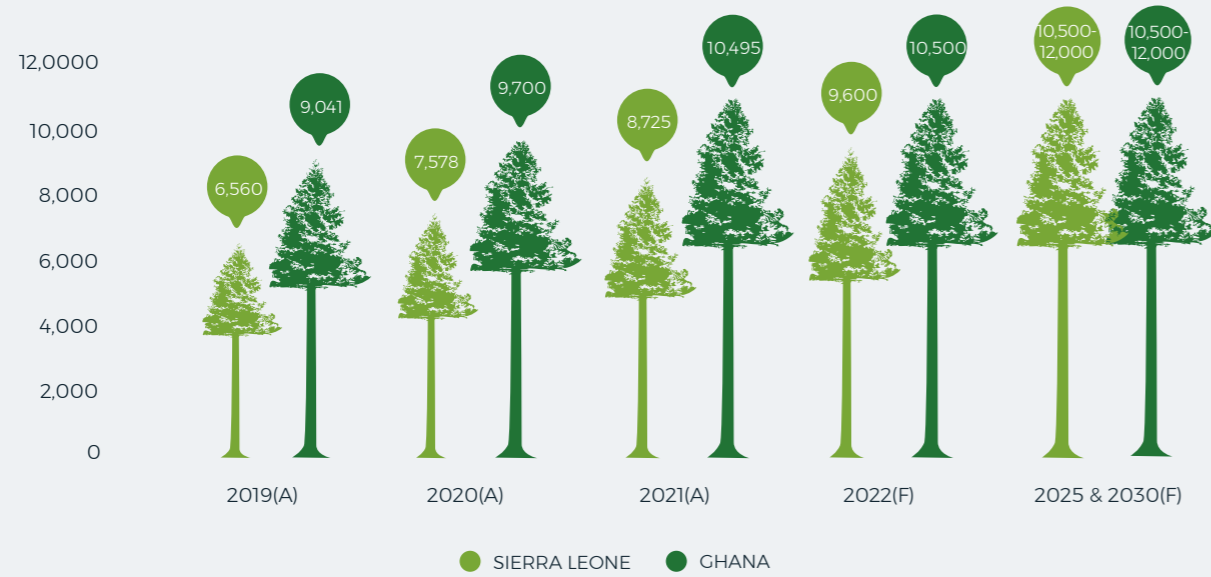


Note: 2022 figures and onwards are estimates only and subject to investment in a Sierra Leone plymill in 2022/2023.

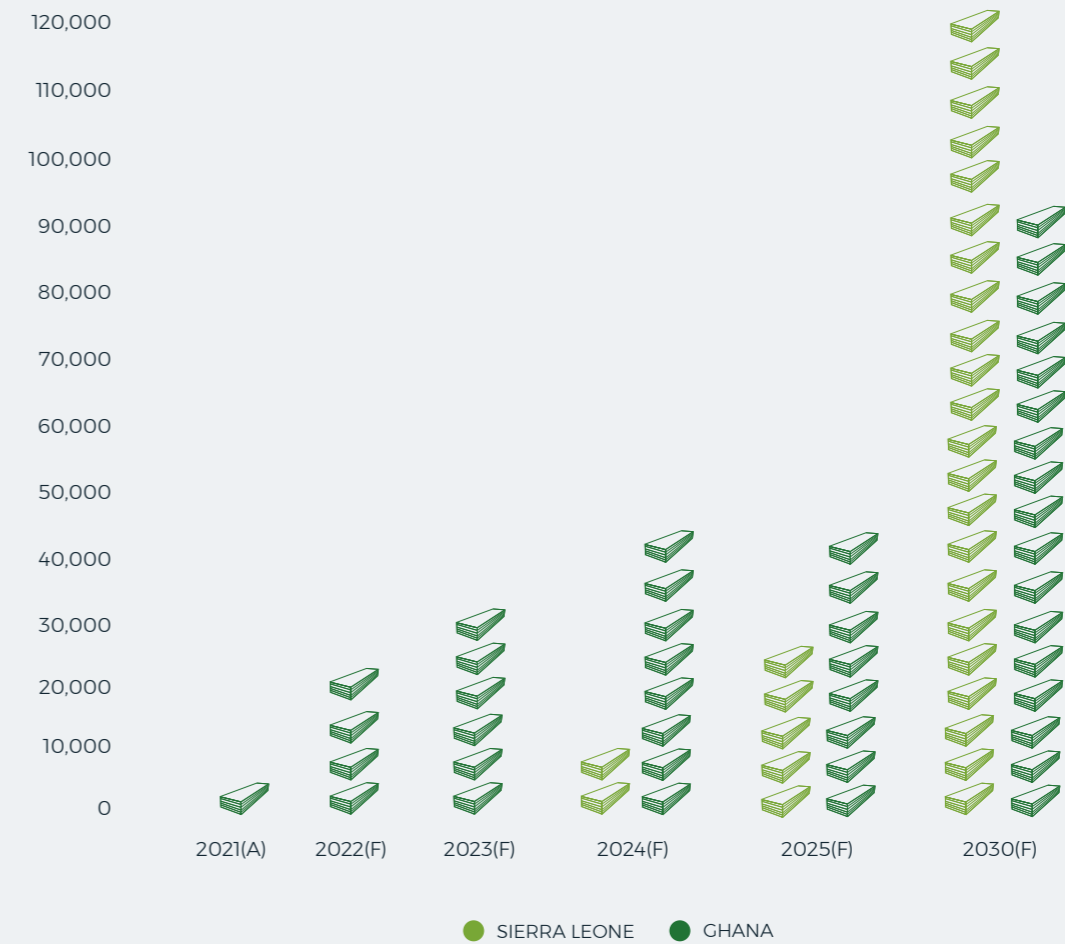
# 34 OUR PERFORMANCE

## OPERATIONAL

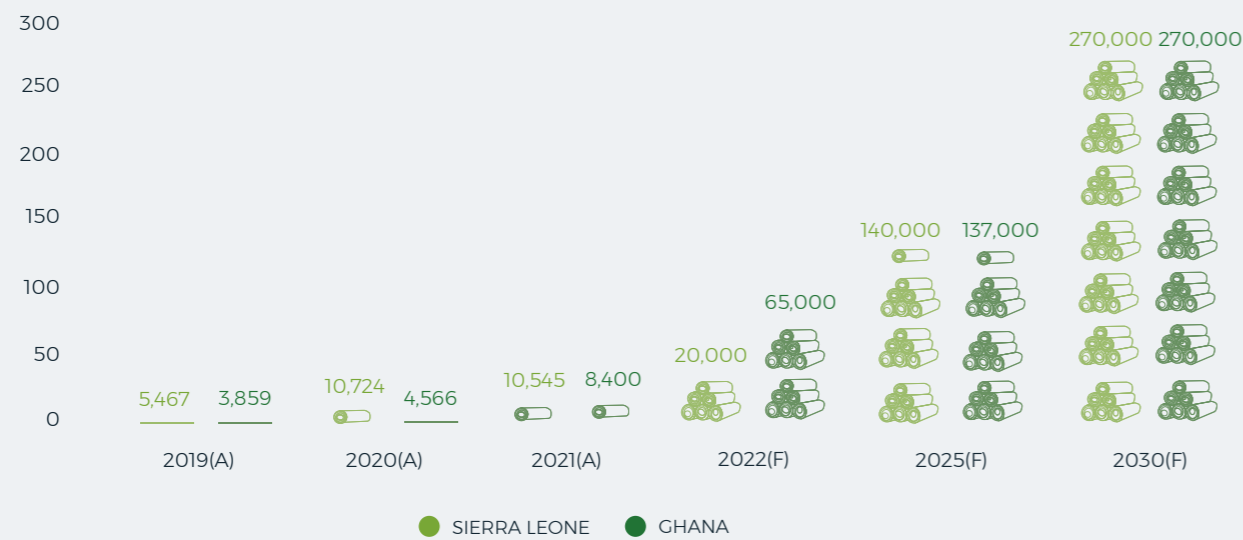
STANDING TIMBER (HA)



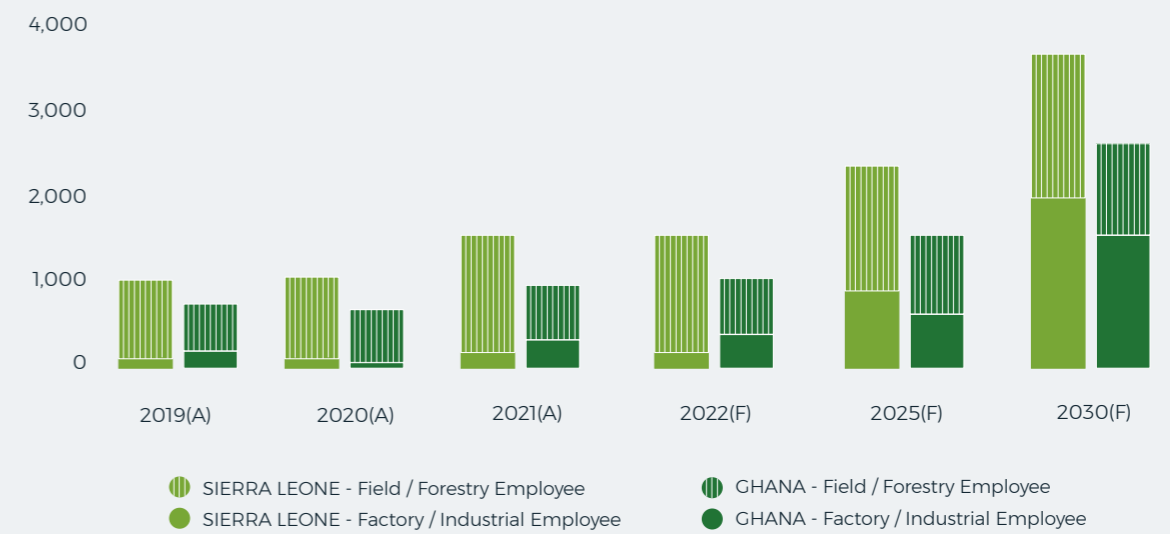
VOLUME OF PLYWOOD PRODUCED



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



EMPLOYEE HEADCOUNT\*

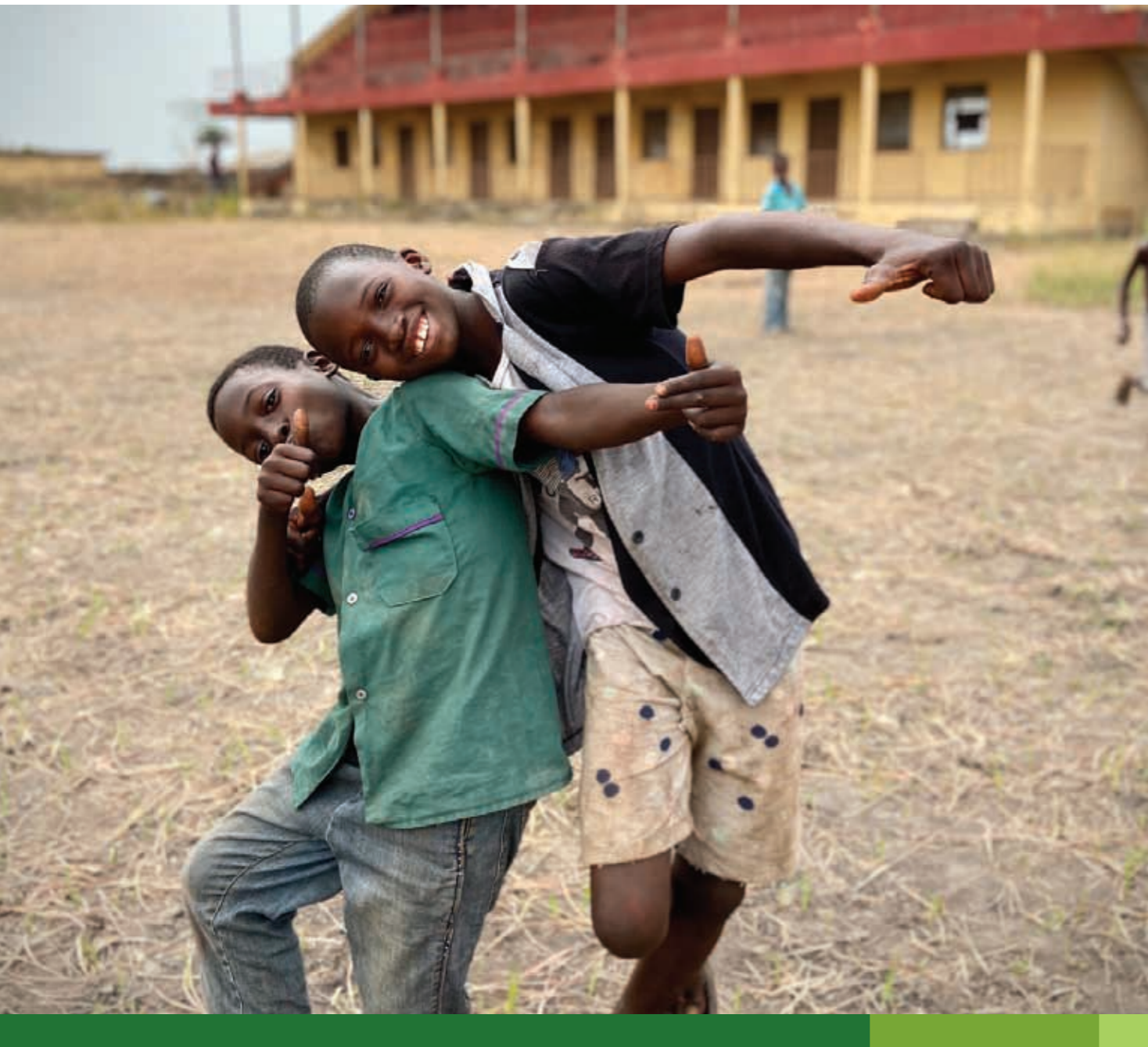


\* Includes casual labour

# 36 OUR IMPACT

## OUR PEOPLE AND COMMUNITIES

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



 **20%**

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.



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

Annual Health and Safety campaigns reaching

**4,000** people

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

**100%**

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



**1,930**



people employed (FTE)

**75%**

of direct employees come from within 30km of site

On average each Miro employee supports eight people with their salary. Meaning over

**15,000**

benefit from reliable and well-paid jobs created by Miro.

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



# 38 OUR IMPACT

## GENDER AND NEW EMPLOYMENT

Miro has committed to the 2X challenge to increasing numbers of female employees to an average of 40% across operations. There has been a 3% increase in female employment over the last three years, Miro is currently rolling out initiatives to scale this up.



As part of this commitment and the ongoing commitment to provide good local employment possibilities, Miro joined the Field Ready Alliance in Ghana in 2021 to recruit local men and women to work at the new plymill.

Together with the local Field Ready team, Miro embarked on a remarkable mission to find, train and coach 60 young men and women from local communities.

Shaibu Larbi is one of the 60 new starters at the plymill from the Field Ready Employability Programme. In 2013, she completed High School and had no employment history before applying to Field Ready.

There, Shaibu had the chance to learn employability skills and she subsequently gained a good job with Miro Forestry. Speaking of her training and employment, Shaibu said: "This meant everything to me and I learnt the value of teamwork, caring for others, respect and hard work.

I can provide for my daughter and afford to send her to nursery." Shaibu has already been promoted to operator and she aspires to grow within the

company, take on more responsibility and move into management.

Jedidiah Yeboah attended Senior High before going to a Technical University where he gained a diploma in Electrical Engineering.

He comes from a small village where most people are farmers, few of whom can afford education. Jedidiah's village had no electricity, so he studied using candles and lanterns.

On the Field Ready Employability Programme with Miro, he was given experience and practical training that he never dreamed of. He says: "I worked hard, despite all the odds, and am proud of what I have achieved.

My family believe I will change the storyline of our generation! Working at Miro is very exciting as I grow and learn with the company. For me this experience has given a voice to the voiceless and has really shaped me to become a better version of myself."

In the future, he aspires to mentor people using the experience he has gained in life and to share his knowledge with the world.

# 40 OUR IMPACT

## SMALLHOLDER PROJECTS

Miro has rolled out a smallholder pilot project. To date over 200 ha of smallholder plots have been planted with trees. The model varies but involves inter-cropping with food crops for two years, followed by pruning for sustainable charcoal production or other utilisable timber, followed by harvest and guaranteed purchase by Miro. This has been a very successful initiative impacting a wide range of people with a focus on targeting women and non-landowners.



# 42 OUR IMPACT

## CONSERVATION & ENVIRONMENT



Approximately 20 million trees planted by Miro to date

over **8,000**ha

managed conservation area.  
Including 150 ha of rehabilitation  
planting.

over **1,300,000**

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



over **18,500**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)

As part of our conservation strategy, Miro has been undertaking landscape restoration activities in both Ghana and Sierra Leone, planting indigenous species 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, the positive impact on the environment is substantial and monitored seasonally.

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. We are currently exploring a large-scale landscape restoration programme that would replant thousands of hectares of forest with indigenous species, externally financed.

Miro has worked with EcoSecurities, a leading carbon consultant, to develop a carbon financing structure that aligns Miro and the potential financing party/parties over the long term, with Miro being paid costs plus margin in advance for carrying out establishment and maintenance activities, plus a share in the carbon credits generated.

In addition to the substantial financial and environmental benefits of this 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.

# 44 OUR IMPACT

## ECONOMIC IMPACT



**c.US\$2.65m**  
spent on local employment.



**c.US\$331,000**  
paid for land rent in the year.

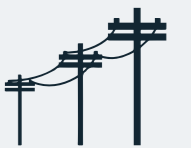
**1,349m<sup>3</sup>**

of plywood sold into the local market over 2021 (in addition, edge glued panels, transmission poles and pallets also sold).



**Substituting**  
unsustainable timber and imports.

**4,243 poles**  
delivered for rural electrification and 1,141 poles for telecommunications



**264km**  
of new roads built by the company.

**US\$80million**  
biological asset value (current value of the plantations)



## 2021 GROUP ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS



## MIRO FORESTRY DEVELOPMENTS LIMITED UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	<b>Year ended 31 December 2021 US \$</b>	<b>GROUP Year ended 31 December 2020 US \$</b>
<b>Revenue</b>	<b>2,276,278</b>	698,374
Cost of sales	<b>(3,125,597)</b>	(1,590,460)
<b>Gross loss</b>	<b>(849,319)</b>	(892,086)
Fair value loss	<b>(1,054,987)</b>	(9,514,879)
General, administrative and selling expenses	<b>(5,932,200)</b>	(7,042,017)
<b>Operating loss</b>	<b>(7,836,506)</b>	(17,448,982)
Other income	<b>113,234</b>	377,141
Finance costs	<b>(4,795,388)</b>	(2,623,347)
<b>Loss before tax</b>	<b>(12,518,660)</b>	(19,695,188)
Taxation	<b>124,068</b>	-
<b>Loss for the year</b>	<b>(12,394,592)</b>	(19,695,188)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(12,394,592)</b>	(19,695,188)
<b>Loss for the year attributable to: Owners of the parent</b>	<b>(12,394,592)</b>	(19,695,188)
<b>Total comprehensive income attributable to: Owners of the parent</b>	<b>(12,394,592)</b>	(19,695,188)

## MIRO FORESTRY DEVELOPMENTS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	<b>GROUP</b>	
	<b>2021</b>	<b>2020</b>
	<b>US\$</b>	<b>US\$</b>
<b>Non-current assets</b>		
Right of use assets	2,231,158	1,944,571
Property, plant & equipment	14,149,718	7,076,139
Biological assets	65,096,501	58,249,996
	<u>81,477,377</u>	<u>67,270,706</u>
<b>Current assets</b>		
Trade and other receivables	3,837,990	3,187,515
Inventory	3,188,749	1,556,883
Cash and cash equivalents	2,188,491	940,461
	<u>9,215,230</u>	<u>5,684,859</u>
<b>Total assets</b>	<u>90,692,607</u>	<u>72,955,565</u>
<b>Equity</b>		
Share capital	5,846,837	5,838,087
Share premium	36,541,145	36,434,112
Share options	3,003,044	3,003,044
Retained losses	(35,620,713)	(23,226,121)
<b>Total equity</b>	<u>9,770,313</u>	<u>22,049,122</u>
<b>Current liabilities</b>		
Lease liabilities	388,401	251,466
Trade and other payables	2,428,854	1,183,611
	<u>2,817,255</u>	<u>1,435,077</u>
<b>Non-Current liabilities</b>		
Lease liabilities	1,829,355	1,568,550
Preference share dividend liability	5,997,941	1,527,196
Redeemable Preference shares	70,277,743	46,375,620
	<u>80,922,294</u>	<u>50,906,443</u>
<b>Total liabilities</b>	<u>80,922,294</u>	<u>50,906,443</u>
<b>Total shareholders' fund and liabilities</b>	<u>90,692,607</u>	<u>72,955,565</u>

## MIRO FORESTRY DEVELOPMENTS LIMITED

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

<b>GROUP</b>	Share Capital US\$	Share Premium US\$	Share Options US\$	Retained Earnings US\$	Total US\$
<b>Balance at 1 January 2020</b>	<b>5,795,763</b>	<b>35,917,244</b>	<b>35,917,244</b>	<b>(3,895,357)</b>	<b>40,890,879</b>
Loss for the year	-	-	-	(19,695,188)	(19,695,188)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,695,188)</b>	<b>(19,695,188)</b>
Issue of shares	2,324	27,676	-	-	30,000
Share options reserve transfer	-	-	(364,424)	364,424	-
Employee share options exercised	40,000	489,192	-	-	529,192
Share options expense	-	-	294,239	-	294,239
<b>Total transactions with owners, recognised directly in equity</b>	<b>42,324</b>	<b>516,868</b>	<b>(70,185)</b>	<b>364,424</b>	<b>853,431</b>
<b>Balance at 31 December 2020 and 1 January 2021</b>	<b>5,838,087</b>	<b>36,434,112</b>	<b>3,003,044</b>	<b>(23,226,121)</b>	<b>22,049,122</b>
Loss for the year	-	-	-	(12,394,592)	(12,394,592)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,394,592)</b>	<b>(12,394,592)</b>
Issue of shares	8,750	107,033	-	-	115,783
<b>Total transactions with owners, recognised directly in equity</b>	<b>8,750</b>	<b>107,033</b>	<b>-</b>	<b>-</b>	<b>115,783</b>
<b>Balance at 31 December 2021</b>	<b>5,846,837</b>	<b>36,541,145</b>	<b>3,003,044</b>	<b>(35,620,713)</b>	<b>9,770,313</b>

# MIRO FORESTRY DEVELOPMENTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 US\$	2020 US\$
<b>Operating activities</b>		
Operating loss	(7,836,505)	(17,448,982)
Adjustments for:		
Share based payments	-	783,431
Depreciation and impairment of property, plant and equipment	1,738,037	1,292,999
Fair value gains	1,054,987	9,514,879
Other income received	113,234	377,141
Tax received	124,068	-
Exchange differences	-	8,098
(Gain) / Loss on disposal of property, plant and equipment	(10,290)	10,929
<b>Operating cash flow before movement in working capital</b>	<b>(4,816,469)</b>	<b>(5,461,505)</b>
<b>Changes in working capital</b>		
Increase in receivables	(650,475)	(1,234,232)
Increase in inventory	(1,631,867)	(328,913)
Increase in payables	1,245,242	48,713
<b>Net cash outflow from operating activities</b>	<b>(5,853,570)</b>	<b>(6,975,937)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(8,879,035)	(4,342,411)
Biological assets acquired	(7,901,492)	(7,545,479)
<b>Net cash outflow from investing activities</b>	<b>(16,780,527)</b>	<b>(11,887,890)</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	24,017,905	19,086,567
Proceeds of sale of property, plant and equipment	103,979	161,206
Repayment of lease liabilities	(239,761)	(370,971)
<b>Net inflow from financing activities</b>	<b>23,882,123</b>	<b>18,876,802</b>
<b>Increase in cash and cash equivalents</b>	<b>1,248,026</b>	<b>12,975</b>
<b>Analysis of changes in cash and cash equivalents during the period</b>		
Balance at 1 January	940,461	927,486
Increase in cash and cash equivalents	1,248,026	12,975
<b>Balance at 31 December</b>	<b>2,188,487</b>	<b>940,461</b>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	2,188,487	940,461





**GLOBAL SALES**

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