



MIRO
FORESTRY COMPANY

2015 ANNUAL REPORT



Introduction

Miro Forestry is a green-field, profit-oriented forestry group operating in West Africa to supply sustainable value-added timber products to local and regional markets.

Miro Forestry is primarily growing fast-rotation eucalyptus for the production of transmission poles, plywood and saw timber for the local and regional market as well as wood chips for biomass.

Our Mission

To develop and operate globally high quality and cost competitive commercial forestry plantations producing lumber, poles and wood-chips sustainably to FSC standards whilst providing environmental, social and economic benefit to local communities.

Our 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.

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THE GROUP AT A GLANCE



In December 2014 Miro Forestry Developments Limited (“MFD”) was incorporated in the United Kingdom. In March 2015 all shareholders of Miro Forestry Company Limited (“MFC”), incorporated in the Cayman Islands, and the original group parent company of the Miro Forestry group, exchanged their shares in MFC for the same number of shares in MFD. As a result MFC became 100% owed by MFD, which at year end 2015 had 2,983,269 issued shares. Subsequently in December 2015 MFC applied to be struck-off and thereupon dissolved resulting in MFD directly holding shares in Miro Forestry (Ghana) Limited and Miro Forestry (SL) Limited.

In June 2015, the National Interest Company Limited (“NICOL”), sold their shares held in Miro Forestry (Ghana) Limited (“MFGH”) to African Champion Industries Limited (“ACI”), a publicly listed Ghana company, controlled and operated by Serengeti Capital Partners. Immediately thereafter, (MFGH having waived pre-emption rights to facilitate the transaction) ACI then exchanged their shares in MFGH, then representing 12%, for 40,000 shares in MFD. Therefore MFGH is now 100% owned by MFD.

In October 2015, Agri International Consultants Corporation (“AGRI”), exchanged their shares held in Miro Forestry (SL) Limited (“MFSL”), then representing 10%, for 30,000 shares in MFD. Therefore MFSL is now 100% owned by MFD.

Land Holding⁽¹⁾ – 29,060 hectares

of which – Ghana: 7,680 hectares
– Sierra Leone: 21,380 hectares

Plantation Forest Area Established – 4,047 hectares

of which – Eucalyptus: 2,129 ha
– Teak: 1,316 ha
– Acacia: 503 ha
– Gmelina, Pine, Other: 99 ha

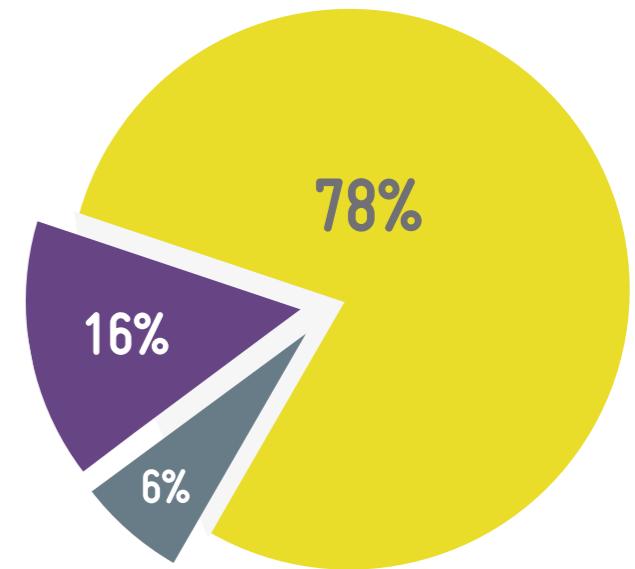
Financing

- Total Group investment to year-end 2015: US\$ 19.30 million (of which 15.08m equity)
- Investment commitments remaining from CDC Group plc and the Finnish Fund for Industrial Cooperation Ltd at year end 2015⁽²⁾ :US\$ 19.10 million



Investment and Commitments

- Private Investors: US\$ 2.3 million
- Family Offices: US\$ 6.1 million
- Institutional Investors: US\$ 30 million



Estimate of Key Data⁽³⁾

| Year-End (US\$m) | 2015(A) | 2016 | 2018 | 2020 | 2025 |
|-------------------------------------|---------|-------|--------|--------|--------|
| Hectares of Planted Standing Timber | 4,047 | 7,030 | 14,030 | 20,000 | 28,000 |
| Hectares Harvested | - | - | 100 | 100 | 3,000 |
| Cumulative Investment | 19.3 | 28.5 | 46.0 | 64.0 | 64.0 |
| Revenue | - | 0.1 | 2.0 | 3.0 | 92.0 |
| Valuation | 27 | 42 | 70 | 110 | 250 |

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.

2) Investment commitments of US\$ 15 million each consisting of 70% equity and 30% mezzanine debt.

3) Current estimate figures.

CHAIRMAN'S STATEMENT



Our team, infrastructure, capital backing and operational scale have again developed significantly over 2015. We are now a well known operator and brand within the growing sub-Saharan African plantation forestry and sustainable timber sector, and are well poised on the verge of first small-scale production of industrial timber products.

Richard Laing, Chairman

Overview

A well managed sustainable plantation forestry business can deliver significant social and development benefits, environmental benefits as well as a long-term return on investment. Delivering a return on each of these aspects, often coined the 'triple bottom line', is critical to the long-term success of our business. Failure in one can mean failure for the whole. Ultimately, however, a business will only be sustainable if it is always focused on maximising shareholder value from each dollar invested, and this has been our primary ethos since founding in 2010 (an ethos that is sadly lacking in too many emerging markets agri-businesses).

I am delighted to report that we have delivered added shareholder value in 2015 and, having achieved our 2015 financing targets, have now drawn down 2016 equity financing from our Development Finance Institution shareholders at US\$10.20 per share, a pre-agreed 15% premium on 2015.

Performance

Over 2015 we have established a total of 2,392 hectares across the Group: 1,533 ha in Ghana and 859 ha in Sierra Leone. We have achieved this at 6% under our 2015 budget of US\$8.7 million. We now therefore have more than 4,000 hectares (10,000 acres) of standing plantation established by the Group.

During the year we have strengthened and broadened the team to a level where we have the requisite skills and depth of management to manage our forestry

operations for the foreseeable future, excluding the resources needed for any value-addition sawmilling. We now employ approximately 800 people across the Group, with approximately 45 in management positions.

We have scaled up our infrastructure to support the establishment of 1,500 hectares of new plantation per country per annum (our long-term optimal run-rate). In addition, given opportunities that have presented themselves and due to tree growth rates being marginally above our original expectations, we have started small scale value-add sawmilling which, with plantation establishment now to an efficient and high quality, will become a new focus from 2016.

Board Priorities

The Board's priorities have remained the same since I became Chairman in 2014: we are focused on strategy and execution; ensuring the group has well-qualified, competent and motivated people; and to promoting high standards of corporate governance. Over 2015 the Company has completed major recruitment sufficient for the next 12 months or more and has appropriate incentive arrangements in place. Likewise audit, remuneration and environmental, social and governance committees have become operational, policies and procedures implemented, and environmental, social and business integrity targets achieved with appropriate monitoring and improvement strategies alongside. As a result of these aspects, we believe we are comfortably on track to achieve Forestry Stewardship Council (FSC)

certification in 2017, also working toward International Finance Corporation Performance Standards (IFC-PS) and International Labour Organisation (ILO) standards.

Board Changes

There has been one addition to the main Board of Miro Forestry over 2015, with the addition of Keith Alexander, nominated by our investor CDC Group plc. Keith is a Chartered Accountant with very extensive accounting, financial, investment and practical operational experience of agri-business in Africa and other emerging markets. More information on the Board is shown on page 19.

Looking Ahead

We are at a significant juncture in the development of Miro Forestry. We have now completed the upscaling of our forestry development and management operations to our long term planned levels and are establishing the planted hectares to a high standard. Strategically, now that we are one of the major plantation forestry business in West Africa, we are seeking to build on the strong platform and brand we have built to secure mature planted timber to enable us to bring forward our production of finished industrial timber products. If successful, this will allow us to generate significant cash-flow ahead of our original targets.

It will also enable us to develop our own value-addition sawmilling expertise, something we have to do in-house, given the lack of appropriate facilities in the

region, to ensure we achieve the added return we are aiming for. It will also help us to be well prepared once our own timber starts to be clearfell harvested. We anticipate presenting any such developments to shareholders over 2016.

In addition to the above, we will continue in 2016 to seek to reduce our cost of capital, and in particular the US\$9 million of debt commitment carrying a very high interest rate of 14%.

Our current shareholders have committed sufficient capital to cover our forestry operations through to early 2018. This is committed at a price of US\$11.70 and US\$13.50 per share in 2017 and 2018 respectively provided we achieve necessary conditions precedent. We are confident in achieving these targets which remains our primary aim to deliver consistent shareholder value growth.

Finally, I would like to take this opportunity to thank all shareholders for their continued support of the Company and to thank and congratulate management for their dedication throughout the year and for all the major progress that has been achieved in 2015.

Richard Laing Chairman

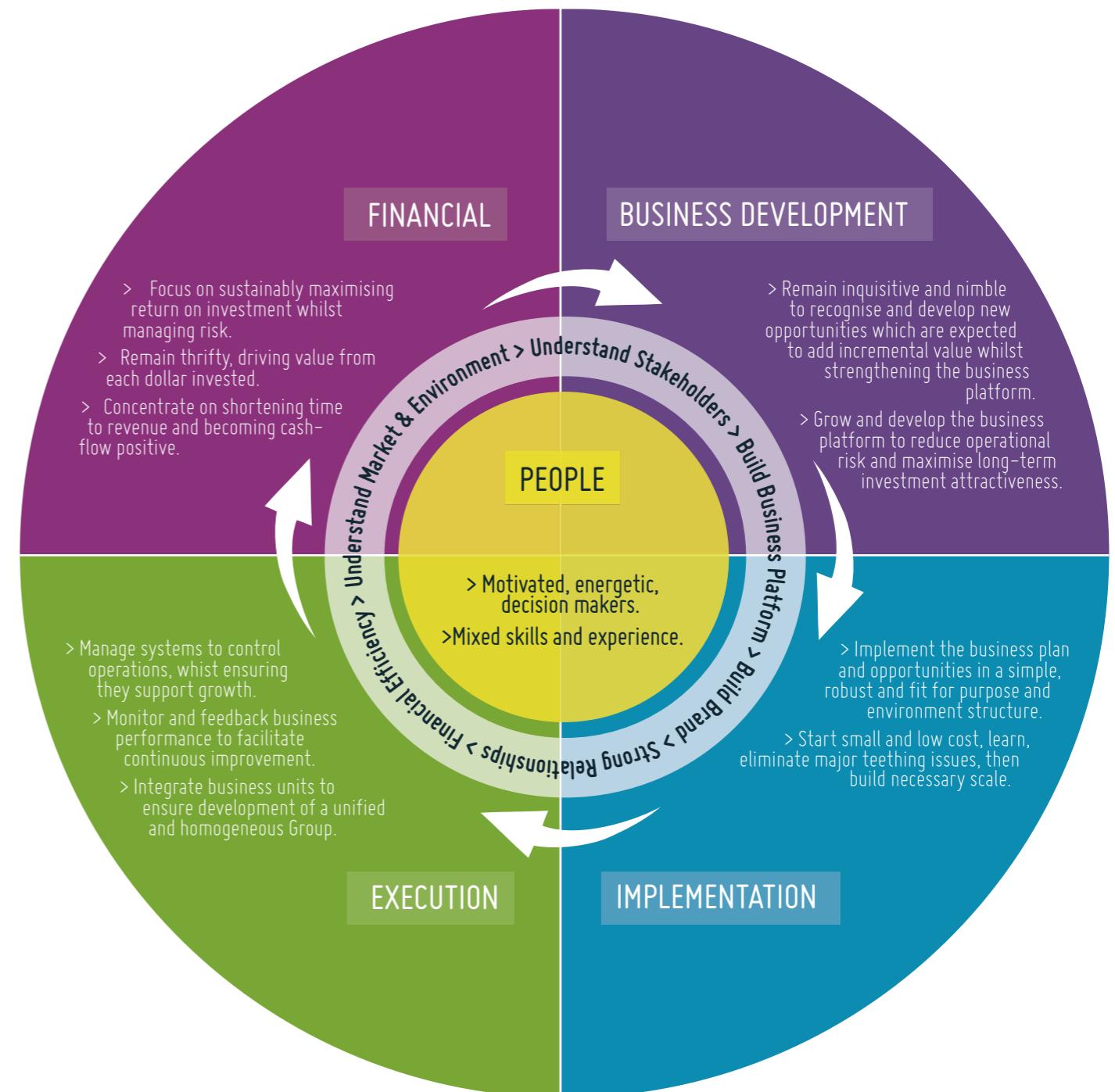
VALUE CREATION MODEL



11 month old *Corymbia citriodora*, Sierra Leone.

We aim to create long-term value through the following strategic and operational models:

STRATEGIC MODEL



VALUE CREATION MODEL cont.

OPERATIONAL MODEL



CHIEF EXECUTIVES STRATEGIC REVIEW



We are developing Miro Forestry into a robust plantation forestry and industrial timber production business—putting in place the right infrastructure, capabilities and people to achieve our strategic goals. Over 2016 we aim to leverage the strong business platform we have built to develop timber-processing operations with a emphasis on shortening time to cashflow.

Andrew Collins, Chief Executive

Overview

In 2015 we completed the establishment of 2,392 hectares across the Group within our total annual budget of US\$8.7 million. This equated to a total cost per hectare established of US\$3,434 per hectare, a satisfactory total cost for the establishment of good quality forest plantations and a 45% improvement, due primarily to scale, on our total cost in 2014. As a result we have now established more than 4,000 hectares of commercial plantation across the Group.

Over 2015 we made a number of hires at all levels of the business, building our capability to manage the establishment of 1,500 hectares in each of Ghana and Sierra Leone per annum, as well as managing the maintenance of all planted hectares. In addition, we have built the team, resources and infrastructure to enable us to start small-scale value-addition sawmilling operations which will be developed into a mainstream activity and core competency of the Group from 2016.

Performance

I am delighted to report that we achieved and exceeded our core performance objectives in 2015 and are therefore in a stronger and more developed position at the start of 2016 than we anticipated.

Infrastructure

In Ghana, over 2015 we expanded our machinery and fleet (including tractors and heavy plant, trucks, people carriers and pickups) to sufficient number and range

to be capable of managing our expanded operations within seasonal windows, fuel efficiently and with high utilisation rates. Additionally, we expanded our infrastructure, including our plantation office, field office, nursery and associated production facilities, workshop, and accommodation facilities to manage our plantation development scale over the next few years.

In Sierra Leone, we completed the build of our seedling nursery and irrigation setup, while expanding our housing, office and workshop units. In addition, we expanded our machinery and fleet complement to achieve our 2015 plantation establishment target of 830 hectares. We have now completed our machinery and fleet expansion to achieve our long-term goal of 1,500 hectares per annum.

Silviculture

Across the Group we have satisfactory quality and cost competitive plantation forestry establishment and management (silviculture) operations. Given that West Africa is a new region for plantation forestry these have taken us time to build and develop, and has required continuous education and training of the teams involved in each operation to build competence and consistency.

Whilst we continue to strive for improvement, we now have the requisite nursery and field teams to produce and plant quality seedlings managing the commercial tree stands through to canopy closure and through subsequent management regimes.

With our oldest trees having been planted in 2010, we have begun thinning these stands and are therefore starting to build first harvesting capability, which we will continue to build upon towards first clearfell harvest expected from 2018.

Research and Development

A major focus of 2015 has been on building our research and development ability to improve the quality of the seeds / seedlings we plant, focusing on best matching species to our particular site conditions (soil, climate and topography).

The aim of this is to achieve maximum tree growth rate, with straight stem form for both maximum usable volume and timber properties most profitable for the Company in the target markets.

Incremental improvements to the utilizable volume of timber we can produce from each tree, and improvements to the speed at which we can produce a given usable volume of timber per unit area, has the most significant controllable affect on financial returns.

Through species selection, improving fertilizer regimes and composition, and better site species matching we have notably enhanced value in 2015, which will continue for a number of years to come before the margin of incremental cost to incremental value improvement is minimal.

Our research and development knowhow and learning will be a significant attraction of Miro Forestry to an



Above: Poor site-species matched site (left) vs. a well site species matched site (right).

investor (and particularly a trade investor/buyer) in the future as such learning takes time and cannot be circumnavigated.

Sawmilling & Timber Production

In late 2015 we completed the installation of our first small scale sawmill in Sierra Leone where we have ready availability of third party mature planted timber.

This enables us to start the production of one of our target timber products, develop sawmilling capability, develop our routes to market and market strategy, and make the mistakes we inevitably will at a limited scale (before scaling to process our own very significant volume of timber as it starts being clearfell harvested).

In addition to this simple strategic goal and excitingly, given the lack of competing local sawmill operations and the regional markets being dominated by imported industrial timber, the margin available on sawmilling (including for the production of sawntimber, plywood

and transmission poles) is highly attractive. Without any focus yet on efficiencies we are starting to generate a gross margin in the region of 30%.



Above: Treated posts, produced from thinnings, Ghana

In Ghana there is less availability of mature third party planted timber and as a result less opportunity to develop any significant value-addition sawmilling opportunities prior to our own trees reaching maturity. Nevertheless we have now started to thin our older timber stands and therefore have availability of thinnings. Whilst these are often uncommercial given their size there are many which are of ideal dimension for fence posts. This is a market we are currently exploring and aiming to sell into.

Business Development

West Africa has historically been a region largely covered with indigenous rainforest, however this has now, in majority (over 80%), been logged out, thus leaving the region as a significant and growing importer of timber. As a result of this there are almost no sawmills in the region capable of processing smaller diameter plantation grown timber and therefore we are necessarily developing into a vertically integrated plantation forestry business.

Across the Group we have started producing and aiming to sell our first thinnings (which we have to date assumed to be of little to no value) in addition to sawing third party timber as described above.

One of our key focuses over 2016 is to develop and start to commercially scale our sawmilling and build out our industrial timber production operations. The extent to which we can do this depends on the how much mature third party planted timber we can secure cost competitively. As a result we are exploring the limited, and most often degraded and unmanaged, standing plantation opportunities in Sierra Leone as well as in Nigeria where certain attractive strategic opportunities

may exist and where the timber market is extremely strong.

Environmental & Social Development

Over 2015 we have significantly developed the environmental, health, safety and social development functions of the Group. Over the year we have implemented all related group policies and procedures, completed necessary environmental permitting, established grievance mechanisms, corrective action systems and such related frameworks. As a result we have achieved all our Environmental and Social targets and legislative requirements and are well on track to achieve Forestry Stewardship Council (FSC) Certification in 2017.

Additionally over the year we have completed the construction of a school block and safe water projects in Ghana and similar education and sanitation projects in Sierra Leone. As a result of these projects and our significant employment of the communities we are extremely well supported in our operating areas.

Looking Ahead

We are ambitious and again have a lot that we want to achieve in 2016. Most notably this year we are focused on developing our sawmilling and value-add timber processing capabilities so that we can build these over the next two years prior to our own timber starting to come on stream.

To achieve this and given the attractive margin on our initial value-add activities in Sierra Leone, we are seeking to also secure one or more existing planted timber assets, where the cost of doing so is small compared to potential utilisable timber value.

This is the method by which comparable businesses in East Africa have successfully started to generate revenue prior to their own planted timber becoming mature. Whilst in Ghana there are little to no such standing timber opportunities of any scale, in Sierra Leone there are a number of such opportunities which we are actively exploring.

If successful in securing a volume of utilisable timber this would allow us to reap immediate value uplift and would provide us with timber supply to develop our value-add operations, generating revenues and margin.

This not only allows us to expand slowly and learn before our own significant volumes of timber start coming on stream but it also improves significantly



Nursery worker, Ghana.

our investment attractiveness as it demonstrates that we have the capability to both grow timber cost competitively and to process and sell such timber profitably.

In parallel to the above it is fundamental that we continue to deliver cost competitive quality hectares consistently going forward (now that we have achieved our full scale run rate of 1,500 hectares in Ghana and have built capacity to achieve the same in Sierra Leone this year).

In addition, we remain focused on research and development. This is so important at our current early stage whereby with comparatively small cost we can make marked additions to the usable volume of wood we grow within a given period and thus a significant positive effect on long-term value.

In our people, the Miro Forestry business platform and brand, and with our shareholder and wider stakeholder support, we can be proud of what we've together achieved.

We are now ideally positioned to transformationally develop over the next two years, thereafter being well positioned to create a liquidity event.

I would like to thank everyone in and around the Company for their contributions over 2015 and for their efforts in building the Miro Forestry we have today.

A handwritten signature in black ink, appearing to read "Andrew Collins".

Andrew Collins Chief Executive

2015 HIGHLIGHTS AND TARGETS FOR 2016



Eric Buedi, Planning and Administration Manager, Sierra Leone.

2015 Highlights

- > The Company planted a total of 2,392 hectares in Ghana and Sierra Leone (2.9x the 2014 area) achieving final planting targets approximately 6% under budget. Such expansion was achieved cost competitively and to satisfactory quality.
- > Secured investment commitment in March of US\$15 million from CDC Group plc, matching an equivalent commitment of US\$15 million from the Finnish Fund for Industrial Cooperation Limited.
- > Completed major additions to the team across the Group including the Group CFO, Environment, Health, Safety and Social Development (EHSS) Manager and Research and Development Manager.
- > Planning, Nursery, Human Resources, Finance and Accounting and Forestry teams were also bolstered in both Ghana and Sierra Leone.
- > Expanded infrastructure, and plant and machinery compliment, in both Ghana and Sierra Leone to achieve ongoing plantation establishment rates of 1,500 hectares per country per annum.
- > Established first sawmilling operations in Sierra Leone producing small quantities of saw timber from mature Gmelina logs, generating attractive margin potential.

2016 Outlook and Targets

- > Establish an additional 1,500 new quality hectares in both Ghana and Sierra Leone (3,000 hectares in total), therefore taking the total planted area by year-end 2016 to in excess of 7,000 hectares (4,450 hectares in Ghana and 2,580 hectares in Sierra Leone).
- > Continue to focus on research and development, including tree breeding, to make continued positive improvements to the quality of our tree stands and reduce pest and disease risk. This is achieved by improving the genetic quality of our seedlings and matching species to soil and environmental conditions. In addition, we will be installing clonal propagating areas in Ghana and Sierra Leone to start clonal propagation of best performing individual trees.
- > Incremental additions to growth rates are readily achievable for a young company such as ours and are a key driver of financial returns, shortening the time to harvest and maximising the harvestable volume.
- > Install, commission and operate sawmilling and timber value-addition processing operations in Sierra Leone and Ghana in accordance with final business plans. Such processing operations will be initially small scale and modular so that teething issues are resolved over 2016 before scale up to meet available wood flows.
- > Secure existing mature standing timber plantations directly for in-house management and operation and/or secure appropriate arms length timber off-take agreements for timber from such plantations. Resultant wood-flows will enable installation and scale-up of sawmilling and timber value-addition processing operations prior to our own planted timber volumes becoming mature for harvesting.
- > Develop sales channels for resultant sawn timber and other industrial timber produced.
- > Pass Forestry Stewardship Council (FSC) pre-audits to ensure the Group is comfortably positioned for FSC certification in 2017.



Nursery workers, Ghana.

PLANTATIONS OVERVIEW



Miro Forestry operates two plantations in West Africa, in Ghana (“Boumfoum” plantation) and Sierra Leone (“Yoni” plantation) totalling over 25,000 hectares of forestry land.

| Country | Eucalyptus | Teak | Acacia | Gmelina/Pine Other | Total Planted Area |
|---|---|---|---|--|--------------------|
|  | 1,628ha  | 1,316ha  | 0ha  | 20ha  | 2,964ha |
|  | 501ha  | 0ha  | 503ha  | 79ha  | 1,083ha |
| TOTAL | 2,129ha | 1,316ha | 503ha | 99ha | 4,047ha |

Boumfoum and Yonibana plantations

Sierra Leon

► Yonibana (Plantation location)

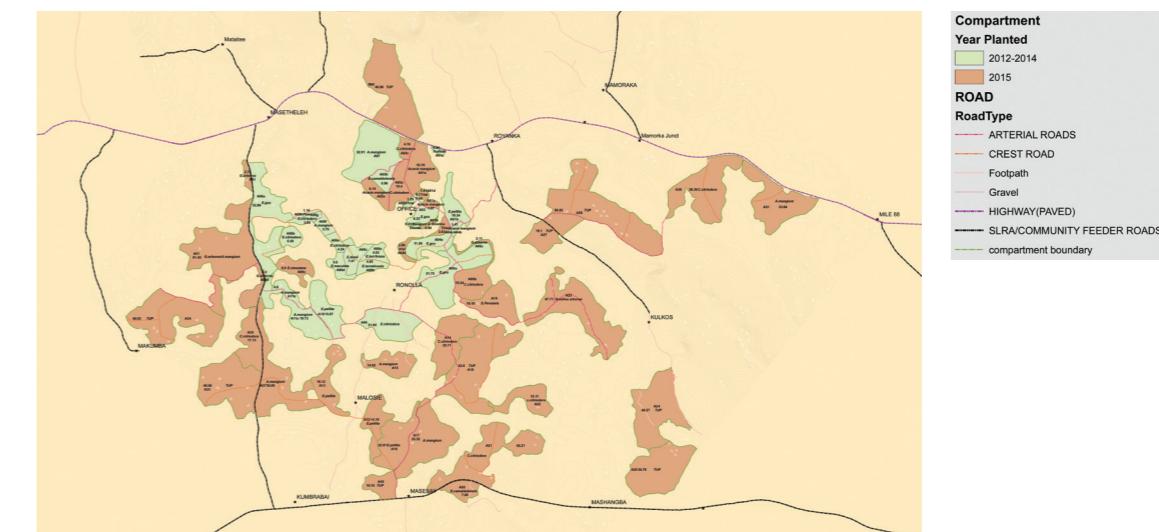
- > 21,380 hectares Land Leased/under Public Private Partnership Agreement
 - > 1,083 hectares commercial plantations established
 - > c. 1.5 million trees planted
 - > c. 1,000 hectares managed conservation area

Gha

► Boumfoutum (Plantation location)

- > 7,680 hectares Land Leased/under Public Private Partnership Agreement
 - > 2,964 hectares commercial plantations established
 - > c. 4 million trees planted
 - > c. 3,000 hectares managed conservation area

Plantation map of Sierra Leone



BOUYANT TIMBER MARKETS & FOCUS ON REVENUE

Timber markets in West Africa continue to be highly attractive. They are characterised by dwindling availability of local timber and severe limitations in tooling available to produce consistent industrial timber. This is coupled against increasing population, GDP growth and demand for industrial timber which is increasingly satisfied by imports and hence largely priced against the US dollar.

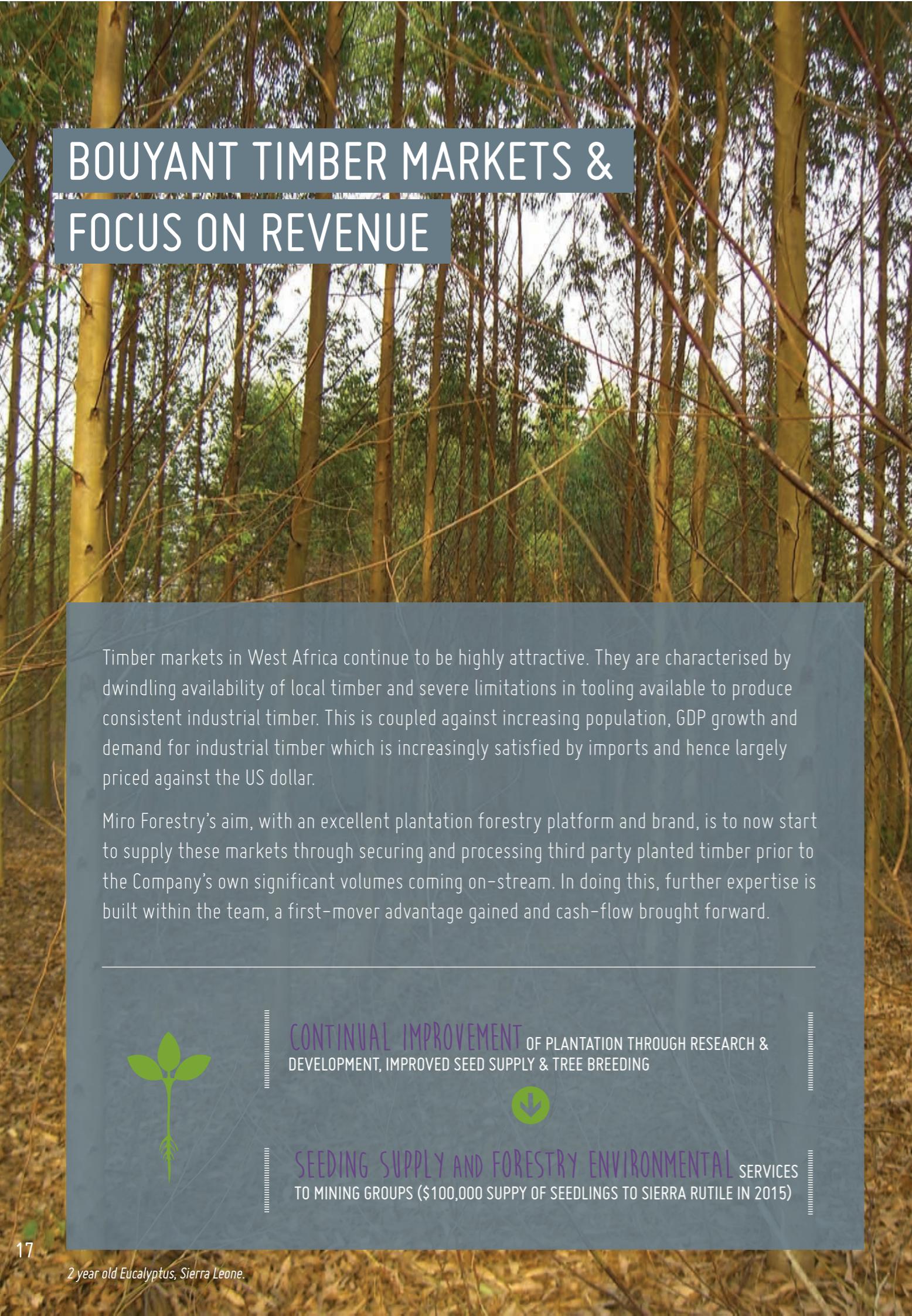
Miro Forestry's aim, with an excellent plantation forestry platform and brand, is to now start to supply these markets through securing and processing third party planted timber prior to the Company's own significant volumes coming on-stream. In doing this, further expertise is built within the team, a first-mover advantage gained and cash-flow brought forward.



CONTINUAL IMPROVEMENT OF PLANTATION THROUGH RESEARCH & DEVELOPMENT, IMPROVED SEED SUPPLY & TREE BREEDING



SEEDING SUPPLY AND FORESTRY ENVIRONMENTAL SERVICES TO MINING GROUPS (\$100,000 SUPPLY OF SEEDLINGS TO SIERRA RUTILE IN 2015)



TOTAL INVESTMENT COST
OF THE COMPANY
OF LESS THAN
\$5000 OVER THE LIFE
PER NEW
HECTARE

2015 TOTAL INVESTMENT COST OF
APPROXIMATELY **\$3,500** PER NEW HECTARE
ESTABLISHED IN THE YEAR

QUALITY AND COST
COMPETITIVE PLANTATIONS OF
EUCALYPTUS, ACACIA AND TEAK.

AT THE 2014 RATE OF
DEFORESTATION GHANA HAS
LESS THAN 15 YEARS
FOREST LAND REMAINING

WITH DECREASING AND DWINDLING FOREST AREA
AND TIMBER STOCK IN WEST AFRICA, PRIMARY VALUE IS THROUGH
OWNERSHIP OF THE FOREST PLANTATIONS

SIMPLE, LOW COST
PROCESSING OPERATIONS TO BE COMMERCIALISED
IN 2016 FOCUSING INITIALLY ON SAWTIMBER

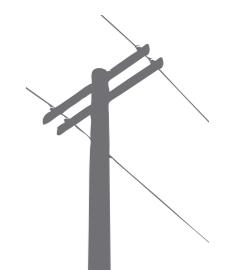


REGIONAL INDUSTRIAL TIMBER
PRICED AGAINST THE **US DOLLAR**



POLE MARKET GROWING AT
IN SUB-SAHARAN AFRICA **>30%**

PLYWOOD AND VENEER LOG PRICE
RISEN OVER **100%** SINCE 2014



GHANA AND SIERRA LEONE **IMPORTING** MORE
THAN **80,000** POLES PER ANNUM FROM
HIGHER COST COUNTRIES
WITH SHIPPING AND
DUTY COSTS

NIGERIA CURRENTLY CONSUMES OVER
200,000M² OF PLYWOOD
ANNUALLY OF
WHICH OVER **70%** IS IMPORTED

DELIVERED TRANSMISSION POLE PRICE IN EXCESS
OF **\$200** FOR A 10 METER POLE – **180%**
THE PRICE IN SOUTH AFRICA
WITH A LARGER PREMIUM ON
BIGGER SIZES

GHANA LOW-GRADE SAWN TIMBER PRICED AROUND
\$180-240/m³ VS. AN INITIAL MIRO FORESTRY
PRODUCTION COST OF APPROXIMATELY
\$100-125/m³

WEST AFRICA DEMAND ESTIMATED AT
>400,000 POLES PER
ANNUM

GHANA AND NIGERIA PLYWOOD PRICE OF
c. \$400/m³ EQUIVALENT TO WHOLESALE EUROPEAN
PRICES. **c. \$750/m³** IN SIERRA LEONE
DUE TO NO DOMESTIC PRODUCTION WHATSOEVER



WOODCHIPS PRIMARILY FROM TREE
THINNINGS AND BRANCHES SUITABLE FOR
BIOMASS

WEST AFRICA ELECTRICITY PRICE OF >
\$0.25/Kwh VS c \$0.15/Kwh IN EUROPE

CORPORATE GOVERNANCE



The Company aims for high standards of corporate governance at all levels of the group. The Company has a strong board of experienced directors with significant investment, operational and emerging markets experience.

Richard Laing, Chairman

(Chairman of the Audit and Remuneration Committees)

Richard was previously CEO of CDC Group plc, formerly the Commonwealth Development Corporation, from 2004 to 2011, having joined the organisation in 2000 as Finance Director. Prior to CDC, Richard spent 15 years at De La Rue plc where he held a number of positions both in the UK and overseas, latterly as Group Finance Director. Before De La Rue he worked in international agribusiness. Richard is currently Chairman of 3i Infrastructure plc, a non-executive Director at JP Morgan Emerging Markets Investment Trust plc, Perpetual Income and Growth Trust PLC and a Trustee and board member of the Overseas Development Institute, Plan UK and the Leeds Castle Foundation. He is a graduate of Cambridge University where he obtained an MA in Engineering

Andrew Collins, Chief Executive Officer

(Member of the Environmental, Social & Governance Committee)

Andrew Collins has extensive experience in structuring and completing emerging market investments and has been responsible for driving the expansion of Miro Forestry since inception. Prior to Miro Forestry, Andrew spent three years developing and financing biomass energy projects in Europe, prior to which he was a corporate finance investment banker. Andrew holds a Masters in Engineering from the University of Bristol and a Masters in Finance from the Cranfield School of Management.

Charlie Bosworth, Strategy & Business Development Director

Charlie Bosworth has a background in emerging market business development and management and is a forestry business specialist. Charlie has been responsible for managing the 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.

Andrew Tillery, Director

(Member of the Remuneration Committee)

Andrew has over 30 years operational management and private equity experience in Africa and other emerging markets. Andrew is currently a non-executive director on three African agribusiness boards and adviser to several sub-Saharan Africa agribusiness investment funds. Andrew has 15 years' experience running emerging market tree plantation businesses and holds two Masters degrees from Oxford University, including one in Forestry, and an MBA from the University of Chicago.

Keith Alexander, Director

(Chairman of the Environmental, Social & Governance Committee and Member of the Audit Committee)

Keith has been involved with businesses operating in Africa for over 25 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.

Hanna Skelly, Director

(Member of the Environmental, Social & Governance Committee)

Hanna is a Director at the Finnish Fund for Economic Cooperation Ltd. Hanna leads an investment team specialised in forestry, renewable energy, energy efficiency and clean technologies with business development responsibilities including origination and structuring. She has over 10 years of experience in emerging markets and the forestry and forest industry sectors.

Jacob Logothetis, Director

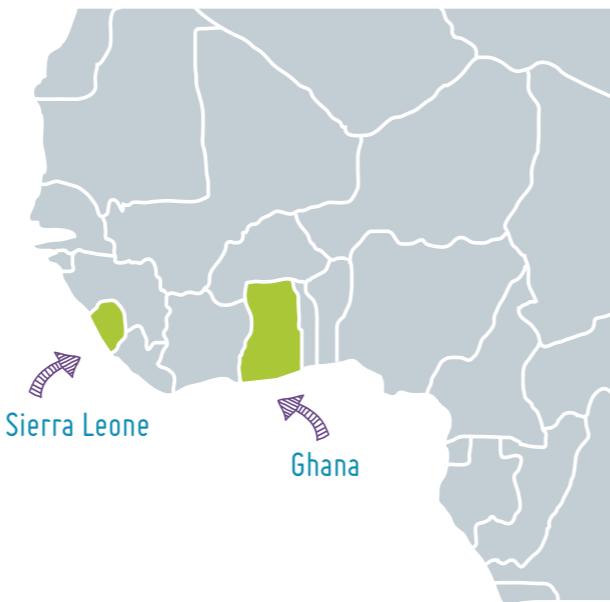
Jacob is Managing Director of Aqua Ventures International FZE, a family office specialising in alternative investments. Jacob oversees a pipeline of private equity, venture capital and structured fund investments in sectors including natural resources, real estate and technology.

COUNTRY FACTS

In West Africa, 2015 was marred by the Ebola crisis that struck the region killing over 10,000 people. The epidemic was especially virulent in Guinea, Liberia and Sierra Leone, where it brought to a halt the remarkable progress in macroeconomic and fiscal stability achieved by these countries over the last few years.

Despite the impact of this crisis and significantly depressed commodity prices, the macroeconomic outlook at the regional level is encouraging.

West Africa managed to maintain in excess of 5% growth in GDP in 2015, significantly above the continental average, and this is expected to remain similar in 2016. Given the regions weighting towards commodities, GDP growth in the next year will be highly dependent on an improvement in commodity demand and global prices.



Ghana

Ghana's growth rate is projected to exceed 5% in 2016, with increased oil and gas production helping to offset the effect of oil price deterioration. In 2017 the economy is expected to improve to 8% GDP growth which assumes that commodity prices start to rebound.

- ▶ GDP (2014): US\$51.5b
- ▶ GDP growth:

| | |
|------------------|------|
| 2013: | 7.3% |
| 2014: | 4.2% |
| 2015: | 3.9% |
| 2016 (forecast): | 5.4% |
- ▶ Population (2014): 27m
- ▶ Pop. growth rate: 2.5%

Sierra Leone

Prospects for 2016 are uncertain being dependent on resumption of iron ore production in the country (a commodity which significantly drives the countries GDP). Real GDP in 2016 is expected to rebound after a severe contraction in 2015 caused by the Ebola crisis and depressed commodity prices.

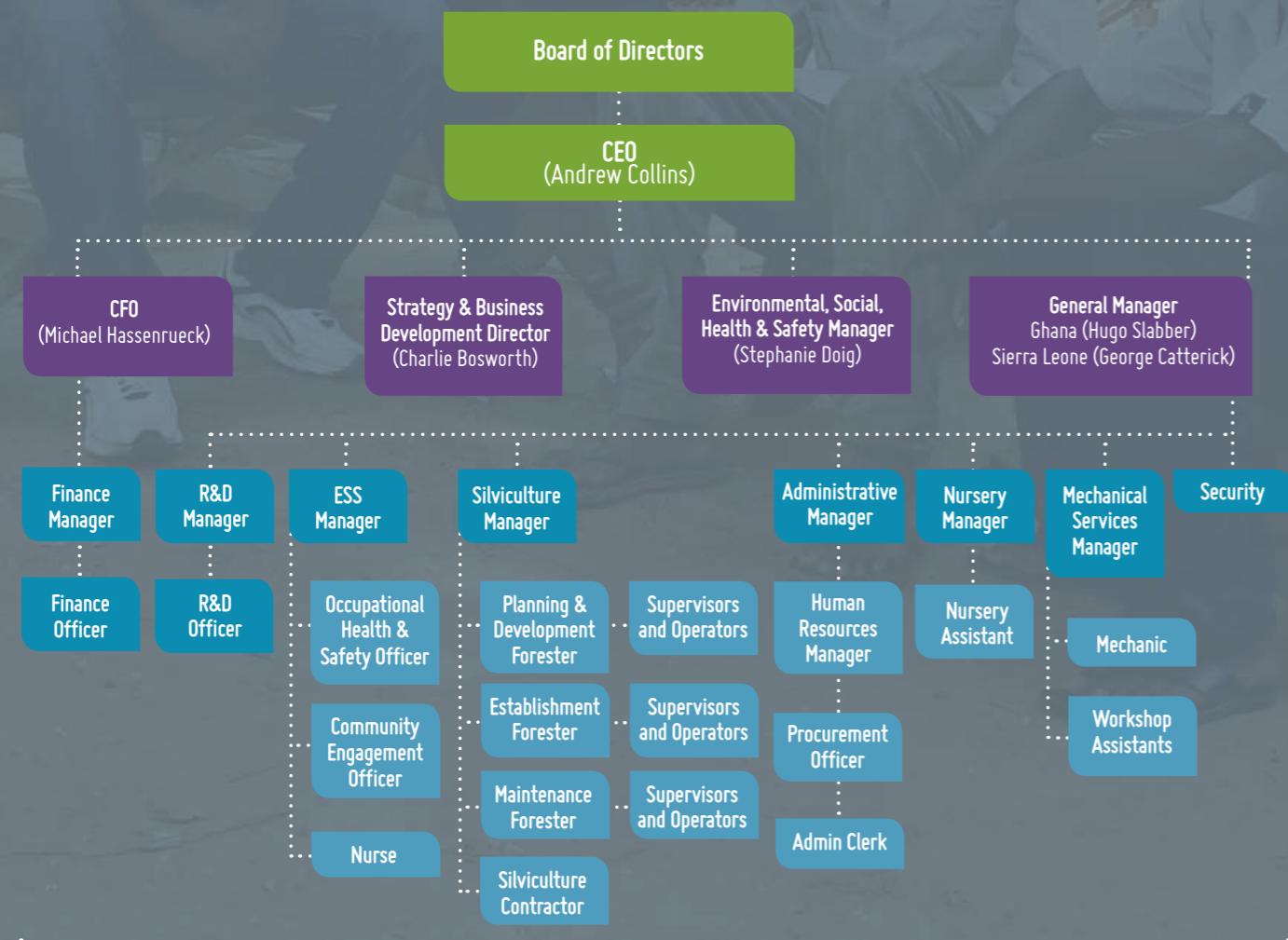
- ▶ GDP (2014): US\$3.8bn
- ▶ GDP growth:

| | |
|------------------|--------|
| 2013: | 20.1% |
| 2014: | 4.6% |
| 2015: | -20.0% |
| 2016 (forecast): | 6.6% |
- ▶ Population (2014): 6.2m
- ▶ Pop. growth rate: 3.0%

OUR PEOPLE



The Company at year-end 2015 employed a total of 813 people. The organisational structure of the group is as follows:



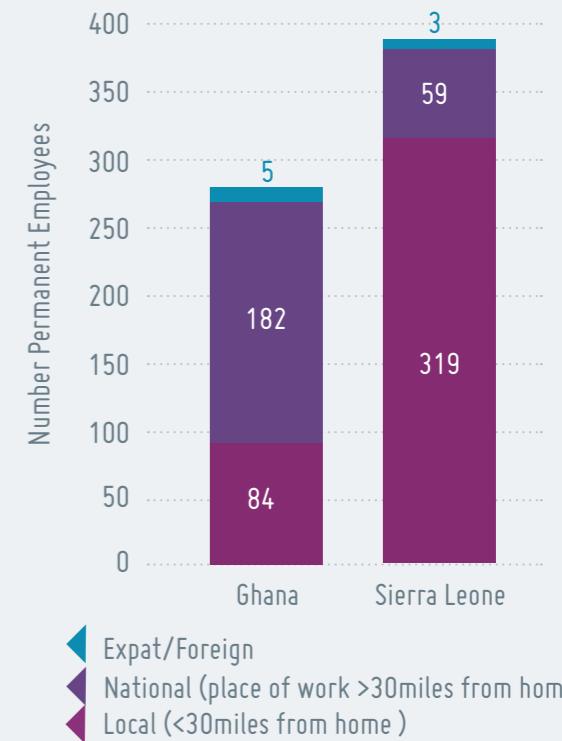
Consistent Group Employment Growth



Management
Foremen/Supervisors
General Labour

Permanent Employees

Where requisite skills and experience exist Miro Forestry always recruits locally in preference to Nationally or from overseas



Expat/Foreign
National (place of work >30miles from home)
Local (<30miles from home)

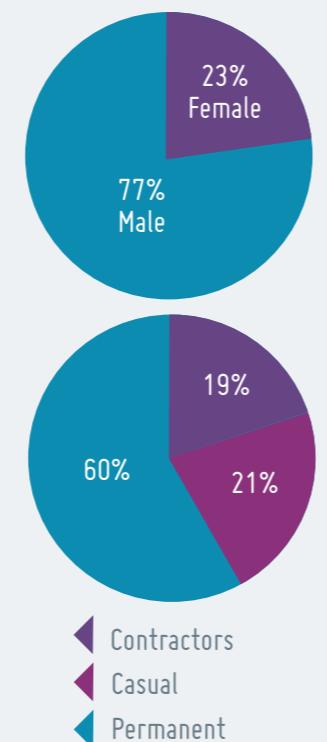
- > Miro Forestry's goal is to create a good workplace for all employees. The group is an equal opportunities employer and has a zero tolerance approach to all forms of discrimination. In 2015 the Company rolled out an employee grievance mechanism, through which any form of discrimination can be reported confidentially and without fear of reprisal.
- > All employees are paid above the minimum wage. In 2015, group salaries for unskilled labour were 30% above the national minimum. All employees have access to collective bargaining mechanisms.
- > To ensure employee wellbeing the Company ensures that employees have access to medical cover, maternity leave, compassionate leave and sick pay.
- > Miro Forestry's aim is to give its people a good workplace, opportunities to learn and chances to develop skills and their careers. All employees are trained internally and receive periodic external training (ranging from tractor operating and chemical handling to supporting certain individuals through formal qualifications).

OUR PEOPLE cont.



Employee and Contractor Demographics

| 2015 Average | United Kingdom | Ghana | Sierra Leone | Total |
|------------------------------|----------------|-------|--------------|-----------|
| Permanent Employees | 4 | 271 | 211 | 486 |
| Male | 3 | 187 | 182 | 372 (77%) |
| Female | 1 | 84 | 29 | 114 |
| Casual / Part-Time Employees | - | - | 170 | 170 |
| Male | - | - | 142 | 142 (84%) |
| Female | - | - | 28 | 28 |
| Contractors | - | 157 | - | 157 |
| Male | - | 129 | - | 129 (82%) |
| Female | - | 28 | - | 28 |



PAY APPROX
30%
ABOVE THE NATIONAL MINIMUM
WAGES IN GHANA AND SIERRA LEONE
FOR UNSKILLED LABOUR



CREATED
414
JOBS IN 2015

23%
OF
WORKFORCE IS
FEMALE

The Group is an equal opportunities employer with 23% of the total workforce being female. The age range of current employees is between 18 and 65 years with an average age under 30 across the Group.

The Company pays an average of approximately 30% above the national minimum wage in Ghana and Sierra Leone for unskilled labour, of whom 20-30% are literate. Unskilled labour makes up approximately 70% of the Group workforce. The Company provides a food allowance to all labourers and also provides medical coverage.



Health and Safety

- > Miro Forestry has a strong focus on health and safety standards and is committed to maintaining a productive workplace by minimising the risk of accidents, injury and exposure to health risks. The Company aims to have no incidents that harm people or put neighbours or operations at risk. In 2015, Occupational Health and Safety Officers were appointed in both Ghana and Sierra Leone, who are working toward conforming with the highest international Occupational Health and Safety standards.
- > Wherever possible the Company aims to eliminate associated risks; when this is not possible the Company ensures that adequate resources are made available to safely undertake work. In 2015 100% of employees were issued with Personal Protective Equipment (PPE).
- > In Sierra Leone the Company employs a full time nurse and in 2015 there were 438 cases treated internally, of which, 149 were malaria and 132 acute respiratory infections. In Ghana, employees are referred to the Agogo hospital where they receive free treatment. By knowing which diseases are prevalent the Company can strategically plan its health awareness campaigns, both internally and externally.

22 INJURIES REPORTED
IN 2015
EIGHT OF WHICH WERE
LOST TIME INJURIES



ROAD SAFETY AWARENESS
CAMPAIGN REACHING OVER
2,000 EMPLOYEES
AND COMMUNITY
MEMBERS



OVER
28 EMPLOYEES
TRAINED AS
FIRST AIDERS

428 CASES TREATED
BY THE COMPANY
NURSE IN SIERRA
LEONE



100%
OF WORKERS ISSUED WITH
PROTECTIVE EQUIPMENT



IMPACT INVESTING



The Company's intention is to have a positive social, economic and environmental impact in the areas which it operates. Miro Forestry manages its plantations to the highest international standards. The direct monetary benefit to the immediate local economy surrounding the Company's operations in 2015 is estimated at US\$3.8 million.

Direct monetary benefit to the immediate local economy around the Company plantations in Ghana and Sierra Leone

| Total Approx. US\$ Equivalent | Ghana | Sierra Leone |
|---------------------------------|----------------------|----------------------|
| Rural Employment | US\$587,000 | US\$319,000 |
| Purchase of Goods and Services | US\$1,444,000 | US\$1,274,000 |
| Land Lease Fees | US\$43,000 | US\$93,000 |
| Corporate Social Responsibility | US\$34,000 | US\$13,000 |
| TOTAL | US\$2,108,000 | US\$1,699,000 |

The Company delivers measurable social, economic and environmental development in the following ways:

Rural Employment

- > Miro Forestry directly employs over 800 people, 23% of which are females. Commonly there was no formal employment in the Company's areas of operation and frequently Miro Forestry's employees are the first generation to be formally employed. Operating in such areas, where the average income is less than US\$2 per day, Miro Forestry's presence in the area contributes significantly to local wealth creation. Estimating five people per family, it is assumed that men, women and children have benefitted directly by Miro Forestry's presence. The marked increase in disposable income has also resulted in numerous small businesses materialising in the local area.

Purchase of Goods and Services

- > Where possible, Miro Forestry prioritises sourcing locally, this includes labour, goods and services. In 2015 the Company purchased goods and services from the immediate local areas around the plantations of approximately US\$2.7 million across

both countries. When employing local contractors the Company offers assistance with building up the contracting business to meet international standards.

Land Lease Fees

- > The Company paid US\$136,000 of land lease fees in 2015. Depending on the stipulations in the land lease these are dispersed differently, however, the majority of this is paid directly to the land owner, this has a major financial impact on the communities surrounding the operations.

Benefit Sharing Arrangements

- > As part of the Company's land lease agreements, once the Company starts harvesting it pays a proportion of income derived from the plantations to the community. From 2022, this figure is estimated to be in excess of US\$1.5m in both Ghana and Sierra Leone, making this payment the most significant direct financial contribution. This will be distributed transparently according to landholding and lease agreements.



Plantation Management team members, Ghana.

COMMUNITY DEVELOPMENT & STAKEHOLDER ENGAGEMENT



Approximately 1% of the Company's annual budget is set aside for community projects. Miro Forestry aims to make meaningful and positive social contributions through its community development programmes. To do this Miro Forestry takes a participatory approach and involves the community in all projects from start to finish. To date the Company has funded projects related to education, water access to water and healthcare.

Community development meeting, Ghana.

In 2015, in Ghana, the Company built a kindergarten block for 150 children and built two boreholes for access to clean drinking water in Agogo. In Sierra Leone the Company supplied educational material to 3,600 primary and secondary school children and funded ten community centres¹. The Company has also funded health awareness campaigns for employee's and surrounding communities.

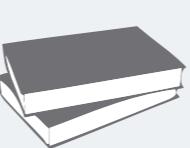
Miro Forestry strives for a proactive, mutually respectful and lasting relationships with all of its stakeholders. Miro Forestry communicates meaningfully and transparently through its inclusive country specific stakeholder engagement plans. In this way Miro Forestry ensures that it is listening to, learning from and taking into account the views of all of its stakeholders through open and relevant dialogue that respects and upholds the Company's values. In 2015 the Company spent approximately US\$15,000 on stakeholder engagement.

Grievance Mechanism

Miro Forestry recognises the importance of giving employees and stakeholders the opportunity to have their say, to raise potential concerns or grievances and provide the Company with feedback.

In 2015 the Company rolled out a formal Grievance Mechanism which ensures appropriate channels of communication are open and appoints designated people for feedback, investigation and presenting resolutions for grievances.

This will help Miro Forestry improve its business, drive employee and community engagement and help ensure that human rights are being appropriately respected. Miro Forestry is guided by the Universal Declaration of Human Rights and the International Labour Organization (ILO).



c. US\$25,000

SPENT ON EDUCATION
PROJECTS



GRIEVANCE MECHANISM
COMMUNICATED TO ALL EMPLOYEES
AND SURROUNDING COMMUNITIES



COMMUNITY
HEALTHCARE
AWAWARENESS CAMPAIGN
REACHES OVER
2,000 PEOPLE



c. US\$7,500

SPENT ON ACCESS
TO SAFE WATER



Kindergarten children, Ghana.



Cookstove workshop, Sierra Leone.

1. To be completed early in 2016 due to the building constraints during the raining season

ENVIRONMENTAL PROTECTION & ENHANCEMENT

West Africa has lost over 80% of its forest cover over the last 100 years. With growing economies and significant infrastructure the pressure on the precious remaining forest is increasing. Both Ghana and Sierra Leone rely heavily on wood fuel, which is the major energy source for cooking and heating, and accounts for 90% of energy demand.

Despite this, plantation forestry in the region is more limited than that of comparable countries in the tropics. Without plantation forestry there is little hope for relieving the pressure on the remaining natural forest. The Company aims to not only provide sustainable timber for the local market but to conserve the remaining indigenous species on its land concessions.

The land concessions that Miro Forestry operates on in both Ghana and Sierra Leone are severely degraded, due to historic logging, slash-and-burn agriculture, charcoal production and firewood collection.

In order to have a positive impact on remaining ecosystems Miro Forestry has conducted environmental impact assessments in all operational areas. The Company delineates and protects any environmentally and socially significant areas, this includes but is not limited to; shrines, community farming areas, wetlands, riparian forest, and any areas of remaining indigenous forest. Before any form of land development takes place the Company conducts an environmental and social risk assessment to confirm that initial delineation is still applicable.

In 2016 the Company will be conducting high conservation value (HCV) assessments in both Ghana and Sierra Leone to ensure that Miro Forestry's conservation strategy is in line with the highest international standards.

The Company works with national environmental protection agencies in Ghana and Sierra Leone to obtain environmental permits for its operations (requiring an annual audit by the agency).

Miro Forestry is constantly working towards lessening negative impacts on the environment. In 2015 Miro Forestry monitored its fuel usage, water quality and water extraction, with the aim of working towards improving usage efficiency of resources.

Carbon Sequestration

Tree plantations are an important global carbon sink, as the Company grows the amount of carbon sequestered will increase. Applying the clean development mechanism methodology Miro Forestry's carbon sequestration is estimated to be 4.5 million tonnes of carbon by 2025.



R&D and Nursery Manager, Ghana.



Eucalyptus, 2 years old, Sierra Leone.



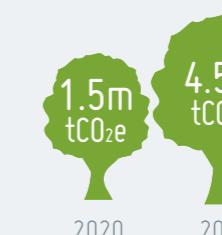
DEMARCATED
4,000
HECTARES FOR
CONSERVATION



INCREASED
ENVIRONMENTAL
MONITORING
PARAMETERS



IMPROVED
WASTE
MANAGEMENT
SYSTEMS



SEQUESTERED
100,000
TONNES OF
CARBON IN
2015

Business Integrity

Miro Forestry's policy is to comply with all applicable laws, rules, and regulations in all countries where it operates. In 2015 the Company finalised all of its policies and communicated them to employees. All Miro Forestry's stakeholders are encouraged to raise concerns about compliance, ethics and business conduct if they arise.

Miro Forestry has a zero tolerance approach to corruption. The Company conducted anti-corruption and whistleblowing policy awareness with all of its employees in 2015. The policy stipulates that employees will not face or be reprimanded if they report in good faith a violation or suspected violation of the Company's legal, ethical, or policy obligations.

Commitment to International Standards

Miro Forestry is working towards the attainment of Forest Stewardship Council (FSC) certification in 2017. In 2015 the Company made notable headway towards this goal when conforming management systems were introduced in Ghana and Sierra Leone covering everything from operations to environmental and social management systems.

An internal audit against FSC's Principles and Criteria was conducted in 2015, resulting in a detailed action plan to prepare the Company for an FSC certification pre-assessment in 2016. Following this the Company is expecting its first FSC audit in the first half of 2017. The Company also operates in alignment with the International Finance Corporation's Performance Standards (IFC-PS).

INVESTMENT AND PLANTATION ECONOMICS

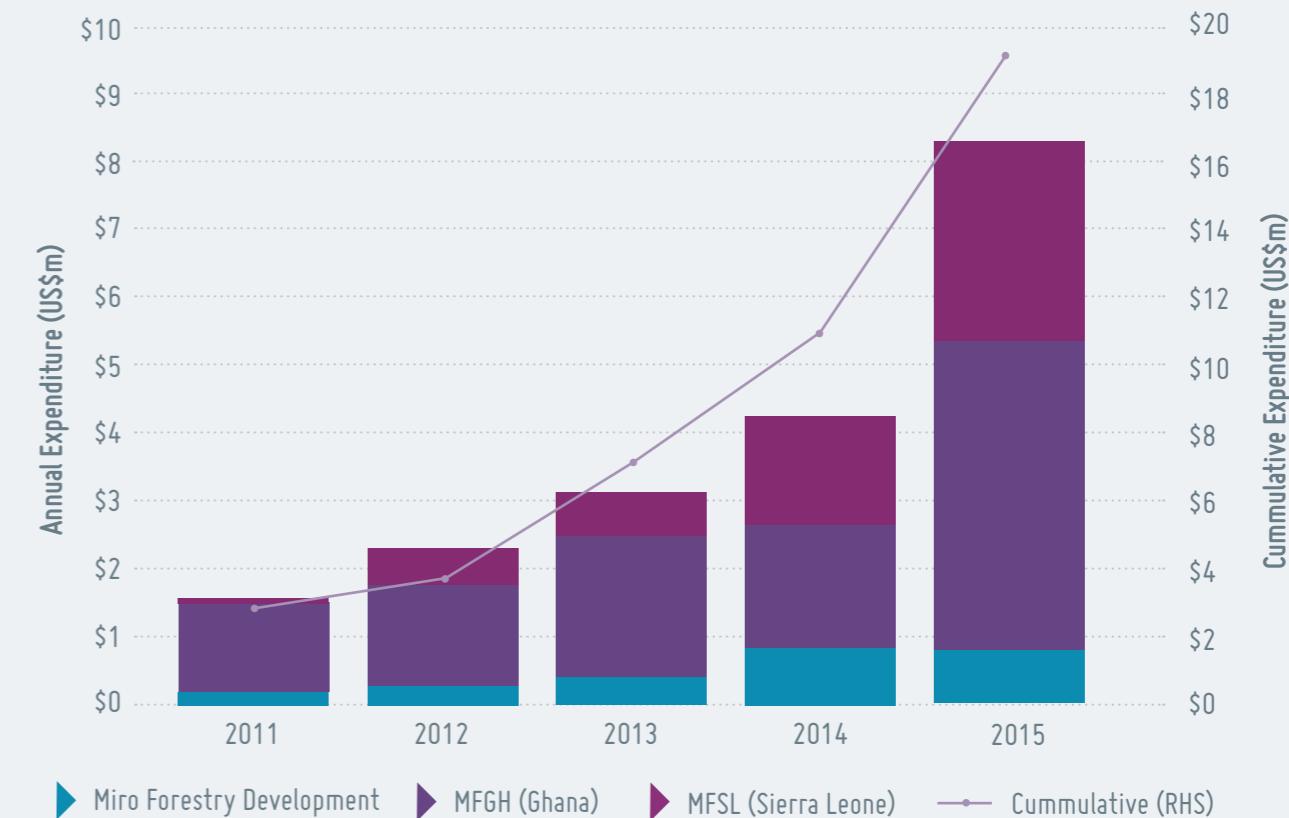


Since the start of 2011 (to year-end 2015), Miro Forestry has invested a total of US\$ 19.30 million into its operating activities across the Group¹. Of this US\$11 million has been invested into Ghana and US\$5.5 million into Sierra Leone. The Company is therefore one of the most significant investors into plantation forestry in either country.

Pine seedling for trial, Ghana.

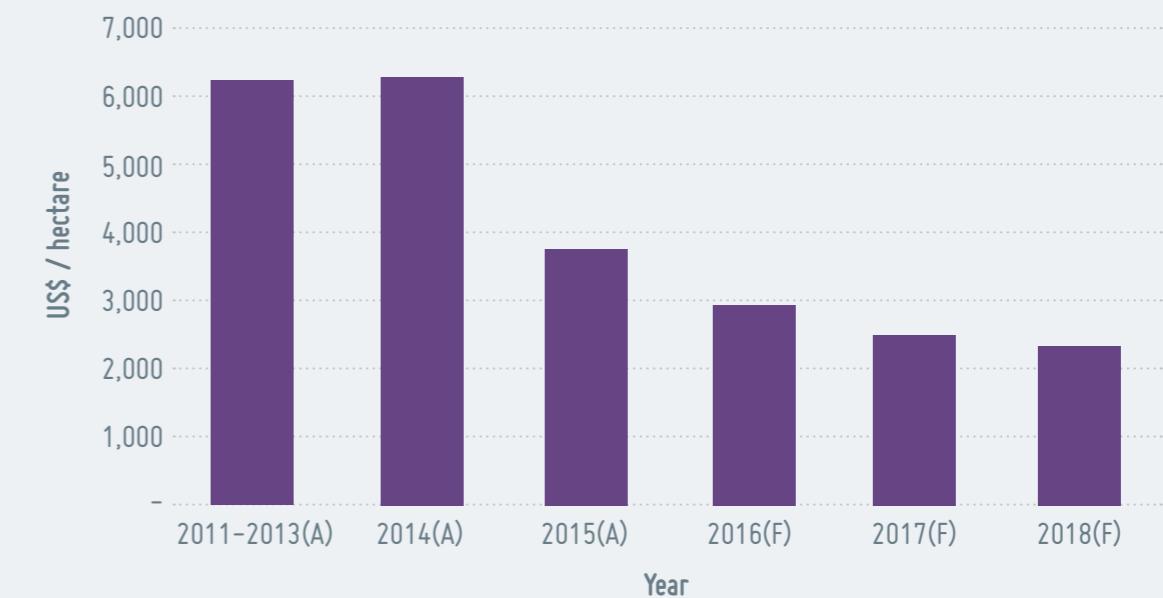
The use of funds by Miro Forestry, the group holding company, and by operational subsidiaries in Ghana and Sierra Leone respectively, over the period from 2011 (the year of first investment into the Company's Ghana operations) to year-end 2015 is detailed in the table below:

Annual Expenditure by Company (US\$m)



The chart below shows Miro Forestry's actual total cost per new hectare established since 2011 and the forecast total costs per new hectares established from 2016 to 2018.

Total Cost per Hectare Established



NOTE: For clarity, cost and expenditure is based on cash only and does not include non-cash accruals such as share based expenses and rolled up loan interest (ie. it excludes capital structure effects).

1) Total investment of c.US\$21 million including non-cash share based expenses and rolled up loan interest.

USE OF FUNDS BY COUNTRY

Miro Forestry has a policy always to acquire materials and services locally, in Ghana and Sierra Leone, when such materials and services exist at equivalent or lesser price, and to not less than equivalent standards elsewhere internationally. Not only is this best value for money, but it also maximises the Company's development impact and serves to add local support to operations.



Beneficiary Countries of Miro Forestry's investment over 2015

The table following shows the ultimate beneficiary countries of Miro Forestry's investment over 2015. This has been calculated based on the jurisdiction from which goods and services have been purchased and hence the country which ultimately benefits.

| | | | |
|---|------------------------------------|--------------------------------|--|
| Miro Forestry (Ghana) Limited (Ghana) | US\$3,261k (82%) Ghana | US\$428k (11%) South Africa | US\$308k (7%) Other Countries (predominantly Brazil and the UK) |
| Miro Forestry (SL) Limited (Sierra Leone) | US\$2,301k (76%) Sierra Leone | US\$256k (8%) South Africa | US\$503k (16%) Other Countries (predominantly the Netherlands and China) |
| Miro Forestry Developments Limited (UK) | US\$1,030k (89%) United Kingdom | US\$52k (5%) Ghana | US\$72k (6%) Other Countries (predominantly South Africa and Finland) |

ABBREVIATED FINANCIALS

MIRO FORESTRY DEVELOPMENTS LIMITED

ABBREVIATED FINANCIALS

Miro Forestry Developments Limited
Company Statement of Profit and Loss (unaudited)

For the year ended 31 December 2015

| | USD |
|---|-----------------------|
| Management recharge | 0.00 |
| Total Income | 0.00 |
| | |
| Staff costs (excluding bonus) | 559,844.77 |
| Staff bonus | 98,000.00 |
| Office rent | 61,948.44 |
| Travel & accomodation | 110,492.47 |
| Legal, accounting and audit costs | 158,451.43 |
| Consulting | 133,701.01 |
| IT costs | 33,437.26 |
| Other indirect costs | 89,193.52 |
| Bank charges, fundraising costs | 51,540.29 |
| Total Administrative Expenses | 1,296,609.19 |
| | |
| Shared based compensation (2013 & 2014) | 585,072.00 |
| Costs not recharged to subsidiaries | 97,500.00 |
| Exchange difference | 23,388.64 |
| Loan interest | 498,242.17 |
| Total Other Costs | 1,204,202.81 |
| | |
| Loss for the Year | (2,500,812.00) |

ABBREVIATED FINANCIALS

Miro Forestry Developments Limited
Company Statement of Financial Position (unaudited)

As at 31 December 2015

| | USD |
|--|----------------------|
| Assets | |
| Non Current Assets | |
| Investment in Miro Forestry (Ghana) Ltd | 2,474,578.37 |
| Investment in Miro Forestry (SL) Ltd | 2,556,000.00 |
| Total Investment in Subsidiaries | 5,030,578.37 |
| Long term loan to Miro Forestry (Ghana) Ltd | 8,445,832.04 |
| Long term loan to Miro Forestry (SL) Ltd | 4,049,223.52 |
| Total Long Term Loans to Subsidiaries | 12,495,055.56 |
| Current Assets | |
| Debtors and prepayments | 51,015.05 |
| Cash at bank | 277,299.89 |
| Total Current Assets | 328,314.94 |
| Total Assets | 17,853,948.87 |
| Equity and Liabilities | |
| Equity | |
| Share capital | 2,983,268.00 |
| Share premium | 6,088,155.00 |
| Reconstruction reserve | 5,697,076.08 |
| Retained earnings | 0.00 |
| Current year loss | (2,500,812.00) |
| Total Equity | 12,267,687.08 |
| Non Current Liabilities | |
| Finnfund loan | 3,344,315.50 |
| CDC loan | 1,710,000.00 |
| Accrued interest (non-current) | 178,866.61 |
| Total Non-Current Liabilities | 5,233,182.11 |
| Current Liabilities | |
| Creditors and accruals | 353,079.70 |
| Total Current Liabilities | 353,079.70 |
| Total Liabilities | 5,586,261.81 |
| Total Equity & Liabilities | 17,853,948.89 |

ABBREVIATED FINANCIALS

Miro Forestry Developments Limited
Company Statement of Cash Flow (unaudited)

For the year ended 31 December 2015

| | USD |
|--|------------------------|
| Loss for the year | (2,500,812.00) |
| Change in debtors & prepayments | (51,015.05) |
| Change in creditors & accruals | 353,079.70 |
| Cash Flow from Operations | (2,198,747.35) |
| Investment in subsidiaries | (5,030,578.37) |
| Loans provided to Miro Forestry (Ghana) Ltd | (8,445,832.04) |
| Loans provided to Miro Forestry (SL) Ltd | (4,049,223.52) |
| Cash Flow from Investing Activities | (17,525,633.93) |
| Share capital & premiums raised | 9,071,423.00 |
| Reconstruction reserve (strike off Miro Forestry Company Ltd) | 5,697,076.08 |
| Finnfund loan | 3,344,315.50 |
| CDC loan | 1,710,000.00 |
| Accrued interest (Finnfund & CDC) | 178,866.61 |
| Cash Flow from Financing Transactions | 20,001,681.19 |
| Net Change in Cash and Cash Equivalents | 277,299.91 |
| Opening cash & cash equivalents | 0.00 |
| Closing cash & cash equivalents | 277,299.91 |
| Difference Opening Balance / Closing Balance | 277,299.91 |
| Miro Forestry Developments Limited was established in 2015 as a UK incorporated company. All previous assets and liabilities of Miro Forestry Company Limited have been transferred to Miro Forestry Developments Limited. | |

ABBREVIATED FINANCIALS

MIRO FORESTRY (GHANA) LIMITED

ABBREVIATED FINANCIALS

Miro Forestry (Ghana) Limited

Company Statement of Profit and Loss (unaudited)

For the year ended 31 December 2015

| | USD 2015 | USD 2014 |
|-------------------------------------|-----------------------|-----------------------|
| | 0.00 | 0.00 |
| Revenue | | |
| Nursery | 66,681.73 | 35,525.43 |
| Establishment | 399,151.27 | 200,411.96 |
| Road construction & maintenance | 184,567.01 | 39,938.03 |
| Other operating costs | 1,979.44 | 3,969.65 |
| Operational Costs | 654,084.95 | 279,845.07 |
| Staff costs | 725,031.63 | 454,519.53 |
| Office costs | 24,916.38 | 33,210.30 |
| Legal, accounting and audit costs | 67,294.25 | 147,809.09 |
| Other indirect costs | 201,053.68 | 89,752.51 |
| Depreciation | 300,529.36 | 198,945.00 |
| Overheads | 1,318,825.30 | 924,236.43 |
| Loss on sale of asset | 6,003.86 | 0.00 |
| Realized forex losses | 22,565.43 | 0.00 |
| Unrealized forex losses | 877,929.75 | 1,130,866.17 |
| Total Forex Loss | 906,499.04 | 1,130,866.17 |
| Loss for the Year | (2,877,703.79) | (2,334,947.67) |
| Foreign exchange translation effect | 604,897.46 | 544,123.47 |
| Total Comprehensive Income | (2,272,806.33) | (1,790,824.20) |

ABBREVIATED FINANCIALS

Miro Forestry (Ghana) Limited

Company Statement of Financial Position (unaudited)

As at 31 December 2015

| | USD 2015 | USD 2014 |
|---|-----------------------|-----------------------|
| Assets | | |
| Non Current Assets | | |
| Fixed Assets | | |
| Cost | 1,622,346.67 | 707,667.77 |
| Depreciation | (435,276.68) | (403,494.90) |
| Net Book Value | 1,187,069.99 | 304,172.87 |
| Biological Assets (BAV at acquisition costs) | 1,883,690.23 | 1,224,000.87 |
| Deferred Tax | 103,068.59 | 120,996.32 |
| Current Assets | | |
| Inventory | 285,952.65 | 54,658.69 |
| Debtors and prepayments | 195,726.86 | 101,373.15 |
| Cash at bank | 56,048.51 | 70,774.17 |
| Total Current Assets | 537,728.02 | 226,806.01 |
| Total Assets | 3,711,556.83 | 1,875,976.07 |
| Equity and Liabilities | | |
| Equity | | |
| Share capital | 31,364.71 | 31,364.71 |
| Share premium | 2,078,636.06 | 2,078,636.06 |
| Retained earnings | (5,542,324.25) | (3,207,376.58) |
| Current year loss | (2,877,703.77) | (2,334,947.67) |
| Acc. foreign exchange translation effect | 1,508,676.59 | 903,779.13 |
| Total Equity | (4,801,350.66) | (2,528,544.35) |
| Non Current Liabilities | | |
| Long term loan from Miro Forestry Developments Ltd | 8,445,832.03 | 4,361,260.89 |
| Total Non-Current Liabilities | 8,445,832.03 | 4,361,260.89 |
| Current Liabilities | | |
| Creditors and accruals | 67,075.46 | 43,259.53 |
| Total Current Liabilities | 67,075.46 | 43,259.53 |
| Total Equity & Liabilities | 3,711,556.83 | 1,875,976.07 |

ABBREVIATED FINANCIALS

Miro Forestry (Ghana) Limited

Company Statement of Cash Flow (unaudited)

For the year ended 31 December 2015

| | USD 2015 | USD 2014 |
|---|-----------------------|-----------------------|
| Loss for the year | (2,877,703.77) | (2,334,947.67) |
| Change in acc. depreciation | 99,530.21 | 198,945.00 |
| Change in debtors & prepayments | (118,886.17) | (119,320.81) |
| Change in inventories | (260,212.57) | (33,842.54) |
| Change in payables & accruals | 32,854.31 | (23,109.15) |
| Cash Flow from Operations | (3,124,417.99) | (2,312,275.17) |
| Investment in fixed assets | (1,108,201.04) | (190,554.86) |
| Investment in biological assets (at cost) | (914,192.47) | (638,378.88) |
| Cash Flow from Investing Activities | (2,022,393.51) | (828,933.74) |
| Change in share capital | 4,437.82 | |
| Change in share premium | 557,686.08 | |
| Long term loan from Miro Forestry Developments Ltd | 4,084,571.15 | 1,356,413.07 |
| Currency exchange effects | 1,047,514.69 | 1,245,780.76 |
| Cash Flow from Financing Transactions | 5,132,085.84 | 3,164,317.73 |
| Net Change in Cash and Cash Equivalents | (14,725.66) | 23,108.82 |
| Opening cash & cash equivalents | 70,774.17 | 47,665.35 |
| Closing cash & cash equivalents | 56,048.51 | 70,774.17 |
| Difference Opening Balance / Closing Balance | (14,725.66) | 23,108.82 |

In 2015 Miro Forestry (Ghana) Limited became a wholly owned subsidiary of Miro Forestry Developments Limited.

ABBREVIATED FINANCIALS

MIRO FORESTRY (SL) LIMITED

ABBREVIATED FINANCIALS

Miro Forestry (SL) Limited

Company Statement of Profit and Loss (unaudited)

For the year ended 31 December 2015

| | USD 2015 | USD 2014 |
|--|-----------------------|-----------------------|
| Revenue | 35,649.34 | 32,838.46 |
| Nursery | 80,558.11 | 41,214.33 |
| Establishment | 259,029.52 | 285,205.09 |
| Road construction & maintenance | 42,501.68 | 24,767.28 |
| Maintenance | 4,052.34 | 0.00 |
| Operational Costs (not activated) | 386,141.65 | 351,186.70 |
| Staff costs | 485,960.15 | 122,466.88 |
| Office costs | 46,101.21 | 33,782.25 |
| Legal, accounting and audit costs | 60,497.18 | 167,306.66 |
| Other indirect costs | 243,986.98 | 255,778.92 |
| Depreciation | 267,165.15 | 158,384.49 |
| Overheads | 1,103,710.67 | 737,719.20 |
| Loss on sale of asset | 0.00 | 7,123.07 |
| Realized forex losses | (198,699.17) | (518.57) |
| Unrealized forex losses | (74,101.12) | (16,703.21) |
| Total Forex Loss | (272,800.29) | (10,098.71) |
| Profit for the Year | (1,181,402.69) | (1,045,968.73) |
| Foreign exchange translation effect | (1,506,015.43) | (1,086,221.97) |
| Total Comprehensive Income | (2,687,418.12) | (2,132,190.70) |

ABBREVIATED FINANCIALS

Miro Forestry (SL) Limited

Company Statement of Financial Position (unaudited)

As at 31 December 2015

| | USD 2015 | USD 2014 |
|---|-------------------------|-------------------------|
| Assets | | |
| Non Current Assets | | |
| Fixed Assets | | |
| Cost | 1,123,036.95 | 513,782.70 |
| Depreciation | (269,119.15) | (126,946.85) |
| Net Book Value | 0.00 | 386,835.85 |
| Biological Assets (BAV at acquisition costs) | 1,504,006.82 | 451,596.70 |
| Deferred Tax | 0.00 | 0.00 |
| Current Assets | | |
| Inventory | 146,203.95 | 124,443.93 |
| Debtors and prepayments | 415,165.54 | 29,190.73 |
| Cash at bank | 69,422.41 | 11,182.24 |
| Total Current Assets | 0.00 | 164,816.90 |
| Total Assets | 1,504,006.82 | 1,003,249.45 |
| Equity and Liabilities | | |
| Equity | | |
| Share capital | 28,473.80 | 28,473.80 |
| Share premium | 2,224,897.50 | 2,224,897.50 |
| Retained earnings | (1,045,968.72) | 0.00 |
| Current year loss | (1,181,402.68) | (1,045,968.72) |
| Acc. foreign exchange translation effect | (2,590,981.92) | (1,084,966.49) |
| Total Equity | (2,564,982.02) | 122,436.09 |
| Non Current Liabilities | | |
| Long term loan from Miro Forestry Developments Ltd | 4,049,223.52 | 857,370.46 |
| Total Non-Current Liabilities | 4,049,223.52 | 857,370.46 |
| Current Liabilities | | |
| Creditors and accruals | 19,765.32 | 23,442.90 |
| Total Current Liabilities | 19,765.32 | 23,442.90 |
| Total Equity & Liabilities | 1,504,006.82 | 1,003,249.45 |

ABBREVIATED FINANCIALS

Miro Forestry (SL) Limited

Company Statement of Cash Flow (unaudited)

For the year ended 31 December 2015

| | USD 2015 | USD 2014 |
|---|-----------------------|------------------------|
| Loss for the year | (1,181,402.68) | (1,045,968.72) |
| Change in acc. depreciation | 133,176.19 | 94,090.24 |
| Change in debtors & prepayments | (376,000.57) | (21,679.25) |
| Change in inventories | (15,573.09) | (123,026.57) |
| Change in payables & accruals | (4,669.05) | (13,716.46) |
| Cash Flow from Operations | (1,444,469.20) | (1,110,300.76) |
| Investment in fixed assets | (572,087.45) | (406,027.75) |
| Investment in biological assets (at cost) | (1,008,174.89) | (198,738.90) |
| Cash Flow from Investing Activities | (1,580,262.34) | (604,766.65) |
| Change in share capital | | |
| Change in share premium | | |
| Long term loan from Miro Forestry Developments Ltd | 3,191,853.06 | 1,698,726.02 |
| Currency exchange effects | (108,881.35) | 483.47 |
| Cash Flow from Financing Transactions | 3,082,971.71 | 1,699,209.49 |
| Net Change in Cash and Cash Equivalents | 58,240.17 | (15,857.92) |
| Opening cash & cash equivalents | 11,182.24 | 27,040.16 |
| Closing cash & cash equivalents | 69,422.41 | 11,182.24 |
| Difference Opening Balance / Closing Balance | 58,240.17 | (15,857.92) |

In 2015 Miro Forestry (SL) Limited became a wholly owned subsidiary of Miro Forestry Developments Limited.



Miro Forestry Company

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