Precious Woods

Annual Report

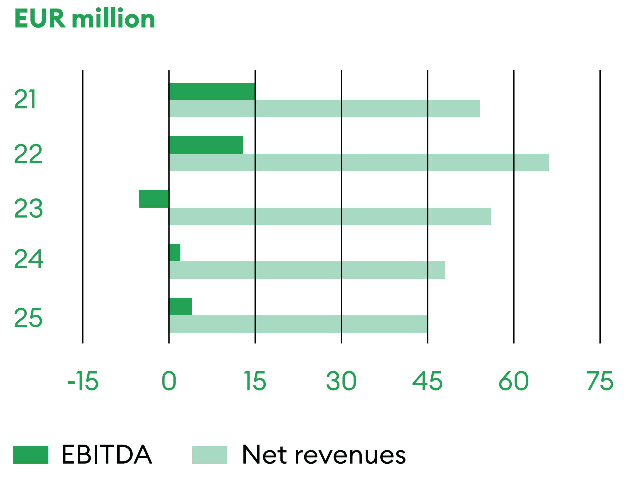
2025

Key figures and information for investors

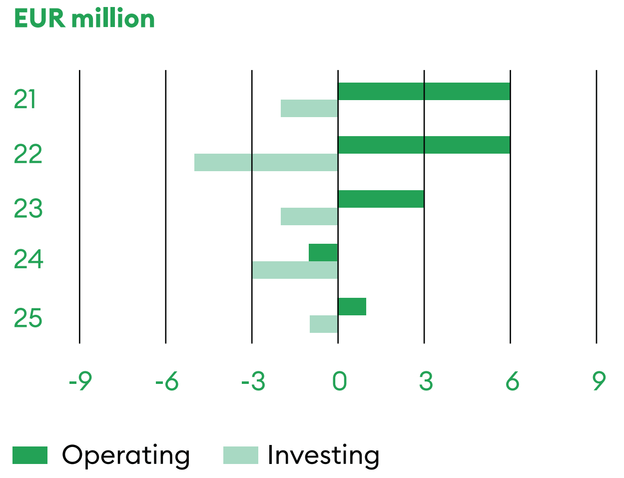
5-year summary of key financial data (in thousand EUR)

	2021	2022	2023	2024	2025
Net revenues	**54 299**	**65 866**	**56 401**	**47 746**	**44 628**
Depreciation, amortization and impairments	–4 329	–6 417	–4 247	–5 933	–4 239
EBITDA	**15 066**	**13 332**	**–5 143**	**2 090**	**4 207**
in % of net revenues	27.7 %	20.2 %	–9.1 %	4.4 %	9.4 %
EBIT	10 738	6 915	–9 390	–3 843	–32
in % of net revenues	19.8 %	10.5 %	–16.6 %	–8.0 %	–0.1 %
Net result	**4 685**	**965**	**–12 717**	**–4 873**	**–7 605**
in % of net revenues	8.6 %	1.5 %	–22.5 %	–10.2 %	–17.0 %
Balance sheet total	117 438	136 399	132 684	116 845	117 263
Shareholders' equity	**44 438**	**50 362**	**41 115**	**73 331**	**68 505**
in % of the balance sheet total	37.8 %	36.9 %	31.0 %	62.8 %	58.4 %
Net indebtedness	**42 184**	**46 145**	**48 935**	**9 117**	**9 915**
Cash flow from operating activities	**6 049**	**6 348**	**2 665**	**–553**	**1 105**
Investments/acquisitions	–2 332	–5 495	–1 707	–3 011	–715
Average full-time equivalent employees	1 560	1 539	1 259	1 027	1 091

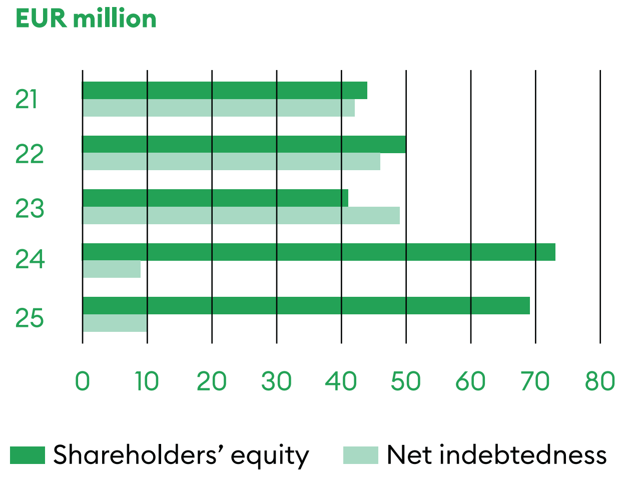
EBITDA and net revenues



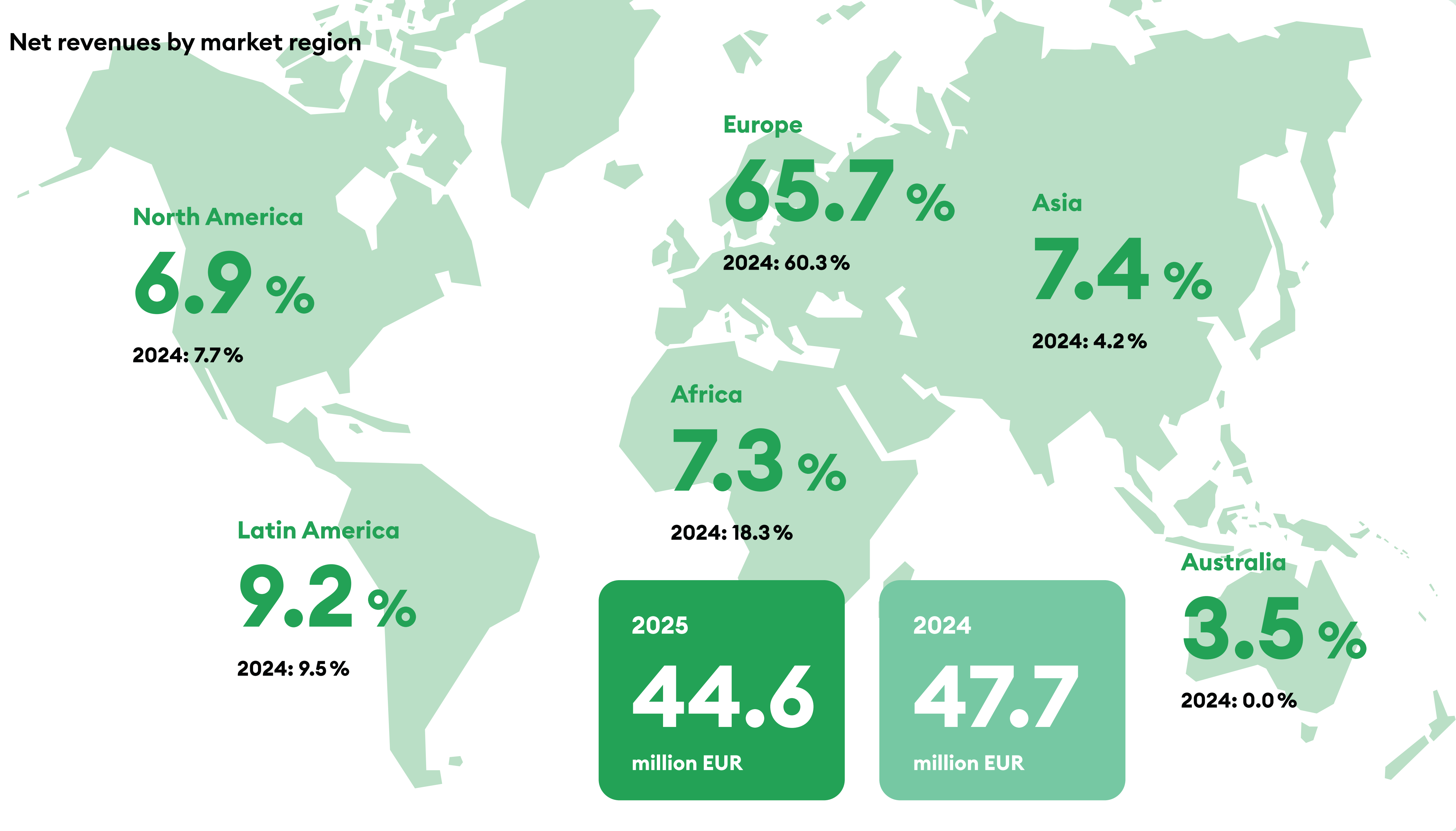
Cash flow from operating and investing activities



Shareholders' equity and net indebtedness



Net revenues by market region



Net revenues by business segment

Sustainable forest management Brazil
2025: 26.0 %
2024: 21.5 %

Sustainable forest management Gabon
2025: 65.4 %
2024: 69.8 %

Trading
2025: 8.6 %
2024: 8.7 %

Precious Woods at a glance

PW Group

Portrait
Precious Woods (PW) is an internationally active company specializing in the sustainable, certified management of natural tropical forests. In addition to forest management, its core activities include timber processing, the trade of FSC® and PEFC-certified wood products, reforestation, the development of carbon projects and electricity production from residual wood. Its key end markets include shipbuilding and hydraulic engineering, gardening, building and road construction, as well as door, window and outdoor furniture manufacturers.

Key figures (in million EUR)

	Revenue	EBITDA	EBIT margin
2025	44.6	4.2	-0.1 %
2024	47.7	2.1	-8.0 %

PW Amazon

Portrait
In Brazil, PW Amazon manages sustainable forestry on 466 900 hectares, of which around 394 000 hectares is of its own land and 73 000 hectare is concessions, and operates a biomass power plant. The certified, sustainably harvested timber is processed at the company's own factory into semi-finished and finished products for the local market and for export to Europe, the United States and Asia.

Key figures (in million EUR)

	Revenue	EBITDA	EBIT margin
2025	11.5	5.9	38.6 %
2024	10.2	4.1	19.5 %

PW Gabon

Portrait
In Gabon, PW Gabon manages sustainable forestry on a concession area of approximately 601 000 hectares, along with three sawmills and a moulding plant. The company conducts reforestation with indigenous tree species for the national railway company and a major oil corporation. Additionally, a rotary veneer factory is operated as part of a joint venture (CPL) with the French Arbor Group. PW Gabon's key sales markets include South Africa, Europe, Latin America and Asia.

Key figures (in million EUR)

	Revenue	EBITDA	EBIT margin
2025	29.2	0.6	-7.4 %
2024	33.3	1.5	-6.6 %

PW Trading

Portrait
PW Trading trades in logs and sawn timber from Europe and Gabon. Trading complements the core business and secures expertise in the sales and procurement market. It also creates synergies with the other business areas. The main sales region is Asia.

Key figures (in million EUR)

	Revenue	EBITDA	EBIT margin
2025	3.8	0.1	2.8 %
2024	4.2	-1.0	-24.9 %

PW Carbon & Energy

Portrait
PW Carbon & Energy comprises the trading of certified emissions reductions (CERs) and the operation of the biomass power plant and electricity production in Brazil.

Key figures (in million EUR)

	Revenue	EBITDA	EBIT margin
2025	0.3	-0.3	-107.1 %
2024	0.2	-0.5	-215.1 %

2025 2024

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Precious Woods

To our shareholders

To our shareholders

Markus Brütsch

Chairman of the BoD

Dear Shareholders

In the financial year 2025, we consistently pursued our strategic initiatives, thereby improving the profitability of Precious Woods while laying the foundation for projects that can be realized in the near future. However, the challenges we faced this year were more extensive than anticipated. The geopolitical environment remained tense, and the expected economic recovery did not materialize. In addition to ongoing logistical difficulties, increased political uncertainties at both locations weighed on business performance. As a result, revenues declined in the reporting year.

Positive operating result (EBITDA) – Decline in revenues

Net revenues in the financial year 2025 amounted to EUR 44.6 million, representing a decrease of 6.5%. Market conditions did not recover as expected. However, disciplined production planning enabled us to reduce costs and thereby improve operating performance. Overall, we achieved a positive EBITDA of EUR 4.2 million, corresponding to a margin of 9.4%. Although economic conditions remained largely unchanged throughout the year, we maintained a sufficient order backlog in both operations at all times. This was partly achieved by reducing harvesting volumes and focusing on commonly traded wood species. Price levels remained largely stable, with the product mix contributing to slightly higher average sawn timber prices. Projects outside our core business but within our area of expertise – namely the reforestation of degraded areas – also contributed positively. Such projects were carried out in both Gabon and Brazil, and we are working to further expand these service activities.

Tropical timber in the geopolitical environment

In 2025, global timber trade – and particularly the tropical timber sector – was significantly impacted by new regulatory hurdles and shifts in global trade flows. While the sector aims to grow as part of the bioeconomy, geopolitical tensions and stringent environmental regulations continue to constrain operations. For the tropical timber trade, 2025 represented a defining year in connection with the EU Deforestation Regulation (EUDR). Although the strict enforcement rules were postponed by one year at the end of 2025, preparations for implementation shaped the entire market. As a result, the sector remains in a phase of consolidation. Importers are now required to demonstrate full traceability, ensuring that timber does not originate from land deforested after 2020. Only companies with controlled supply chains and certified sources (FSC/PEFC) remain competitive in Western markets. Precious Woods clearly belongs to this group. However, consumer preferences have increasingly shifted toward locally sourced timber in order to reduce geopolitical supply chain risks. This development makes the acquisition of new customers more challenging. Fortunately, our existing customers continue to value both the properties of tropical timber and our reliability as a partner, providing us with a solid customer base. Nevertheless, further market expansion will be necessary to achieve our growth objectives.

UN climate conference COP30 in Brazil

The 30th United Nations Climate Change Conference (COP30) took place from November 10 to 21, 2025, in Belém, Brazil. Overall, the outcomes are considered ambiguous. While progress was made in climate adaptation and forest protection, a clear roadmap for phasing out fossil fuels was not established. A new rainforest fund, the Tropical Forests Forever Facility (TFFF), was launched to support the protection of tropical forests. It represents one of the most ambitious outcomes of the conference and introduces a novel financing model aimed at making forest conservation economically more attractive than deforestation. The TFFF is designed as a permanent investment fund based on capital investments rather than one-off donations, with a targeted volume of USD 125 billion. Initial commitments of more than USD 5.5 billion have already been secured. The fund is expected to generate annual returns of approximately 4–5%, which will be distributed to countries that demonstrably protect their rainforests. Participating countries are expected to receive USD 4 per hectare of preserved forest annually. The fund targets approximately 70 tropical forest countries in the Global South, with at least 20% of funds intended to be allocated directly to indigenous peoples and local communities. It is regrettable that sustainable forest management was once again not recognized as a key instrument for rainforest conservation. As a result, private sector participants are unlikely to benefit directly from these pay-outs. Indirectly, however, we may benefit from improved concession terms. Overall, it remains to be seen how the fund develops and how resources will be allocated.

Strong equity ratio

Following the capital increase at the end of 2024, the equity ratio stands at 90% at holding level and at 58% on a consolidated basis, which is a high figure even by international industry standards. As the economic recovery fell short of expectations, raising additional financing for working capital and smaller projects proved more challenging. In Brazil, loans were granted for replacement investments, albeit at relatively high cost. In Gabon, financing negotiations became more difficult due to the country's high level of indebtedness and increased pressure on businesses resulting from government policies. We are working on raising new loans to finance our future investments.

Outlook and thanks

For the financial year 2026, we do not expect a significant market recovery given the prevailing geopolitical conditions. The markets we closely monitor remain at a low level. However, we see opportunities to increase revenues through a broader product range. Where possible, we will implement targeted productivity improvements and further cost reductions. Several projects are planned, although their financial impact is expected to materialize no earlier than 2027. Overall, we expect a positive operating result and a significantly improved net result for 2026. Due to the political and economic uncertainties, it is not possible to provide specific guidance. Precious Woods benefits from the long-standing commitment and dedication of its employees across the entire Group. They are the most important factor and a key pillar of our success. The demanding challenges faced by our company could not be met without the exceptional efforts of our teams, specialists and managers. On behalf of the Board of Directors, I would like to express my sincere thanks to all employees, as well as to local and Group management, for their outstanding commitment during these challenging times. I would also like to thank my fellow members of the Board of Directors for their professional, critical, and constructive contributions and discussions. On behalf of the entire Board of Directors and all employees, we would like to thank you, our shareholders, for your patience and commitment to our company, and for continuing to support, promote, and encourage our work and dedication.

Yours faithfully,

Markus Brütsch

Chairman of the Board of Directors

Highlights in 2025

Reconnection of the biomass power plant

The 9-megawatt biomass power plant MIL Energia Renovável in Brazil uses wood waste from the sawmill to generate electricity and supplies power to our production facility, among others. After the grid operator interrupted the feed-in to the public grid in the precious year, there was a partial reconnection in the financial year 2025. A full connection to the national grid is now being pursued in order to better benefit from volatile electricity prices and to operate the biomass power plant more efficiently and flexibly.

Future-oriented projects initiated

A project in Gabon aims to convert previously unused biomass from sustainable forestry into charcoal, thereby replacing fossil fuels in industrial processes and reducing CO_2 emissions. At the same time, the project improves resource efficiency and creates additional value locally. The project is currently in the testing phase.

In Brazil, we continued to advance the development of our new carbon project for forest conservation. The focus is on creating additional value by generating high-quality CO_2 credits and providing targeted support to help buyers achieve their climate goals. The results of the project validation are scheduled for the end of 2026.

Strategic direction confirmed

The developments in financial year 2025 show that Precious Woods continues to consistently pursue its strategic priorities and that the improvements implemented are increasingly taking effect. At the same time, there were important interim milestones that enabled the company to drive its further progress and continue pursuing its strategic objectives even under challenging conditions.

Effective implementation of local management succession

During the reporting year, further key positions were successfully filled, thereby establishing a solid foundation for long-term stability. The handover to experienced employees was well structured and ensures a smooth continuation of responsibilities. The new leadership team brings fresh ideas to the table, contributes to the company's continued growth and shapes future structures.

2025

Strategy and business model

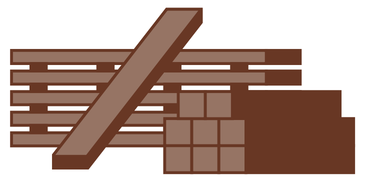
Vision

”Precious Woods is both a pioneer and a benchmark in the sustainable management of natural tropical forests. The company is innovative and takes a long-term, generational approach. In doing so, Precious Woods ensures a sustainable future for people, nature and society.”

Production

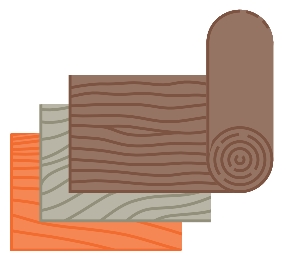
Products & Services

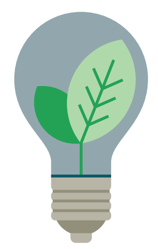

Logs


Sawn Wood


Reforestation Services


Carbon Credits


Veneer


Energy

Strategy, business model and added value

The business model of Precious Woods is founded on the sustainable management of tropical forests in South America (Amazon) and Africa (Gabon) for the production and sale of logs and sawn timber (beams, poles, boards), planed products, and veneer made from over 60 tropical tree species.

In a sustainable, low-emission economy, wood is the building material of the future. Tropical wood offers the same high-performance properties as conventional building materials and is increasingly used as a substitute for concrete, particularly in infrastructure projects. The forestry operations of Precious Woods are FSC- and PEFC-certified. The company’s approach to production prioritizes the preservation of tree species diversity, forest structure and natural regeneration. This is achieved through careful harvesting methods, with only a small number of trees felled in rotation cycles of 25 to 35 years. Over this period, this equates to approximately two trees per football pitch-sized area.

By combining the sustainable management of tropical forests with the eco-friendly replacement of conventional building materials, the business model of Precious Woods provides investors with the opportunity to make a responsible and sustainable investment.

Precious Woods is structured into the segments Amazon, Gabon, Trading and Carbon & Energy, along with Group Management. Group Management focuses on achieving strategic objectives, sales, marketing and communication, and finance, while the Amazon and Gabon business units produce tropical timber and semi-finished products. The Trading unit manages the trade of logs and sawn timber from Africa and Europe. Carbon & Energy produces biomass from wood residues, which is used to generate renewable energy. Precious Woods utilizes this biomass for energy production at its manufacturing sites and other purposes. In future, this unit will also sell carbon credits derived from the CO_2 sequestration of its forests.

The key markets of Precious Woods for timber and semi-finished products include shipbuilding and hydraulic engineering, gardening, building and road construction, door and window manufacturers, and outdoor furniture manufacturers.

Non-governmental organizations (NGOs) are key partners in the Precious Woods business model. Their regular information campaigns help raise awareness of the vital role tropical forests play in carbon storage and biodiversity conservation. In doing so, they influence the regulatory framework in forestry, benefiting Precious Woods as a consistently sustainable market player.

Market characteristics

The market for wood is gaining increasing importance as a sustainable alternative to conventional building materials. Current reports estimate the market value for sustainable building materials at approximately USD 475 billion in 2024, with projections indicating growth to USD 1 200 billion by 2032 at an annual growth rate of over 12 %.

The market for certified tropical timber is shaped by Precious Woods and a few key competitors. A major market driver is the growing awareness of the benefits of sustainable tropical forest management as a counterforce to the ongoing issue of illegal and exploitative deforestation. Certification systems such as FSC and PEFC provide consumers with assurance that tropical timber originates from sustainably managed forests. As a result, these certifications are increasingly recognized as a competitive advantage.

Tropical timber is primarily harvested in Southeast Asia (Indonesia, Malaysia), Latin America (Brazil, Peru), and Africa (Congo Basin, including Gabon). However, illegal logging and weak law enforcement in these regions present significant challenges. As a result, companies and timber processors specializing in sustainable forestry often work in partnership with governments, international organizations and NGOs. These partnerships help to ensure that their practices adhere to the highest environmental standards.

The unique properties of tropical woods, such as hardness and rot resistance, mean it is highly suitable for public infrastructure projects, private house and garden construction, and buildings in and around water. However, sustainable wood is more expensive than conventional timber. In sectors and markets where demand is strongly price-driven, it competes with significantly cheaper wood, which is often illegally harvested. As a result, sustainable tropical wood still holds a niche position in many areas.

Market trends

Sustainable construction materials: As demand for sustainable construction material grows, the need for wood is also expected to rise. Increasing awareness of the potential for CO_2 storage in timber constructions will further drive demand. This makes particularly durable wood, which can be used for facades or other exterior applications, increasingly attractive.

Regulatory framework: Regulations governing the harvesting and use of wood are becoming increasingly stringent, particularly in the United States and Europe, which in turn favors sustainable forestry. Certification systems, which are continuously being improved and standardized, further support this trend. Overall, this regulatory framework, combined with the improvement of certification systems, is positively influencing the demand for sustainable tropical timber.

Digitalization and new technologies: The forestry sector is also benefiting from digitalization and emerging technologies. Satellite monitoring and drones, for example, enable more effective detection of illegally harvested wood. New technologies also enhance the ability to track and verify the origin of timber throughout the supply chain. This increased transparency helps combat illegal logging while strengthening market confidence and providing sustainably certified companies with a competitive advantage.

According to the Food and Agriculture Organization's The State of the World's Forests 2024 report, forecasts for 2050 indicate a significant rise in wood demand, with considerable variation depending on climate and economic scenarios. Sustainable forestry will play a key role in the bioeconomy by supplying renewable materials and ecosystem services, supporting biodiversity, and securing incomes and livelihoods. The United States Department of Agriculture (USDA) has used the Forest Resource Outlook Model (FOROM) to predict the demand for logs and forest products under four climate and economic growth scenarios. The trend projections suggest that future changes in log demand will follow the patterns estimated from data covering the period 2012–2022 (see chart).

Projections for global roundwood demand for 2030 and 2050

Source : https://www.fs.usda.gov/rds/archive/catalog/RDS-2022-0073-2

Group results of Precious Woods Group

PW Group

Improved operating result in a challenging environment

Precious Woods reported consolidated net revenues of EUR 44.6 million for the financial year 2025 (previous year: EUR 47.7 million). EBITDA improved by EUR 2.1 million to EUR 4.2 million (previous year: EUR 2.1 million), while EBIT totaled EUR -0.03 million (previous year: EUR -3.8 million). Net result amounted to EUR -7.6 million; adjusted for non-recurring items of EUR -3.8 million, net result amounted to EUR -3.8 million (previous year: EUR -4.9 million).

The financial year 2025 was initially impacted by several operational challenges. These were primarily related to a fire at the sawmill in Gabon, as well as an unplanned production interruption at our partner's veneer production facility. Delays in importing licenses to Europe for certain wood species also resulted in shipping delays and consequently postponed invoicing. In Brazil, the management transition was successfully completed and the teams were reorganized. However, the first half of the year was also affected by delivery delays due to capacity constraints at the port of Manaus. In the second half of the year, key projects progressed further, in particular the reconnection to the power grid in Brazil. In Gabon, energy-related projects were also further developed. Market conditions remained challenging throughout the year, with no clear recovery in prices or volumes. Revenue delays incurred in the first half of the year were partially recovered by year-end.

Revenue development influenced by high transportation cost

In the financial year 2025, the Group generated net revenues of EUR 44.6 million, representing a decrease of 6.5 % compared to the previous year (EUR 47.7 million). With sales volumes remaining stable at the previous year's level, net revenue was affected by higher transportation costs. The two largest business units, PW Gabon and PW Amazon, generated revenues of EUR 29.2 million and EUR 11.5 million, respectively, compared to EUR 33.3 million and EUR 10.2 million in the previous year.

Stabilized cost base as a foundation for further development

Production costs were reduced for the second consecutive year and amounted to 44 % of net revenues in the reporting year (previous year: 49 %). Operating expenses stabilized in the financial year 2025 following significant cost reductions achieved in the previous year. Given the restructuring efforts undertaken in recent years, the current cost structure is considered sustainable. The focus now shifts to the targeted implementation of measures to support the intended growth trajectory.

Improved EBITDA and EBIT

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 4.2 million in the financial year 2025, exceeding the previous year's figure of EUR 2.1 million by EUR 2.1 million (+101.3 %). The EBITDA margin improved accordingly to 9.4 %, compared to 4.4 % in the previous year. In addition to improved cost efficiency, the continued positive operational development in the Brazil business segment contributed to a higher valuation of biological assets of EUR 3.2 million (previous year: EUR 2.5 million).

PW Amazon reported an EBITDA margin of 51.2 % in 2025 (previous year: 40.3 %). The segment therefore continued its positive business performance after the previous year had been impacted by one-time effects related to the restructuring. The high margins are significantly influenced by the valuation of biomass. PW Gabon recorded an EBITDA margin of 2.0 % (previous year: 4.5 %). The previous year's result could not be maintained, primarily due to more challenging economic and political conditions in Gabon. Consolidated depreciation and amortization amounted to EUR 4.2 million, below the previous year's level of EUR 5.9 million. The decrease compared to the previous year is mainly attributable to lower amortization related to harvesting areas in Brazil. At Group level, EBIT improved to EUR -0.03 million (previous year: EUR -3.8 million).

Non-recurring item in financial and net result

The financial result amounted to EUR -5.3 million and was therefore significantly below the previous year's figure of EUR 0.1 million. The previous year's result was positively influenced by a reduced interest burden in connection with the refinancing. In the reporting year, however, a non-recurring, non-cash effect from the reclassification of cumulative foreign currency translation adjustments of EUR 3.8 million had a negative impact on the financial result; the reclassification resulted from the liquidation of a foreign subsidiary. Net result amounted to EUR -7.6 million; adjusted for the non-recurring effect, net result amounted to EUR -3.8 million (previous year: EUR -4.9 million).

Statement of financial position

Total assets amounted to EUR 117.3 million (previous year: EUR 116.8 million). Within current assets, inventories decreased by EUR 1.9 million to EUR 10.8 million (previous year: EUR 12.7 million), while trade receivables increased by EUR 0.8 million to EUR 9.0 million (previous year: EUR 8.2 million).

Equity amounted to EUR 68.5 million (previous year: EUR 73.3 million). The equity ratio of 58.4 % (previous year: 62.8 %) provides a solid foundation for the company's future development.

Cash flow and investments

Cash flow from operating activities improved to EUR 1.1 million, compared to EUR -0.6 million in the previous year. Investments in property, plant and equipment amounted to EUR 1.3 million (previous year: EUR 3.3 million) and were primarily related to replacement investments. Cash flow from financing activities amounted to EUR -0.1 million (previous year: EUR 3.3 million).

Outlook for 2026

From an operational perspective, our objective remains to consistently pursue the path we have taken, complete the turnaround, and achieve sustainable performance across all business segments. In most business areas, the required interim milestones have already been achieved. In contrast, progress in the Gabon segment continues to be delayed. Accordingly, a key focus in the financial year 2026 will be to adapt the organization and operational processes to the changing economic and political environment and to progressively achieve the targeted objectives. We will also actively develop and expand new revenue streams to strengthen and diversify our sales base in a challenging market environment. Despite ongoing geopolitical uncertainties, we remain confident in continuing our chosen path with consistency and determination, while further advancing the company's economic development alongside our commitment to environmental and social responsibility.

PW Amazon

Upward trend confirmed

The PW Amazon business segment generated net revenues of EUR 11.5 million in the financial year 2025 (previous year: EUR 10.2 million) and increased EBITDA to EUR 5.9 million (previous year: EUR 4.1 million). This resulted in a higher EBIT of EUR 4.5 million (previous year: EUR 2.0 million). The results confirm the positive trend since 2023.

In the reporting year, MIL Madeiras Preciosas (MIL) sourced 102 292 m³ of logs from sustainable forest management, broadly in line with the previous year (117 200 m³). The sawmill processed 101 878 m³ of logs (previous year: 92 494 m³) into 24 762 m³ of sawn timber (previous year: 22 809 m³) and sold 25 913 m³ of sawn timber (previous year: 23 183 m³) as well as 74 898 m³ of biomass (previous year: 55 656 m³).

Despite stable production volumes, MIL improved its EBIT by EUR 2.5 million compared to the previous year and was able to confirm the positive performance despite the challenging market environment.

In addition to sawn timber production, the successful sale of biomass contributed to the positive result. In the first half of 2025, MIL also secured its first major plantation project, which further supported the result.

Despite the continued unfavorable market environment, this positive business performance in 2025 provides MIL with a confident outlook for 2026.

PW Gabon

Further development under persistently difficult conditions

Operational constraints, logistical issues, and ongoing market uncertainties continued to weigh on business activities in Gabon in 2025. As a result, net revenues declined to EUR 29.2 million (previous year: EUR 33.3 million). EBITDA amounted to EUR 0.6 million (previous year: EUR 1.5 million), while EBIT remained unchanged at EUR -2.2 million.

In the financial year 2025, our subsidiary Compagnie Equatoriale des Bois (CEB) operated in a more demanding environment than in the previous year. Forest production remained broadly stable at 197 019 m³ (previous year: 197 756 m³). The volume of logs sold amounted to 103 543 m³ (previous year: 119 034 m³) and was impacted by logistical challenges as well as weaker demand from key industrial customers. Sawmill production totaled 34 856 m³ (previous year: 28 861 m³). Despite higher production volumes, industrial operations were under pressure due to bottlenecks in drying capacity and reduced shift utilization at the main sawmill, driven by weaker market conditions.

Ongoing challenges at the CPL (Compagnie des Placages de la Lowé) veneer plant, in which CEB holds a 49 % stake, continued to affect the overall performance of PW Gabon. CPL remained exposed to sustained market pressure and operational constraints, which limited production levels and prevented a satisfactory financial result during the reporting year. However, as a result of measures implemented during the year to improve technical performance, CPL's share of results improved by EUR 1.3 million to EUR -0.5 million (previous year: EUR -1.7 million).

Despite the continued challenging conditions, the measures initiated to improve operational efficiency, strengthen logistics, and adjust production levels are expected to contribute to a gradually improved performance. Combined with a stabilization in key markets and further operational adjustments, this provides an outlook for operational stabilization of PW Gabon in the financial year 2026.

PW Trading

Positive development in the Trading segment

The Trading segment generated revenues of EUR 3.8 million in the financial year 2025 (previous year: EUR 4.2 million). EBITDA increased to EUR 0.1 million (previous year: EUR -1.0 million).

Trading activities in logs and sawn timber from Europe and Africa were successfully continued in the financial year 2025. However, trading volumes remained below planned levels. As in the previous year, heavy rainfall during the harvesting season in the first half of 2025 limited the availability of logs. In the second half of the year, the impact of U.S. tariff policies on our Asian customers also became apparent. Following a negative result in 2024 due to the disposal of inventory in the Netherlands, the segment returned to positive performance in 2025. Activities will continue at a comparable level in the financial year 2026.

PW Carbon & Energy

Stable development in a challenging energy and carbon market

The Carbon & Energy business segment recorded net revenues of EUR 0.3 million in the financial year 2025 (previous year: EUR 0.2 million) and EBITDA of EUR -0.3 million (previous year: EUR -0.5 million). The company restored its connection to the national power grid and further advanced the development of its carbon project.

Since the town of Itacotiara was connected to the national power grid, our biomass power plant MIL Energia Renovável Ltda. (MER) has been exposed to highly volatile electricity prices in Brazil. After the grid operator blocked electricity supply from MER starting in mid-2024, the grid connection was partially restored in mid-2025. Low electricity prices meant that capacity remained partially unused, and the biomass was instead sold to third parties through MIL. In order to benefit more flexibly from volatile electricity prices in the future, full connection to the national grid is currently being pursued. This is expected to be completed in early 2027. No carbon credits were sold in the reporting year. The certification of the remaining credits from the discontinued green energy project at MER has been delayed because our partner has not yet been able to complete the certification due to changes in the framework of the Paris Agreement. At the same time, the development of our new forest conservation carbon project under sustainable management in Brazil continued to progress. Subject to approval, the first carbon credits are expected to be generated in the first half of 2027. Overall, the Carbon & Energy segment performed as planned in 2025 and the initiated measures will continue in 2026.

Precious Woods

Sustainability

Precious Woods – Sustainability is our mission

Precious Woods is one of the world's leading companies in the sustainable management of tropical rainforests. We are certified by FSC and PEFC and we ensure environmental, social and economic sustainability across our entire value chain – from forest management to timber processing and trade.

IFRS-RR FM-160a.4

Since 2018, Precious Woods has published sustainability reports in order to enhance transparency and provide shareholders and stakeholders with a more comprehensive view. From 2025 onward, we will report in accordance with IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2). Precious Woods manages approximately 4 % of the world's FSC-certified tropical forest, maintaining its position as a pioneer in responsible forest management. In addition to sustainable forestry, we invest in education, occupational safety, and healthcare for employees and local communities. Partnerships with universities support research and professional training. These activities, we contribute to 12 of the 17 UN Sustainable Development Goals, particularly in the areas of biodiversity protection and community support. Precious Woods applies selective timber harvesting practices. In Gabon, for instance, no more than four trees per hectare are harvested every 25 years, ensuring natural forest regeneration. Our certified management practices are designed to prevent deforestation, preserve biodiversity and create local employment. Independent annual audits confirm compliance with certification standards. We also reduce the risk of overexploitation by managing more than 60 tropical tree species for the construction, garden and furniture industries.

IFRS S1 – 27
IFRS S1 – 44

IFRS S2 – 6
IFRS S2 – 25

Sustainability at the core of decision-making

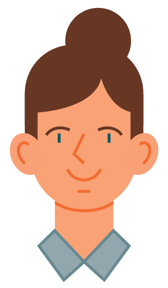
Precious Woods' business model is based on nature-based resources and their sustainable management. Accordingly, sustainability and climate-related matters are embedded in the company's governance and decision-making processes. Oversight of sustainability and climate-related risks and opportunities rests with the Board of Directors, which is appointed by shareholders and operates in accordance with the company's Organizational Regulations. The board's five members are informed about these matters at every board meeting. The board ensures that sustainability and climate-related considerations are integrated into all significant decisions, including the assessment of related risks and opportunities. In addition to constant oversight, the board compiles an annual risk assessment, in which 10 of 38 indicators address sustainability and climate change-related risks. The board is supported by a co-CEO with dedicated responsibility for sustainability and climate-related matters. This role includes oversight of designated sustainability teams in Brazil and Gabon, which are responsible for implementing sustainability initiatives and monitoring local developments.

PEFC
PEFC/15-31-0090
Promoting Sustainable Forest Management

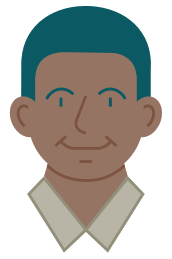
FSC®
www.fsc.org
FSC® C004141

Key social figures 2025 (2024)

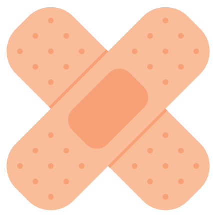
Number of employees total (yearly-Ø): **1 091** (1 027)



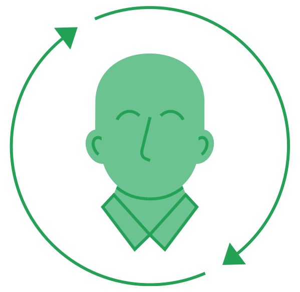
Women in %:
7.2 % (7.6 %)



Men in %:
92.8 % (92.4 %)



Accidents at work:
84 (88)



Fluctuation in %:
4.9 % (5.9 %)

IFRS S2-RR-FM-160a.1, a.2 and a.3
IFRS S2 – FM-000.A
IFRS S2 – CG-BF-000.B

Forest area

	Area in ha[1]	Area in %	FSC	PEFC
Brazil				
Total forest area	466 897	100.0%	66.3%	66.3%
whereof own land	394 100	84.4%	78.6%	78.6%
whereof public concessions[2]	12 797	2.7%	100.0%	100.0%
whereof private concessions	60 000	12.9%	0.0%	0.0%
Conservation & community area	64 179	13.7%		
whereof conservation (other than water)	22 226	4.7%		
whereof watershed protection	32 516	7.0%		
whereof community area	9 437	2.0%		
Gabon				
Total forest area	601 515	100.0%	100.0%	92.2%
whereof public concessions held by Precious Woods	596 823	99.2%	100.0%	100.0%
whereof public concessions held by third parties	4 692	0.8%	100.0%	0.0%
Conservation & community area	55 383	9.2%		
whereof conservation (other than water)	47 526	7.9%		
whereof watershed protection	4 230	0.7%		
whereof community area	3 627	0.6%		
Precious Woods				
Total forest area	1 068 412	100.0%	85.3%	84.8%
whereof own land	394 100	36.9%	78.6%	78.6%
whereof public concessions held by Precious Woods	609 620	57.1%	100.0%	100.0%
whereof public concessions held by third parties	4 692	0.4%	100.0%	0.0%
whereof private concessions	60 000	5.6%	0.0%	0.0%
Conservation & community area	119 562	11.2%		
whereof conservation (other than water)	69 752	6.5%		
whereof watershed protection	36 746	3.5%		
whereof community area	13 064	1.2%		

[1] Our production facilities, workshops, and offices cover approximately 9.2 ha.
[2] 117 233 ha of public concessions in Brazil were returned to the state as there were no plans for sustainable forest management in the medium term.

IFRS S1 – 29
IFRS S1 – 30 (a) and (b)
IFRS S1 – 32
IFRS S1 – 33
IFRS S1 – 34
IFRS S1 – 35
IFRS S1 – 40
IFRS S1 – 41
IFRS S1 – 78
IFRS S2 – 9
IFRS S2 – 10
IFRS S2 – 13
IFRS S2 – 14
IFRS S2 – 15
IFRS S2 – 16
IFRS S2 – 21
IFRS S 2 – 29(b) to (e)
IFRS S2 – B17
IFRS S2 – RR-FM-450a.1

Sustainability and climate change – risks and opportunities

Our business model is based on nature-based resources, so our business activities and capital are exposed to a range of sustainability- and climate-related risks and opportunities that may affect our operations, financial performance, and cash flows. We aim to identify, assess and, where possible, quantify these risks and opportunities in order to provide a transparent and comprehensive overview to our shareholders and stakeholders.

Risk Water availability and precipitation

Our tropical natural forest properties and concessions in Brazil and Gabon are not threatened by droughts or wildfires caused by climate change in the short-term and mid-term. However, in the long term, climate change may increase the likelihood and severity of such events, potentially posing physical risks to operations. Having said this, climate change also alters traditional rainfall patterns, making rainfall less predictable in timing, frequency, and intensity. This has already had an impact on the operations in the previous years and will continue to do so in the short-term, mid-term and long-term. In daily business, mainly harvesting and logistics are affected, leading to unplanned halts. To mitigate these effects, the company adapted its operational planning and increased organizational flexibility. In Brazil, changing precipitation patterns have also affected the Amazon River's water levels, leading to low water conditions in the fourth quarter of 2023 and 2024. Large vessels could no longer navigate the Amazon River to Manaus, which it the only river port for our operations in Brazil. Cargo had to be transshipped, leading to higher logistics costs. This low water situation did not occur in 2025. We consider this a physical risk as any long-term solutions may result in higher logistics costs, which cannot yet be quantified.

Risk Environmental regulations

New and stricter environmental and timber trade regulations for tropical timber, driven by climate change policies, represent a transitional risk for the company in the short-term to mid-term. These risks mainly arise from delays in timber deliveries caused by constantly changing requirements and lengthy authorization processes. In the current reporting period, the financial impact of these regulatory developments amounted to approximately EUR 2.95 million, of which EUR 2.75 million is allocated to delayed revenues and EUR 0.2 million to additional staff costs. The delayed revenues are expected to be realized in the following reporting periods and will therefore have only a one-time impact in the mid-term but entail significant operational disturbances.

Opportunity Demand for timber

The demand to substitute unsustainable building materials presents a physical opportunity for the company in the short-term, mid-term and long-term. It confirms that the company's current business model of protecting tropical forests by providing sustainable building materials is future-proof. The financial impact is reflected in our positive sales forecasts, with no numbers published for competitive reasons.

Opportunity Emission compensations

Precious Woods and the Brazilian Climate Tech company BRCarbon are co-developing a REDD+ project on our forest estate in Brazil under VERRA standards, the most recognized in the market. The results of the project validation are scheduled for the end of 2026. The project represents a significant physical opportunity. If it succeeds, we can expect significant revenues from the sale of emission compensation in the mid-term. The amount of this revenue cannot yet be estimated due to the volatility of the carbon markets. Moreover, a reliable forecast of the number of credits is only possible after validation.

Opportunity Reforestation

An increasing number of companies are seeking to restore forest ecosystems affected by their operations in order to meet their climate goals. Recognizing this need, we have offered reforestation services to customers in Gabon and Brazil since 2023 and 2025, respectively. We specialize in restoring natural tropical forests and grasslands, so we not only help our customers achieve their climate goals and legal obligations but also reduce harmful erosion in their operations. Reforestation services are a growing part of our business and present a physical opportunity in the short-term, mid-term and long-term. They contributed EUR 928 600 to our 2025 revenues.

Opportunity Sustainable forest management

In addition to the above risks and opportunities, Precious Woods has voluntarily restricted its harvesting levels in Gabon to ensure sustainability. In Brazil, we always stay significantly below the legal limit of 25 m^3/ha for the same reason. This voluntary restriction entails physical risks as we could face competitive disadvantages compared to companies that do not apply voluntary limits. However, it also provides a competitive advantage by allowing us to reach our environmentally sensitive main markets. Even if the financial impact of these measures cannot be quantified without significant inaccuracies, it is evident that the benefits outweigh potential losses.

m^3 harvest harvested

	2023	2024	2025
Brazil	86 516	117 200	102 292
Gabon	162 756	197 756	197 019
Total	**249 272**	**314 956**	**299 311**

m^3 harvest per hectare

	2023	2024	2025
Brazil	17.3	9.9	8.8
Gabon	13.0	13.4	17.9
Total	**13.7**	**11.8**	**13.2**

IFRS S2 – FM-000.C

Origin of Precious Woods timber products [1]

	Sales Volume m^3	From own operations [2]	FSC	PEFC [3]
Brazil				
Sawn wood	25 913	100.0 %	100.0 %	100.0 %
Logs	37	100.0 %	100.0 %	100.0 %
Biomass	74 898	100.0 %	100.0 %	100.0 %
Gabon				
Sawn wood	30 321	100.0 %	93.8 %	93.8 %
Logs [3]	103 543	100.0 %	99.8 %	99.8 %
Veneer [4]	26 495	100.0 %	95.8 %	95.8 %
Netherlands				
Sawn wood	895	100.0 %	100.0 %	100.0 %
Trading of third party timber				
Sawn wood	4 862	0.0 %	25.4 %	47.5 %
Logs	3 981	0.0 %	0.0 %	100.0 %
Total				
Total	**270 945**	**96.7 %**	**96.0 %**	**97.9 %**

FSC or PEFC certified: **98.35 %**
In accordance with our procurement guidelines: **100 %**

IFRS S2 – CG-BF-430a.1
IFRS S2 – CG-BF-000.A

IFRS S2 – 29 (f)
IFRS S2 – 33
IFRS S2 – 34
IFRS S2 – 35
IFRS S2 – 36
IFRS S2 – RR-FM-160a.4
IFRS S2 – CG-BF-410a.1 and a.2

Precious Woods climate impact

Our carbon stock

The forests managed by Precious Woods sustainably store around 227 million tonnes of carbon. Sustainable forest management reinforces forests' role as carbon stocks and sinks. Moreover, it reduces CO_2 emissions from forest operations. Additionally, we are actively developing REDD+ projects to provide high-quality carbon compensation to customers in the mid-term.

Carbon positive products

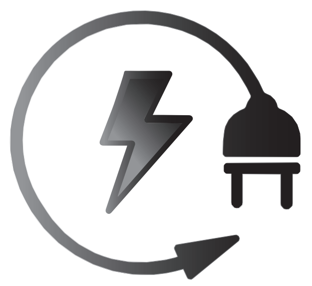
Wooden building materials from natural forests have superior carbon accounts compared with other building materials throughout their entire life cycle. In 2023, a life cycle assessment of species from the Congo Basin was conducted by the International Tropical Timber Association using data from Precious Woods. We launched a project with the renowned Dutch consultancy SHR to quantify the life-cycle impact of our Brazilian products. The results will be available in 2026. As we are not serving the end customer, unfortunately we cannot affect the recovery of final products that have reached the end of their life cycle.

Our climate targets

A significant part of our emissions relates to Scope 3 emissions, particularly from sea and road freight, for which low-carbon alternatives remain limited. In addition, the forest industry still relies heavily on fossil fuels, resulting in high Scope 1 emissions. The main indicator for making our Scope 1 emissions comparable over time is to link them to the harvesting volume. We use the Scope 1 carbon intensity per m^3 harvested as a parameter and our objective is to keep it below 0.04 tCO_2/m^3/year. Since 2010, we have continuously increased our harvesting volumes whilst keeping our carbon intensity below this threshold on average, not reaching this target in 2025 with an intensity of 0.047 tCO_2/m^3. This can be explained by the fact that emissions can vary significantly due to changes in forest structure and internal logistics influenced by weather beyond our control. In addition, changes in harvesting volumes do not necessarily translate into a linear increase or decrease in emissions as support functions must be maintained regardless of volume. An important part of our Scope 1 emissions stems from a lack of grid connection in Gabon, where we are obliged to generate electricity from fossil fuels, whereas in Brazil, we use renewable energy. Green energy projects are underway in Gabon, and we aim to use them to bring our emissions below 0.03 tCO_2/m^3/year in the mid-term. We do not apply an internal carbon price. Given our business model, which is based on the preservation of forest carbon stocks, we consider that operational cost structures already reflect the economic implications of carbon. All our emissions reductions must come from improved operations, not from offsetting through carbon credits.

1 For comparability, the numbers are in m^3, a widely used industry metric
2 Including CPL (Precious Woods with 49 % minority share)
3 PEFC FM/CoC or Controlled Sources
4 Products from CPL (Precious Woods with 49 % minority share)

Energy consumption[1]



Electricity consumption in GJ:
34 604

From the Grid:
1.50 %

Renewable:
98.50 %

IFRS S2 – CG-BF-130a.1
IFRS-S2-EU-000.D and E

1 Includes MIl Madeiras, MIL Energia Renovável, Compagnie Equatoriale des Bois and Precious Woods Holding. Energy generated by diesel generators is not included to avoid double accounting, as it is accounted for in the carbon account.

IFRS S2 – IF-EU – 140a.1, a2 and a.3
IFRS S2 – IF-EU – 000. A, B and D

Renewable energy from Precious Woods

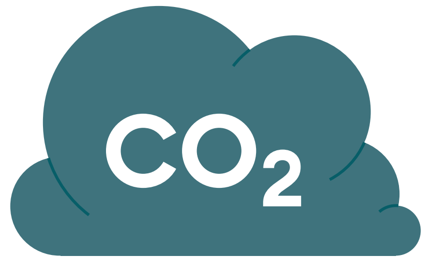
Next to our MIL Madeiras sawmill, our 9MW MIL Energia Renovável (MER) cogeneration plant produces energy from FSC- and PEFC-certified wood residues. In 2025, MER generated 44 617 GJ. In addition to its 21 176 GJ auto-consumption, 12 893 GJ was delivered to MIL Madeiras and 10 548 GJ to the local grid provider. MER did not operate at full capacity because the grid connection was reestablished only in the second half of 2025. Moreover, due to volatile energy prices, selling biomass offers economic advantages over producing energy. MER does not lie in an area of water stress. During the reporting period, the plant consumed 350 400 m^3 of water without any non-compliance or water management risks.

IFRS S1 – 30 (c)
IFRS S1 – 72
IFRS – S2 – 29 (a) ii to vi
IFRS S2 – RR – FM -000.B

Comments, standards used, and links to the annual reports

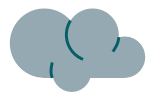
- We have prepared this sustainability report for the period from January 1st to December 31st, 2025, to inform our shareholders and stakeholders about sustainability at Precious Woods. For the first time the report complies with the International Sustainability Disclosure Standards (IFRS Sustainability Disclosure Standards) as issued by the International Sustainability Standards Board (ISSB).
- Besides IFRS S1 and IFRS S2 climate-related disclosures, the industry-based Guidance in implementing climate-related disclosures IFRS S2 – Volume 2 – Building Products & Furnishings, and Volume 41 – Forestry Management have been deemed material for this report. Volume 32 – Electric Utilities & Power Generators has been deemed partially material for this report. The following indicators of Volume 32 are not relevant to our operation and are therefore, not included: IFRS S2 – IF-EU – 420a.2 and a.3, 540a.1 and a.2, 550a.1 and a2, 000.C and 000.E
- We define the time horizons as follows: short-term – up to one year; mid-term – one to five years; and long-term – more than five years.
- We do not communicate data on forest inventories as these data are confidential for competitive reasons.
- If the metrics used differ from those required under IFRS, an explanation is provided.
- The requirements of several IFRS ISSB indicators are reported in other parts of the annual report. To avoid duplication, they are not repeated in the sustainability reporting.

CO_2 account



Scope 1
14 047

Scope 2
58



Scope 3
15 762

IFRS S2 – 29 (a) i

Carbon account methodology

Standards

We disclose greenhouse gas emissions (GHG) in accordance with the following Greenhouse Gas Protocol standards and guidance:

- A Corporate Accounting and Reporting Standard, Revised Version (2004)
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
- GHG Protocol Scope 2 Guidance (2015)
- Technical Guidance for Calculating Scope 3 Emissions, version 1.0 (2013)

Emission factors

We used emission factors from the following sources:

- Greenhouse Gas Protocol – Emission Factors for Cross Sector Tools V2.0_0
- Association of Swiss Electricity Companies – CO_2 content of Switzerland's electricity mix, 2025 results

Organizational boundaries

We are using the operational control approach for the entities described in Section 6 of the financial statement

Operational boundaries

We identified the following emission sources to be included in our carbon account:

Scope 1

- Fossil fuels used by company-owned equipment in production, for self-generated electricity, for transportation and travel with company-controlled vehicles

Scope 2

- Purchase of energy in Gabon, Switzerland and the Netherlands

Scope 3

- Travels with airplanes or personal cars
- Transportation with third-party vehicles

Memo items

- We chose 2010 as the base year due to data availability and quality.
- We report only CO_2 emissions rather than all six GHGs separately for operational efficiency.
- CO_2 emissions from the burning of wood residues in Brazil and Gabon amount to 110 579 tCO_2. In accordance with the standards used, these biogenic emissions are recorded separately because they are neutralized with the carbon intake during forest growth.

Precious Woods

Corporate Governance

Corporate governance

Clearly defined lines of responsibility and a high degree of transparency are vital factors in the success of Precious Woods' efficient business management and strong, responsible corporate culture. We believe that by embracing the principles of corporate responsibility we are benefiting all stakeholder groups of Precious Woods: shareholders, employees, customers, suppliers and communities.

Some sections contain cross-references to other chapters in this annual report and to the Precious Woods website (www.preciouswoods.com) in order to avoid repetition and to bundle information in a targeted form. The following abbreviations are used:

BoD = Board of Directors
GM = Group Management

1. Group structure and shareholders

Precious Woods consists of four operational business segments: sustainable forestry in Brazil, sustainable forestry in Gabon, Trading and Carbon & Energy. For more information about the individual segments, please refer to pages 10 to 11 of the annual report.

Precious Woods Holding Ltd has its headquarters in Zug. More information about Precious Woods' shares can be found on page 43 of this report. Details about the holding company and the direct subsidiaries (name, headquarters, share capital and percentage ownership) can be found in note 1 and 5 of the financial statements of PW Holding. A list of shareholders with more than 3% of the voting rights can be found in note 23 of the Group's consolidated financial statements. Further information on shareholders is published on our website (Investor Relations – Share information) and on the website of private bank Lienhardt & Partner and the OTC-X Berner Kantonalbank.

2. Capital structure

The ordinary share capital on 31 December 2025 stood at CHF 15 751 125 and is divided into 7 052 745 registered voting shares at CHF 1.00 each and 869 838 registered preferred shares at CHF 10.00 each.

Since 18 May 2017, the conditional share capital amounted to CHF 1 396 638 (1 396 638 registered voting shares with a nominal value of CHF 1.00 each) in accordance with Article 3a of the Articles of Association. No change occurred in 2025.

The company has a capital band between CHF 15 751 125 (lower limit) and CHF 16 751 125 (upper limit) in accordance with Article 3c of the Articles of Association. The Board of Directors is authorized to increase the share capital up to a maximum amount of CHF 1 million once or several times and in any amounts at any time until 17 May 2028. The capital increase can be carried out by issuing a maximum of 1 million registered voting shares with a nominal value of CHF 1.00 each, to be fully paid up. More information about the capital structure can be found in note 22 of the Group's consolidated financial statements.

3. Board of Directors

The BoD is responsible for strategy and organizational development and supervises and controls the operational management. It defines the Group's business principles and keeps itself regularly informed about the company's business performance. The BoD is authorized to make decisions on all matters that are not reserved for the Annual General Meeting or are conferred to another governing body of the company by law, the Articles of Association or other regulations.

The members of the BoD of Precious Woods contribute experience and expertise from a wide range of different fields and have both the skills and the time required to ensure that they can critically and constructively engage with the GM and are able to form independent opinions. Members of the BoD are elected by the Annual General Meeting for a term of one year.

The BoD is a self-constituting body and appoints the Chairman, the Vice Chairman and the members of the committees from amongst its members for a term of one year.

At the Annual General Meeting on 21 May 2025 Markus Brütsch, Werner Fleischmann, Bernhard Pauli and Olivier Kobel were due for re-election. They were re-elected for a year on a proposal from BoD. Furthermore, Robert Hunink has resigned as a member of the BoD and Martin Tobler was elected as a new member of the BoD. The composition of the BoD is as follows on 31 December 2025: Markus Brütsch (Chairman), Werner Fleischmann (Vice Chairman), Bernhard Pauli (Member), Olivier Kobel (Member) and Martin Tobler (Member).

Members of the Board of Directors

The Precious Woods BoD has five members. The following statement about the members of the BoD and their activities at Precious Woods and cross-involvements represents the situation on 31 December 2025.

Committees of the Board of Directors

The whole Board of Directors monitors the concordance between budgets, finances and organization, examines the interim statements, annual report and budget and oversees the relations with the external auditors. The entire BoD is also responsible for the internal control system (IKS) and risk-management procedures and overseeing the processes for compliance with legal and regulatory requirements.

The Financial Committee, which covers the areas of finance and accounting, reporting and investor relations, consists of three members of the Board of Directors. It is chaired by Markus Brütsch. Werner Fleischmann and Olivier Kobel are the other members of the committee.

The Remuneration & Nomination Committee, which covers the areas of remuneration of the members of the Board of Directors and the Executive Board; personnel policy and strategy, consists of three members of the Board of Directors. Markus Brütsch is the Chairman. Bernhard Pauli and Martin Tobler are the other members of the committee.

The committees meet as often as necessary to fulfil their duties. Regular reports and proposals are submitted to the full Board of Directors.

The BoD met a total of ten times during 2025. Each meeting lasted between two and eight hours. The BoD keeps itself informed of business matters by means of consolidated, periodic, operational and financial reports. All relevant documents are made available to the BoD on a regular and timely basis. The BoD, co-CEOs and CFO held interim meetings.

Further information about the decision-making process, the areas of responsibility and control mechanisms can be found in the bylaws, which are published on Precious Woods' website (Investor Relations – Corporate Governance).

Markus Brütsch

- Swiss citizen, born in 1960
- Chairman since May 2023
- BoD member since 2017

Other activities and interests:

- CEO / CFO of Precious Woods Holding Ltd until 2023
- BoD member of Paul Reinhart AG
- BoD member of Reinhart Holding AG

Bernhard Pauli

- Swiss and German citizen, born in 1967
- BoD member since 2023

Other activities and interests:

- Head of department and study programme forest sciences at University of Applied Sciences, Agricultural, Forest and Food Sciences
- Professor for forest economics

Martin Tobler

- Swiss citizen, born in 1975
- BoD member since 2025

Other activities and interests:

- CEO HG COMMERCIALE
- Chairman of EURO-MAT S.A. (Lux)

Werner Fleischmann

- Swiss citizen, born in 1955
- Vice Chairman since May 2025
- BoD member since 2022

Other activities and interests:

- Chairman of Fleischmann Immobilien AG, Weinfelden
- Owner of Fleischmann Liegenschaften AG and Werner Fleischmann AG, Weinfelden

Olivier Kobel

- Swiss and French citizen, born in 1968
- BoD member since 2023

Other activities and interests:

- Owner and Managing Director of Kobel Advisory Services, Geneva
- Managing Director of Atlantic Ventures, Luzern

4. Group Management

The GM under the leadership of the CEOs is responsible for the operational management of the company. The organization, roles and responsibilities of the GM and its members are defined in the bylaws, which are set by the BoD. More information is available on the website (Investor Relations – Corporate Governance).

On 31 December 2025, the GM consisted of these members:

Fabian Leu

Intl. Executive MB HSG, MSc Intl. Forestry

- Swiss citizen, born in 1986
- From July 2023 co-CEO and since August 2021 CTO of Precious Woods Group
- Previously Technical Consultant of Precious Woods Holding and Managing Director Sawmills Bambidie, PW Gabon

Richard Meister

- Swiss citizen, born in 1982
- Since October 2023, Group CFO of Precious Woods
- More than ten years of experience in international corporate finance roles

Markus Pfannkuch

Intl. Executive MBA HEC, MSc Intl. Forestry

- Swiss citizen, born in 1982
- From July 2023 co-CEO and since August 2021 CSO of Precious Woods Group
- Previously Technical Consultant of Precious Woods Holding and Forest Manager, PW Gabon

5. Compensation, shareholdings, loans

Employment contracts and the "Compensation Regulations for the Board of Directors of PWH" provide the framework for the compensation and stock option plans of the BoD, GM and the senior managers of the subsidiaries. In the case of services provided by members of the BoD in request of the company that are clearly outside the usual scope of Board activities, compensation is determined by the Board of Directors. Members can be compensated for their individual activities on the basis of effective time invested. Decisions regarding compensation and shareholdings for BoD and GM are made annually on the basis of the Compensation Regulations for the BoD based on market criteria.

The regulations mentioned as well as a detailed list of compensation granted to the members of the BoD and GM can be found on the website (Investor Relations – Corporate Governance), in note 25 of the Group's consolidated financial statements and in note 7 of the financial statements of PW Holding. All management personnel and employees are insured in accordance with the minimum legal requirements of the countries in which they are employed.

In 2025, no leave settlements, loans or other benefits have been granted to any of the members of the governing bodies.

No cash compensation, shares, options, loans or other payments are made to former governing body members. A list of shares held by members of the BoD can be found on the website (Investor Relations – Corporate governance) and in note 7 of the financial statements of PW Holding.

6. Shareholders' rights of participation

Shareholders of Precious Woods enjoy all the rights to which they are entitled to without any statutory restrictions on voting rights. There are also no clauses differing from the legal provisions regarding statutory quota. All shareholders entered in the share register four weeks before the Annual General Meeting are eligible to participate in the Annual General Meeting. No changes affecting voting rights are made to the share register after the mailing of invitations to the Annual General Meeting. Requests to add items to the agenda of the Annual General Meeting can be made up to 30 days before the ordinary Annual General Meeting. At the Annual General Meeting on 21 May 2025 all statutory items on the agenda were approved. The minutes of the Annual General Meetings are published on the website (Investor Relations – Annual General Meeting).

7. Changes of control and defense measures

The agreements with the members of the BoD and GM contain no statutory "opting-out" or "opting-up" clauses or clauses on changes of control.

8. Auditor

The Annual General Meeting selects an external auditor that possesses the independence and professional qualifications as stipulated by law for the term of one fiscal year. Procedures and subject of the audit are in accordance with legal provisions. Since the 2023 reporting year, KPMG AG, Zug, acts as Group auditor. The audit fees of KPMG and EY Gabon for the audit of PW Holding, the Group and the companies audited by them worldwide amounted to EUR 318 768 in 2025 (2024: EUR 301 370). The Board of Directors monitors the efficiency and effectiveness of the external audit. Detailed information can be found in the bylaws, which are published on our website (Investor Relations – Corporate Governance).

9. Information policy

Precious Woods pursues a pro-active and transparent information policy. Shareholders of the company are informed regularly about current affairs through the Annual Report and the Half-Year Report. Precious Woods maintains an informative website (www.preciouswoods.com), which is updated on a regular basis.

Should you require any further information, please contact +41 41 726 13 13 or media@preciouswoods.com

Precious Woods

Precious Woods Group

Financial statements

Consolidated statement of profit or loss

in thousand EUR	Notes	2025	2024
Sale of goods and services		56 244	58 997
Freight expenses and sales commissions		–11 616	–11 251
Net revenues	4	**44 628**	**47 746**
Gain/(loss) from changes in fair value from biological assets	11	3 150	2 465
Change in inventory of semi-finished and finished products		–1 491	–2 466
Raw materials		–8 999	–9 869
Consumables used	5	–9 179	–10 057
Other production costs	5	–3 047	–3 668
Personnel expenses	6	–17 440	–16 862
Other operating expenses	7	–5 409	–4 996
Other operating income	7	2 492	1 546
Share of profit/(loss) of associates	13	–498	–1 749
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**4 207**	**2 090**
Depreciation, amortization and impairment	8	–4 239	–5 933
Earnings before interest and taxes (EBIT)		**–32**	**–3 843**
Financial income	9	49	196
Financial expenses [1]	9	–5 352	–110
Earnings before taxes (EBT)		**–5 335**	**–3 758**
Income tax (expenses)/income	28	–2 270	–1 115
Net profit/(loss) for the period		**–7 605**	**–4 873**
Allocation of net profit/(loss):			
Equity owners of Precious Woods Holding Ltd		–7 553	–4 827
Non-controlling interests		–52	–46
Basic earnings per share	24	**–0.48**	–0.68
Diluted earnings per share	24	**–0.48**	–0.68

1 Further details on the recycling of cumulative currency translation adjustments are described in Note 9.

Consolidated statement of comprehensive income

in thousand EUR	Notes	2025	2024
Net profit/(loss) for the period		**–7 605**	**–4 873**
Defined benefit plans			
Remeasurement	29	908	336
Tax effect on remeasurement		–107	–41
Land revaluation			
Change in fair value	10	–556	51
Tax effect on change in fair value		189	–48
Items that will not be reclassified to profit or loss		**434**	**298**
Currency translation effects		–511	–8 291
Items that may be reclassified subsequently to profit or loss		**–511**	**–8 291**
Total other comprehensive income for the period		**–77**	**–7 993**
Recycling of unrealized currency translation effects into profit or loss [1]		3 799	–
Total other comprehensive income for the period		**3 722**	**–7 993**
Total comprehensive income for the period		**–3 883**	**–12 866**

Attributable to:

Equity owners of Precious Woods Holding Ltd		–3 831	–12 820
Non-controlling interests		–52	–46

1 Further details on the recycling of cumulative currency translation adjustments are described in Note 9.

Consolidated statement of financial position

in thousand EUR	Notes	31 December 2025	31 December 2024
ASSETS			
Current assets			
Cash and cash equivalents		1 592	1 341
Trade and other receivables	17	14 191	11 257
Inventories	15	10 766	12 651
Prepaid expenses	16	556	541
Total current assets		**27 105**	**25 790**
Non-current assets			
Property, plant and equipment	10	61 186	63 796
Right-of-use assets	21	1 182	1 652
Biological assets	11	20 741	17 701
Intangible assets and goodwill	12	2 528	2 742
Investments in associates	13	981	1 479
Non-current loans and investments	14	1 460	1 460
Other non-current assets		1 474	1 604
Recoverable taxes		606	621
Total non-current assets		**90 158**	**91 055**
Total assets		**117 263**	**116 845**

in thousand EUR	Notes	31 December 2025	31 December 2024
LIABILITIES AND SHAREHOLDERS‘ EQUITY			
Current liabilities			
Trade and other payables	18	21 288	19 279
Current income tax payables		1 674	1 425
Current loans and interest payables	19	6 437	4 991
Current lease liabilities	19, 21	744	800
Current provisions	26	731	–
Total current liabilities		**30 874**	**26 495**
Non-current liabilities			
Non-current loans and interest payables	19	3 850	3 778
Non-current lease liabilities	19, 21	475	889
Deferred tax liabilities	28	10 015	8 094
Non-current liabilities due to employees	29	2 476	3 365
Non-current provisions	26	1 068	893
Total non-current liabilities		**17 884**	**17 019**
Equity			
Share capital	22	14 864	14 864
Treasury shares		–81	–30
Additional paid-in capital		64 035	100 798
Revaluation surplus on land		32 005	32 372
Foreign currency translation reserve		–5 501	–8 789
Retained earnings		–36 804	–65 923
Equity attributable to owners of Precious Woods Holding Ltd		**68 518**	**73 292**
Non-controlling interests		–13	39
Total shareholders‘ equity		**68 505**	**73 331**
Total liabilities and shareholders‘ equity		**117 263**	**116 845**

Consolidated statement of changes in equity

							Attributable to equity holders of Precious Woods Ltd		
in thousand EUR	Share capital	Treasury shares	Additional paid-in capital	Revaluation surplus on land	Currency translation effects	Retained earnings	Total	Non-controlling interests	Total equity
Balance 1 January 2024	**5 731**	**–30**	**64 938**	**32 361**	**–587**	**–61 289**	**41 124**	**–9**	**41 115**
Net profit/(loss) for the period	–	–	–	–	–	–4 827	**–4 827**	–46	**–4 873**
Other comprehensive income for the period	–	–	–	–	–8 291	298	**–7 993**	–	**–7 993**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–8 291**	**–4 529**	**–12 819**	**–46**	**–12 866**
Proceeds from issue of shares	9 133	–	36 533	–	–	–	**45 666**	–	**45 666**
Costs of capital increase/transaction costs	–	–	–673	–	–	–	**–673**	–	**–673**
Change in consolidation scope – minorities[1]				11	88	–105	**–6**	94	**88**
Balance 31 December 2024	**14 864**	**–30**	**100 798**	**32 372**	**–8 789**	**–65 923**	**73 292**	**39**	**73 331**
Net profit/(loss) for the period	–	–	–	–	–	–7 553	**–7 553**	–52	**–7 605**
Other comprehensive income for the period	–	–	–	–367	–511	801	**–77**	–	**–77**
Total comprehensive income for the period	**–**	**–**	**–**	**–367**	**–511**	**–6 752**	**–7 630**	**–52**	**–7 682**
Purchase of treasury shares	–	–51	–	–	–	–	**–51**	–	**–51**
Proceeds from issue of shares[2]	–	–	–37 135	–	–	37 135	**–**	–	**–**
Costs of capital increase/transaction costs[2]	–	–	371	–	–	–	**371**	–	**371**
Change in consolidation scope – disposal					3 799	–1 263	**2 536**	–	**2 536**
Balance 31 December 2025	**14 864**	**–81**	**64 035**	**32 005**	**–5 501**	**–36 804**	**68 518**	**–13**	**68 505**

1 The merger of the subsidiaries CEB and TGI led to a re-allocation of equity from group to minorities.
2 Offsetting capital increase against retained earnings, with partial reversal of transaction costs
3 Merger sub-holding Luxembourg with Precious Woods Holding Ltd

Consolidated statement of cash flows

in thousand EUR	Notes	2025	2024
Net cash flow from operating activities			
Profit/(loss) for the period		–7 605	–4 873
Income taxes (income)/expenses	28	2 270	1 115
Interest income	9	–1	–127
Interest expenses	9	1 110	846
Profit/(loss) for the period before interest and taxes		**–4 226**	**–3 039**
Depreciation, amortization and impairment	8	4 239	5 933
(Profit)/loss on sale of non-current assets		–331	–140
Share of (profit)/loss of associates	13	498	1 749
Disposal of financial liabilities		–	–155
Changes in provisions and liabilities to employees		55	188
Change in fair value of biological assets	11	–3 150	–2 465
Other non-cash items		4 600	–2 260
Operating cash flow before working capital changes		**1 685**	**–189**
Decrease/(increase) in trade and other receivables		–2 903	–1 662
Decrease/(increase) in inventories		1 904	2 478
Decrease/(increase) in prepaid expenses		–15	702
Increase/(decrease) in trade payables, other liabilities and provisions		1 997	–798
Income tax (paid)/received		–1 563	–1 084
Net cash flow operating activities		**1 105**	**–553**

in thousand EUR	Notes	2025	2024
Cash flow from investing activities			
Purchase of intangible assets	12	–39	–50
Proceeds from sale of property, plant and equipment		462	263
Purchase of property, plant and equipment	10	–1 282	–3 285
Proceeds from disposal of other non-current assets		150	185
Purchase of other non-current assets		–20	–251
Increase/(decrease) in recoverable taxes		13	–
Interests received	9	1	127
Net cash flow investing activities		**–715**	**–3 011**
Cash flow from financing activities			
Transaction costs from capital increase		371	–673
Purchase of treasury shares		–51	–
Proceeds from borrowings	19	1 832	5 246
Repayment of borrowings	19	–824	–258
Interests paid	19	–948	–538
Interests paid on lease liabilities	19, 21	–110	–126
Repayment of lease liabilities	19, 21	–411	–318
Net cash flow financing activities		**–141**	**3 333**
Net increase/(decrease) in cash and cash equivalents		**249**	**–231**
Cash and cash equivalents, at the beginning of the year		**1 341**	**1 648**
Increase/(decrease) in cash and cash equivalents		249	–231
Translation effect on cash		2	–76
Total cash and cash equivalents, at the end of the year		**1 592**	**1 341**

Notes to the consolidated financial statements

1. Basis of presentation, consolidation and general accounting policies

Basis of presentation

Precious Woods Group (hereinafter referred to as "the Group" or "Precious Woods") is one of the leading companies in sustainable management of tropical forests globally. The parent company, Precious Woods Holding Ltd, has its registered office in Zug. The Group's subsidiaries are organized and operate under the laws of Brazil, Gabon and the Netherlands.

The consolidated financial statements for the Precious Woods Group have been prepared on a historical cost basis, except for leasing, biological assets and land, that have been measured at fair value, and in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are presented in euros, as the Group's revenues, profits and cash flows are principally denominated in euros. All values are rounded to the nearest thousand (in thousand EUR), except when otherwise indicated. The functional currency of the parent company Precious Woods Holding Ltd is Swiss francs.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires Group Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses during the reporting period. The resulting accounting estimates will, by definition, rarely equal the related actual results.

The estimates and assumptions, which may have a significant risk of causing a material impact on the consolidated financial statements, relate primarily to

- Biological assets (see Note 11),
- Leasing and right-of-use assets (see Note 21),
- Deferred income tax assets (see Note 28),
- Land titles in Brazil (see Note 10),
- Provisions (see Note 26),
- Contingencies (see Note 27),
- Defined benefit obligations (see Note 29) and
- Goodwill (see Note 12)

New or revised IFRS standards, amendments and interpretations

Certain IFRS and interpretations were revised or introduced. The relevant ones for the Group are,

effective on or after 1 January 2025:
- IAS 21 The effects of changes in foreign exchange rates (amendments) – These amendments had no impact on the consolidated financial statements.

effective on or after 1 January 2026:
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (amendments) – effective on or after 1 January 2026 – no material impact expected
- IFRS 18 Presentation and disclosure in financial statements – effective on or after 1 January 2027 – the Group is currently working to identify the impacts on the consolidated financial statements.

The material general accounting policies are as follows:

a. Currency

The subsidiaries' accounting records are maintained in the legal currency of the country in which they operate and which is their functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized through profit or loss. The currency translations rates are presented in Note 30.

The financial statements of the subsidiaries have been translated from their functional currencies to the presentation currency (EUR).

b. Impairment of non-financial assets

The Group assesses at each year-end reporting date whether there is an indication that an asset may be impaired. Such assessment occurs on the basis of events or changes in circumstances, which indicate that the value of an asset may be impaired. If such indications exist, the recoverable amount will be determined for the respective asset. If the asset does not generate cash inflows that are largely independent from other assets, the recoverable amount is determined on the lowest group of assets for which cash inflows are separable. An impairment loss is recognized, if the carrying value exceeds the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal. The impairment is recorded in the statement of comprehensive income.

All specific accounting policies may be found adjacent to the corresponding note on the following pages.

2. Financial risk management

In the normal course of business, the Group is exposed to changes in market risk, liquidity risk and credit risk.

Precious Woods financial risk management seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by the Group finance department under conditions approved by the Board of Directors and Group Management. The Group Management takes decisions covering specific areas, such as foreign exchange risk, on a case-by-case basis.

Market risk

The market risk includes interest rate risk, foreign exchange risk and equity price risk.

Interest rate risk

Precious Woods has no significant interest-bearing assets. The Group's interest rate risk arises from loans. Loans issued at variable rates expose Precious Woods to cash flow interest rate risks.

Group Management's policy is to maintain its borrowings in fixed rate instruments. There was no material variable interest rate borrowing on 31 December 2024 as well as on 31 December 2025.

Foreign currency risk

Precious Woods operates internationally and is exposed to foreign currency risk arising from various currency exposures. The XAF is in a fix relation to the EUR. Most of the sales out from Gabon are denominated in EUR and largely all costs are in XAF. The sales out of Brazil are denominated in EUR, USD and BRL, the costs are in BRL. Therefore, the currency risk for the local books is given. Foreign currency risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. Group loans are denominated in CHF, BRL, EUR and XAF.

To manage its foreign currency risk arising from future commercial transactions the Group may use forward contracts, transacted by the Group finance department. The Group did not use this instrument in the past two years.

The sensitivity analysis below is based on the exposure on 31 December based on assumptions that have been deemed reasonable by Group Management, showing the impact on profit or loss before tax as well as on equity. The Group uses historical volatilities of the currency pairs below to determine the reasonable shift.

The following table summarizes the Group's sensitivity to currency exposures regarding the positions in the statement of financial position of the main currencies on 31 December:

in thousand EUR	31.12.25 Reasonable shift	31.12.25 „Impact“ on profit or loss before tax	31.12.25 „Impact“ on equity	31.12.24 Reasonable shift	31.12.24 „Impact“ on profit or loss before tax	31.12.24 „Impact“ on equity
EUR/CHF	+/−5%	+/−230	+/−0	+/−5%	+/−229	+/−1 088
USD/CHF	+/−10%	+/−28	+/−0	+/−10%	+/−49	+/−1 065
USD/BRL	+/−20%	+/−22	+/−678	+/−20%	+/−0	+/−753
BRL/CHF	+/−15%	+/−0	+/−4 771	+/−15%	+/−0	+/−5 103
BRL/EUR	+/−15%	+/−4	+/−0	+/−15%	+/−4	+/−0
XAF/CHF	+/−10%	+/−85	+/−778	+/−10%	+/−65	+/−741

Price risk

Precious Woods is exposed to equity securities price risks because of unlisted investments held by the Group and classified as measured at fair value through OCI. For details about the exposure please see Note 14.

Liquidity risk

Liquidity risk management is centralized at the Groups head office and monitored through cash flow forecasts. The subsidiaries provide regular forecasts based on the expected cash-inflows and -outflows. Excess funds are pooled in accounts managed by the holding company. Cash deficits are funded by the holding company in general. Group administration raises the majority interest-bearing debt centrally. The Group seeks to reduce liquidity risks through sufficient cash reserves and credit facility arrangements.

The following table analyses the Group's remaining contractual maturities for financial liabilities:

in thousand EUR	Less than 1 year	Between 1 and 2 years	Over 2 years	Total	Carrying amount
31 December 2025					
Trade and other payables	21 288	–	–	21 288	21 288
Lease liabilities	825	440	158	1 423	1 219
Loans and interest payables	6 872	1 247	5 527	13 646	10 288
Financial liabilities	**28 985**	**1 687**	**5 685**	**36 357**	**32 795**

in thousand EUR	Less than 1 year	Between 1 and 2 years	Over 2 years	Total	Carrying amount
31 December 2024					
Trade and other payables	19 279	–	–	19 279	19 279
Lease liabilities	887	794	334	2 015	1 689
Loans and interest payables	5 358	1 293	4 323	10 974	8 769
Financial liabilities	**25 524**	**2 087**	**4 657**	**32 268**	**29 737**

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

Where banks and financial institutions are concerned, generally independently rated parties with a minimum rating of "A" are accepted. Precious Woods has one main relation with a bank, which has a rating of "A+". Most of the sales are CAD (Cash Against Documents) or L/C (Letter of Credit) and if this does not apply and the customers are independently rated, these ratings are used. The Group has set up a policy to minimize credit risk and monitor its clients. Customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Group monitors its account receivables at individual customer level by payment due date rather than the number of days from invoice date. No concentrations of credit risk are currently present. An allowance for expected credit losses is determined on both an individual and a collective basis. An individual allowance is determined when a customer disputes the amount due, or if further steps have been taken to recover the overdue amount. Collective loss allowances are determined based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For detailed information see Note 17.

The Group's largest customer accounted for approximately 22% of net revenues, and the second largest and third largest customers accounted for 10% and 9% of net revenues (2024: 19%, 17% and 5%). The highest amounts of trade receivables outstanding per single customer amounted to 12%, and twice 9% of the Group's trade receivables at 31 December 2025 (2024: 25%, 15% and 8%).

Group Management regularly receives the relevant information on sales per customer as well as on major outstanding receivables positions and can thus take the necessary steps to minimize customer credit risk.

There is no other significant concentration of customer credit risk.

Capital management

When managing capital, Precious Woods' objectives are to safeguard the Group's ability to continue as a going concern and to maintain an optimal structure to reduce the cost of capital. In order to reach these goals, Precious Woods issues new shares or sells assets to reduce debts. The mid-term target of the Group is to have an equity ratio of >40%. As of 31 December 2025, the Group's equity ratio decreased slightly to 58%, from 63% at end of 2024. The Group's equity ratio compares the total shareholder 's equity to the total assets as presented in the consolidated statement of financial position. Capital is considered the equity attributable to holders of Precious Woods Holding. There were no changes in the Group's approach to capital management during the year.

Guarantees and pledges of assets

As of 31 December 2025, the Group has pledged assets as follows:

- Land EUR 0.1 million
- Machinery and vehicles EUR 1.1 million
- Leased machinery and vehicles EUR 3.5 million

As of 31 December 2024, the Group had pledged assets as follows:

- Land EUR 0.1 million
- Machinery and vehicles EUR 1.1 million
- Leased machinery and vehicles EUR 3.3 million

3. Financial information by segment

The activities of the Group are primarily organized and presented in four operating segments supported by a central corporate office. Group Management monitors and evaluates EBITDA of all segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

- Sustainable Forest Management Brazil: Activities in the field of sustainable management of tropical forests and the processing of tropical timber in Brazil
- Sustainable Forest Management Gabon: Activities in the field of sustainable management of tropical forests and the processing of tropical timber in Gabon
- Trading: trading of timber from external sources in Switzerland
- Carbon & Energy: Activities in the field of energy production from biomass and trading of certified emission reductions (CERs)

Precious Woods' forests in Brazil and Gabon are managed in a sustainable manner, which means that not more timber is harvested than can simultaneously grow back, and that the value of the forest is preserved. An integral part of Precious Woods' approach to sustainable forestry in Brazil is the use of waste wood to produce electricity and the registration and sale of carbon emission reductions (CERs). In 2023, until October, 19 730 tonnes of CO_2 equivalents were produced. After that date, the UNFCCC project period ended and no further CERs are produced. Since 2023 the sale of CERs, produced from 2021 to 2023, is postponed to a later date due to new procedures and regulations.

Operating segments – for the year ending on 31 December 2025

in thousand EUR	Sustainable Forest Management Brazil	Sustainable Forest Management Gabon	Trading	Carbon & Energy	Other[1]	Total
Net revenues						
Third parties	11 491	29 182	3 832	123	–	44 628
Intersegment	57	–	–	177	–234	0
Total net revenues	**11 548**	**29 182**	**3 832**	**300**	**–234**	**44 628**
Gain from changes in fair value from biological assets	3 150	–	–	–	–	3 150
Profit/(loss) on sale of PP&E	302	17	–	7	–	326
Share of profit/(loss) of associates	–	–498	–	–	–	–498
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**5 916**	**583**	**108**	**–304**	**–2 096**	**4 207**
Depreciation and amortization	–1 349	–2 742	–	–17	–24	–4 132
Impairment charges/reversals	–107	–	–	–	–	–107
Profit/(loss) from operating activities (EBIT)	**4 460**	**–2 159**	**108**	**–321**	**–2 120**	**–32**
Financial income						49
Financial expenses[2]						–5 352
Earnings before taxes (EBT)						**–5 335**
Income taxes	–1 202	–1 148	19	–	61	–2 270
Segment assets	**76 002**	**43 489**	**984**	**2 162**	**–5 374**	**117 263**
Investments in associates	–	981	–	–	–	981
Capital expenditures	815	430	–	52	9	1 306
Segment liabilities	**47 905**	**39 468**	**1 619**	**121**	**–40 355**	**48 758**

1 The eliminations and adjustments consist of the intersegment eliminations and the results from Precious Woods Holding Ltd, the Luxembourg entities and Precious Woods Management Ltd, which are not allocated to a specific segment.
2 Further details on the reclassification of cumulative currency translation adjustments are described in Note 9.

Operating segments – for the year ending on 31 December 2024

in thousand EUR	Sustainable Forest Management Brazil	Sustainable Forest Management Gabon	Trading	Carbon & Energy	Other[1]	Total
Net revenues						
Third parties	10 137	33 326	4 153	129	–	47 746
Intersegment	99	–	–	115	–214	–
Total net revenues	**10 237**	**33 326**	**4 153**	**244**	**–214**	**47 746**
Gain from changes in fair value from biological assets	2 465	–	–	–	–	2 465
Profit/(loss) on sale of PP&E	156	–17	–	–	–	140
Share of profit/(loss) of associates	–	–1 749	–	–	–	–1 749
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**4 129**	**1 506**	**–1 033**	**–506**	**–2 006**	**2 090**
Depreciation and amortization	–2 144	–3 691	–	–18	–95	–5 948
Impairment charges/reversals	15	–	–	–	–	15
Profit/(loss) from operating activities (EBIT)	**2 000**	**–2 185**	**–1 033**	**–524**	**–2 101**	**–3 844**
Financial income						196
Financial expenses						–110
Earnings before tax (EBT)						**–3 758**
Income taxes	–828	–201	80	–	–167	–1 116
Segment assets	**75 694**	**43 189**	**1 412**	**2 485**	**–5 936**	**116 844**
Investments in associates	–0	1 479	–	–	–	1 479
Capital expenditures	1 961	1 357	–	17	–	3 335
Segment liabilities	**46 477**	**35 514**	**1 974**	**119**	**–40 571**	**43 514**

1 The eliminations and adjustments consist of the intersegment eliminations and the results from Precious Woods Holding Ltd, the Luxembourg entities and Precious Woods Management Ltd, which are not allocated to a specific segment.

Geographic information

in thousand EUR	2025		2024	
Net revenues				
Europe	29 306	65.7 %	28 809	60.3 %
Latin America	4 116	9.2 %	4 514	9.5 %
Africa	3 259	7.3 %	8 749	18.3 %
Asia	3 316	7.4 %	1 997	4.2 %
Australia	1 553	3.5 %	–	0.0 %
North America	3 078	6.9 %	3 677	7.7 %
Total net revenues	**44 628**	**100.0 %**	**47 746**	**100.0 %**
Location of non-current assets				
Switzerland	80	0.1 %	62	0.1 %
Brazil	66 397	73.7 %	64 768	71.2 %
Gabon	23 652	26.2 %	26 116	28.7 %
Total non-current assets[1]	**90 129**	**100.0 %**	**90 946**	**100.0 %**

1 Non-current assets are stated without deferred tax assets, financial investments and post-employment benefit assets, if any.

Accounting policies

Operating segments are reported in a manner consistent with internal reporting to the chief operating decision maker (Precious Woods' Group Management) and to the Board of Directors. Group Management is responsible for allocating resources and assessing the performance of the operating segments.

4. Revenue from contracts with customers

in thousand EUR	2025	2024
Sale of timber and roundwood	54 805	57 586
Sale of energy	300	244
Sale of shipment services	1 140	1 167
Sale of goods and services	**56 244**	**58 997**
Freight expenses and sales commissions	–11 616	–11 251
Net revenues	**44 628**	**47 746**

Accounting policies

The Group generates revenues from sales of roundwood, sawn timber products and shipment services and recognizes the revenue at a point in time when the goods are at the point the customer purchases them. Payment of the transaction price is due immediately at the point the customer purchases the goods, or within 30 days for account holding customers. For international sales the Group recognizes the revenue for goods at a point in time, according to the agreed Incoterms (International Commercial Terms).

MIL Energia Renovável generates electricity with its biomass power plant in the Amazon region of Brazil. Until October 2023, it also produced CERs (Certified Emission Reductions). The electricity produced is fed into the regional state electricity grid and measured on a monthly basis. The revenue is recognized at that point in time. Payment of the transaction is due within 30 days by the grid owner. The CERs were purchased by Precious Woods Holding. The produced CERs are recognized as inventory and valued at the lower of cost or net realizable value as long as the certification is not yet achieved and sold afterwards.

5. Consumables used and other production costs

in thousand EUR	2025	2024
Fuel, oil and lubricants	5 039	6 226
Energy – third parties	23	23
Maintenance and spare parts	4 117	3 808
Total consumables used	**9 179**	**10 057**

in thousand EUR	2025	2024
Logistics, transportation costs and freight	77	134
Forest taxes & expenses	1 718	1 781
Insurances (production)	245	294
Rent and lease (production)	75	52
Company-produced additions to plant and equipment	–58	–
Miscellaneous production costs	990	1 407
Total other production costs	**3 047**	**3 668**

6. Personnel expenses

in thousand EUR	2025	2024
Wages and salaries	12 383	12 307
Social security costs	2 351	2 024
Pension costs – defined contribution plans	68	126
Pension costs – defined benefit plans	319	376
Other employment benefits	2 319	2 030
Total personnel expenses	**17 440**	**16 862**

in thousand EUR	2025	2024
Forest and processing costs	12 209	11 722
Administration and other labour costs	5 231	5 140
Total personnel expenses	**17 440**	**16 862**

7. Other operating income and expenses

in thousand EUR	2025	2024
Other operating income		
Gain on disposal of fixed assets	337	190
Other income	2 155	1 356
Total other operating income	**2 492**	**1 546**
Other operating expenses		
Audit fees	334	347
Legal and tax fees	213	297
Other consulting fees	185	372
Tax expenses (non-income taxes)	591	696
Travel expenses	771	760
Expenses for short-term leases	814	647
Communication and investor relations expenses	349	329
Distribution expenses	39	77
IT expenses	229	211
Insurances (non-production)	153	187
Change in expected credit loss allowance	715	228
Other administrative expenses	1 016	845
Total other operating expenses	**5 409**	**4 996**

Other administrative expenses contain building expenses and marketing expenses.

8. Depreciation, amortization and impairment

in thousand EUR	2025	2024
Depreciation of property, plant and equipment	3 037	3 686
Impairment of property, plant and equipment	117	–
Reversal of impairment of property, plant and equipment	–10	–15
Depreciation of right-of-use assets	841	944
Amortization of intangible assets	254	1 319
Total depreciation, amortization and impairment	**4 239**	**5 933**

9. Financial income and expenses

in thousand EUR	2025	2024
Financial income		
Interest income from associates	–	127
Other financial income	49	69
Total financial income	**49**	**196**
Financial expenses		
Interest expenses	1 110	846
Recycling of unrealized currency translation effects	3 799	–
Foreign-exchange losses/(gains), net	448	–842
Other financial expenses	–5	106
Total financial expenses	**5 352**	**110**

Financial expenses include a one-time item arising from the reclassification of cumulative currency translation adjustments (CTA) to profit or loss following the deconsolidation of Precious Woods Management Ltd, BVI, in accordance with IAS 21. The reclassification has no effect on cash flow.

10. Property, plant and equipment

The carrying amounts of all assets summarized in property, plant and equipment, are as follows:

in thousand EUR	2025	2024
Land	46 453	47 579
Forest roads	2 450	2 748
Buildings and improvements	4 645	4 709
Machinery and vehicles	5 542	7 128
Furniture and fixtures	260	286
Construction in progress	679	646
Advanced payments for PPE	1 157	701
Total carrying amounts	**61 186**	**63 796**

The Group uses different valuation methods for its assets. Beside the land in Brazil and Gabon, which is presented at fair value according to the revaluation model of IAS 16 Property, Plant and Equipment, the assets are held at cost.

The forests in Brazil are presented separately as biological assets, according to IAS 41 Agriculture and are further detailed in Note 11; as well as the leased assets, presented separately according to IFRS 16 Leases in Note 21.

a. Land at fair value

Precious Woods applies the revaluation model according to IAS 16 Property, Plant and Equipment for all its land assets. The carrying amount for those assets, if the cost model had been applied, would have been EUR 11.7 million (2024: EUR 12.2 million).

Reconciliation of carrying amount of level 2 land revaluation

in thousand EUR	2025 at Fair Value	2024 at Fair Value
At 1 January	47 579	54 907
Additions	34	–
Change in fair value	–556	51
Reclassification from/to advanced payments for PPE	–530	18
Currency effects	–74	–7 397
At 31 December	**46 453**	**47 579**

Accounting policies

The land value is measured at fair value with any changes in value recognized in other comprehensive income under revaluation surplus.

Land revaluation Brazil and Gabon

The valuation was based on the market value. The sales comparison approach is used to determine the market value of bare land without biomass. This approach consists of comparing the subject land to similar land sold in the recent past in an open market situation and adjusting the value for market trends. This results in a market value for the land.

In Brazil, there were no indications of a price fluctuation for land in 2025. In 2024, the fair value fell due to the conversion into the consolidation currency to EUR 37.2 million and in 2025 it amounted to EUR 36.0 million. Over the years, there may be small temporary changes in the land area due to legal cases. Further information about these uncertain land titles is disclosed in Note 10 b.

In Gabon, there were no indications of a price fluctuation for land in 2025; the fair value remained stable at EUR 10.4 million, as in 2024.

The fair value measurement for the land has been categorized as a level 2 fair value based on the inputs to the valuation technique used.

b. Other assets at cost

Beside the land, all other asset categories in property, plant and equipment are held at cost.

in thousand EUR	Forest roads	Buildings and improvements	Machinery and vehicles	Furniture and fixtures	Construction in progress	Advanced payments for PPE	Total PPE at cost
Cost							
At 1 January 2024	**11 545**	**16 652**	**36 981**	**1 473**	**221**	**2 533**	**69 404**
Additions	–	40	2 233	54	935	23	3 285
Disposals	–	–	–897	–	–	–	–897
Reclassifications[1]	–	91	–339	11	–503	–301	–1 040
Currency effects	–663	–403	–2 006	–69	–7	–394	–3 542
At 31 December 2024	**10 882**	**16 380**	**35 971**	**1 470**	**646**	**1 861**	**67 209**
Additions	–	79	684	28	388	55	1 234
Disposals	–	–10	–853	–	–	–562	–1 425
Reclassifications[1]	58	177	93	25	–354	530	527
Currency effects	–9	–7	–33	1	–1	–5	–53
At 31 December 2025	**10 931**	**16 619**	**35 862**	**1 524**	**679**	**1 878**	**67 493**
Accumulated depreciation and impairment							
At 1 January 2024	**8 068**	**11 353**	**29 067**	**1 177**	**–**	**1 395**	**51 060**
Charge for the year	490	608	2 506	81	–	–	3 686
Reversal of impairment	–11	–	–	–	–	–4	–15
Disposals	–	–	–846	–	–	–	–846
Reclassifications[1]	–	–	–512	–17	–	–	–530
Currency effects	–414	–290	–1 371	–57	–	–231	–2 363
At 31 December 2024	**8 133**	**11 672**	**28 843**	**1 184**	**–**	**1 160**	**50 992**
Charge for the year	366	317	2 275	79	–	–	3 037
Impairment charge	–	–	–	–	–	117	117
Reversal of impairment	–10	–	–	–	–	–	–10
Disposals	–	–10	–767	–	–	–562	–1 339
Currency effects	–8	–5	–31	1	–	6	–37
At 31 December 2025	**8 481**	**11 974**	**30 320**	**1 264**	**–**	**721**	**52 760**
Carrying amount							
At 31 December 2024	**3 477**	**5 299**	**7 913**	**296**	**221**	**1 138**	**18 344**
At 31 December 2025	**2 450**	**4 645**	**5 542**	**260**	**679**	**1 157**	**14 733**

1 The reclassifications contain also reclassifications from/to land, leasing and from spare parts (Note 21)

For certain land acquired by Precious Woods in Brazil, the land title registration is not yet finalized. These transactions are disclosed as advanced payments for property, plant and equipment at historical cost. For advanced payments for land titles with a certain risk of losing the land, an allowance is recorded based on Group Management's estimate of the probability of not being able to prove the ownership of the land. Based on the continued efforts to clean the land titles from legal issues, Precious Woods had on the one hand to reclassify additional land as advanced payments for property, plant and equipment in the amount of EUR 529 572 (2024: EUR 0.0). On the other hand, no advanced payments for property, plant and equipment were reversed to land (2024: EUR 17 735).

Accounting policies

In general, assets in property, plant and equipment are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is applied using the straight-line method over the estimated useful life of the assets as follows:

- Permanent forest roads — 25 years
- Buildings and improvements — 3 to 25 years
- Machinery and vehicles — 4 to 10 years
- Furniture and fixtures — 5 to 10 years

The assets' residual values and useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

11. Biological assets

in thousand EUR	2025	2024
At 1 January	17 701	18 554
Change in fair value less cost to sell	3 150	2 465
Currency effects	–110	–3 318
At 31 December	**20 741**	**17 701**

The forests of Precious Woods in Brazil are organized as one single forest management and are managed in a sustainable manner, which means that no more than the incremental growth will be harvested, and the substance of the forest will be preserved. The appraisal of the Group's naturally grown forests was performed according to IAS 41 Agriculture and IFRS 13 Fair Value Measurement.

Accounting policies

Biological assets are measured at their fair value less costs to sell, with any resultant gain or loss recognized in the consolidated statement of profit or loss. The fair value of biological assets was estimated by applying the income approach, considering the MPEE method. The income approach reflects current market expectations in relation to future values. The costs to sell are made up of harvesting, transporting and processing costs.

Valuation process

The Group has a team within the Internal Reporting department that performs the valuation of biological assets. The valuation is updated internally at the end of each reporting period. When considering the appropriate input data, the team reviews available information such as quantity of tree harvest, expected yield, current market prices, expected harvest costs through to harvest and the expected timing of harvest.

The valuation policies and procedures, as well as changes in the fair value measurements, are reviewed by the chief financial officer (CFO) annually. The CFO is responsible for the Group's internal valuation team. The Group's internal valuation team comprises two employees, both of whom hold relevant internationally recognized professional qualifications and are experienced in valuations in the forest industry.

Methodology and assumptions used in determining fair value

Since Group Management was able to provide reliable cash flow estimates, the income approach was utilized, specifically the MPEEM (Multi-Period Excess Earnings Method). The MPEE method is a valuation approach that considers the ability of biological assets to generate future cash flow in order to determine their fair value.

The following significant assumptions were adopted by the group to determine the fair value of the forest:

Volumes: The biological assets consist of a variety of naturally grown trees native to the region, which are cut from 50 cm in diameter and have a natural renewal cycle of 35 years. For value estimation and still considering the characteristics of the evaluated assets and sustainable management, an annual exploration area of up to 10 600 hectares was considered. The exploration area of effective forest management is calculated from the total area of forests owned by Precious Woods (in order to obtain the exploration approval) excluding 20 % of the permanent preservation area.

For the estimation of the fair value of the forest, a certain volume of exploration area was considered, according to the evolution through years and the Group Management's expectation of exploration for the coming years. The harvesting volume was calculated based on effective quantities. Due to the implementation of optimization measures, the following harvesting volume development was expected: 2026: 10 m^3/ha/year and 110 000 m^3; 2027: 12 m^3/ha/year and 130 000 m^3; 2028: 15 m^3/ha/year and 160 000 m^3; and from 2029 onwards, 17 m^3/ha/year and 180 000 m^3 harvesting volume. The actual harvesting volume for 2025 was 102 000 m^3 (2024: 117 000 m^3).

Volume adjustment factor: The logs will be transformed into sawn timber in various dimensions. An average yield factor was applied.

Prices: The average price applied on the volume to generate revenues were derived from the segregation between export or domestic market, type of product (commercial / non-commercial) and the corresponding prices. Generally, the costs contain cutting, transportation and processing as well as the depreciation expenses of the related fixed assets. For the export market, additional costs for drying and packaging are added. The majority of timber is for the export market and related to market prices.

Operating costs: The costs include all costs related to sustainable forest management and the production cost in the industry. Production costs are being directly subtracted from the prices to determine the prices of raw wood. Meanwhile, sustainable forest management costs – such as harvesting, loading, transportation, and related activities – are being deducted from the cash flow projections.

Costs to sell: On top of operating costs there are costs for packaging, administration, sales activities and transportation respected, but no financial costs.

Level 3 fair value

The valuation model considers the present value of the net cash flows expected to be generated from the natural forest management activities in the next 4 years. The forest for the 31 years remaining part of the cycle is regarded as non-productive forest, even if harvesting will follow, as the forest is naturally re-generated during the cycle of 35 years. Therefore, the values remain stable if there are no major market price differences to the ones applied.

Key assumption used in the determination of the discount rate

In determining the after-tax weighted average cost of capital (WACC), a group rate of 14.0 % (2024: 14.0 %) has been applied considering the following inputs:

	2025	2024
Unlevered beta factor	1.17	1.17
Risk free rate	5.6 %	5.6 %
Equity risk premium	11.3 %	11.3 %
Debt/Equity ratio	42.9 %	42.9 %
Tax rate	34.0 %	34.0 %

Sensitivity analysis

Assuming all other unobservable inputs are held constant, the following changes in these above assumptions will cause a change in the fair value of the forest:

in thousand EUR	FV	Effect
Assumption 31 December 2025	20 741	
Sales prices -5.0 %	17 877	–13.8 %
Costs +5.0 %	19 047	–8.2 %
Volumes -10.0 %	15 628	–24.7 %
Discount rate +50.0 %	13 713	–33.9 %

in thousand EUR	FV	Effect
Assumption 31 December 2024	17 701	
Sales prices -5.0 %	14 855	–16.1 %
Costs +5.0 %	15 871	–10.3 %
Volumes -10.0 %	15 668	–11.5 %
Discount rate +50.0 %	11 897	–32.8 %

The above sensitivity analysis shows how the present value of the discounted cash flows would be affected if the key valuation parameters were attributed other values than those that form the basis of the current valuation of the discounted cash flows. An increase by the same percentage would have the opposite effect on the valuation.

The Group is exposed to a number of risks relevant to its natural forest management activities, namely:

Regulatory and environmental risk: The Group has established environmental policies and procedures aimed at compliance with environmental legislation. Group Management performs regular reviews to identify environmental risks and to ensure that the management systems in place are adequate. The Group manages its natural forest in compliance with FSC and PEFC standards since 1994 and 2017 respectively.

Supply and demand risk: The Group is exposed to risks arising from fluctuations in the price and demand for log products. When possible, the Group manages these risks by aligning its harvest volumes to market demand. Group Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with expected demand on a sustainable basis.

Climate and other risk: The Group's forests are exposed to the risk of damage from climatic changes, diseases and other natural forces.

12. Intangible assets and goodwill

in thousand EUR	Goodwill	Trademarks, licences and customer portfolios	Other[1]	Total
Cost				
At 1 January 2024	**314**	**15 100**	**7 469**	**22 884**
Additions	–	49	1	50
Reclassifications	–	1 130	–1 130	–
Currency effects	–52	–448	–233	–733
At 31 December 2024	**262**	**15 831**	**6 107**	**22 200**
Additions	–	39	–	39
Reclassifications	–	–	2	2
Currency effects	–1	–6	3	–4
At 31 December 2025	**261**	**15 864**	**6 112**	**22 237**
Accumulated amortization and impairment				
At 1 January 2024	**314**	**11 972**	**6 165**	**18 451**
Charge for the year	–	282	1 036	1 319
Reclassifications	–	1 130	–1 130	–
Currency effects	–52	–142	–117	–312
At 31 December 2024	**262**	**13 243**	**5 954**	**19 458**
Charge for the year	–	103	151	254
Currency effects	–1	–2	–	–3
At 31 December 2025	**261**	**13 344**	**6 104**	**19 709**
Carrying amount				
At 31 December 2024	**–**	**2 588**	**154**	**2 742**
At 31 December 2025	**–**	**2 520**	**8**	**2 528**

Accounting policies

Forest concessions are classified as intangible assets, as the right to direct the use of the concession is not with the Group, but with the government or the land owner. Other intangible assets have a finite useful life and are carried at cost less accumulated amortization and impairment loss. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives of 12 to 50 years.

Valuation process for goodwill

The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units are disclosed below. The projections are based on knowledge and experience and also on judgements made by management as to the probable economic development of the relevant markets.

13. Investment in associates

Proportion of ownership in investment in associates

Associate	Country	31 December 2025	31 December 2024
Compagnie des Placages de la Lowé S.A.	Gabon	49 %	49 %

Compagnie des Placages de la Lowé S.A.

in thousand EUR	2025	2024
At 1 January	1 479	920
Net additions/(disposals)	–	2 308
Share of profit/(loss) of associates	–498	–1 749
At 31 December	**981**	**1 479**

The former Precious Woods Tropical Gabon Industrie S.A., which merged with CEB on 1st January 2024, entered on 1st October 2020 into an arrangement with Compagnie des Placages de la Lowé S.A., (formerly called Placage Déroule du Gabon S.A.), also a veneer producing company in Gabon, owned 100 % by Arbor Group, France. Precious Woods Tropical Gabon Industrie S.A. acquired 49 % shares and voting rights in Placage Déroule du Gabon S.A. by contribution of net assets.

Precious Woods Group has no control or joint control over the investment but exercises significant influence.

Set out below is the summarized financial information for Compagnie des Placages de la Lowé S.A.:

in thousand EUR	31 December 2025	31 December 2024
Current assets	9 361	7 929
Non-current assets	3 521	4 426
Current liabilities	11 406	9 411
Non-current liabilities	617	1 065
Equity 100 %	**859**	**1 879**
Group‘s share in equity 49 %	421	921
Goodwill	677	677
Elimination of unrealized profit on downstream sales	–117	–119
Group‘s carrying amount in the investment	**981**	**1 479**

in thousand EUR	2025	2024
Revenues	11 697	11 963
Cost of sales	–11 413	–12 462
Administration expenses	–938	–2 999
Financial result	–236	–259
Earnings before tax (EBT)	**–890**	**–3 757**
Income tax (expenses)/income	–131	–174
Net profit/(loss) 100 %	**–1 021**	**–3 930**
Net profit/(loss) 49 %	–500	–1 926
Change in elimination of unrealized profit on downstream sales	2	177
Group‘s share of profit/(loss)	**–498**	**–1 749**

The associate had no contingent liabilities or capital commitments as at 31 December 2025 or 2024. There is no unrecognized share of losses relating to the above associate.

Accounting policies

Associates are entities, over which the Group holds 20 to 50 percent of the voting rights and exercises significant influence. The Group does not exercise control over their financial and operational policy decisions.

14. Non-current loans and investments

in thousand EUR	2025	2024
Non-current loans, associates	1 431	1 431
Investment Nederlandse Internationale Bosbouw Onderneming NV (NIBO)	29	29
Total non-current loans and investments	**1 460**	**1 460**

The loan to associates was granted in connection with the investment in Compagnie des Placages de la Lowé S.A.

15. Inventories

in thousand EUR	2025	2024
Logs	3 176	4 264
Sawn timber	3 163	3 530
Industrialized products	432	858
Export products in transit	1 094	1 196
Consignment inventory	155	175
Certified Emission Reductions (CERs)	170	170
Spare parts and other	4 074	4 198
Obsolescence reserve	–1 498	–1 740
Total inventories	**10 766**	**12 651**

Obsolescence reserve

in thousand EUR	2025	2024
At 1 January	1 740	1 068
Increase	298	1 009
Used	–196	–31
Reversed	–343	–219
Currency effects	–2	–87
At 31 December	**1 498**	**1 740**

Accounting policies

Inventories are valued at the lower of cost or net realizable value. Logs and finished products are recorded at the average cost of production, less provision for losses, when applicable. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to make the sale. The cost of semi-finished and finished goods contains direct production costs including materials and production costs, as well as production overhead costs.

16. Prepaid expenses

in thousand EUR	2025	2024
Prepaid expenses, prospecting	104	13
Prepaid insurance costs	57	66
Other prepaid expenses	395	462
Total prepaid expenses	**556**	**541**

Prospecting costs are the costs incurred in the collection of data regarding the area to be harvested the next year.

17. Trade and other receivables

in thousand EUR	2025	2024
Trade receivables, third parties	9 554	8 585
Trade receivables, associates	711	650
Allowance for expected credit losses	–1 256	–1 022
Total trade receivables net	**9 009**	**8 213**
Other current receivables	5 182	3 044
Total trade and other receivables net	**14 191**	**11 257**

The carrying amounts of the receivables approximate to their fair values. Other receivables contain credit balances from governments, therefore the expected credit loss is immaterial.

Allowance for credit losses for trade receivables

in thousand EUR	2025	2024
At 1 January	1 022	818
Increase of allowance for credit losses	765	426
Reversal of allowance for credit losses	–50	–198
Utilisation of loss allowances	–480	–
Currency effects	–1	–24
At 31 December	**1 256**	**1 022**

The exposure to credit risk is covered with the impairment for expected credit losses under IFRS 9 on trade receivables. It contains collectively assessed positions (Lifetime ECL), using the simplified approach, as well as individually assessed positions.

The individual allowances for credit losses include receivables past due more than 12 months, where the Group is in negotiation with the debtors for a solution.

The standard payment terms for trade receivables are in most instances Cash Against Documents (CAD) or Letter of Credit (L/C). The trade receivables are not interest-bearing, and the Group considers them to be credit impaired when internal or external information give cause for serious concern to receive the outstanding amount. The credit ratings for the lifetime ECL base on the aging buckets of the trade receivables. Taking into consideration the terms and conditions established with customers, the lifetime expected credit loss allowance for trade receivables is as follows:

in thousand EUR	Expected credit loss default rate	2025	2024
Not overdue	0.5–0.6 %	9 334	8 766
Less than 30 days overdue	0.5–0.6 %	38	229
31 to 60 days overdue	1.7–2.0 %	481	260
61 to 180 days overdue	10 %	411	18
More than 180 days overdue	15 %	1	–39
Total trade receivables gross		**10 265**	**9 235**
Allowance for individual impairments		–1 155	–972
Allowance for expected credit losses		–101	–50
Total trade receivables net		**9 009**	**8 213**

Accounting policies

The allowances base on the simplified approach of full lifetime expected credit losses as defined by the impairment model of IFRS 9. To calculate these allowances the trade accounts receivables are clustered into ageing buckets and each of these buckets weighted with a certain percentage. Doubtful accounts are assessed individually to analyze if a significant increase in credit risk occurred and an individual impairment is needed. Indications for such impairments are substantial financial problems on the part of the customer, a declaration of bankruptcy, or a significant delay in payment occurring.

18. Trade and other payables

in thousand EUR	2025	2024
Trade payables, third parties	4 631	5 765
Trade payables, associates	877	681
Total trade payables	**5 508**	**6 447**
Other current liabilities, third parties	10 647	9 123
Accrued expenses	5 133	3 709
Total other payables	**15 780**	**12 832**
Total trade and other payables	**21 288**	**19 279**

Further details about the financial risk management are described in Note 2.

19. Financial liabilities, other than trade and other payables

Carrying value of financial liabilities, other than trade and other payables

in thousand EUR	2025	2024
Loans and interest payables	10 287	8 769
Lease liabilities	1 219	1 689
Total	**11 506**	**10 458**
Current loans	4 565	4 201
Current loans shareholders and related parties	1 826	745
Current financial liabilities third parties	46	45
Total current loans and interest payables	**6 437**	**4 991**
Current lease liabilities	744	800
Total current	**7 181**	**5 791**
Non-current loans	3 850	3 778
Total non-current loans and interest payables	**3 850**	**3 778**
Non-current lease liabilities	475	889
Total non-current	**4 325**	**4 668**
Total	**11 506**	**10 458**

The changes in liabilities from financing activities are detailed below:

in thousand EUR	Current financial liabilities	Non-current financial liabilities	Total
At 1 January 2024	**25 889**	**24 694**	**50 583**
Cashflows			
Cash inflow	2 548	2 698	5 246
Cash outflow for lease payments	–318	–	–318
Cash outflow for interests paid on lease liabilities	–126	–	–126
Cash outflow due to redemption of financial liabilities	–322	–331	–653
Cash outflow due to redemption of leases	–505	–	–505
Non-cash changes			
Reclassifications	1 396	–1 396	–
Transfer financial liabilities to equity	–21 376	–22 050	–43 426
Transfer long-term financial liabilities to other-current liabilities	–	–50	–50
Increase in lease liabilities	–	1 806	1 806
Increase in interests on lease liabilities	–	126	126
Accrued interests	165	83	248
Disposal due to renouncement	–999	–56	–1 055
Currency effects	–561	–857	–1 418
At 31 December 2024	**5 791**	**4 667**	**10 458**
Cashflows			
Cash inflow	1 380	452	1 832
Cash outflow for lease payments	–402	–9	–411
Cash outflow for interests paid on lease liabilities	–110	–	–110
Cash outflow due to redemption of financial liabilities	–	–364	–364
Cash outflow due to redemption of leases	–465	–	–465
Non-cash changes			
Reclassifications	921	–921	–
Increase in lease liabilities	–	406	406
Increase in interests on lease liabilities	–	110	110
Accrued interests	47	–	47
Currency effects	19	–16	3
At 31 December 2025	**7 181**	**4 325**	**11 506**

The carrying amounts of financial liabilities are denominated in the following currencies:

in thousand EUR	31 December 2025	31 December 2024
Currencies financial liabilities/borrowings denominated in:		
EUR	14	8
XAF	5 895	6 426
CHF	2 415	1 324
BRL	3 182	2 700
Total financial liabilities	**11 506**	**10 458**

The effective interest rates at the reporting date by currency were as follows:

	2025	2024
EUR	0.9 %	1.0 %
XAF	8.5 –11.0 %	8.5 –11.0 %
CHF	3.4 – 4.8 %	2.3 – 4.8 %
BRL	6.0 – 19.8 %	6.0 – 19.8 %

Details about the financial risk management are described in Note 2.

20. Financial instruments by category and fair value hierarchy

Financial instruments by category

in thousand EUR	at amortized costs	at fair value through OCI	Total
31 December 2025			
Assets			
Cash and cash equivalents	1 592	–	1 592
Trade and other receivables[1]	10 294	–	10 294
Non-current loan to associates and investments	1 431	29	1 460
Non-current financial assets	1 474	–	1 474
Total financial assets	**14 791**	**29**	**14 820**

1 Not included are receivables due from tax authorities of EUR 3.9 million.

in thousand EUR	at amortized costs	at fair value through OCI	Total
31 December 2024			
Assets			
Cash and cash equivalents	1 341	–	1 341
Trade and other receivables [1]	8 937	–	8 937
Non-current loan to associates and investments	1 431	29	1 460
Non-current financial assets	1 604	–	1 604
Total financial assets	**13 313**	**29**	**13 341**

1 Not included are receivables due from tax authorities of EUR 2.3 million.

in thousand EUR	2025	2024
Liabilities at amortized costs		
Trade and other payables [1]	15 869	15 401
Loans, interest payables and legal liabilities [2]	11 506	10 448
Lease liabilities	–	10
Total financial liabilities	**27 375**	**25 859**

1 Not included are accruals and payables due to tax authorities of EUR 5.4 million (2024: EUR 3.9 million).
2 The fair value of the interest bearing long-term liabilities with a fixed interest rate (level 2) is EUR 1.7 million (2024: EUR 2.8 million).

Accounting policies

Borrowings are classified as current liabilities unless Precious Woods has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. They are initially recorded at fair value, net of transaction costs, and subsequently measured at amortized cost according to the effective interest rate method.

Cash and cash equivalents comprise cash at bank and in hand and short-term highly liquid deposits with an original maturity of three months or less. They are recorded at nominal value. Bank overdrafts are presented within current financial liabilities.

Fair value hierarchy

The carrying amounts of financial instruments correspond approximately to their fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 – techniques that use inputs, which have a significant effect on the recorded fair value, and which are not based on observable market data

Assets measured at fair value

in thousand EUR	31 December 2025	Level 1	Level 2	Level 3
Non-current financial assets	29	–	–	29
Biological assets	20 741	–	–	20 741
Land	46 453	–	46 453	–
Total assets measured at fair value	**67 223**	**–**	**46 453**	**20 770**

in thousand EUR	31. Dezember 2024	Level 1	Level 2	Level 3
Non-current financial assets	29	–	–	29
Biological assets	17 701	–	–	17 701
Land	47 579	–	47 579	–
Total assets measured at fair value	**65 309**	**–**	**47 579**	**17 730**

Reconciliation of fair value measurement of level 3 assets

in thousand EUR	2025	2024
At 1 January	17 730	18 583
Gain from changes in fair value from biological assets	3 150	2 465
Currency effects	–110	–3 318
At 31 December	**20 770**	**17 730**

21. Leasing

The Group has entered into several leases for vehicles and machinery as well as office spaces. The leases have lease terms of three to five years.

The development of the lease liabilities is as follows:

in thousand EUR	2025	2024
At 1 January	1 689	864
Additions	406	1 806
Interest expenses	110	126
Redemption	–465	–505
Disposal due to renouncement	–	–155
Payments	–521	–444
Currency effects	0	–3
At 31 December	**1 219**	**1 689**
Thereof current	744	800
Thereof non-current	475	889

The cash-outflow on leases is presented in Note 19.

Right-of-use assets

in thousand EUR	Leased buildings and building improvements	Leased machinery and vehicles	Total
At 1 January 2024	**140**	**725**	**864**
Additions	92	1 714	1 806
Depreciation	–99	–844	–944
Disposals	–69	–4	–72
Currency effects	-3	–	–2
At 31 December 2024	**61**	**1 591**	**1 652**
Additions	–	406	406
Initial direct costs (right-of-use)	–	14	14
Depreciation	–31	–810	–841
Disposals	–	–50	–50
Currency effects	–	1	1
At 31 December 2025	**30**	**1 152**	**1 182**

As of 31 December, other operating expenses contain the following expenses in connection with leases:

in thousand EUR	2025	2024
Expenses for short-term leases	814	647
Expenses for leases of low value	–	0
Total operating lease expenses	**814**	**647**

The cash-outflow on short-term leases and leases of low value is EUR 0.8 million (2024: EUR 0.6 million).

Accounting policies

Precious Woods elected to apply the recognition exemptions to short-term leases and low value leases. For such leases no right-of-use asset and no lease liability are recorded, instead the lease payments are recognized as operating expenses.

22. Share capital

The functional currency of Precious Woods Holding is Swiss francs. In the financial statements it is translated into the Group's presentation currency (EUR) using historical exchange rates. The registered voting shares (CHF 1.00 each) rank equally with regard to voting rights and dividends, and the Articles of Association include no restrictions on transfer of the Group's shares. Precious Woods registered voting shares are not subject to any restriction on voting, distribution, transfer or other rights that exceed regulations which are unalienable under Swiss law. The registered preferred shares (CHF 10.00 each) were issued in 2024 under the same premise. The shareholders' subscription rights can be excluded in these cases, as well as for firm underwriting agreements.

Share capital overview

	Number of shares 2025	Number of shares 2024	Share capital in thousand EUR 2025	Share capital in thousand EUR 2024
Issued and fully paid-in capital				
At 1 January [1]	**7 922 583**	**7 052 745**	**14 864**	**5 731**
Increase [2]	–	869 838	–	9 133
At 31 December	**7 922 583**	**7 922 583**	**14 864**	**14 864**

1 Total number of registered voting shares corresponds to 7 052 745 shares
2 Total number of registered preferred shares corresponds to 869 838 shares

Ordinary share capital

On 31 December 2025, the issued and fully paid-in share capital amounted to CHF 15 751 125 (2024: CHF 15 751 125). At the extraordinary general meeting held in Zug on 2 December 2024, the shareholders of Precious Woods Holding Ltd approved the ordinary capital increase proposed by the Board of Directors. Shareholder loans in the amount of CHF 43.5 million were converted into equity by offsetting, whereby 869 838 registered preferred shares with a nominal value of CHF 10.00 and a conversion price of CHF 50.00 were issued.

Capital band

On 2 December 2024, the previous authorized capital band in the amount of CHF 1 000 000 was renewed by the extraordinary general meeting. The limits had to be adjusted due to the share capital increase that took place on the same day: The lower limit is CHF 15 751 125 and upper limit is CHF 16 751 125. It will expire in May 2028.

Conditional share capital

On 31 December 2025, the portion of the conditional share capital which is intended to cover options of employees and board members amounted to CHF 46 638, and the total conditional share capital amounted to CHF 1 396 638.

Treasury shares

During the course of 2025, Precious Woods Holding purchased 9 402 treasury shares. The Group held 12 009 treasury shares as of 31 December 2025 (2024: 2 607 treasury shares).

23. Major shareholders

On 31 December 2025, the major shareholders holding 3 % (rounded) or more of Precious Woods Holding outstanding shares were as follows:

	Number of registered voting shares 2025 nominal value CHF 1		Number of registered preferred shares 2025 nominal value CHF 10		Number of registered voting shares 2024 nominal value CHF 1		Number of registered preferred shares 2024 nominal value CHF 10[1]	
Fleischmann Werner / BoD	1 880 949	26.7 %	136 104	15.6 %	1 837 734	26.1 %	135 554	15.6 %
Rössler Max	800 000	11.3 %	546 000	62.8 %	800 000	11.3 %	546 000	62.8 %
Gut Thomas	734 283	10.4 %	53 000	6.1 %	734 283	10.4 %	53 000	6.1 %
Aage V. Jensen Charity Foundation	455 704	6.5 %	29 044	3.3 %	455 704	6.5 %	29 044	3.3 %
von Braun	360 360	5.1 %	19 594	2.3 %	324 324	4.6 %	19 594	2.3 %
Basler Insurances	333 053	4.7 %	–	0.0 %	333 053	4.7 %	–	0.0 %
Vassalli Christian	307 500	4.4 %	8 480	1.0 %	307 500	4.4 %	8 480	1.0 %
Other BoD / Management	269 300	3.8 %	5 936	0.7 %	278 320	3.9 %	5 088	0.6 %
Lehmann Katharina	104 021	1.5 %	42 400	4.9 %	104 021	1.5 %	42 400	4.9 %
Total number of issued shares	**7 052 745**	**100.0 %**	**869 838**	**100.0 %**	**7 052 745**	**100.0 %**	**869 838**	**100.0 %**

1 The registered preferred shares were issued on December 2, 2024 (see note 22).

The financial liabilities on loans from related parties are presented in Note 19.

24. Earnings per share

The calculation of the basic and diluted earnings per ordinary share is based on the following data:

in EUR	2025	2024
Net profit/(loss) attributable to Group equity holders	–7 552 958	–4 826 727
thereof attributable to registered preferred shares	–4 172 537	
thereof attributable to registered voting shares (ordinary shares)	–3 380 421	–4 826 727
Weighted average number of ordinary shares	7 047 076	7 050 138
Basic earnings per ordinary share	**–0.48**	**–0.68**
Weighted average number of ordinary shares for diluted earnings per share	7 047 076	7 050 138
Diluted earnings per ordinary share	**–0.48**	**–0.68**

The net result 2025, measured against the share capital as of 31 December 2025 amounts to EUR -0.51 (registered preferred shares included). In 2024, it amounted to EUR -0.32.

25. Related party balances and transactions

An overview of the subsidiaries of Precious Woods is presented in Note 31. Details of transactions between the Group and other related parties are disclosed below.

Major shareholders holding 3 % or more of Precious Woods Holding are disclosed in Note 23.

a. Balances and transactions

The balances with related parties, as of 31 December 2025 and 2024, are detailed below:

in thousand EUR	2025	2024
Trade and other current receivables from related parties	28	28
Trade receivables and other current receivables from associates	711	650
Non-current loan to associates	1 431	1 431
Trade and other current liabilities to associates	877	681
Current loans from related parties	1 826	745
Paid interest expenses to related parties	66	–

The current loans from related parties bear interest at an average rate of 3.9 % for EUR 1.8 million – maturing in February 2026.

b. Compensation

During the ordinary course of business in 2025 and 2024, the Group granted remuneration to related parties as follows:

in thousand EUR	2025	2024
Board of Directors		
Short-term employee benefits	229	308
Post-employment employee benefits	13	10
Total remuneration and fees Board of Directors	**242**	**319**
Group Management		
Short-term employee benefits	724	876
Post-employment employee benefits	90	172
Total Group Management	**814**	**1 048**
Operating management		
Short-term employee benefits	1 150	1 011
Post-employment employee benefits	144	78
Total operating management	**1 294**	**1 089**
Total compensation to key management personnel	**2 350**	**2 455**

There was no compensation paid related to long-term benefits, termination benefits or share-based payments. Remuneration also includes payments to related parties who left the Group during the respective financial year.

26. Provisions

in thousand EUR	Legal claims	Others	2025 Total	2024 Total
Current provisions	–	731	731	–
Non-current provisions	487	581	1 068	893
Total provisions	**487**	**1 312**	**1 799**	**893**
At 1 January	280	613	893	1 343
Additions	109	896	1 005	342
Unused amounts reversed	–42	–2	–44	–23
Used during the year	–50	–	–50	–633
Reclassifications	191	–191	–	–
Currency effects	–1	–4	–5	–136
At 31 December	**487**	**1 312**	**1 799**	**893**

Legal claims

The amount of EUR 0.5 million represents a provision for certain legal claims brought against the Group by different stakeholders. In the directors’ opinion, after taking appropriate legal advice, the outcome of these legal claims will not give rise to any significant losses beyond the amounts provided for as on 31 December 2025 (2024: EUR 0.3 million).

Others

The total amount of EUR 1.3 million for other current and non-current provisions includes amounts for tax fees of EUR 0.2 million (2024: EUR 0.1 million) and for other provisions of EUR 1.1 million (2024: EUR 0.3 million).

Accounting policies

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

27. Contingencies

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material payouts other than those for which a provision has been made will arise from contingent liabilities (see Note 10).

Assessment by Brazilian authorities

In 2002, a Brazilian subsidiary was assessed by IBAMA, the Brazilian Institute of Environment and Renewable Natural Resources, in relation to certain log-transporting procedures, which had been in place and approved informally by government agencies for many years. In July 2010, an important administrative case was won against IBAMA. The fines imposed on the Group, which are not yet settled, amount to approximately EUR 5.0 million. The Group’s Management and its attorneys believe that the remaining fines are arbitrary in nature, unjustified, and will also be eventually cancelled, and therefore consider that no material payouts will occur as a result of the final decision on this process; consequently, no accrual was recorded in the Group’s consolidated financial statements as of 31 December 2025 (31 December 2024: EUR 0.0 million). In 2011, the subsidiary was notified by the Federal Justice to offer assets to pledge or to prepay the penalty. The subsidiary offered 61 907 hectares to pledge. The counterparty did not accept the pledge and instead had an amount of EUR 0.1 million in cash blocked in the Group’s accounts.

28. Income taxes

Major components of tax expenses/(income)

in thousand EUR	2025	2024
Current tax expenses/(income)	1 811	608
Deferred tax expenses/(income)	459	507
Total income taxes	**2 270**	**1 115**

Reconciliation of tax expenses/(income)

in thousand EUR	2025	2024
Earnings before tax	**–5 335**	**–3 758**
Expected tax expenses/(income) based on a weighted average	–1 546	–853
Minimum tax in Gabon	29	19
Other	3 787	1 949
Total income taxes	**2 270**	**1 115**

The weighted average applicable tax rate, considering all profit- and loss-making entities, was 29 % (2024: 22 %).

Deferred income tax

in thousand EUR	2025	2024
Total deferred tax assets	10 717	10 105
Total deferred tax liabilities	–20 732	–18 199
Net deferred tax assets/(liabilities)	**–10 015**	**–8 094**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset them and when the deferred income taxes relate to the same tax authority.

Deferred income tax assets

in thousand EUR	2025	2024
Inventories	125	115
Tax loss carry-forwards	2 012	1 476
Provisions	189	139
Financial liabilities	7 672	7 985
Other	719	390
Total deferred tax assets	**10 717**	**10 105**

Deferred income tax liabilities

in thousand EUR	2025	2024
Property, plant and equipment	–12 902	–12 166
Biological assets	–7 051	–6 018
Intangible assets	–	–15
Investment in associates	–739	
Other	–40	–
Total deferred tax liabilities	**–20 732**	**–18 199**
Net deferred tax assets/(liabilities)	**–10 015**	**–8 094**
Reported in the balance sheet as follows:		
Deferred tax assets	–	–
Deferred tax liabilities	–10 015	–8 094
Net deferred tax assets/(liabilities)	**–10 015**	**–8 094**

Net movement of the deferred income tax account is as follows:

in thousand EUR	2025	2024
At 1 January	–8 094	–12 178
Income statement charge	–459	–507
Tax charged to other comprehensive income	–1 713	2 982
Currency effects	251	1 609
At 31 December	**–10 015**	**–8 094**

The Group did not recognize deferred income tax assets on deductible temporary differences of EUR 4.6 million (2024: EUR 4.2 million) and on unused tax losses of EUR 9.8 million (2024: EUR 40.6 million).

These unrecognized tax loss carry-forwards expire as presented in the table below:

in thousand EUR	2025	2024
0–2 years	1 225	1 572
3–4 years	348	8 304
5–7 years	397	22 399
over 7 years	7 799	8 278
Total tax loss carry-forwards	**9 769**	**40 553**

EUR 5.9 million of these tax loss carry-forwards belong to the Dutch operations of Precious Woods with an applicable tax rate of 15 % (2024: EUR 5.9 million with an applicable tax rate of 15 %), EUR 3.7 million belong to the Brazilian operations with an applicable tax rate of 34 % (2024: EUR 3.6 million with an applicable tax rate of 34 %), EUR 0.0 million belong to the Gabonese operations with an applicable tax rate of 30 % (2024: EUR 0.6 million with an applicable tax rate of 30 %) and EUR 0.1 million belong to the Swiss operation with an applicable tax rate of 11.85 % (2024: EUR 30.4 million with an applicable tax rate of 11.85 %).

Accounting policies

The charge for current income tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates for the countries where the Group has operations. Deferred income taxes are accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements, and the corresponding tax basis used in the computation of taxable profit. Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which, at the time of the transaction, affects neither the taxable profit nor the accounting profit.

29. Employee benefits

The employee benefit plans of the Group are based on legal requirements in the respective countries. Beyond these regulatory requirements, the Group provides meals, housing, education and access to medical care according to the local operating group's policy.

Provisions for employee benefit plans

in thousand EUR	2025	2024
Current employee benefits – defined benefit plans	–	–
Non-current employee benefits – defined benefit plans	1 234	1 996
Non-current employee benefits – defined contribution plans	1 173	1 112
Non-current employee benefits – jubilee provisions	69	257
Total liabilities due to employees	**2 476**	**3 365**

The pension plan for employees in Switzerland is a defined benefit plan and covers the risks of age, death and disability. Financing occurs by means of employer and employee contributions, defined in the pension fund rules in terms of an age-related sliding scale of percentages of salary, as well as returns from the investments made by the pension fund. The pension fund guarantees the vested benefit amount as confirmed annually to members, as regulated by Swiss law. Interests may be added to member balances at the discretion of the Board of Trustees. At retirement date, members have the right to take their retirement benefit as a lump sum or as an annuity. No curtailment or settlement has occurred during the year.

Changes in the present value of the defined benefit obligation

in thousand EUR	2025	2024
Defined benefit obligation at 1 January	6 150	8 390
Current service costs	300	346
Interest costs	58	101
Contribution by plan participants	80	96
Actuarial losses/(gains)	–526	580
Experience (gains)/losses	–253	–640
Benefits paid in/transferred	–885	–2 594
Currency effects	55	–129
31 December	**4 979**	**6 150**
Plans wholly or partly funded	4 979	6 150
Plans wholly unfunded	–	–

The discount rate used for the valuation of the obligations increased from 1.00 % in 2024 to 1.25 % in 2025.

Movement in the fair value of the plan assets

in thousand EUR	2025	2024
Opening fair value of plan assets	4 155	6 180
Interest income	39	71
Return on plan assets excluding interest income	129	276
Contributions by the employers	188	225
Contributions by plan participants	80	96
Benefits paid in/transferred	–885	–2 594
Currency effects	39	–99
31 December	**3 745**	**4 155**

in thousand EUR	2025	2024
Present value of obligations	4 979	6 150
Fair value of plan assets	3 745	4 155
Net liability	**1 234**	**1 996**

Changes in net liability

in thousand EUR	2025	2024
Opening net liability	1 996	2 210
Pension cost recognized in profit or loss	319	376
Pension cost recognized in other comprehensive income	–908	–336
Employer contributions	–188	–225
Currency effects	15	–29
Recognized in balance sheet	**1 234**	**1 996**

Amounts recognized in profit or loss in respect of the defined benefit plan are as follows:

in thousand EUR	2025	2024
Current service costs	300	346
Net interest costs	19	30
Recognized in profit or loss	**319**	**376**

Amounts recognized in other comprehensive income in respect of the defined benefit plan are as follows:

in thousand EUR	2025	2024
Return of plan assets excluding interest income	129	276
Changes in assumptions	526	–580
Experience adjustments	253	640
Recognized in other comprehensive income	**908**	**336**

Principal actuarial assumptions used

	2025	2024
Expected employer contributions	148 355	202 650
Discount rates	1.25 %	1.00 %
Expected salary increases	1.50 %	1.50 %
Expected long-term increase of pensions	0.00 %	0.00 %
Mortality table	BVG 2020 GT	BVG 2020 GT
Weighted average duration	15.1	13.7

Sensitivity to changes in the principal assumptions

in thousand EUR	DBO	Effect
Actuarial assumption 31 December 2025	4 979	
Discount rate +0.25 %	4 794	–3.7 %
Discount rate –0.25 %	5 175	3.9 %
Salary increase rate +0.25 %	4 998	0.3 %
Salary increase rate –0.25 %	4 959	–0.3 %

in thousand EUR	DBO	Effect
Actuarial assumption 31 December 2024	6 150	
Discount rate +0.5 %	5 928	–3.7 %
Discount rate –0.5 %	6 387	3.9 %
Salary increase rate +0.5 %	6 168	0.3 %
Salary increase rate –0.5 %	6 132	–0.3 %

Plan asset allocation

in thousand EUR	2025	2024
Shares	39.6 %	35.2 %
Bonds	23.2 %	29.5 %
Real estate investments	24.0 %	23.8 %
Mortgages	4.1 %	4.2 %
Alternative investments	5.4 %	4.6 %
Liquidity	2.1 %	1.5 %
Infrastruktur	1.6 %	1.2 %
Total plan assets	**100.0 %**	**100.0 %**

Accounting policies

The Group has both defined benefit plans and defined contribution plans. The obligation and costs of pension benefits are determined using the projected unit credit method.

30. Currency translation rates

The currency translation rates for the consolidated financial statements were as follows:

		2025				2024			
in EUR		Year-end rate	in % of previous year	Average rate	in % of previous year	Year-end rate	in % of previous year	Average rate	in % of previous year
Swiss franc	1 CHF	1.0743	101.0 %	1.0673	101.6 %	1.0636	98.8 %	1.0500	102.0 %
Euro	1 EUR	1.0000	100.0 %	1.0000	100.0 %	1.0000	100.0 %	1.0000	100.0 %
Brazilian real	1 BRL	0.1552	99.7 %	0.1584	92.0 %	0.1556	83.4 %	0.1721	93.0 %
US dollar	1 USD	0.8517	88.5 %	0.8868	95.9 %	0.9626	106.2 %	0.9244	100.0 %
CFA-Franc BEAC	1 XAF	0.0015	100.0 %	0.0015	100.0 %	0.0015	100.0 %	0.0015	100.0 %

31. Basis of consolidation

The consolidated financial statements comprise the financial statements of Precious Woods Holding Ltd and its subsidiaries. Control is achieved when Precious Woods Holding Ltd is exposed, or has rights, to variable returns from its direct or indirect involvement with the investee and has the ability to affect those returns through its power over the investee. Usually, control is achieved through a majority of voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is lost.

The following active and operating subsidiaries are included in the consolidated financial statements:

Subsidiary	Country	Ownership 2025	Ownership 2024
MIL Madeiras Preciosas Ltda.	Brazil	100 %	100 %
MIL Energia Renovável Ltda.	Brazil	100 %	100 %
Monte Verde Manejo Florestal Ltda.	Brazil	100 %	100 %
Precious Woods Manejo Florestal Ltda.	Brazil	100 %	100 %
Precious Woods – Compagnie Equatoriale des Bois S.A.	Gabon	99 %	99 %
Precious Woods Europe B.V.	Netherlands	100 %	100 %
Lastour & Co. S.A. [1]	Luxembourg		100 %
Unio Holding S.A. [1]	Luxembourg		100 %
Precious Woods Management Ltd (inactive) [2]	British Virgin Islands		100 %

1 Merged with Precious Woods Holding Ltd
2 Dissolved

In December 2025, the structure of the subsidiaries was optimized. The sub-holding in Luxembourg, which was formed by Lastour & Co S.A. and Unio Holding S.A., was merged with Precious Woods Holding Ltd. In addition, the dormant company Precious Woods Management Ltd was dissolved on January 1, 2025.

Further information about the associated entity of the Group is disclosed in Note 13.

Accounting policies

For purchases of non-controlling interests, the difference between any consideration paid and the relevant share of non-controlling interest acquired is deducted from equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

32. Subsequent events

There were no significant events after the reporting period.

33. Approval of financial statements and dividends

The financial statements were approved by the Board of Directors on 22 April 2026 and authorized for issue and are subject for approval by the shareholders at the Annual General Meeting. The Board of Directors proposes not to pay a dividend for 2025 (2024: no dividend paid).

Report of the statutory auditor on the consolidated financial statements

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Report of the Statutory Auditor to the General Meeting of Precious Woods Holding Ltd, Zug

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Precious Woods Holding Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 24 to 49) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements
The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Tino Hutter Licensed Audit Expert Auditor in Charge	Kristjan Merturi Licensed Audit Expert

Zug, 22 April 2026

Precious Woods

Precious Woods Holding Ltd

Financial statements

Balance sheet

in thousand CHF	Notes	31.12.25	31.12.24
ASSETS			
Current assets			
Cash and cash equivalents		781	724
Trade receivables			
against third parties		4 186	4 888
against Group companies		25	16
Other short-term receivables			
against third parties		17	29
against Group companies		3 666	2 940
Inventories		303	398
Prepaid expenses		60	50
Total current assets		**9 038**	**9 044**
Non-current assets			
Financial assets to Group companies	6	35 319	42 528
Investments	6, 8	56 712	47 722
Property, plant and equipment		45	28
Long-term financial assets		30	30
Total non-current assets		**92 106**	**90 308**
TOTAL assets		**101 144**	**99 353**

in thousand CHF	Notes	31.12.25	31.12.24
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables			
against third parties		428	906
against Group companies		6 404	4 514
Short-term interest-bearing liabilities against third parties		501	500
Short-term interest-bearing liabilities against shareholders		1 700	700
Short-term lease liabilities	11	7	4
Other short-term liabilities		341	195
Accrued expenses and short term provisions		391	1 180
Accrued interest expenses against shareholders		2	2
Total short-term liabilities		**9 775**	**8 001**
Non-current liabilities			
Long-term lease liabilities	11	11	5
Long-term provisions		64	243
Total long-term liabilities		**75**	**248**
Shareholders' equity			
Share capital	1, 3, 4	15 751	15 751
Legal capital reserves			
Capital contribution reserves	2	88 631	123 076
Legal retained earnings			
General legal retained earnings in the narrow sense	2	–	4 534
Treasury shares	5	–77	–29
Loss carried forward	2	–12 901	–53 674
Net result for the year		–110	1 446
Total shareholders' equity		**91 294**	**91 104**
TOTAL liabilities & shareholders' equity		**101 144**	**99 353**

Income statement

in thousand CHF	Notes	2025	2024
Revenues			
Sales		37 792	39 191
Freight expenses		–1 067	–1 112
Sales commissions		–804	–621
Sales deductions and other sales related expenses		–59	–96
Net sales timber products		**35 862**	**37 361**
Changes in inventories of finished goods		–6	–52
Costs of goods sold		–33 531	–34 742
Total operating income		**2 325**	**2 567**
Personnel expenses		–2 050	–2 435
Administrative expenses		–1 063	–1 591
Audit fees		–201	–208
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**–989**	**–1 667**
Depreciation, amortization and impairment	8	–22	–90
Earnings before interest & taxes (EBIT)		**–1 012**	**–1 757**
Financial income	6	10 236	1 460
Financial expenses	6	–7 145	–95
Foreign exchange differences		–2 131	1 928
Earnings before taxes (EBT)		**–52**	**1 537**
Direct taxes		–58	–90
Net result for the year		**–110**	**1 446**

Notes to the financial statements

Essential accounting and valuation principles

a. Principles

These financial statements were prepared in accordance with the provisions on commercial accounting laid down in 32nd title of Swiss Code of Obligations. Where not prescribed by law, the significant accounting and valuation principles applied are described below.

b. Inventories

Inventories and non-invoiced services are recorded at acquisition costs: If the net realizable value at the balance sheet date is lower than acquisition costs, net realizable values are used. Acquisition costs are calculated using the weighted average cost method.

c. Financial assets and investments

Financial assets and investments are valued at their acquisition cost adjusted for impairment losses.

d. Interest-bearing financial liabilities

Interest-bearing financial liabilities are recognized in the balance sheet at their nominal value.

e. Leasing

Leasing and rental agreements are recorded according to the right-of-use. For this reason, the right-of-use corresponds to the present value of the lease liability at the inception of the contract. The term of the lease agreement is determined by the fixed contract term and any extension options. The lease liability corresponds to the present value of future lease payments, which bear interest at an implicit rate and are reduced by the amortization payments.

f. Treasury shares

Treasury shares are recognized at cost as a negative item in equity at the time of acquisition. Upon subsequent resale, the gain or loss is recognized in the income statement as financial income or expense.

g. Revenue from sale of goods and services

Revenue trading activities are recognized when the entity has transferred the significant risks and rewards of ownership of the goods to the buyer, when the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, when the amount of revenue can be measured reliably, and when it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1. General

Precious Woods Holding Ltd is the holding company of the Precious Woods Group and is domiciled in Zug, Switzerland.

The Precious Woods Group is active in the field of sustainable forest management in South America and Africa following the guidelines for sustainable forest management laid out by the Forest Stewardship Council® (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). The PW Group is also active in the trading of timber products.

The share capital as of 31 December 2025 amounted to CHF 15 751 125 and was subdivided into 7 052 745 registered voting shares of CHF 1.00 each and 869 838 registered preferred shares of CHF 10.00 each. The share capital is fully paid in.

2. Statutory capital reserves and retained earnings

At the extraordinary general meeting held in Zug on 2 December 2024, the shareholders of Precious Woods Holding Ltd approved the ordinary capital increase proposed by the Board of Directors. Interest-bearing and non-interest-bearing liabilities against Shareholders in the amount of CHF 43.5 million were converted into equity.

In the current fiscal year, the agio contributed as part of the capital increase was used to offset existing losses and retained earning. The requirements for full exemption from emission tax have been met.

3. Authorized capital band

The company has a capital band between CHF 15 751 125 (lower limit) and CHF 16 751 125 (upper limit) according to Article 3c of the Articles of Association. The Board of Directors is authorized to increase the share capital at any time until 17 May 2028 up to a maximum amount of CHF 1 million once or several times and in any amounts. The capital increase can be carried out by issuing a maximum of 1 million registered voting shares with a nominal value of CHF 1.00 each, to be fully paid up. In 2025, no capital increase was carried out from capital band.

4. Conditional share capital

The company had the following conditional share capital:

a. Since 18 May 2017, the conditional capital thus amounted to CHF 1 350 000 (1 350 000 registered voting shares with a nominal value of CHF 1.00 each) according to Article 3a of the Articles of Association. As of 31 December 2025, the conditional share capital amounted unchanged to CHF 1 350 000 (1 350 000 registered voting shares with a nominal value of CHF 1.00 each).

b. Additionally, according to Article 3b of the Articles of Association, the share capital of the company may be increased by the maximum amount of CHF 46 638 by the issuance of no more than 46 638 (2024: 46 638) registered voting shares that are to be fully paid in and have a nominal value of CHF 1.00 each; this increase being the result of the exercise of option rights that can be granted to employees of the company or of affiliated companies. As of 31 December 2025, the conditional share capital thus amounted unchanged to CHF 46 638 (46 638 registered voting shares with a nominal value per CHF 1.00 each).

5. Treasury shares

In 2025, 9 402 registered shares were acquired. As at the balance sheet date, the acquisition cost of treasury shares amounts to CHF 77 421. In 2024, no transactions with treasury shares took place.

	Number of transactions	Average price	in thousand CHF	Total shares
At 1 January 2025			29	2 607
Purchases	4	5.51	48	9 402
Sales	–	–	–	–
At 31 December 2025			**77**	**12 009**

	Number of transactions	Average price	in thousand CHF	Total shares
At 1 January 2024			29	2 607
Purchases			–	–
Sales			–	–
At 31 December 2024			**29**	**2 607**

6. Investments

The company holds the following direct and significant indirect investments:

Company, country	Currency	2025 Nominal share capital	2024 Nominal share capital	2025 Voting rights and Participation	2024 Voting rights and Participation
MIL Madeiras Preciosas Ltda., Brazil [1]	BRL	168 143 929	168 143 929	100.00 %	100.00 %
MIL Energia Renovável Ltda., Brazil (former BK Energia Ltda.) [2]	BRL	7 160 000	7 160 000	100.00 %	100.00 %
Monte Verde Manejo Florestal Ltda., Brazil [1]	BRL	37 585 742	37 585 742	100.00 %	100.00 %
Precious Woods Manejo Florestal Ltda., Brazil [1]	BRL	24 429 917	24 429 917	100.00 %	100.00 %
Precious Woods Europe B.V., Netherlands [1]	EUR	18 000	18 000	100.00 %	100.00 %
Unio S.A., Luxembourg [3]	EUR	–	1 000 000	0.00 %	100.00 %
Compagnie des Placages de la Lowé S.A., Gabon [2]	XAF	1 550 428 600	1 550 428 600	49.00 %	49.00 %
Lastour & Co. S.A., Luxembourg [3]	EUR	–	372 575	0.00 %	100.00 %
Precious Woods Compagnie Equatoriale des Bois S.A. (CEB), Gabon [2]	XAF	1 572 926 074	1 572 926 074	99.02 %	99.02 %
Precious Woods Management Ltd., British Virgin Islands (dormant) [4]	USD	–	20 000	0.00 %	100.00 %

1 participation directly held
2 participation indirectly held
3 company merged with parent company Precious Woods Holding Ltd, Switzerland as of 23 December 2025
4 company liquidated as of 1 January 2025

The merger with Unio S.A., Luxembourg and Lastour & Co. S.A., Luxembourg was carried out at book value. The merger affected financial assets to group companies, investments, financial income and financial expenses in the current financial year.

7. Board and Executive compensation

The compensation and the number of shares held by the Board of Directors are composed as follows:

in thousand CHF	Fix in cash	Mandate	Committee	Total	Number of registered voting shares	Number of registered preferred shares
For the year 2025						
Markus Brütsch	90	–	–	90	228 220	4 240
Robert Hunink[1]	15	–	–	15	32 500	–
Werner Fleischmann	30	–	–	30	1 874 749	135 554
Bernhard Pauli	30	–	–	30		848
Olivier Kobel	30	15	–	45	–	848
Martin Tobler[2]	18	–	–	18	1 980	–
Total	**213**	**15**	**–**	**228**	**2 137 449**	**141 490**

1 This Board member resigned in May of the respective year
2 This Board member was elected for the first time in May 2025.
3 For further information on the committees, please refer to the chapter on Corporate Governance, under the heading committees.

in thousand CHF	Fix in cash	Mandate	Committee	Total	Number of registered voting shares	Number of registered preferred shares
For the year 2024						
Markus Brütsch	90	–	–	90	228 220	4 240
Jürgen Blaser[1]	13	–	–	13	3 500	–
Robert Hunink	45	–	5[3]	50	32 500	–
Werner Fleischmann	30	–	–	30	1 833 284	135 554
Bernhard Pauli	30	–	5[3]	35	–	848
Olivier Kobel	30	53	–	84	–	848
Total	**238**	**53**	**10**	**302**	**2 097 504**	**141 490**

1 This Board member resigned in May of the respective year

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	Variable in cash[1]	Employer social contributions[2]	Total	Number of registered voting shares	Number of registered preferred shares
For the year 2025						
Fabian Leu, Markus Pfannkuch, co-CEOs	440	44	60	544	6 600	–
Group Management Total	**620**	**59**	**84**	**763**	**6 600**	**–**

in thousand CHF	Salary Fix in cash	Variable in cash[1]	Employer social contributions[2]	Total	Number of registered voting shares	Number of registered preferred shares
For the year 2024						
Fabian Leu, Markus Pfannkuch, co-CEOs	400	33	54	487	6 600	–
Group Management Total	**801**	**33**	**164**	**998**	**242 320**	**4 240**

1 During 2025 and 2024 no share-based compensation was made to the Group Management. The bonus payments are based on the last financial year (2024) and are only paid out in the following year.
2 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.

8. Depreciation, amortization and impairment

As of 31 December 2025, depreciation, amortization and impairment include the regular depreciation on property, plant and equipment in the amount of CHF 0.2 million (2024: CHF 0.1 million). In addition, an impairment of the investment in Precious Woods Compagnie Equatoriale des Bois S.A., Gabon, in the amount of CHF 2.5 million and a revaluation of the investment in MIL Madeiras Preciosas Ltda., Brazil, in the amount of CHF 2.5 million are included. No impairment was recognized in 2024.

9. Pledged assets / other securities

As of 31 December 2025 and 2024, there are no secured liabilities in the balance sheet.

10. Full time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, did not exceed 50.

11. Lease liabilities

The lease liabilities are recorded in the balance sheet as short- and long-term on the basis of the economic approach, which includes all leasing contracts with the exception of short-term contracts (up to 12 months term) and low-value assets. The right-of-use is capitalized in the balance sheet, and the leased assets are depreciated over the term of the lease.

in thousand CHF	Asset class	Useful life	2025	2024
Position of balance				
Property, plant, equipment and lease (right-of-use assets)	Vehicles	3 years	24	4
	IT equipment	5 years	5	6
Total right-of-use assets			**29**	10
Total leasing liabilities (short- and long-term)			**19**	9

in thousand CHF	2025	2024
Position of income statement		
Depreciation (right-of-use assets)	–11	–78
Interest expenses lease liabilities	–	–1

12. Liabilities to pension funds

As of 31 December 2025 and 2024, there are no pension fund liabilities included in the balance sheet.

13. Significant events after balance sheet date

No significant events after the balance sheet date were identified.

Proposal for the carry forward of the accumulated losses

Motion of Board of Directors

The Board of Directors proposes to the Annual General Meeting on 21 May 2026 to carry forward the accumulated losses for the financial year ended 31 December 2025 of CHF 13 million:

in thousand CHF	2025
Appropriation of losses	
Loss carried forward as of 31 December 2024	–52 228
of which offset against agio according to Annual General Meeting on May 2025	39 327
Loss for the year	–110
Total to be carried forward	**–13 011**

Report of the statutory auditor on the financial statements

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Report of the Statutory Auditor to the General Meeting of Precious Woods Holding Ltd, Zug

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Precious Woods Holding Ltd (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 55 to 59) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Tino Hutter Licensed Audit Expert Auditor in Charge	Kristjan Merturi Licensed Audit Expert

Zug, 22 April 2026

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The Precious Woods Annual Report is available in both German and English. The English version and the report of the statutory auditors on the audit of the consolidated financial statements and the financial statements of Precious Woods Holding Ltd are authoritative.

Precious Woods

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