NEWS RELEASE

Market Update

2024-12-09

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Woodbois Limited
09 December 2024

The information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation.

9 December 2024

WOODBOIS LIMITED
("Woodbois" or the "Company")
Market Update

Woodbois Limited is pleased to provide an update on significant operational and strategic developments as we continue to solidify our position in the global timber market.

Order Book Update

Woodbois' key existing major international clients in Libya, Iraq, and South Korea have, in aggregate, placed indicative purchase orders for over 9,000 m^3 of sawn timber. This is valued at approximately USD 4.5 million and covers the next 12 months with the bulk expected to be shipped in the first half of next year. The volumes under these orders are dynamic, and the directors expect further orders to be placed during the course of the year.

The Company currently has open contracts for veneer, whereby clients will purchase Woodbois' entire expected production for the next six months of 6,600 m^3 valued at approximately USD 4 million.

Shipping Update

17 containers of timber are currently at the port in Libreville and scheduled for shipment in the coming days. A further 55 containers are being prepared from stock at the warehouse in Moulia and it is anticipated that these will be transported to the port and shipped in the first quarter of next year.

Improved Payment Terms

Significant progress has been made in transitioning client payment terms, with more clients now adopting 'Cash for Documents' payment methods instead of traditional letters of credit. This shift positively impacts Woodbois' cash flow, ensuring more timely and efficient financial operations.

Maintaining Production During Rainy Season

During the rainy season, harvesting wood from our concessions is more challenging due to heavy rain and poor road conditions in the forest. Woodbois has initiated the purchase of 2,000 m^3 high-quality logs per month from third parties in Gabon who currently have stock available. This will ensure uninterrupted production levels, and supply chain reliability.

Salary Cost Savings

The ongoing transformation of the Woodbois organisation has resulted in substantial cost savings without compromising production levels:

- In Gabon, salary costs have been reduced by 46% compared to 2023.
- For the international organisation outside Gabon, salary costs have been reduced by 45% compared to 2023.

These savings reflect our commitment to achieving operational efficiency while maintaining production capacity.

CEO Statement

Guido Theuns, Executive Chair and CEO of Woodbois Ltd, commented:
"We are making progress in streamlining our operations and improving financial performance. By securing orders from known and reliable clients, enhancing payment terms, reducing costs, and taking proactive steps to maintain production during challenging conditions, we are building a stronger foundation for sustainable growth. I am proud of the team's efforts and remain confident in our ability to deliver value for our shareholders and clients."

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