

WOODB⁰IS

Company Presentation

3rd March 2020

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1

A **\$3.9 billion fragmented African export timber market**, ready for consolidation



2

Woodbois is one of the few **integrated timber producers and traders** in Africa



3

New management and fresh equity provided since 2017 **ignited Woodbois' growth strategy**



4

Capital expenditure **focused on maximizing returns from high margin** production assets



5

Team and technology in place to leverage Woodbois' trading business via trade finance



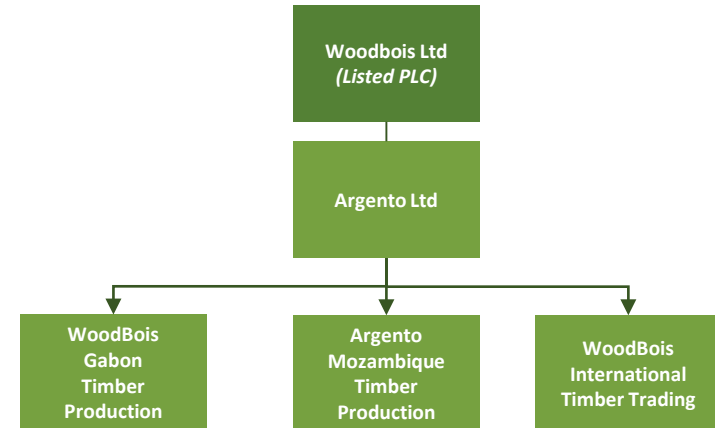
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Ambition and ability to achieve industry leadership status in medium term

Company Overview

- > Woodbois Limited, is a forestry and timber company involved in the production, processing, manufacture and supply of sustainable African hardwood and hardwood products
- > Since 2017, the new management team refined the overall group structure from c60 companies to now c15. **Non-core businesses were sold off and proprietary in-house systems implemented**
- > c.400,000ha of forestry concessions in Gabon and Mozambique
- > **Significant asset investment** including a veneer factory completed and best-in-class processing equipment installed at sawmill
- > The Company has **raised c\$12m of receivables and inventory financing from both institutional investors and HNW individuals**
- > **The Company has grown revenues from \$0.6m in 2016 to c\$20m in 2019**
- > The current market cap of Woodbois, as of Feb 2020, is GBP27m (5.41GBP/share) with **the directors of the business holding c13% of the total Company**

Company Structure



Asset Overview

	Production Assets	Capacity
Gabon	Sawmill & Kiln	Sawmill - 2,000m ³ per month Kilns - 2,000m ³ per month
	Veneer Factory	2,000m ³ per month
Mozambique	Sawmill	1,000m ³ per month



Paul Dolan – CEO

Paul held senior management positions at Barclays, DE Shaw and Nomura prior to joining Woodbois. Paul has consistently built award winning, world-class teams employing technology to manage substantial pools of human and financial capital across a diversified group of asset classes ranging from fixed income and equity derivatives to forestry



Zahid Abbas – Head of Trading

Zahid has over 20 years' experience in the timber business, formerly working for DLH Group in roles spanning procurement in Africa, sourcing Brazilian hardwood for French manufacturers and implementing and reinforcing the Group's environmental policy



Carnel Geddes – CFO

Carnel is a chartered accountant and certified fraud examiner, dually qualified in the UK and South Africa. During a 15-year career at BDO, the global audit, tax and advisory group, Carnel served as director, forensic services, of BDO London and partner of BDO Cape Town. She has been a director and board member of the largest South African pomegranate farm company, Pomona, since 2008.



Jacob Hansen – COO

Jacob has been in the timber business for more than 30 years. He worked in DLH Group before joining in 2005 where he held various international sales and procurement roles based in France, the Middle East and Africa (Gabon, Cameroon) selling lumber produced in West Africa.



Hadi Ghossein – Deputy Chairman

A former diplomat and a Gabonese citizen, Hadi manages the operations in Gabon. He has 25 years experience of managing forestry assets. Hadi has a trusted network of managers across each division in Gabon



Ashkan Rahmati – Corporate Dev & Strategy

Ashkan has c10 years of investment banking and private equity experience in Africa and the Middle East. Prior to Woodbois, Ashkan was a part of the private equity team at CDC overseeing investments across Africa.

**Buy-out of 25% minority stake
in forestry subsidiary**

- Simplify legacy corporate structure that had a 25% minority shareholder within the forestry subsidiary

- Clear, vanilla corporate structure and balance sheet

**Purchase log peeler, forklift
and press for veneer factory
*went live in August 2019***

- To speed throughput at the veneer factory and increase output

- c. 5m3 per day increase in volume, c6% increase in margin

**Install new kilns at sawmill site
*went live in September 2019***

- Reduce costs of kiln drying via third party
- Streamline and reduce cost of logistics

- 8% increase in margin from reducing kilning cost
- 4% increase in margin from lowering logistics costs

**Install new sawmill line
*went live in December 2019***

- Increase recovery rate from log to sawn timber
- Improve flexibility to meet more varied customer demand specifications

- c7% increase in margin from lower input costs
- Diversifies customer base

2020 cash flow enhancement

- Non-operational cash outgoings either deferred, rolled up or converted into shares for the period for 2020

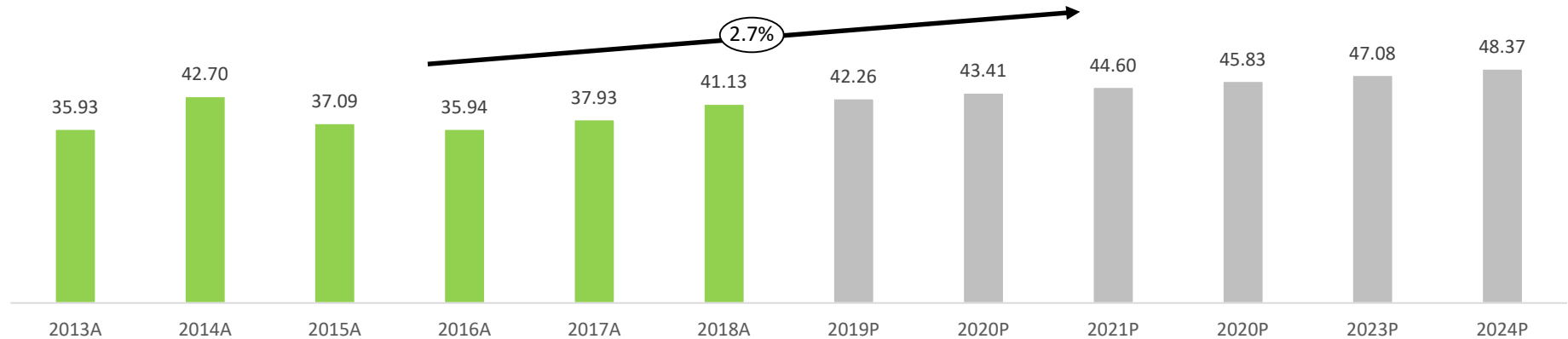
- Maximises cash availability during rapid growth phase

Sawn timber margin increase from c15% - c33% as a result of above capex

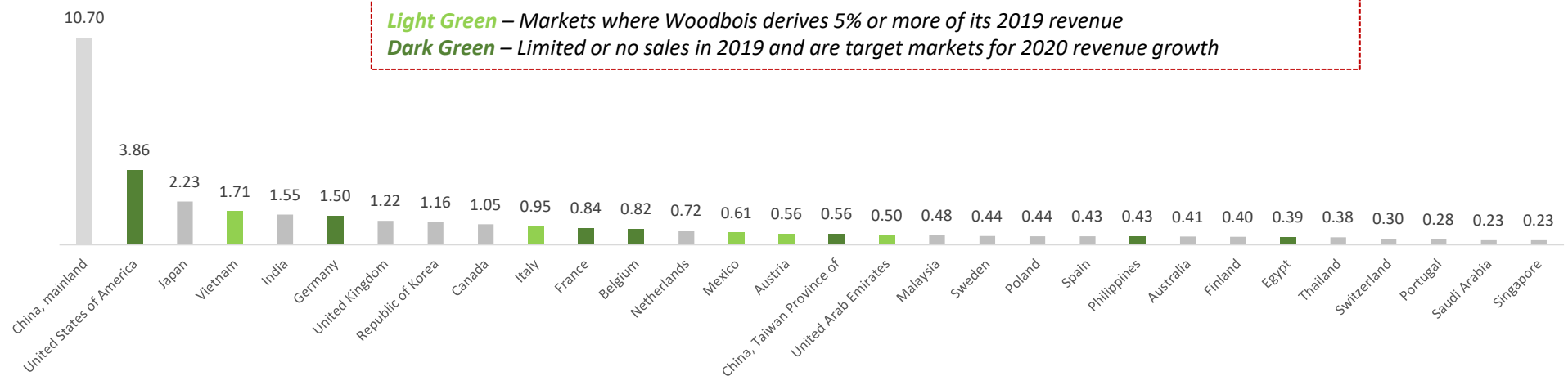
A commodity with a stable global market, with significant avenues of growth for the Company

Global Timber Market(\$bln)⁽¹⁾

> Size of WoodBois' relevant categories; non-coniferous roundwood, sawnwood and veneer sheets



Import Value by Country – Top 30 Global Importers (\$bln)

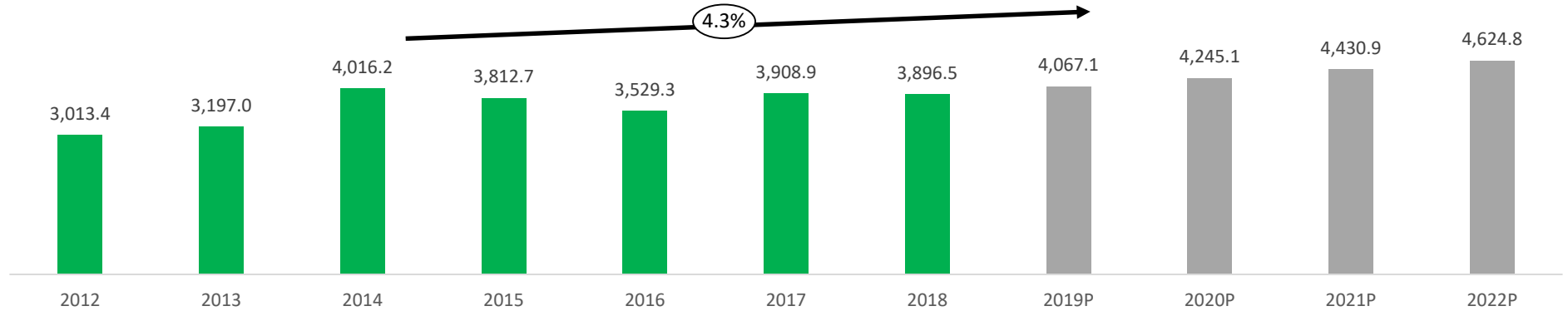


Source: (1) 2012-2018 FAOSTAT (as of Feb 2020). Projections based on management's assumption of growth at '12-18 CAGR

Capturing just a fraction of the declared export market in Africa would allow for continued, significant multi year revenue growth

African Export Market Size (\$m)⁽¹⁾

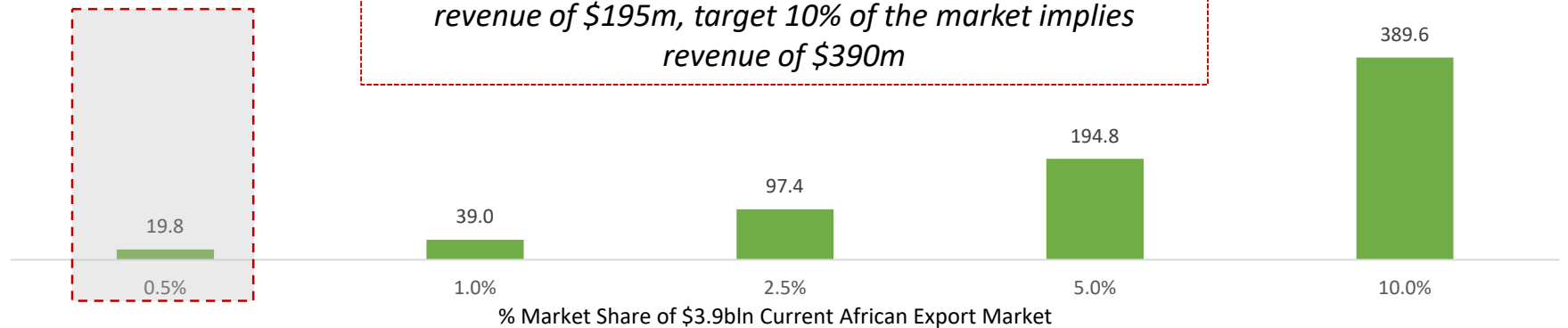
> Size of WoodBois' relevant categories; non-coniferous Roundwood and Sawnwood and veneer sheets



Market Share & Implied Revenue (\$m)

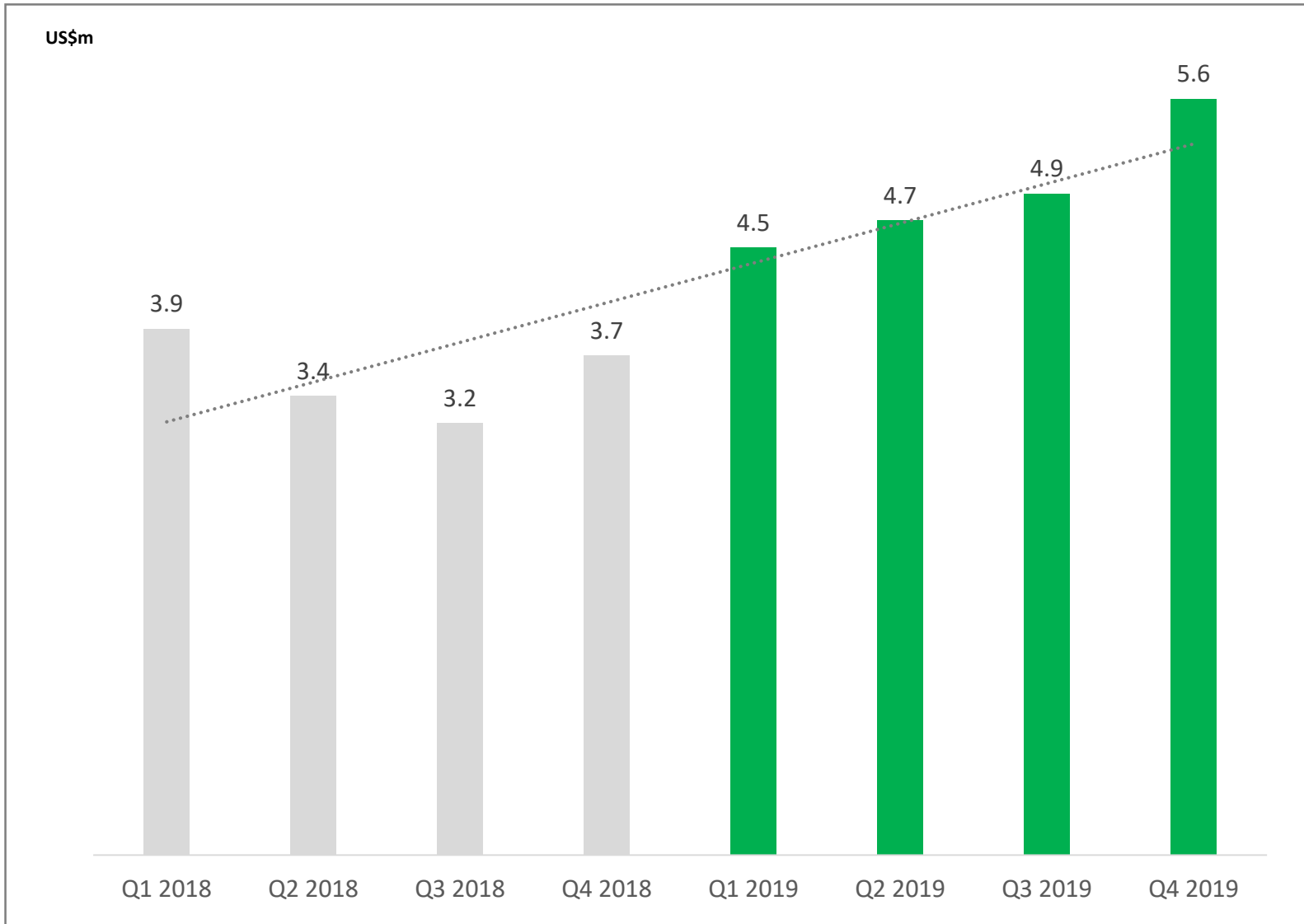
Woodbois 2019F Revenue

5% of the **currently declared** African export market implies revenue of \$195m, target 10% of the market implies revenue of \$390m



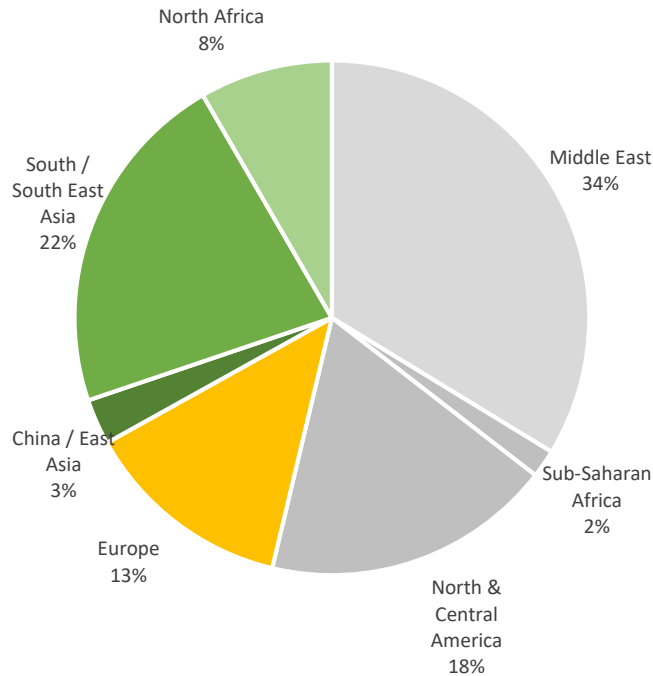
Source: (1) 2012-2018 FAOSTAT (as of Feb 2020). Projects based on management's assumption of growth at '12-18 CAGR

Consistent, quarter on quarter revenue growth in 2018-2019

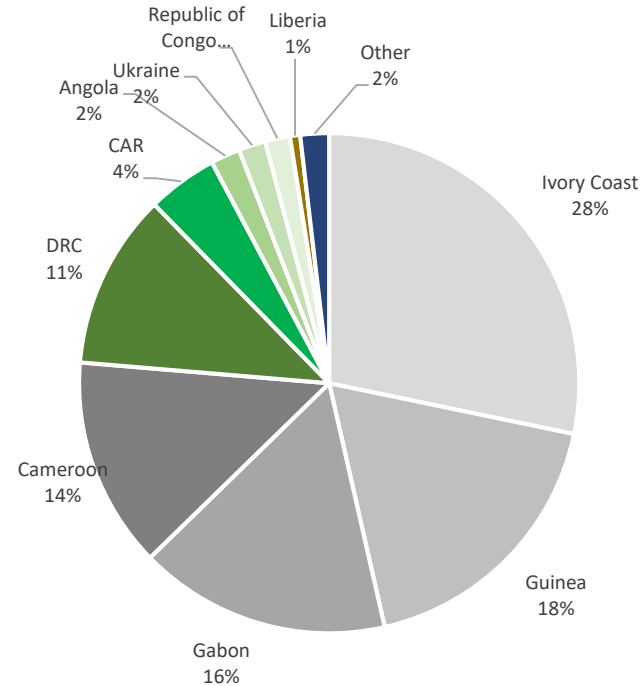


- > Between Q3 2018 and Q4 2019 the Company has recorded consistent revenue growth
- > 2019 saw disruption in our own production business due to the installation of machinery and in-house kilns
- > The Company expects further growth in 2020 as the machinery installed hits capacity and the Woodbois brand is further established within the global timber market

Sales by Region - 2019



Supply by Country - 2019



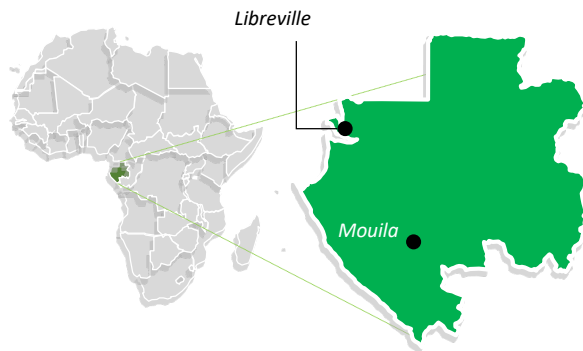
- > Woodbois has a diversified customer base, in 2019 the Business sold to c40 different countries
- > East Asia remains a small portion of the business, there is significant demand from China, Taiwan and Korea for the Company's timber
- > The Company is seeing a growth in demand for stock from countries in North Africa and Europe
- > 3rd party supply also remains diverse with only Ivory Coast marginally above 25% for 2019
- > Liberia and the Republic of Congo were a very small % of the Group's supply in 2019, the Business expects significant growth going forward from these countries

Established processing business in Gabon augmented by new kilns and sawmilling equipment in 2019

Overview

- > Woodbois has been active in the Gabonese forestry sector for the last 25 years
- > With over 95,000ha of forestry under management WoodBois Gabon is a significant player in the Country
- > The Company owns significant harvesting equipment, a sawmill factory with kiln capacity as well as a veneer factory. All located in and around Mouila

Location



- > The sawmill and veneer factory are both located in Mouila, c50km away from our forestry concessions
- > The close proximity of WBG assets to the forest is a major competitive advantage that separates us from our competitors who locate their production assets in Libreville
- > This lowers transport and salary costs whilst also providing local benefit- creating jobs in a less developed area of the Country

Harvesting and Processing



Veneer Factory



Sustainable harvesting with low impact in the forest

Forest management plans are developed in partnership with local communities and approved by multiple government agencies



Harvesting plans are based on a 23 year rotation cycle. Via the forest management plan – Woodbois begins to harvest a section of its concession area for a period over 3 years – after this period the same area cannot be touched for 20 years



These plans ensure the selective cutting of commercial species, by quantifying and locating relevant trees allowing for low-impact logging plans

Key Takeaways

c.2-3 trees harvested per hectare

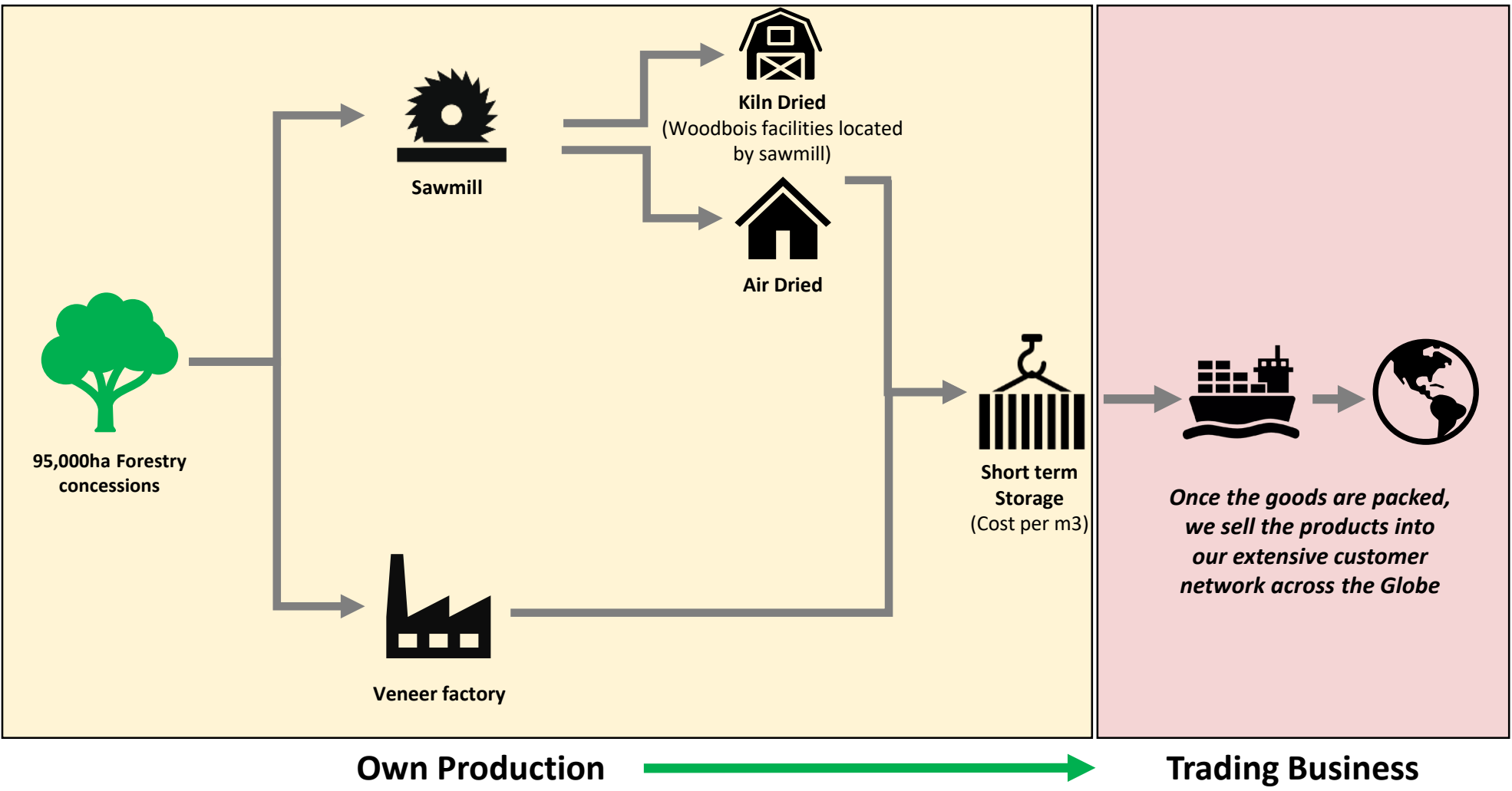
16,000ha of conservation area

Only trees between 70cm and 135cm in diameter can be harvested

Largest formal employer in Mouila, Gabon

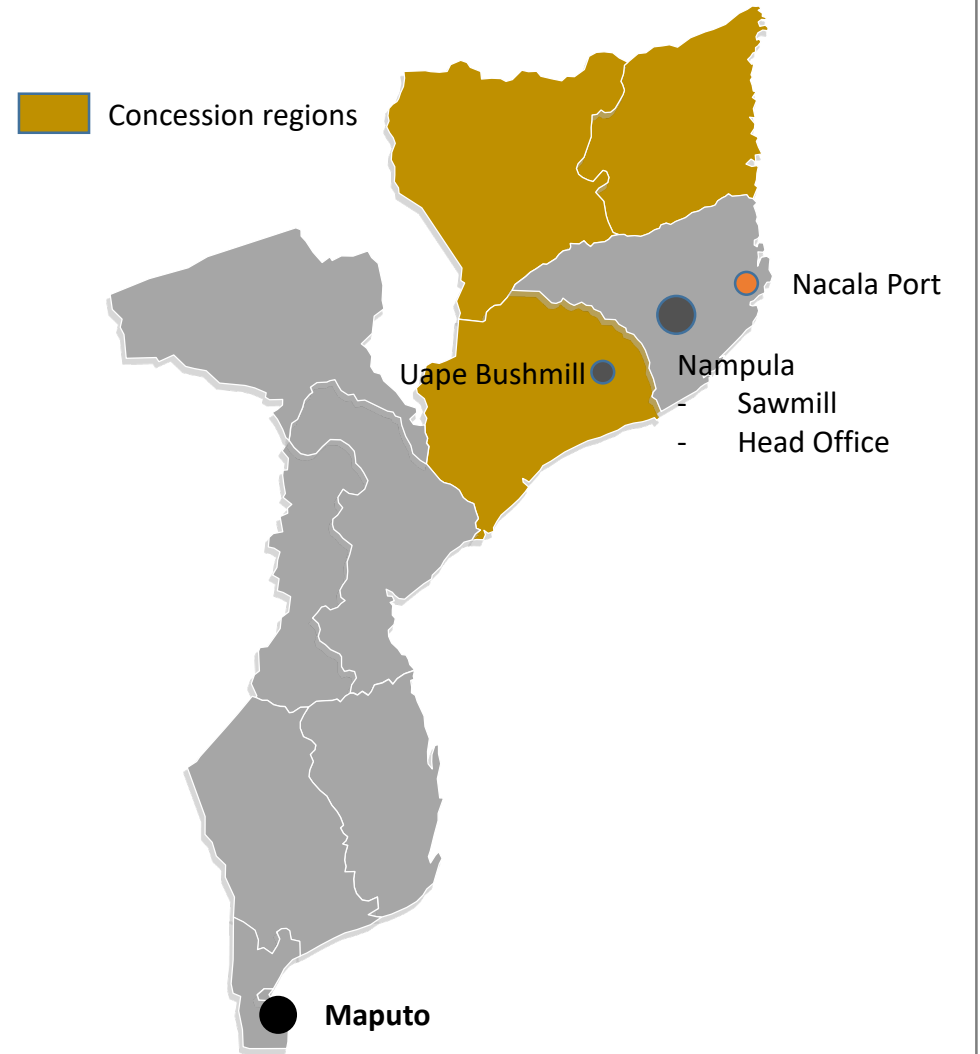
Providing manufacturing jobs in predominantly raw-material exporting country

Woodbois has established infrastructure to capture a significant part of the value chain in Gabon






Overview

- > c300,000 hectares on renewable leases held by Argento Mozambique, the operating entity in the Country
- > The forests contain hardwood species suitable for furniture and hardwood flooring
- > In 2018, opened a brand new, state of the art sawmill in Nampula
 - > Uses WoodMizer milling equipment
- > During the course of 2018, the Mozambican government implemented an export ban on timber to combat the rampant illegal logging that was occurring in the country. This was lifted in late 2018
- > The business is currently under care and maintenance with a limited harvesting schedule
- > The Company continues to look for ways to monetize and create value in the business with multiple revenue streams both domestic and international being explored
 - > Rovuma LNG project expected to attract c\$30bln of investment
 - > Investments related to the liquefied natural gas megaprojects include a "gas city" to house 150,000 inhabitants. Works requiring timber as a construction material have already started
- > The Company has a comprehensive training program in place that has employed up to c300 staff locally (between harvesting and saw milling operations)
- > The Mozambique business actively engages in a reforestation programme

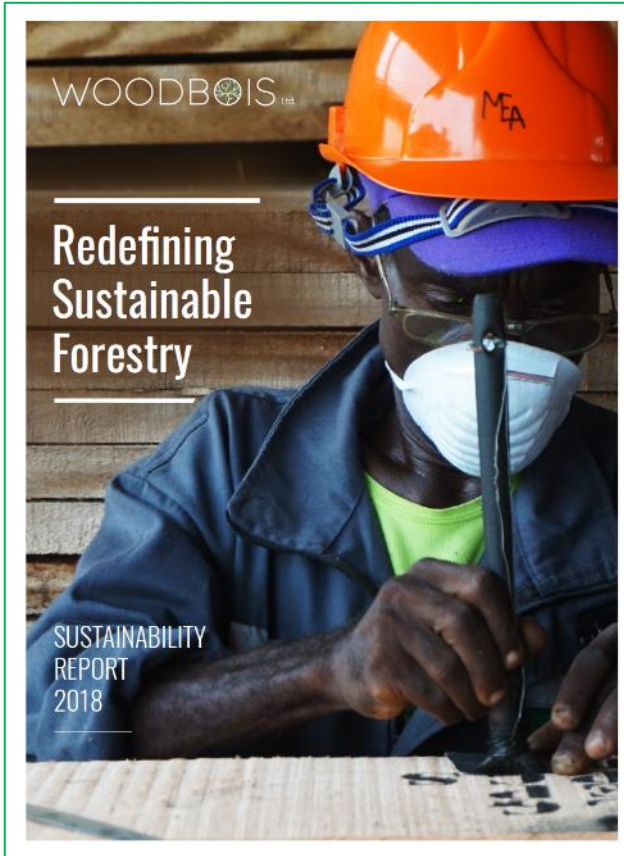


WoodBois Gabon – Own Production

	Product	Comments	Gross Profit Margin	Monthly Capacity	Cash Cycle
	Veneer	<ul style="list-style-type: none"> Woodbois's main harvested specie, Okoume veneer is in permanent high demand from plywood producers in Europe and Asia 	c.40%	750m ³	3-4 months
	Sawn timber	<ul style="list-style-type: none"> Global demand, sold across 40+ countries Can require a kiln-drying process that takes between 2-3 weeks Significant sawmill re-tooling in 2019 and kilns installed 	c.25% - 33%	2,000m ³ Gabon c1,000m ³ Moz.	5-6 months
	Logs	<ul style="list-style-type: none"> Woodbois' excess harvest can also be sold domestically Numerous veneer / plywood factories need log supplies High margin, quick cash turnaround 	c.50%	<i>Local demand dependant</i>	1 month

WoodBois International - Trading

	Product	Comments	Gross Profit Margin	Monthly Capacity	Cash Cycle
	Spanish Cedar / Dabema	<ul style="list-style-type: none"> Sourced from Woodbois' suppliers across Ivory Coast Kiln dried in own facilities Sold globally with particular interest in North America 	15-20%	1,000m ³ <i>(current drying capacity, can be increased)</i>	5-6 months
	Prepaid Timber Trades	<ul style="list-style-type: none"> Woodbois pre-pay trusted, consistent suppliers for their timber Higher margin than back to back trades, but longer cash cycle 	8-12%	n/a <i>Limited by trade finance</i>	c.2-3 months
	'Back to Back' Trades	<ul style="list-style-type: none"> Fast turn-around trades but low margin Only pay supplier when timber is on the ship Not constrained by production capacity 	4-8%	n/a <i>Limited by trade finance</i>	30-60 days



Zoological Society of London SPOTT – 100 Timber Companies Transparency Ranking

Company	Rank	Score	Change	Headquarters	Landbank
Interholco AG	1	94.7%	+1.3%	Switzerland	801,716 ha
Klabin SA	2	78.5%	+8.7%	Brazil	245,000 ha
Olam International Ltd	3	78.3%	+18.0%	Singapore	2,200,000 ha
Precious Woods Holding AG	4	77.4%	+3.9%	Switzerland	1,103,500 ha
APP (Asia Pulp and Paper) Group	5	74.4%	+5.3%	Indonesia	1,082,790 ha
APRIL Group	6	73.5%	+6.5%	Singapore	455,015 ha
Woodbois	7	69.4%	n/a	UK	337,460 ha
Compagnie des Bois du Gabon (CBG)	8	67.5%	+11.4%	Gabon	568,543 ha
Maderacre	9	67.3%	n/a	Peru	209,082 ha
Duralex SA	10	65.6%	+5.8%	Brazil	154,131 ha
Veracel	11	62.5%	+23.6%	Brazil	83,698 ha
CFNIBRA	12	56.2%	-1.5%	Brazil	131,021 ha
Bracell	13	54.3%	-0.7%	Hong Kong	144,000 ha
Marubeni	14	52.6%	+14.6%	Japan	320,000 ha
Suzano S.A.	15	52.1%	-12.2%	Brazil	1,266,920 ha
Eldorado Brasil Celulose SA	16	51.3%	-0.4%	Brazil	229,592 ha
Arauco	17	48.4%	+16.0%	Chile	1,017,770 ha
Oji Holdings	18	44.6%	+15.7%	Japan	450,000 ha
Pullisco CFM	19	42.5%	-6.5%	Cameroon	388,949 ha
Empresas CMPC	20	42.2%	+0.4%	Chile	686,623 ha

- > Traceability and sustainability are within the DNA of the Woodbois business model
- > The 47 page Woodbois Sustainability Report aims to be informative, enhance transparency and provide data relating to the economic, environmental and social impacts of our operations
- > The Zoological Society of London ranks timber companies by the level of transparency of their operations – Woodbois was ranked 7th out of 100 players alongside much larger players

Key inflexion point for a Company well placed in an increasingly important sector

Capex spend in 2019 allows for significant margin expansion in 2020

- The equipment purchased through 2019 gives the Company the ability to increase the recovery of logs to sawn timber as well as simplifying the logistics process, in turn lowering costs
- Allows for the Company to significantly increase margin within the production business

Professional & motivated management team in place

- Complimentary skillsets across the management team
- A combination of timber expertise and significant network both in Africa and globally alongside strong financial and technical capabilities

Increasingly prominent role in the sustainable timber space, a key climate change mitigation sector

- Woodbois has an increasingly important role to play in the sustainable timber space as an example of a sustainable, commercially successful African forest manager
- Well positioned to partner with large corporates (e.g. oil and gas majors) to provide climate change mitigation opportunities such as large-scale tree planting schemes

Platform in place to scale to multiple geographies

- Woodbois has developed a powerful supplier network that allows the Company to be an early-mover in acquiring and managing assets in other countries
- Platform and tailor-made strategy in place to minimize execution risk when capital is in place to expand the production business in other geographies

Application of technology to capitalize on opaque market

- Woodbois has developed proprietary technology to address a huge opportunity within the timber trading sector
- Software allows for in-house benchmarking, tracking and aggregating of supply, demand and pricing information within an opaque market

Appendix

Name	Holding	Percent
Lombard Odier Asset Mgmt	120,540,230	25.66%
Grandinex International Corp	70,000,000	14.9%
Pelham Limited	54,500,000	11.6%
Paul Dolan	46,373,275	9.9%
Spreadex Limited	31,050,000	6.6%
HSBC Client Holdings Nominee	15,295,657	3.3%
<i>Other</i>	131,978,325	28.1%
Total	469,737,487	