RNS Number : 5941U
Woodbois Limited
07 April 2021

7 April 2021

Woodbois Limited

("Woodbois", the "Group" or the "Company")

Q1 2021 Update

Woodbois, the African focused sustainable forestry and timber trading company, is pleased to announce its Q1 trading update for the period 1 January 2021 to 31 March 2021.

Quarterly Operational Highlights

- Revenue of $4.6 million for Q1 2021, an increase of 44% over previous quarter
- Cash balance of $1.2 million and working capital of $6.2 million as at 6 April 2021, with bank loans of $8.3 million
- Total sawn timber production 3,700m^3 in Q1 2021, 83% increase on Q4 2020
- Total veneer production 822m^3 in Q1 2021, 44% increase on Q4 2020
- Supply chain disruption causes short delay to installation of Primultini sawmill line with completion now expected in May 2021
    - The new line will enable Woodbois to increase its sawn timber production by 30%
- Ivory Coast stock theft investigation by police proceeding: all local contracts terminated
- Woodbois continues to see progress with the turnaround of its Mozambique business, which is managed by a third party, and notes the recent militant events in the North of the country
    - The Company's Mozambique operations have not been impacted by these events to date and are not expected to have an affect on its performance in 2021

Entry into carbon credit market

- In March 2021, the Board announced a potentially significant commercial initiative with Woodbois' entry into the arena of reforestation projects at scale in Africa, generating carbon credits for corporate actors in the expanding Voluntary Carbon Markets
- This market is expected to grow exponentially over the coming years, with a number of transactions by large European energy companies taking place. The Company therefore believes that entry into this market should afford Woodbois with multiple synergies and a valuable add-on to the Company's existing sustainable forest management operations. Further updates on the initiative will be made in due course

2020 Financial Results (Unaudited)

- The Company expects to announce its audited results for 2020 on 29 April 2021
- Revenue of $15.3 million for FY 2020, a decrease of 22% from FY 2019, largely due to the impact of COVID-19
- Gross profit for FY 2020 of $1.2 million (FY 2019: $2.8 million)
- FY 2020 adjusted EBITDA loss of $1.7 million versus FY 2019 EBITDA loss of $1.9 million
- Post-restructuring FY 2020, net assets of $156.8 million (FY 2019 net assets of $117.2 million)

Outlook

- Despite the continued proliferation of COVID-19 and the subsequently challenging global economic environment, Woodbois expects to turn cashflow positive and to deliver record revenues during 2021
- Global shipping markets continue to be impacted by a worldwide freight container shortage, partly due to booming e-commerce sector, increased border restrictions and the recent blockage of the Suez Canal in Egypt

- As previously announced, the Company has engaged with the Programme for the Endorsement of Forest Certification ("PEFC"), a leading global alliance of national forest certification systems, in order to achieve FSC certification. However, the impact of the COVID-19 pandemic continues to impact this workstream, with certification now expected to complete in 2022

Commenting on today's announcement, Executive Chairman and CEO Paul Dolan said:

"*A record quarter of output from our upgraded facilities in Gabon has coincided with an increase in demand for our product as economies around the world began to rebound from the global pandemic. The quality and drive of the new members of our team is being reflected in a material improvement in processes and output numbers. These results are being delivered while Gabon still has a strict curfew in place which continues to restrict the number of hours worked so we can expect further uplift ahead as and when restrictions are eased.*

Global demand for our product remains strong, as does pricing which is allowing us to absorb the current spike in freight rates. In common with other exporters from West Africa and elsewhere, the lack of availability of shipping containers is impeding our ability to ship goods promptly due to the surge in demand for freight shipping since the end of 2020. While this situation is likely to normalise by the summer it may slow our ability to recognise revenues, which is based on shipments to customers, in Q2 2021.

Our entry into the carbon credit market is exciting and we see significant potential in this area going forward. According to United Nations Framework Convention on Climate Change, more than 1,600 corporates representing more than $11 trillion in annual sales have to-date committed to net zero carbon emissions by 2050. Additionally, billions of corporate dollars have already been earmarked for reforestation projects. To meet this rapidly increasing demand for quality carbon credits there must be supply of transparent and verifiable credit generating projects. We believe that forests currently represent one of the safest, proven and economically viable methods for capturing carbon at scale and Woodbois is well placed to deliver such projects.

We plan to conduct further events for shareholders over the coming months, so we look forward to engaging with our wider shareholder base in due course. We have a busy and exciting year ahead."

Enquiries:

Woodbois Limited
Paul Dolan - Chairman and CEO + 44 (0)20 7099 1940

Canaccord Genuity, Nominated Advisor + 44 (0)20 7523 8000
Henry Fitzgerald-O'Connor
James Asensio
Thomas Diehl

Celicourt Communications (IR/PR) +44 (0)20 8434 2643
Mark Antelme woodbois@celicourt.uk
Jimmy Lea

Background on Woodbois

Woodbois Limited (AIM:WBI) is an African focused forestry and timber trading company, which produces, processes, manufactures and distributes sustainable African hardwoods and hardwood products to customers around the world.

Woodbois' forestry division has production facilities in Gabon and Mozambique, managing a total of c400,000 hectares of natural forest concessions. The trading division comprises a highly experienced team of timber specialists, who source and supply sustainable timber to a global customer base. Its proprietary technology developed in house, captures, stores and presents data, providing a matching engine to build scale and optimise trading opportunities.

Sustainability is at the heart of the business, with a clear focus on maintaining the transparency and sustainability of its timber operations. This has been recognised by The Zoological Society of London, which ranked Woodbois third in its Sustainability Policy Transparency Toolkit ('SPOTT") ESG policy transparency assessments for the worldwide timber and pulp industries for 2020.

Please follow the Company on Twitter: @WoodboisLtd

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

TSTIFMBTMTJMTFB