



Media release

Higher sales and earnings in the first half of 2021

Zug, August 19, 2021 – In the first half of 2021, Group sales amounted to EUR 27.2 million, and earnings before interest and tax (EBIT) amounted to EUR 3.5 million or 13.0%. Sales growth was 17.6% over the same period of the previous year, and EBIT increased by EUR 4.0 million. This result was achieved despite a further increase in working capital of EUR 2.9 million. In the first half of 2021, maintenance work was carried out in the sawmills in Gabon in May and in Brazil in June, which reduced industrial activity during those periods. The sawn timber volumes of all sawmills were 16.9% above the previous year. Operations in Brazil developed positively in line with expectations, and the exchange rate also developed to our advantage. The Group's net result reached EUR 1.4 million (same period previous year: EUR –2.3 million). The generated cash flow was below expectations due to the capital tied up in inventory. Debt decreased by EUR 1.6 million from the end of the previous year, mainly due to the CHF/EUR exchange rate. The outlook and expectations for the full year 2021 positive. Prices can currently be increased and productivity maintained, or even slightly improved.

Net sales	unit	30.06.2021	30.06.2020	Index	Change
Precious Woods Group	mEUR	27.2	23.1	117.6%	4.1
Sawmills	mEUR	13.2	12.0	109.7%	1.2
Veneer plant	mEUR	-	6.3	0.0%	-6.3
Precious Woods Gabon	mEUR	17.8	15.8	112.8%	2.0
Sawmills	mEUR	6.9	6.2	111.3%	0.7
Biomass power plant	mEUR	0.2	-		
Precious Woods Amazon	mEUR	7.4	6.2	119.0%	1.2
Precious Woods Trading	mEUR	2.0	1.4	142.5%	0.6

Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 5.5 million (previous year: EUR 1.6 million), corresponding to a margin of 20.3%. Earnings before interest and tax (EBIT) reached EUR 3.5 million (previous year: EUR –0.4 million) and a margin of 13.0%.

The **financial result** was slightly above the previous year period at EUR –1.5 million (previous year: EUR –1.3 million). The current interest charge amounted to EUR 1.2 million (previous year: EUR 1.3 million), due to the investment volumes in Gabon since 2019. The net result was EUR 1.4 million (previous year: EUR –2.3 million). Exchange rate effects on the net result amounted to EUR –0.1 million (previous year: EUR 0.1 million).

The sawmills in **Gabon** produced a total of 21 008 m³ of sawn timber, corresponding to an increase of 17.9% (previous year: 17 815 m³). The increase in volume is mainly due to the capacity increase in the new hardwood sawmill. Capacity will be further increased in the second half of the year and will lead to a higher production volume. As in the previous year, maintenance work in the sawmills was carried out as planned in May.



PRECIOUS WOODS

Net sales in Gabon were 12.8% above the same period of the previous year, reaching EUR 17.8 million (previous year: EUR 15.8 million). Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 3.7 million (previous year: EUR 1.0 million). The EBITDA margin was 20.8% (previous year: 6.2%).

The production volume in **Brazil** was 17 286 m³ of sawn timber and thus 15.6% higher than in the previous year (14 953 m³). The sawmill lines were expanded and the harvest volumes increased. The increase in production in the first half of the year occurred despite the fact that not all of the log volume from the previous year's harvest was available and no work was possible in the month of June.

Net sales were 19.0% above the previous year, reaching EUR 7.4 million (previous year: EUR 6.2 million). Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 3.2 million, representing an improvement of EUR 1.7 million (previous year: EUR 1.5 million). This resulted in an EBITDA margin of 43.2% (previous year: 24.5%).

Net sales from **trading** in European logs and sawn timber amounted to EUR 2.0 million, representing an increase of 42.5% (previous year: EUR 1.4 million). The EBITDA margin was 7.9% (previous year: -7.6%).

In the first half-year, **Carbon & Energy** were sold CER certificates in the amount of for EUR 0.1 million, as in the previous year. For the first time, sales revenue also resulted from energy production in June. After the complete takeover of the shares in what is now MIL Energia Renovável Ltda., sales of EUR 0.3 million were realized.

Outlook

As a result of the expansion of production capacities and the realized increase in sales and earnings in the current year, we also anticipate a positive development for the second half of the year. We expect a reduction in inventory with slightly increased production. We therefore also expect to be able to present a strong increase in sales and profitability for the entire fiscal year compared to the previous year. Further investment projects to increase productivity and strategic growth projects are in progress but will not be realized before the end of this year.

Conditional and authorized capital is at our disposal to finance larger projects or to take advantage of opportunities at short notice. We are also planning a bond issue in the 4th quarter of 2021, to be used for refinancing and project financing.

The complete half-year report is available for download or as an online version at www.preciouswoods.com. You also have the option of ordering a printed version via our website under "Contacts/Annual Reports Request" or by e-mail to media@preciouswoods.com. To receive regular press releases, the newsletter is available on our website under "Contacts/Subscribe Newsletter".



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Precious Woods is an international company active in the sustainable management and use of tropical forests. The company's core activities include sustainable management of tropical forests, timber processing and the trading of FSC-certified timber products. The generation of emission rights and electricity from wood waste represent further integral elements of the company's business. Additional information about Precious Woods can be found at www.preciouswoods.com

This document includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical fact. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

in thousand EUR

INCOME STATEMENT	30.06.2021		30.06.2020	
Total revenue	27'194	100.0%	23'126	100.0%
Production costs	-12'151	-44.7%	-11'399	-49.3%
Operational contribution	15'043	55.3%	11'727	50.7%
Labour costs	-7'980	-29.3%	-8'938	-38.6%
Other operating costs	-1'542	-5.7%	-1'237	-5.3%
EBITDA	5'521	20.3%	1'552	6.7%
Depreciation and amortization	-1'995	-7.3%	-1'992	-8.6%
EBIT	3'526	13.0%	-440	-1.9%
Financial result	-1'468	-5.4%	-1'269	-5.5%
EBT	2'058	7.6%	-1'709	-7.4%
Income taxes	-681	-2.5%	-631	-2.7%
Net profit / -loss	1'377	5.1%	-2'340	-10.1%
BALANCE SHEET	30.06.2021		31.12.2020	
Current assets	31'557	27.2%	27'015	24.7%
Non-current assets	84'399	72.8%	82'428	75.3%
TOTAL ASSETS	115'956	100.0%	109'443	100.0%
Current liabilities	23'524	20.3%	20'902	19.1%
Non-current liabilities	46'993	40.5%	49'232	45.0%
Equity	45'439	39.2%	39'309	35.9%
TOTAL LIABILITIES & EQUITY	115'956	100.0%	109'443	100.0%