

The company is taking steps to address the uncertainties and improve its liquidity position, including reviewing its cost structure, exploring additional sources of financing, and seeking to refinance its debt obligations. Measures that have been initiated but not yet completed include:

- Discussion with current loan lenders to extend short term due loans for at least additional 12 months,
- Increase capital-band at the next AGM to give future investors the possibility of equity investment,
- Consider sale of assets (e.g. Land with concession lease-back),
- Contact with potential new investors

The company's ability to continue as a going concern is dependent on its ability to generate sufficient cash flows from operations and obtain additional financing to meet its obligations as they come due. The Board of Directors has not yet been able to raise sufficient additional financing to meet

the financial obligations that will be due in 2023. Consequently, there is a material uncertainty that raises significant doubts about the company's ability to continue as a going concern. If the company is unable to address these material uncertainties and to secure its liquidity position, it may be unable to continue as a going concern. If such a situation arises, the financial statements would need to be prepared based on liquidation values.

The Board of Directors and Management expects that the proposed measures will be successful, and their effects will be to strengthen the liquidity of the Group and assure its financial stability in the long term. Therefore, the Board of Directors and Management believe the going concern assumption of the Precious Woods Group is given. The company will continue to monitor and assess its liquidity position and take necessary actions to mitigate these risks and will provide updates to stakeholders as appropriate. The board of directors is committed to act with the required urgency.

## 8. Long-term interest-bearing liabilities

As of 31 December 2022, the long-term liabilities consist of three loans in the amount of CHF 22.0 million from shareholders and one loan in the amount of CHF 6.0 million from third

parties. The loans have an interest rate of 6% and 4% and have been agreed with maturities until December 2024, June 2025 and October 2025 (see also note 12).

## 9. Board and Executive compensation

As of the balance sheet date, there are loans between the Company as a borrower and the Board of Directors in the amount of CHF 2.5 million (2021: CHF 0.0 million). The compensation and the number of shares held by the Board of Directors are composed as follows:

in thousand CHF	Fix in cash	Fix in shares	Other compensation	Total	Ownership of shares
<b>For the year 2022</b>					
Katharina Lehmann	90	–	–	<b>90</b>	104 021
Markus Brüttsch	30	–	–	<b>30</b>	228 220
Jürgen Blaser	30	–	–	<b>30</b>	3 500
Robert Hunink	30	–	10	<b>40</b>	32 500
Werner Fleischmann <sup>1</sup>	19	–	–	<b>19</b>	1 708 883
<b>Total</b>	<b>199</b>	<b>–</b>	<b>10</b>	<b>209</b>	<b>2 077 124</b>

in thousand CHF	Fix in cash	Fix in shares	Other compensation	Total	Ownership of shares
<b>For the year 2021</b>					
Katharina Lehmann	90	–	–	<b>90</b>	104 453
Markus Brüttsch	30	–	–	<b>30</b>	178 220
Jürgen Blaser	30	–	–	<b>30</b>	3 500
Robert Hunink	30	–	3	<b>33</b>	25 000
<b>Total</b>	<b>180</b>	<b>–</b>	<b>3</b>	<b>183</b>	<b>311 173</b>

<sup>1</sup> This Board member was elected in May 2022.

As of the balance sheet date, there are no loans between the Company and the Group Management. The compensation and the number of shares held by the Group Management are composed as follows:

in thousand CHF	Salary Fix in cash	Salary <sup>1</sup> Variable in cash	Employer <sup>2</sup> social contributions	Total	Ownership of shares
<b>For the year 2022</b>					
Markus Brüttsch, CEO / CFO	375	150	91	<b>616</b>	228 220
<b>Group Management Total</b>	<b>1 025</b>	<b>189</b>	<b>190</b>	<b>1 404</b>	<b>242 320</b>
<b>For the year 2021</b>					
Markus Brüttsch, CEO / CFO	375	125	89	<b>589</b>	178 220
<b>Group Management Total</b>	<b>983</b>	<b>145</b>	<b>183</b>	<b>1 311</b>	<b>189 820</b>

<sup>1</sup> During 2022 and 2021 no share-based compensation was made to the Group Management.

<sup>2</sup> These amounts comprise payments to pension plans (mandatory and non-mandatory), ESPPs and other social contributions.

No compensation was made to former members of the Board of Directors or Group Management. Furthermore, no payments at more favorable conditions were made to active

or former members of the Board of Directors or Group Management.

## 10. Depreciation, amortization and impairment

As of 31 December 2022, depreciation, amortization and impairment includes, on the one hand, the normal depreciation on property, plant and equipment in the amount of

CHF 0.1 million. On the other hand, it includes an impairment of the investments Lastour & Co. and Unio S.A. (see Note 5) in the amount of CHF 8.2 million.

## 11. Major shareholders

For the overview of major shareholders as of 31 December 2022 and 2021 we refer to the note 23 to the consolidated group financial statements.

## 12. Pledged assets / other securities

As of 31 December 2022, and 2021, Precious Woods Holding Ltd had no pledged assets, but the liabilities of CHF 26.0 million are secured by land securities in Brazil (see note 8).

## 13. Other note / Full time employment

The full-time employment of Holding employees for the year 2022 amounts to 14.3 FTE (2021: 13.1 FTE). We refer to the

social key figures in the sustainability report for further information.