Precious Woods

Annual Report

2024

Key figures and information for investors

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

	2020	2021	2022	2023	2024
Net revenues	**46 186**	**54 299**	**65 866**	**56 401**	**47 746**
Depreciation, amortization and impairments	−3 882	−4 329	−6 417	−4 247	−5 933
EBITDA	**5 769**	**15 066**	**13 332**	**−5 143**	**2 090**
in % of net revenues	12.5 %	27.7 %	20.2 %	−9.1 %	4.4 %
EBIT	1 887	10 738	6 915	−9 390	−3 843
in % of net revenues	4.1 %	19.8 %	10.5 %	−16.6 %	−8.0 %
Net result	**−2 181**	**4 685**	**965**	**−12 717**	**−4 873**
in % of net revenues	−4.7 %	8.6 %	1.5 %	−22.5 %	−10.2 %
Balance sheet total	109 443	117 438	136 399	132 684	116 845
Shareholders' equity	**39 309**	**44 438**	**50 362**	**41 115**	**73 331**
in % of the balance sheet total	35.9 %	37.8 %	36.9 %	31.0 %	62.8 %
Net indebtedness	41 910	42 184	46 145	48 935	**9 117**
Cash flow from operating activities	**5 868**	**6 049**	**6 348**	**2 665**	**−553**
Investments/acquisitions	−4 038	−2 332	−5 495	−1 707	−3 011
Average full-time-equivalent employees	1 548	1 560	1 539	1 259	1 027

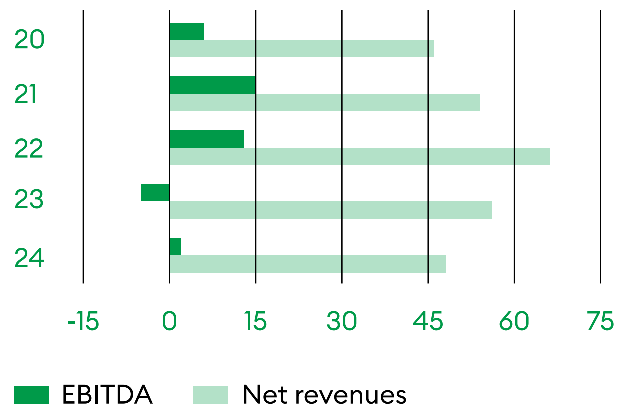
Net revenues by business segment

Sustainable forest management Brazil
2024: 21.5 %
2023: 27.0 %

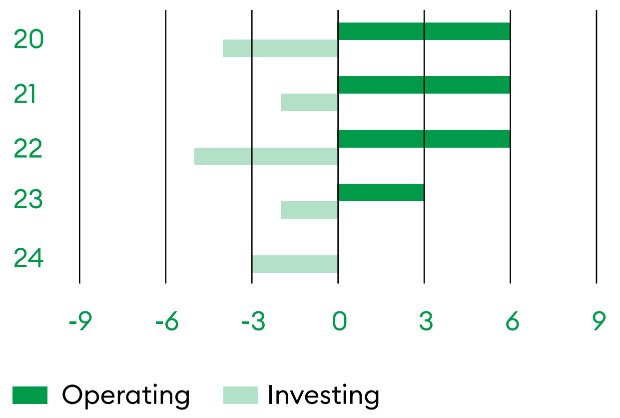
Sustainable forest management Gabon
2024: 69.8 %
2023: 60.9 %

Trading
2024: 8.7 %
2023: 12.1 %

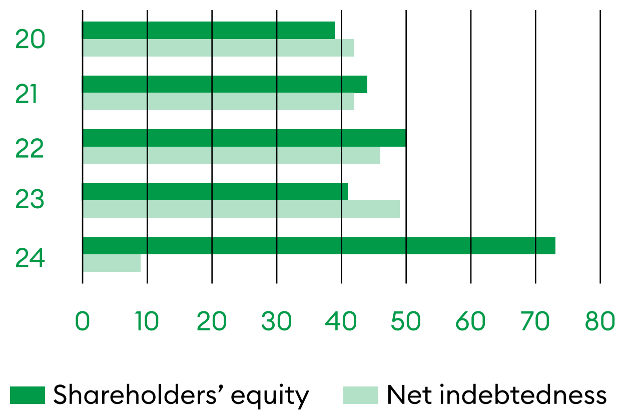
EBITDA and Net revenues



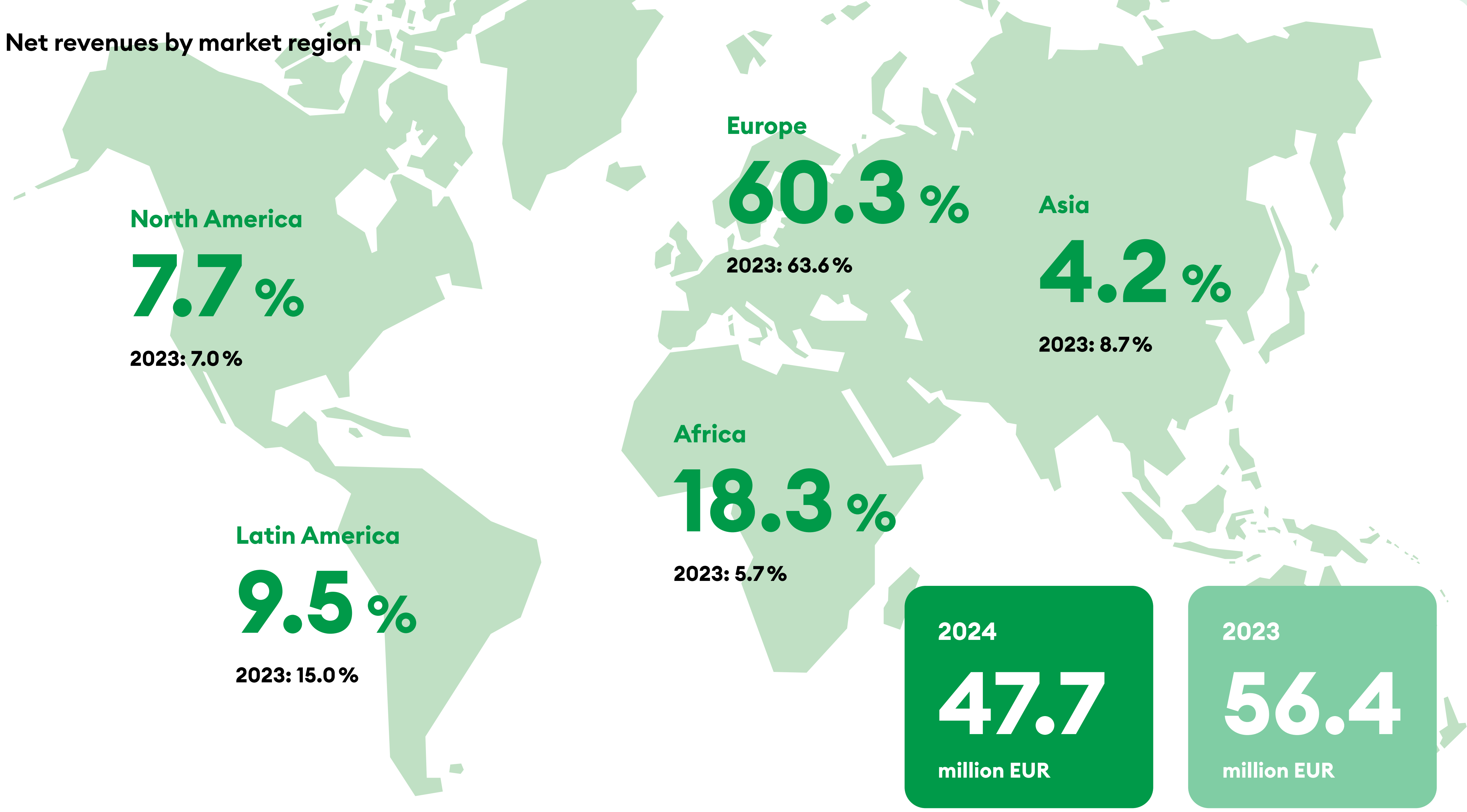
Cash flow from operating and investing activities



Shareholders' equity and Net indebtedness



Net revenues by market region



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)

	2024	2023
Revenue	47.7	56.4
EBITDA	2.1	-5.1
EBIT margin	-8.0 %	-16.6 %

PW Amazon

Portrait
In Brazil, PW Amazon manages sustainable forestry on 575 000 hectares, of which around 395 000 ha of its own land and 180 000 ha 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)

	2024	2023
Revenue	10.2	14.5
EBITDA	4.1	-2.8
EBIT margin	19.5 %	-25.4 %

PW Gabon

Portrait
In Gabon, PW Gabon manages sustainable forestry on a concession area of approximately 600 000 hectares, along with two 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)

	2024	2023
Revenue	33.3	34.5
EBITDA	1.5	-0.2
EBIT margin	-6.6 %	-10.0 %

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)

	2024	2023
Revenue	4.2	6.8
EBITDA	-1.0	0.1
EBIT margin	-24.9 %	1.5 %

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)

	2024	2023
Revenue	0.2	1.9
EBITDA	-0.5	0.2
EBIT margin	-215.1 %	10.7 %

Contents

Precious Woods

To our shareholders

To our shareholders

Markus Brütsch

Chairman of the BoD

Dear Shareholders

The 2024 fiscal year was challenging, particularly in implementing further restructuring measures and achieving the associated cost savings. As expected, the order situation remained stable at a lower level. This made it all the more important to adjust both production volumes and costs accordingly while maintaining the flexibility to restore capacity in the event of an upturn. Debt restructuring was also a key focus during the past fiscal year. Our existing net debt prevented us from pursuing new projects, as we were unable to secure additional loans or generate free funds from operations.

Positive operating result (EBITDA) with lower sales

Net revenues amounted to EUR 47.7 million, representing a decline of 15.3 %. Thanks to the measures implemented, we achieved a positive operating result (EBITDA) of EUR 2.1 million despite this decrease in sales. Some cost savings only became effective in the second half of the year. The economic situation has yet to improve, with a slight recovery expected in the second half of 2025. The European construction sector experienced an overall decline in 2024, with construction volume shrinking by 2.7 %. Residential construction was particularly affected, with a drop of 5.4 %. As our cost base has now been adjusted to this lower level of sales, we are more profitable, assuming economic conditions remain unchanged. More details can be found in the Group result and segment reporting sections.

Sustainability as a value driver

The non-profit organization Global Canopy has recognized Precious Woods as one of the five most influential companies worldwide in the fight against tropical deforestation. With over 30 years of experience in sustainable forestry in the tropics, we make a significant contribution to preserving tropical forests. We aim to expand these efforts further, as too few are following our example. The price of our timber products is determined by the world market. However, our certified sustainable practices (FSC and PEFC certification) provide us with a slight price advantage. More importantly, they grant us access to markets where customers must or wish to ensure traceability and sustainability. This will become increasingly crucial, as the World Bank estimates that global timber demand will quadruple by 2050, leading to greater pressure from both customers and governments to use sustainably sourced products.

Contracting new concession areas with intact tropical forests, and in that way contributing to the protection of larger areas, remains a top priority for us. We have also begun reforesting degraded or deforested areas previously managed by other operators, starting in Gabon. We have the necessary expertise to implement this in practice. Equally important is increasing the vertical integration of our products. By enhancing processing depth, we can improve yield and achieve higher margins.

Debt reduction and financing options

At our Extraordinary General Meeting on 2 December 2024, 84.4 % of the shares were represented. An overwhelming 99.6 % of shareholders approved a capital increase and the associated creation of registered preferred shares. This capital increase was implemented through the conversion of loans granted exclusively by existing shareholders. As part of this process, there was a waiver of interest amounting to approximately EUR 2 million, which had been due in the 2024 fiscal year. I would like to take this opportunity to express my sincere gratitude to our former lenders, who are now not only ordinary shareholders but also preferred shareholders. Without this capital increase, the future of Precious Woods would have been more than uncertain.

Liquidity remains a major concern. This capital increase did not bring fresh capital into the company. Although small loans have helped support liquidity, additional external financing is required to fund projects and replacement investments. We are confident that our new capital base will provide access to further financing opportunities. Equally important, however, is delivering strong business results that demonstrate our ability to generate profits even in challenging times. The restructuring measures and debt reduction have laid the foundation for this.

Outlook and thanks

We do not anticipate a significant upturn yet in the 2025 fiscal year. The market remains subdued, and the political environment is challenging. It will be crucial to closely monitor and assess the measures taken by individual governments and their economic impact. Against this backdrop, thanks to the restructuring measures we have implemented, we are well positioned to achieve a positive business result based on the current conditions.

On behalf of the entire Board of Directors, I would like to take this opportunity to thank our management teams in Switzerland, Brazil and Gabon for their dedication, professionalism and outstanding performance. The challenges remain demanding and require both flexibility and strong execution. I would also like to thank our approximately 1 000 employees for their daily commitment to our company and our mission.

Moreover, I would like to thank my colleagues on the Board of Directors for their unwavering support and consistently constructive collaboration.

On behalf of the entire Board of Directors and our employees, we sincerely thank you, our shareholders, for your loyalty and commitment to our company, as well as for your continued support and encouragement of our activities and dedication.

Yours faithfully

Markus Brütsch

Chairman of the Board of Directors

Highlights in 2024

Smooth succession as a strategic success factor

In 2024, Precious Woods managed the succession of key positions across the Group, establishing a crucial foundation for the company's long-term stability and competitiveness. As part of a comprehensive strategic initiative, the company launched a targeted set of measures at the beginning of the year to ensure knowledge transfer, maintain leadership continuity, and simultaneously introduce new momentum for sustainable growth. This strategic direction not only enhances operational efficiency but also safeguards the capacity of Precious Woods for innovation and long-term viability in a dynamic market environment.

A secure financial future as the foundation for sustainable growth

The successful capital increase in 2024 marks a pivotal milestone in securing the financial stability of Precious Woods. Through the restructuring of the consolidated balance sheet, the company achieved a solid equity ratio of 63 % and reduced net debt to EUR 8.3 million. This financial strength forms the foundation for future growth, facilitates strategic investments, and ensures long-term competitiveness. With this sustainable financing structure, Precious Woods can respond flexibly to market opportunities and further strengthen its position as a leading company in sustainable forestry.

Stable operating result as a sign of financial resilience

Despite the ongoing challenges stemming from the tense situation in the previous year, Precious Woods achieved a balanced operating result thanks to targeted and comprehensive restructuring measures. With an EBITDA of EUR 2.1 million, the company recorded an increase of EUR 7.2 million compared to the previous year. This result highlights the consistent implementation of the strategic objectives of Precious Woods and demonstrates the lasting impact of measures aimed at enhancing efficiency and optimizing costs. The stabilization of the operating result strengthens the foundation for further growth and enables the company to successfully pursue its strategic goals even in a challenging market environment.

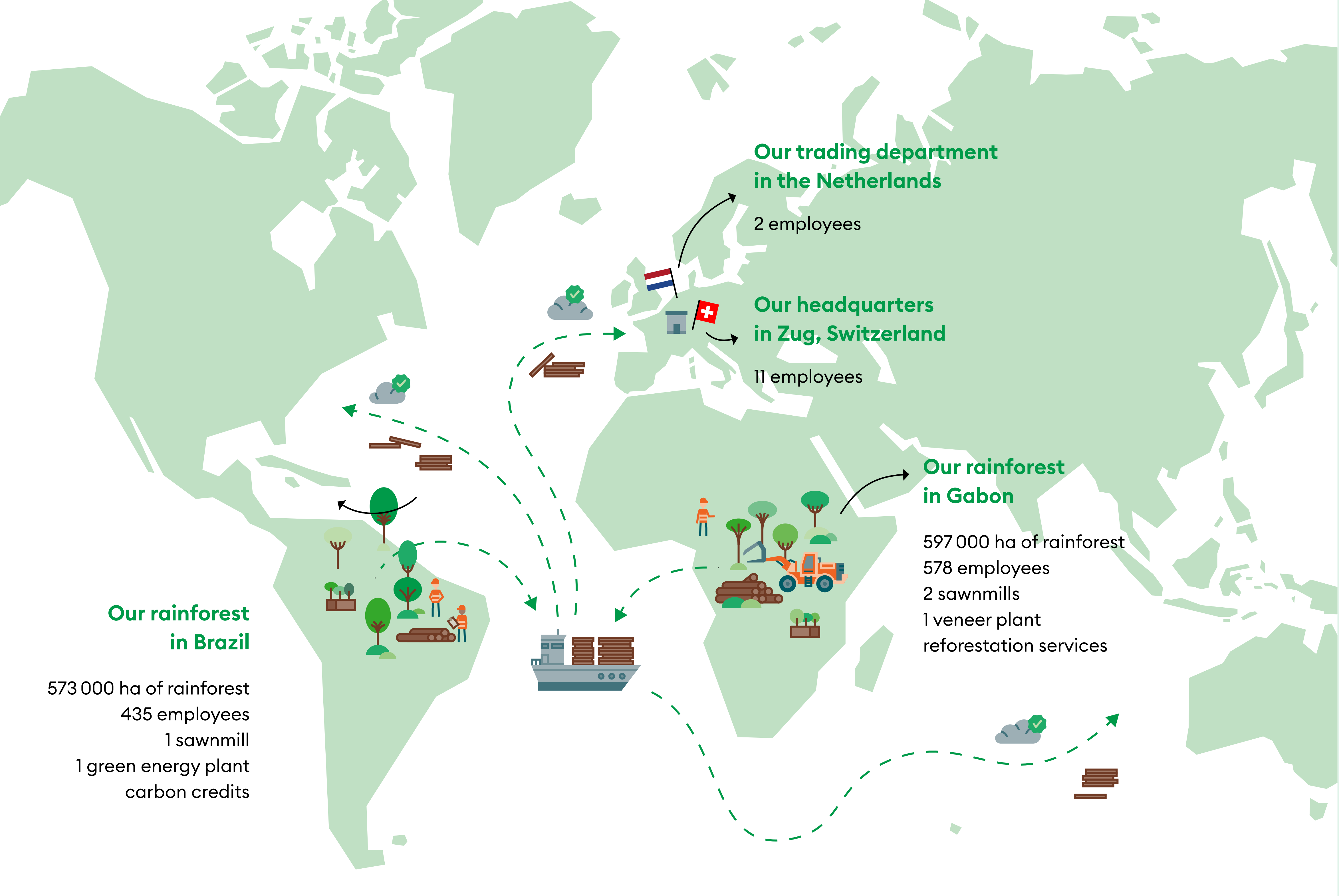
2024

Strategy and business model

Vision

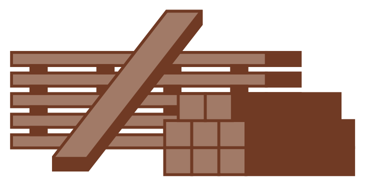
"Precious Woods is both a pioneer and a benchmark in the sustainable management of natural tropical forests. The company is innovative and takes a long-term, generational approach. In doing so, Precious Woods ensures a sustainable future for people, nature and society."

Production



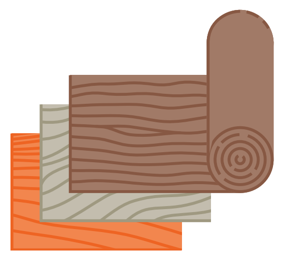
Products & Services

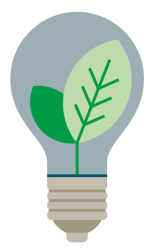

Logs


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. Additionally, this unit will in future 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.

Thanks to its unique properties, such as hardness and rot resistance, tropical wood 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: With the growing demand for sustainable construction materials, the need for wood is expected to rise in future. Additionally, increasing awareness of the potential for CO_2 storage in timber constructions will further drive demand. This makes particularly durable wood, such as 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. Additionally, new technologies 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 Precious Woods Group

PW Group

Increased efficiency secures operating result

Precious Woods generated consolidated net revenues of EUR 47.7 million in the 2024 fiscal year (previous year: EUR 56.4 million). EBITDA amounted to EUR 2.1 million (previous year: EUR -5.1 million). EBIT totaled EUR -3.8 million (previous year: EUR -9.4 million) and the net result was EUR -4.9 million (previous year: EUR -12.7 million).

At the beginning of the 2024 fiscal year, the effects of the 2023 crisis persisted, requiring an adjustment of business activities to lower production volumes. The focus also shifted to the targeted reduction of produced inventories and the release of liquidity. In the second half of the year, the Group's manufacturing companies began generating positive operating results on a monthly basis, driven by targeted restructuring measures. This improvement occurred despite the continued absence of a clear market recovery in terms of prices and volumes, with total sales remaining below the previous year's level. To strengthen the Group's financial stability, a capital increase was carried out in December 2024, with a large majority of shareholders approving the conversion of loans into equity totaling CHF 43.5 million. This successfully achieved the goal of strengthening the balance sheet over the long term and significantly reducing external debt.

Price and product mix weigh on sales

In 2024, the company as a whole achieved net revenues of EUR 47.7 million, a decrease of 15.3 % from the previous year (EUR 56.4 million). Overall, sales were impacted by a 2 % decline in volumes and a negative 8 % effect from the price and product mix. The two largest business segments, PW Gabon and PW Amazon, generated revenues of EUR 33.3 million and EUR 10.2 million respectively (previous year: EUR 34.5 million and EUR 14.5 million).

Robust cost structure

Thanks to improved efficiency, production costs were reduced disproportionately, amounting to 49 % of sales compared to 64 % in the previous year. Personnel costs across all operational and administrative areas fell by a further 20 % to EUR 16.9 million (previous year: EUR 21.1 million). These additional cost reductions not only contribute to sustainable profitability but also reflect a new, more resilient cost structure capable of responding more flexibly to fluctuations in demand in the timber markets.

EBITDA

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 2.1 million, an increase of EUR 7.2 million over the previous year's figure of EUR -5.1 million. This corresponds to an EBITDA margin of 4.4 % (previous year: -9.1 %). The appreciation of biomass in Brazil amounted to EUR 2.5 million (previous year: EUR -2.5 million), supported by a more efficient cost structure and lower capital costs.

PW Amazon recorded an EBITDA margin of 40.3 % (previous year: -19.5 %). The first half of the year was marked by losses due to the reduction of high-cost inventories produced in 2023. From mid-year onwards, PW Amazon returned to profitable business performance. PW Gabon achieved an EBITDA margin of 4.5 % (previous year: -0.6 %), with weak export sales largely offset by an increase in local log sales.

Consolidated depreciation and amortization amounted to EUR 5.9 million (previous year: EUR 4.2 million). The year-on-year increase is primarily attributable to additional amortization related to the harvest zones in Brazil. EBIT at Group level totaled EUR -3.8 million (previous year: EUR -9.4 million).

Improved financial result

At EUR 0.1 million, the financial result was above the previous year's figure of EUR -3.7 million, primarily due to the reduction in interest expenses resulting from the debt restructuring. Net debt stood at EUR 8.3 million at year-end, approximately EUR 40 million lower than the previous year (EUR 48.9 million). The net result amounted to EUR -4.9 million (previous year: EUR -12.7 million).

Balance Sheet

Total assets amounted to EUR 116.8 million (previous year: EUR 132.7 million). Within current assets, inventories decreased by approximately EUR 3 million, while trade receivables totaled EUR 8.2 million (previous year: EUR 10.3 million).

Biomass and the value of our forest areas in Brazil are valued in Brazilian reais, which results in translation differences during consolidation. These assets are revalued periodically, and based on current parameters, the latest assessment had a positive impact on the result.

Equity amounted to EUR 73.3 million (previous year: EUR 41.1 million). The equity ratio at year-end was 62.8 % (previous year: 31.0 %). This increase is attributable to the debt restructuring.

Stable cash flow

Cash flow from operating activities amounted to EUR -0.6 million. Investments in tangible fixed assets amounted to EUR 3.3 million, consisting mainly of replacement investments. Cash flow from financing activities totaled EUR 3.3 million, including the securing of new credit lines from the Brazilian development bank for the financing of forestry machinery.

Outlook for 2025

We still do not expect a strong recovery in the timber and construction sectors in the 2025 fiscal year. However, the stable volume of incoming orders in recent months will allow us to increase production and sales without disproportionately increasing inventories and unnecessarily tying up capital. Operationally, our goal remains to consolidate our newly regained profitability in what continues to be a challenging environment. At the same time, we are preparing to take full advantage of any future upturn by maintaining the competitiveness of our products and using existing resources and expertise more efficiently – without placing additional strain on the newly established cost structure.

PW Amazon

Restructuring shows positive effects

The PW Amazon segment generated net revenues of EUR 10.2 million in the 2024 fiscal year (previous year: EUR 14.5 million) and achieved a positive EBITDA of EUR 4.1 million (previous year: EUR -2.8 million). This resulted in a positive EBIT of EUR 2.0 million (previous year: EUR -3.7 million). The improved result reflects the impact of the restructuring initiated in 2023.

In the reporting year, MIL Madeiras Preciosas (MIL) delivered 117 210 m^3 of logs from sustainable forest management for production, representing an increase of 35.5 % compared to the previous year (86 516 m^3). The sawmill processed 92 494 m^3 of logs (previous year: 132 708 m^3) into 22 809 m^3 of sawn timber (previous year: 28 417 m^3) and sold 23 183 m^3 of sawn timber (previous year: 31 352 m^3) as well as 55 656 m^3 of biomass (previous year: 51 589 m^3).

The restructuring initiated at the end of 2023 in response to the challenging market conditions led to a 19.7 % decline in production. Despite this and a 29.4 % drop in net revenues, EBIT improved by 5.8 million, confirming the positive impact of the cost-saving measures.

In the first half of 2024, inventory reductions were carried out, which improved liquidity but negatively impacted results for that period. However, the second half of the year saw consistently positive results. This, combined with expectations of an improved – though still subdued – market environment, gives MIL reason for an optimistic outlook for 2025.

PW Gabon

Stable sales in a challenging environment

Business performance in Gabon continued to stabilize despite a persistently challenging environment. Net revenues declined slightly year-on-year to EUR 33.3 million (previous year: EUR 34.5 million). EBITDA improved to EUR 1.5 million (previous year: EUR -0.2 million), while EBIT rose to EUR -2.2 million (previous year: EUR -3.4 million).

In the 2024 fiscal year, our subsidiary Compagnie Equatoriale des Bois (CEB) significantly increased its forest production, harvesting 197 756 m^3 (previous year: 162 756 m^3). The volume of logs sold also rose to 119 034 m^3 (previous year: 66 545 m^3). The sawmills continued to operate at reduced capacity, reflected in a lower production volume of 28 861 m^3 compared to the previous year (36 933 m^3). This had a positive impact on EBITDA. The restructuring initiated in the second half of 2023 proved particularly effective in the second half of 2024.

The ongoing challenges at the CPL (Compagnie des Placages de la Lowé) veneer plants, in which CEB holds a 49 % stake, overshadowed the positive developments at CEB. Due to various difficulties and persistently weak demand, CPL was unable to reach a satisfactory production level or achieve a positive result. For that reason, CPL decided at the beginning of 2024 to close their smaller plant. In the third quarter, they also implemented personnel changes and brought the technical issues under control.

CPL's results in the final quarter of 2024 confirm that profitable operations are achievable, and a balanced result can be targeted for 2025. Combined with a slightly improved market outlook for our sawn timber production, this provides PW GABON with an optimistic outlook for 2025.

PW Trading

Necessary adjustments impact business performance

The Trading segment achieved revenues of EUR 4.2 million in 2024 (previous year: EUR 6.8 million). EBITDA declined to EUR -1.0 million (previous year: EUR 0.1 million), primarily due to necessary inventory adjustments at our Dutch subsidiary, Precious Woods Europe.

The trading business with logs from Europe and sawn timber from Africa once again delivered very attractive margins in the 2024 financial year. However, the scope of these activities had to be somewhat reduced. On the one hand, adverse weather conditions in Europe led to a lower availability of logs. On the other hand, the company's restructuring required capital, leaving fewer resources available for trading operations.

We further reduced the activities of our branch in the Netherlands and cut down on inventories. The Dutch inventory had been built up in recent years to enable faster and more direct customer deliveries. As part of the restructuring, we decided at the end of 2023 to reduce this inventory, not least to improve our liquidity position. Some of these sales incurred losses, which contributed to the reported negative EBITDA.

PW Carben

Challenges in the energy and carbon market

The Carbon & Energy segment recorded net revenues of EUR 0.2 million in 2024 (previous year: EUR 1.9 million) and an EBIT of EUR -0.5 million (previous year: EUR 0.2 million). Business development was negatively impacted in particular by challenges in connecting to the national energy grid and delays in carbon projects resulting from regulatory changes in Brazil.

Since being connected to the national electricity grid, our biomass power plant MIL Energia Renovável Ltda (MER) has been subject to Brazil's highly volatile electricity prices, which remained at a very low level in the first half of 2024. Additionally, from mid-2024, MER was no longer able to feed electricity into the grid, as the grid operator made connection more difficult due to new technical configurations. Legal and technical solutions are currently being developed, with implementation planned for 2025.

No carbon certificates were sold during the reporting year. Certification of the outstanding certificates from the expired green energy project at MER has been delayed, as our partner has not yet been able to complete the process due to changes under the Paris Agreement. The development of our new carbon project for forest protection in Brazil has also been delayed. Amendments to the underlying VERRA standard in 2024 have pushed back the timeline, with the first carbon certificates now expected to be issued in 2026.

To stabilise the Carbon & Energy segment in 2025 and return it to profitability from 2026, targeted measures will be gradually implemented over the course of the current year.

Sustainability

Precious Woods – sustainability in practice

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

Precious Woods manages approximately 7% of the world's FSC-certified tropical forest areas, maintaining its position as a pioneer in responsible timber management. In addition to sustainable forestry, Precious Woods invests in education, occupational safety, and healthcare for employees and local communities. Partnerships with universities further support research and training. Through these efforts, we actively contribute to the UN Sustainable Development Goals (SDGs), particularly by protecting biodiversity and supporting local communities.

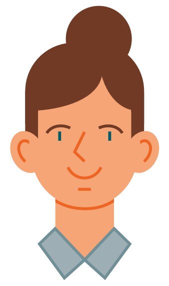
Precious Woods employs selective timber harvesting, extracting only one to three trees per hectare in cycles of 25 to 35 years to ensure forest regeneration. Its certified management practices prevent deforestation and create local jobs. Annual independent audits confirm that these methods do not harm the ecosystem but actively preserve it. By utilizing over 60 tropical tree species for the construction, garden, and furniture industries, Precious Woods also helps to prevent the overexploitation of individual species.

The deforestation of tropical forests accounts for approximately 11% of global greenhouse gas emissions. Sustainable forest management reduces CO_2 emissions from the forestry sector while reinforcing the role of forests as carbon sinks. Additionally, we are actively engaged in the development of CO_2 compensation projects.

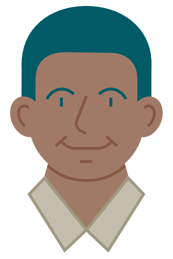
Further information can be found in the **sustainability report** on our website.

Key figures Social 2024 (2023)

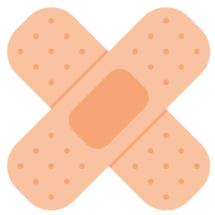
Number of employees total (yearly-Ø): **1 027** (1 259)



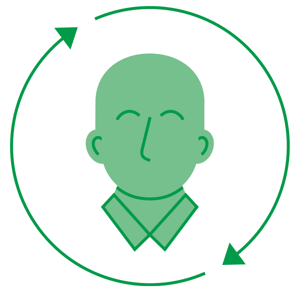
Women in %:
7.6 % (8.2 %)



Men in %:
92.4 % (91.8 %)

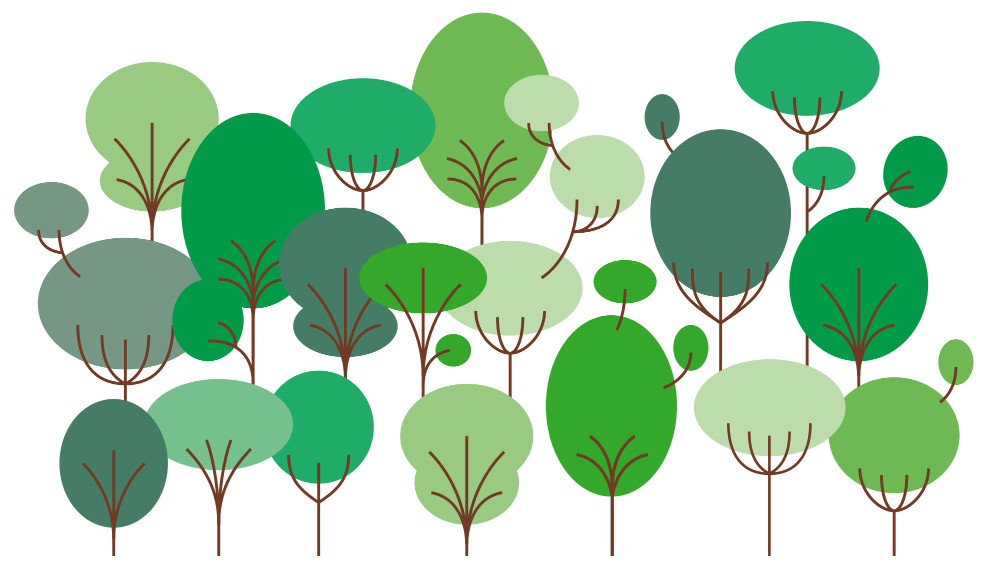


Accidents at work:
88 (143)

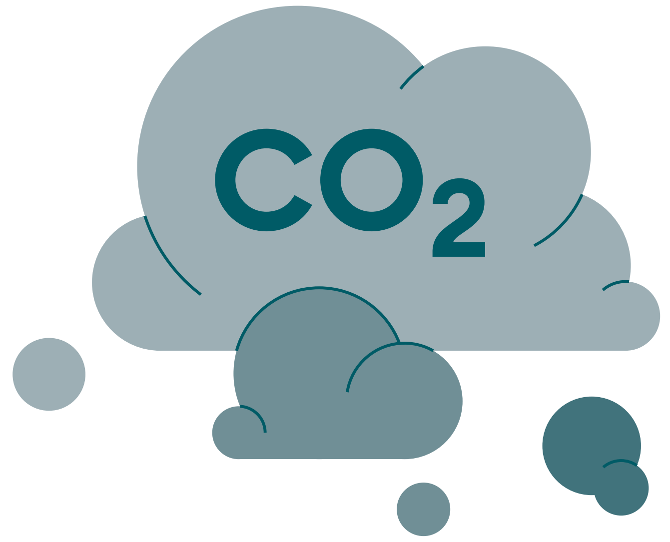


Fluctuation in %:
5.9 % (5.2 %)

Key figures Economic 2024 (2023)



Forest area: **1 169 700** (1 169 700)



CO_2 Emissions: **11 000** (12 300)

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 was the only listed company within the Group. The delisting from the SIX Swiss Exchange took place on 9 August 2013. Precious Woods Holding Ltd has its headquarters in Zug. More information about Precious Woods' shares can be found on page 47 of this report. For more detailed information about the holding company and the direct subsidiaries (name, headquarters, share capital and percentage ownership), please refer to 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 2024 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 2023. As of 31 December 2024, the conditional capital amounts to CHF 1 396 638 (1 396 638 registered voting shares with a nominal value of CHF 1.00 each).

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. More information about the capital structure can be found in note 22 of the Consolidated Group 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 22 May 2024 Markus Brütsch, Robert Hunink, Olivier Kobel, Bernhard Pauli and Werner Fleischmann were due for re-election. They were re-elected for a year on a proposal from BoD. Furthermore, Jürgen Blaser has resigned as a member of the BoD. The composition of the BoD is as follows on 31 December 2024: Markus Brütsch (Chairman), Robert Hunink (Vice Chairman), Werner Fleischmann (Member), Bernhard Pauli (Member) and Olivier Kobel (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 2024.

Committees of the Board of Directors

The whole Board of Directors monitors the concordance between budgets, finances and organization, examines the interim statements and the Annual Financial Report as well as the budget and oversees the relations with the external auditors. It is also the responsibility of the whole BoD to ensure the monitoring of the internal control system (IKS) and risk-management procedures as well as 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. Robert Hunink and Bernhard Pauli 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. Markus Brütsch, Werner Fleischmann and Olivier Kobel renounced commission fees in 2024.

The BoD met a total of eight times during 2024. 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. Chairman and co-CEOs and CFO realized interim meetings.

Further information about the decision-making process as well as 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 17 May 2023
- BoD member since 2017, mandate ends in 2025

Other activities and interests:

- CEO / CFO of Precious Woods Holding Ltd. from January 2014 until June 2023 (CEO) / September 2023 (CFO)
- BoD member of Paul Reinhart AG
- BoD member of Reinhart Holding AG

Robert Hunink

- Dutch citizen, born in 1953
- Vice Chairman since 2015, mandate ends in 2025

Other activities and interests:

- Former President of ATIBT (Association Technique Internationale des Bois Tropicaux), until October 2019

Werner Fleischmann

- Swiss citizen, born in 1955
- BoD member since 2022, mandate ends in 2025

Other activities and interests:

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

Bernhard Pauli

- Swiss and German citizen, born in 1967
- BoD member since 2023, mandate ends in 2025

Other activities and interests:

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

Olivier Kobel

- Swiss and French citizen, born in 1968
- BoD member since 2023, mandate ends 2025

Other activities and interests:

- Owner and Managing Director of Kobel Advisory Services, Geneva

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 2024, the GM consisted of the members:

Fabian Leu

Intl. Executive MB HSG, MSc Intl. Forestry

- Swiss citizen, born in 1986
- From 1 July 2023 co-CEO and since 1 August 2021 CTO of Precious Woods Group
- Before Technical Consultant of Precious Woods Holding and Managing Director Sawmills Bambidie, PW Gabon

Richard Meister

- Swiss citizen, born in 1982
- Since 1 October 2023, Group CFO of Precious Woods
- More than 10 years of experience in international Corporate Finance roles

Markus Pfannkuch

Intl. Executive MBA HEC, MSc Intl. Forestry

- Swiss citizen, born in 1982
- From 1 July 2023 co-CEO and since 1 August 2021 CSO of Precious Woods Group
- Before 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 Consolidated Group 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 2024, 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 22 May 2024 as well as at the Extraordinary General Meeting on 02 December 2024, 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. From 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 301 370 in 2024 (2023: EUR 278 368). 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.

Further information can be obtained from Communications (phone +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	2024	2023
Sale of goods and services		58 997	67 862
Freight expenses and sales commissions		–11 251	–11 461
Net revenues	4	**47 746**	**56 401**
Gain/(loss) from changes in fair value from biological assets	11	2 465	–2 485
Change in inventory of semi-finished and finished products		–2 466	–3 873
Raw materials		–9 869	–12 457
Consumables used	5	–10 057	–13 106
Other production costs	5	–3 668	–4 255
Personnel expenses	6	–16 862	–21 105
Other operating expenses	7	–4 996	–5 309
Other operating income	7	1 546	1 312
Share of profit/(loss) of associates	13	–1 749	–266
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**2 090**	**–5 143**
Depreciation, amortization and impairment	8	–5 933	–4 247
Earnings before interest and taxes (EBIT)		**–3 843**	**–9 390**
Financial income	9	196	433
Financial expenses	9	–110	–4 173
Earnings before taxes (EBT)		**–3 758**	**–13 130**
Income tax (expenses)/income	28	–1 115	413
Net profit/(loss) for the period		**–4 873**	**–12 717**
Allocation of net (loss)/profit:			
Equity owners of Precious Woods Holding Ltd		–4 827	–12 663
Non-controlling interests		–46	–54
Basic earnings per share	24	**–0.68**	–1.80
Diluted earnings per share	24	**–0.68**	–1.80

Consolidated statement of comprehensive income

in thousand EUR	Notes	2024	2023
Net profit/(loss) for the period		**–4 873**	**–12 717**
Defined benefit plans			
Remeasurement	29	336	–535
Tax effect on remeasurement		–41	63
Land revaluation			
Change in fair value	10	51	4 949
Tax effect on change in fair value		–48	–1 683
Items that will not be reclassified to profit or loss		**298**	**2 794**
Currency translation effects		–8 291	685
Items that may be reclassified subsequently to profit or loss		**–8 291**	**685**
Total other comprehensive income for the period		**–7 993**	**3 479**
Total comprehensive income for the period		**–12 866**	**–9 238**
Attributable to:			
Equity owners of Precious Woods Holding Ltd		–12 820	–9 184
Non-controlling interests		–46	–54

Consolidated statement of financial position

in thousand EUR	Notes	31 December 2024	31 December 2023
ASSETS			
Current assets			
Cash and cash equivalents		1 341	1 648
Trade and other receivables	17	11 257	12 986
Inventories	15	12 651	15 630
Prepaid expenses	16	541	1 174
Total current assets		**25 790**	**31 438**
Non-current assets			
Property, plant and equipment	10	63 796	73 251
Right-of-use assets	21	1 652	865
Biological assets	11	17 701	18 554
Intangible assets and goodwill	12	2 742	4 433
Investments in associates	13	1 479	920
Non-current loans and investments	14	1 460	774
Other non-current assets		1 604	1 922
Recoverable taxes		621	527
Total non-current assets		**91 055**	**101 246**
Total assets		**116 845**	**132 684**

in thousand EUR	Notes	31 December 2024	31 December 2023
LIABILITIES AND SHAREHOLDERS‘ EQUITY			
Current liabilities			
Trade and other payables	18	19 279	21 972
Current income tax payables		1 425	1 962
Current loans and interest payables	19	4 991	25 329
Current lease liabilities	19, 21	800	560
Current liabilities due to employees	29	–	67
Current provisions	26	–	374
Total current liabilities		**26 495**	**50 263**
Non-current liabilities			
Non-current loans and interest payables	19	3 778	24 390
Non-current lease liabilities	19, 21	889	304
Deferred tax liabilities	28	8 094	12 178
Non-current liabilities due to employees	29	3 365	3 464
Non-current provisions	26	893	969
Total non-current liabilities		**17 019**	**41 306**
Equity			
Share capital	22	14 864	5 731
Treasury shares		–30	–30
Additional paid-in capital		100 798	64 938
Revaluation surplus on land		32 372	32 361
Foreign currency translation reserve		–8 789	–587
Retained earnings		–65 923	–61 289
Equity attributable to owners of Precious Woods Holding Ltd		**73 292**	**41 124**
Non-controlling interests		39	–9
Total shareholders‘ equity		**73 331**	**41 115**
Total liabilities and shareholders‘ equity		**116 845**	**132 684**

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 2023	**5 731**	**–21**	**64 938**	**29 095**	**–1 272**	**–48 154**	**50 317**	**45**	**50 362**
Net profit/(loss) for the period	–	–	–	–	–	–12 663	**–12 663**	–54	**–12 717**
Other comprehensive income for the period	–	–	–	3 266	685	–472	**3 479**	–	**3 479**
Total comprehensive income for the period	**–**	**–**	**–**	**3 266**	**685**	**–13 135**	**–9 184**	**–54**	**–9 237**
Purchase of treasury shares	–	–9	–	–	–	–	**–9**	–	**–9**
Balance 31 December 2023	**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**

1 The merger of the subsidiaries CEB and TGI led to a re-allocation of equity from group to minorities.

Consolidated statement of cash flows

in thousand EUR	Notes	2024	2023
Net cash flow from operating activities			
Profit/(loss) for the period		–4 873	–12 717
Income taxes (income)/expenses	28	1 115	–413
Interest income	9	–127	–323
Interest expenses	9	846	2 789
Profit/(loss) for the period before interest and tax		**–3 039**	**–10 664**
Depreciation, amortization and impairment	8	5 933	4 247
(Profit)/loss on sale of non-current assets		–140	–94
Share of (profit)/loss of associates	13	1 749	266
Disposal of financial liabilities		–155	–
Changes in provisions and liabilities to employees		188	1 317
Change in fair value of biological assets	11	–2 465	2 485
Other non-cash items		–2 260	–166
Operating cash flow before working capital changes		**–189**	**–2 609**
Decrease/(increase) in trade and other receivables		–1 662	3 646
Decrease/(increase) in inventories		2 478	4 449
Decrease/(increase) in prepaid expenses		702	–391
Increase/(decrease) in trade payables, other liabilities and provisions		–798	–1 960
Income tax (paid)/received		–1 084	–468
Net cash flow operating activities		**–553**	**2 665**

in thousand EUR	Notes	2024	2023
Cash flow from investing activities			
Purchase of intangible assets	12	–50	–153
Proceeds from sale of property, plant and equipment		263	143
Purchase of property, plant and equipment	10	–3 285	–1 663
Proceeds from disposal of other non-current assets		185	38
Purchase of other non-current assets		–251	–364
Increase/(decrease) in recoverable taxes		–	–31
Interests received	9	127	323
Net cash flow investing activities		**–3 011**	**–1 707**
Cash flow from financing activities			
Transaction costs from capital increase		–673	–
Purchase of treasury shares		–	–9
Proceeds from borrowings	19	5 246	1 542
Repayment of borrowings	19	–258	–2 586
Interests paid	19	–538	–884
Interests paid on lease liabilities	19, 21	–126	–88
Repayment of lease liabilities	19, 21	–318	–405
Net cash flow financing activities		**3 333**	**–2 430**
Net increase/(decrease) in cash and cash equivalents		**–231**	**–1 472**
Cash and cash equivalents, at the beginning of the year		**1 648**	**3 022**
Increase/(decrease) in cash and cash equivalents		–231	–1 472
Translation effect on cash		–76	98
Total Cash and cash equivalents, at the end of the year		**1 341**	**1 648**

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, Netherlands and Luxembourg.

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 2024:

- IAS 1 Presentation of financial statements (narrow-scope amendments) – These amendments had no impact on the consolidated financial statements.
- IAS 7 Statement of cash flows and IFRS 7 Financial instruments (narrow-scope amendments) – These amendments had no impact on the consolidated financial statements.
- IFRS 16 Lease (amendments) – This amendment had no impact on the consolidated financial statements.

effective on or after 1 January 2025:

- IAS 21 The effects of changes in foreign exchange rates (amendments) – effective on or after 1 January 2025 – no material impact expected
- 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 possible 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 2023 as well as on 31 December 2024.

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	31.12.24 Reasonable shift	31.12.24 „Impact“ on profit or loss before tax	31.12.24 „Impact“ on equity	31.12.23 Reasonable shift	31.12.23 „Impact“ on profit or loss before tax	31.12.23 „Impact“ on equity
EUR/CHF	+/−5%	+/−229	+/−1 088	+/−10%	+/−296	+/−2 172
USD/CHF	+/−10%	+/−49	+/−1 065	+/−10%	+/−21	+/−1 003
USD/BRL	+/−20%	+/−0	+/−753	+/−15%	+/−21	+/−692
BRL/CHF	+/−15%	+/−0	+/−5 103	+/−15%	+/−0	+/−4 816
BRL/EUR	+/−15%	+/−4	+/−0	+/−15%	+/−4	+/−0
XAF/CHF	+/−10%	+/−65	+/−741	+/−10%	+/−41	+/−1 929

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 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**

in thousand EUR	Less than 1 year	Between 1 and 2 years	Over 2 years	Total	Carrying amount
31 December 2023					
Trade and other payables	21 972	–	–	21 972	21 972
Lease liabilities	618	300	4	922	864
Loans and interest payables	26 873	27 123	433	54 429	49 719
Financial liabilities	**49 463**	**27 423**	**437**	**77 323**	**72 555**

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 19% of net revenues, and the second largest and third largest customers accounted for 17% and 5% of net revenues (2023: 17%, 16% and 7%). The highest amounts of trade receivables outstanding per single customer amounted to 25%, 15% and 8% of the Group's trade receivables at 31 December 2024 (2023: 23%, 13% and 5%).

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 per 31 December 2024, the Group's equity ratio increased to 63%, from 31% at end of 2023. The Group's equity ratio compares the total shareholders 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 2024, the Group has pledged assets as follows:

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

As of 31 December 2023, the Group had pledged assets as follows:

- Land EUR 28.0 million
- Machinery and vehicles EUR 1.1 million
- Leased machinery and vehicles EUR 4.3 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 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 taxes (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.

Operating segments – for the year ending on 31 December 2023

in thousand EUR	Sustainable Forest Management Brazil	Sustainable Forest Management Gabon	Trading	Carbon & Energy	Other[1]	Total
Net revenues						
Third parties	13 602	34 352	6 827	1 620	–	56 401
Intersegment	895	104	–	256	–1 255	–
Total net revenues	**14 497**	**34 456**	**6 827**	**1 876**	**–1 255**	**56 401**
Gain from changes in fair value from biological assets	–2 485	–	–	–	–	–2 485
Profit/(loss) on sale of PP&E	82	12	–	–	–	94
Share of profit/(loss) of associates	–	–266	–	–	–	–266
Earnings before interest, tax, depreciation and amortization (EBITDA)	**–2 832**	**–193**	**102**	**220**	**–2 440**	**–5 143**
Depreciation and amortization	–955	–3 254	–	–19	–122	–4 350
Impairment charges/reversals	103	–	–	–	–	103
Profit/(loss) from operating activities (EBIT)	**–3 684**	**–3 447**	**102**	**201**	**–2 562**	**–9 390**
Financial income						433
Financial expenses						–4 173
Earnings before tax (EBT)						**–13 130**
Income taxes	868	–296	82	–105	–136	413
Segment assets	**87 466**	**45 540**	**3 609**	**3 524**	**–7 455**	**132 684**
Investments in associates	–0	920	–	–	–	920
Capital expenditures	1 005	764	–	28	19	1 816
Segment liabilities	**47 574**	**49 113**	**2 700**	**168**	**–7 987**	**91 568**

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	2024		2023	
Net revenues				
Europe	28 809	60.3 %	35 848	63.6 %
Latin America	4 514	9.5 %	8 476	15.0 %
Africa	8 749	18.3 %	3 228	5.7 %
Asia	1 997	4.2 %	4 890	8.7 %
North America	3 677	7.7 %	3 959	7.0 %
Total net revenues	**47 746**	**100.0 %**	**56 401**	**100.0 %**
Location of non-current assets				
Switzerland	62	0.1 %	255	0.3 %
Brazil	64 768	71.2 %	75 222	74.3 %
Gabon	26 116	28.7 %	25 740	25.4 %
Total non-current assets[1]	**90 946**	**100.0 %**	**101 217**	**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 the manner consistent with the internal reporting to the chief operating decision maker, which is the Group Management of Precious Woods. Group Management is responsible for allocating resources and assessing the performance of the operating segments.

4. Revenue from contracts with customers

in thousand EUR	2024	2023
Sale of timber and roundwood	57 586	63 427
Sale of energy	244	1 876
Sale of shipment services	1 167	2 559
Sale of goods and services	**58 997**	**67 862**
Freight expenses and sales commissions	–11 251	–11 461
Net revenues	**47 746**	**56 401**

Accounting policies

The Group generates revenues from sale 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	2024	2023
Fuel, oil and lubricants	6 226	7 575
Energy – third parties	23	22
Maintenance and spare parts	3 808	5 509
Total consumables used	**10 057**	**13 106**

in thousand EUR	2024	2023
Logistics, transportation costs and freight	134	1 084
Forest taxes & expenses	1 781	1 820
Insurances (production)	294	375
Rent and lease (production)	52	27
Company-produced additions to plant and equipment	–	–19
Miscellaneous production costs	1 407	968
Total other production costs	**3 668**	**4 255**

6. Personnel expenses

in thousand EUR	2024	2023
Wages and salaries	12 307	14 456
Social security costs	2 024	3 166
Pension costs – defined contribution plans	126	–175
Pension costs – defined benefit plans	376	321
Other employment benefits	2 030	3 337
Total personnel expenses	**16 862**	**21 105**

in thousand EUR	2024	2023
Forest and processing costs	11 722	14 775
Administration and other labour costs	5 140	6 330
Total personnel expenses	**16 862**	**21 105**

7. Other operating income and expenses

in thousand EUR	2024	2023
Other operating income		
Gain on disposal of fixed assets	190	100
Other income from associates	–	144
Other income	1 356	1 068
Total other operating income	**1 546**	**1 312**
Other operating expenses		
Audit fees	347	403
Legal and tax fees	297	291
Other consulting fees	372	327
Tax expenses (non-income taxes)	696	623
Travel expenses	760	716
Expenses for short-term leases	647	431
Communication and investor relations expenses	329	276
Distribution expenses	77	171
IT expenses	211	234
Insurances (non-production)	187	192
Change in expected credit loss allowance	228	138
Other administrative expenses	845	1 507
Total other operating expenses	**4 996**	**5 309**

Other administrative expenses contains building expenses and marketing expenses.

8. Depreciation, amortization and impairment

in thousand EUR	2024	2023
Depreciation of property, plant and equipment	3 686	3 124
Reversal of impairment of property, plant and equipment	–15	–103
Depreciation of right-of-use assets	944	920
Amortization of intangible assets	1 319	305
Total depreciation, amortization and impairment	**5 933**	**4 247**

9. Financial income and expenses

in thousand EUR	2024	2023
Financial income		
Interest income from associates	127	322
Other financial income	69	111
Total financial income	**196**	**433**
Financial expenses		
Interest expenses	846	2 789
Foreign-exchange losses/(gains), net	–842	926
Other financial expenses	106	458
Total financial expenses	**110**	**4 173**

10. Property, plant and equipment

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

in thousand EUR	2024	2023
Land	47 579	54 907
Forest roads	2 748	3 477
Buildings and improvements	4 709	5 299
Machinery and vehicles	7 128	7 913
Furniture and fixtures	286	296
Construction in progress	646	221
Advanced payments for PPE	701	1 138
Total carrying amounts	**63 796**	**73 251**

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 12.2 million (2023: EUR 12.9 million).

Reconciliation of carrying amount of level 2 land revaluation

in thousand EUR	2024 at Fair Value	2023 at Fair Value
At 1 January	54 907	47 715
Change in fair value	51	4 949
Reclassification from/to advanced payments for PPE	18	91
Currency effects	–7 397	2 152
At 31 December	**47 579**	**54 907**

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 2024. The fair value fell due to the conversion into the consolidation currency to EUR 37.2 million. In 2023, the revaluation for the land assets in Brazil, which was performed by BDO, led to an increase of the fair value by EUR 4.9 million to EUR 44.5 million. The revaluation based on a land area of 390 328 ha. 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 2024; the fair value remained stable at EUR 10.4 million, as in 2023.

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 2023	**11 331**	**16 376**	**31 638**	**1 389**	**193**	**3 248**	**64 175**
Additions	–	153	818	38	506	148	1 663
Disposals	–	–35	–218	–7	–	–	–260
Reclassifications [1]	–	33	4 217	22	–479	–1 040	2 752
Currency effects	214	125	526	31	1	177	1 074
At 31 December 2023	**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**
Accumulated depreciation and impairment							
At 1 January 2023	**7 456**	**11 024**	**23 923**	**1 075**	**–**	**1 406**	**44 884**
Charge for the year	501	274	2 266	83	–	–	3 124
Reversal of impairment	–12	–	–	–	–	–91	–103
Disposals	–	–33	–172	–7	–	–	–211
Reclassifications [1]	–	–	2 657	–	–	–	2 657
Currency effects	123	88	392	26	–	80	709
At 31 December 2023	**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**
Carrying amount							
At 31 December 2023	**3 477**	**5 299**	**7 913**	**296**	**221**	**1 138**	**18 344**
At 31 December 2024	**2 748**	**4 709**	**7 128**	**286**	**646**	**701**	**16 217**

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 not to reclassify additional land as advanced payments for property, plant and equipment (2023: EUR 0.0). On the other hand, advanced payments for property, plant and equipment have been reversed to land in the amount of EUR 17 735 (2023: EUR 90 900).

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	2024	2023
At 1 January	18 554	19 931
Change in fair value less cost to sell	2 465	–2 485
Currency effects	–3 318	1 108
At 31 December	**17 701**	**18 554**

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 the sustainable management, an annual exploration area of up to 10 600 hectares was considered. The exploration area of effective forest management area 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: 2025: 14 m^3/ha/year and 125 000 m^3; 2026: 15 m^3/ha/year and 160 000 m^3; and from 2027 onwards, 17 m^3/ha/year and 180 000 m^3 harvesting volume. The actual harvesting volume for 2024 was 117 000 m^3 (2023: 86 500 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 % (2023: 18.0 %) has been applied considering the following inputs:

	2024	2023
Unlevered beta factor	1.17	1.60
Risk free rate	5.6 %	0.6 %
Equity risk premium	11.3 %	22.7 %
Debt/Equity ratio	42.9 %	53.9 %
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 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 %

in thousand EUR	FV	Effect
Assumption 31 December 2023	18 554	
Sales prices -5.0 %	16 031	–13.6 %
Costs +5.0 %	16 942	–8.7 %
Volumes -10.0 %	16 399	–11.6 %
Discount rate +50.0 %	15 649	–15.7 %

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	Total
Cost				
At 1 January 2023	297	14 813	7 353	22 463
Additions	–	143	9	153
Currency effects	17	145	107	268
At 31 December 2023	**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**
Accumulated amortization and impairment				
At 1 January 2023	297	11 645	6 104	18 046
Charge for the year	–	282	24	305
Currency effects	17	46	37	100
At 31 December 2023	**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**
Carrying amount				
At 31 December 2023	**–**	**3 128**	**1 305**	**4 433**
At 31 December 2024	**–**	**2 588**	**154**	**2 742**

Other intangible assets mainly include forest concessions.

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 in 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 2024	31 December 2023
Compagnie des Placages de la Lowé S.A.	Gabon	49 %	49 %

Compagnie des Placages de la Lowé S.A.

in thousand EUR	2024	2023
At 1 January	920	1 186
Net additions/(disposals)	2 308	–
Share of profit/(loss) of associates	–1 749	–266
At 31 December	**1 479**	**920**

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 2024	31 December 2023
Current assets	7 929	8 933
Non-current assets	4 426	6 308
Current liabilities	9 411	10 407
Non-current liabilities	1 065	3 734
Equity 100 %	**1 879**	**1 100**
Group‘s share in equity 49 %	921	539
Goodwill	677	677
Elimination of unrealized profit on downstream sales	–119	–296
Group‘s carrying amount in the investment	**1 479**	**920**

in thousand EUR	2024	2023
Revenues	11 963	13 152
Cost of sales	–12 462	–12 816
Administration expenses	–2 999	–864
Financial result	–259	–490
Earnings before tax (EBT)	**–3 757**	**–1 018**
Income tax (expenses)/income	–174	–139
Net profit/(loss) 100 %	**–3 930**	**–1 157**
Net profit/(loss) 49 %	–1 926	–567
Change in elimination of unrealized profit on downstream sales	177	301
Group‘s share of profit/(loss)	**–1 749**	**–266**

The associate had no contingent liabilities or capital commitments as at 31 December 2024 or 2023. There are 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	2024	2023
Non-current loans, associates	1 431	746
NIBO investment	29	29
Total non-current loans and investments	**1 460**	**774**

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

The investment in Nederlandse Internationale Bosbouw Onderneming NV (NIBO) is placed in USD with a value of USD 27 306.

15. Inventories

in thousand EUR	2024	2023
Logs	4 264	4 682
Sawn timber	3 530	4 465
Industrialized products	858	1 723
Export products in transit	1 196	1 885
Consignment inventory	175	253
Certified Emission Reductions (CERs)	170	170
Spare parts and other	4 198	3 520
Obsolescence reserve	–1 740	–1 068
Total inventories	**12 651**	**15 630**

Obsolescence reserve

in thousand EUR	2024	2023
At 1 January	1 068	1 709
Increase	1 009	1 081
Used	–31	–472
Reversed	–219	–1 262
Currency effects	–87	12
At 31 December	**1 740**	**1 068**

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	2024	2023
Prepaid expenses, prospecting	13	267
Prepaid insurance costs	66	85
Other prepaid expenses	462	822
Total prepaid expenses	**541**	**1 174**

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	2024	2023
Trade receivables, third parties	8 585	7 334
Trade receivables, associates	650	3 787
Allowance for expected credit losses	–1 022	–818
Total trade receivables net	**8 213**	**10 303**
Other current receivables	3 044	2 683
Total trade and other receivables net	**11 257**	**12 986**

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

Allowance for credit losses for trade receivables

in thousand EUR	2024	2023
At 1 January	818	670
Increase of allowance for credit losses	426	219
Reversal of allowance for credit losses	–198	–81
Currency effects	–24	10
At 31 December	**1 022**	**818**

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	2024	2023
Not overdue	0.5–0.6 %	8 766	8 499
Less than 30 days overdue	0.5–0.6 %	229	1 551
31 to 60 days overdue	1.7–2.0 %	260	795
61 to 180 days overdue	10 %	18	224
More than 180 days overdue	15 %	–39	52
Total trade receivables gross		**9 235**	**11 121**
Allowance for individual impairments		–972	–718
Allowance for expected credit losses		–50	–100
Total trade receivables net		**8 213**	**10 303**

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	2024	2023
Trade payables, third parties	5 765	5 659
Trade payables, associates	681	440
Total trade payables	**6 447**	**6 099**
Other current liabilities, third parties	9 123	8 648
Other current liabilities, associates	–	406
Other current liabilities, related parties	–	693
Accrued expenses	3 709	6 126
Total other payables	**12 832**	**15 873**
Total trade and other payables	**19 279**	**21 972**

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	2024	2023
Loans and interest payables	8 769	49 719
Lease liabilities	1 689	864
Total	**10 458**	**50 583**
Current loans	4 201	3 368
Current loans shareholders and related parties	745	21 915
Current financial liabilities third parties	45	46
Total current loans and interest payables	**4 991**	**25 329**
Current lease liabilities	800	560
Total current	**5 791**	**25 889**
Non-current loans	3 778	1 732
Non-current loans shareholders and related parties	–	22 658
Total non-current loans and interest payables	**3 778**	**24 390**
Non-current lease liabilities	889	304
Total non-current	**4 668**	**24 695**
Total	**10 458**	**50 583**

The changes in liabilities from financing activities are detailed below:

in thousand EUR	Current financial liabilities	Non-current financial liabilities	Total
At 1 January 2023	**17 255**	**31 911**	**49 166**
Cashflows			
Cash inflow	229	1 313	1 542
Cash outflow for lease payments	–302	–102	–405
Cash outflow for interests paid on lease liabilities	–88	–	–88
Cash outflow for interests paid	–	–850	–850
Cash outflow due to redemption of financial liabilities	–670	–1 404	–2 074
Cash outflow due to redemption of leases	–512	–	–512
Non-cash changes			
Reclassifications	8 834	–8 834	–
Increase in lease liabilities	–	172	172
Increase in interests on lease liabilities	–	88	88
Accrued interests	–	2 173	2 173
Currency effects	1 143	228	1 371
At 31 December 2023	**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**

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

in thousand EUR	31 December 2024	31 December 2023
Currencies financial liabilities/borrowings denominated in:		
EUR	8	2 000
XAF	6 426	4 863
CHF	1 324	43 273
BRL	2 700	447
Total financial liabilities	**10 458**	**50 583**

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

	2024	2023
EUR	1.0 %	4.0 – 6.0 %
XAF	8.5 –11.0 %	8.5 –11.0 %
CHF	2.3 – 4.8 %	2.9 – 5.6 %
BRL	6.0 – 19.8 %	4.5 – 6.0 %

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 2024			
Assets			
Cash and cash equivalents	1 341	–	1 341
Trade and other receivables[1]	8 937	–	8 937
Non-current loan to associates	1 431	–	1 431
Non-current financial assets	1 604	29	1 633
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	at amortized costs	at fair value through OCI	Total
31 December 2023			
Assets			
Cash and cash equivalents	1 648	–	1 648
Trade and other receivables [1]	11 571	–	11 571
Non-current loan to associates	746	–	746
Non-current financial assets	1 922	29	1 951
Total financial assets	**15 887**	**29**	**15 916**

1 Not included are receivables due from tax authorities of EUR 1.4 million.

in thousand EUR	2024	2023
Liabilities at amortized costs		
Trade and other payables [1]	15 401	15 089
Loans, interest payables and legal liabilities [2]	10 448	49 719
Lease liabilities	10	864
Total financial liabilities	**25 859**	**65 672**

1 Not included are accruals and payables due to tax authorities of EUR 3.9 million (2023: EUR6.9 million).
2 The fair value of the interest bearing long-term liabilities with a fixed interest rate (level 2) is EUR 2.8 million (2023: EUR 27.5 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 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**

in thousand EUR	31. Dezember 2023	Level 1	Level 2	Level 3
Non-current financial assets	29	–	–	29
Biological assets	18 554	–	–	18 554
Land	54 907	–	54 907	–
Total assets measured at fair value	**73 490**	**–**	**54 907**	**18 583**

Reconciliation of fair value measurement of level 3 assets

in thousand EUR	2024	2023
At 1 January	18 583	19 958
Gain from changes in fair value from biological assets	2 465	–2 485
Currency effects	–3 318	1 110
At 31 December	**17 730**	**18 583**

21. Leasing

The Group has entered into several leases for vehicles and machinery as well as office spaces (until September 2024). The leases have lease terms of three to five years.

The development of the lease liabilities is as follows:

in thousand EUR	2024	2023
At 1 January	864	1 598
Additions	1 806	172
Interest expenses	126	88
Redemption	–505	–512
Disposal due to renouncement	–155	–
Payments	–444	–492
Currency effects	–3	10
At 31 December	**1 689**	**864**
Thereof current	800	560
Thereof non-current	889	304

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 2023	**259**	**1 344**	**1 603**
Additions	–	172	172
Depreciation	–128	–792	–920
Currency effects	9	1	10
At 31 December 2023	**140**	**725**	**865**
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**

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

in thousand EUR	2024	2023
Expenses for short-term leases	647	431
Expenses for leases of low value	0	4
Total operating lease expenses	**647**	**435**

The cash-outflow on short-term leases and leases of low value is EUR 0.6 million (2023: EUR 0.4 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 newly issued registered preferred shares (CHF 10.00 each) were issued 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 2024	Number of shares 2023	Share capital in thousand EUR 2024	Share capital in thousand EUR 2023
Issued and fully paid-in capital				
At 1 January [1]	**7 052 745**	**7 052 745**	**5 731**	**5 731**
Increase [2]	869 838	–	9 133	–
At 31 December	**7 922 583**	**7 052 745**	**14 864**	**5 731**

1 Number of registered voting shares with a nominal value of CHF 1.00 per share
2 Number of registered preferred shares with a nominal value of CHF 10.00 per share

Ordinary share capital

On 31 December 2024, the issued and fully paid-in share capital amounted to CHF 15 751 125 (2023: CHF 7 052 745). 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, with 869 838 registered preferred shares with a nominal value of CHF 10.00 and a conversion price of CHF 50.00 being 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 2024, 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 2024, Precious Woods Holding purchased no treasury shares. The Group held 2 607 treasury shares as of 31 December 2024 (2023: 2 607 treasury shares).

23. Major shareholders

On 31 December 2024, the major shareholders holding 3 % (rounded) or more of Precious Woods Holding outstanding shares were as follows:

	Number of registered voting shares 2024 nominal value CHF 1		Number of registered preferred shares 2024 nominal value CHF 10[1]		Number of registered voting shares 2023 nominal value CHF 1	
Fleischmann Werner / BoD	1 837 734	26.1 %	135 554	15.6 %	1 753 941	24.9 %
Rössler Max	800 000	11.3 %	546 000	62.8 %	50 000	0.7 %
Gut Thomas	734 283	10.4 %	53 000	6.1 %	491 808	7.0 %
Aage V. Jensen Charity Foundation	455 704	6.5 %	29 044	3.3 %	455 704	6.5 %
Basler Insurances	333 053	4.7 %	–	0.0 %	333 053	4.7 %
von Braun	324 324	4.6 %	19 594	2.3 %	324 324	4.6 %
Vassalli Christian	307 500	4.4 %	8 480	1.0 %	290 000	4.1 %
Other BoD / Management	278 320	3.9 %	5 088	0.6 %	278 320	3.9 %
Lehmann Katharina	104 021	1.5 %	42 400	4.9 %	104 021	1.5 %
Gut Joseph	–	0.0 %	–	0.0 %	241 533	3.4 %
Total number of issued shares	**7 052 745**	**100.0 %**	**869 838**	**100.0 %**	**7 052 745**	**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 registered voting share

Calculation of the basic and diluted earnings per registered voting share is based on the following data:

In EUR	2024	2023
Net income/(loss) attributable to Group equity holders	–4 826 727	–12 662 969
Weighted average number of shares	7 050 138	7 050 227
Basic earnings/loss per share	**–0.68**	**–1.80**
Weighted average number of shares for diluted earnings per share	7 050 138	7 050 227
Diluted earnings per share	**–0.68**	**–1.80**

The net result 2024, measured against the total book value of the share capital as of 31 December 2024 amounts to EUR -0.32 (registered preferred shares included).

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 2024 and 2023, are detailed below:

in thousand EUR	2024	2023
Trade and other current receivables from related parties	28	28
Trade receivables and other current receivables from associates	650	3 787
Non-current loan to associates	1 431	746
Trade and other current liabilities from related parties	–	693
Trade and other current liabilities to associates	681	846
Current loans from shareholders	–	13 841
Current loans from related parties	745	1 615
Non-current loans from shareholders	–	22 607

The current loans from related parties bear interest at 2.3 % for EUR 0.7 million – maturing up to and including December 2024.

b. Compensation

During the ordinary course of business in 2024 and 2023, the Group granted remuneration to related parties as follows:

in thousand EUR	2024	2023
Board of Directors		
Short-term employee benefits	308	324
Post-employment employee benefits	10	12
Total remuneration and fees Board of Directors	**319**	**336**
Group Management		
Short-term employee benefits	876	1 240
Post-employment employee benefits	172	181
Total Group Management	**1 048**	**1 421**
Operating management		
Short-term employee benefits	1 011	940
Post-employment employee benefits	78	81
Total operating management	**1 089**	**1 021**
Total compensation to key management personnel	**2 455**	**2 778**

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	2024 Total	2023 Total
Current provisions	–	–	–	374
Non-current provisions	280	613	893	969
Total provisions	**280**	**613**	**893**	**1 343**
At 1 January	321	1 022	1 343	890
Additions	114	228	342	730
Unused amounts reversed	–23	–	–23	–52
Used during the year	–77	–556	–633	–267
Currency effects	–55	–81	–136	42
At 31 December	**280**	**613**	**893**	**1 343**

Legal claims

The amount of EUR 0.3 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 2024 (2023: EUR 0.3 million).

Others

The total amount of EUR 0.6 million for other current and non-current provisions includes amounts for tax fees of EUR 0.1 million (2023: EUR 0.1 million) and for other provisions of EUR 0.3 million (2023: EUR 0.6 million). The restructuring provision formed in 2023 at Precious Woods Compagnie Equatoriale des Bois S.A. was utilized in 2024 (2023: 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.

28. Income taxes

Major components of tax expenses/(income)

in thousand EUR	2024	2023
Current tax expenses/(income)	608	636
Deferred tax expenses/(income)	507	–1 049
Total income taxes	**1 115**	**–413**

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 4.7 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 2024 (31 December 2023: 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 has not accepted the pledge and instead had an amount of EUR 0.1 million in cash blocked in the Group's accounts.

Reconciliation of tax expenses/(income)

in thousand EUR	2024	2023
Earnings before tax	**–3 758**	**–13 130**
Expected tax expenses/(income) based on a weighted average	–853	–3 593
Tax adjustments related to prior years	–	80
Non-recognized tax losses	–	930
Derecognition of previously recognized deferred tax assets	–	4
Tax deductions on local impairments	–	1 859
Minimum tax in Gabon	19	38
Other	1 949	267
Total income taxes	**1 115**	**–413**

The weighted average applicable tax rate, considering all profit- and loss-making entities, was 22 % (2023: 25 %).

Deferred income tax

in thousand EUR	2024	2023
Total deferred tax assets	10 105	9 578
Total deferred tax liabilities	–18 199	–21 756
Net deferred tax assets/(liabilities)	**–8 094**	**–12 178**

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	2024	2023
Inventories	115	203
Tax loss carry-forwards	1 476	1 335
Provisions	139	161
Financial liabilities	7 985	7 279
Other	390	600
Total deferred tax assets	**10 105**	**9 578**

Deferred income tax liabilities

in thousand EUR	2024	2023
Property, plant and equipment	–12 166	–15 346
Biological assets	–6 018	–6 309
Intangible assets	–15	–101
Financial liabilities	–	–
Total deferred tax liabilities	**–18 199**	**–21 756**
Net deferred tax assets/(liabilities)	**–8 094**	**–12 178**
Reported in the balance sheet as follows:		
Deferred tax assets	–	–
Deferred tax liabilities	–8 094	–12 178
Net deferred tax assets/(liabilities)	**–8 094**	**–12 178**

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

in thousand EUR	2024	2023
At 1 January	–12 178	–10 420
Income statement charge	–507	1 049
Tax charged to other comprehensive income	2 982	–2 296
Currency effects	1 609	–511
At 31 December	**–8 094**	**–12 178**

The Group did not recognize deferred income tax assets on deductible temporary differences of EUR 4.2 million (2023: EUR 4.6 million) and on unused tax losses of EUR 40.6 million (2023: EUR 41.2 million).

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

in thousand EUR	2024	2023
0–2 years	1 572	348
3–4 years	8 304	3 078
5–7 years	22 399	19 436
over 7 years	8 278	18 290
Total tax loss carry-forwards	**40 553**	**41 152**

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 % (2023: EUR 4.7 million with an applicable tax rate of 15 %), EUR 3.6 million belong to the Brazilian operations with an applicable tax rate of 34 % (2023: EUR 4.2 million with an applicable tax rate of 34 %), EUR 0.6 million belong to the Gabonese operations with an applicable tax rate of 30 % (2023: EUR 0.0 million with an applicable tax rate of 30 %) and EUR 30.4 million belong to the Swiss operation with an applicable tax rate of 11.85 % (2023: EUR 32.3 million with an applicable tax rate of 11.82 %).

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	2024	2023
Current employee benefits – defined benefit plans	–	67
Non-current employee benefits – defined benefit plans	1 996	2 210
Non-current employee benefits – defined contribution plans	1 112	986
Non-current employee benefits – jubilee provisions	257	268
Total liabilities due to employees	**3 365**	**3 531**

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	2024	2023
Defined benefit obligation at 1 January	8 390	6 275
Current service costs	346	290
Interest costs	101	148
Contribution by plan participants	96	115
Actuarial losses/(gains)	580	847
Experience (gains)/losses	–640	–
Benefits paid in/transferred	–2 594	224
Currency effects	–129	491
31 December	**6 150**	**8 390**
Plans wholly or partly funded	6 150	8 390
Plans wholly unfunded	–	–

The discount rate used for the valuation of the obligations decreased from 1.45 % in 2023 to 1.00 % in 2024.

Movement in the fair value of the plan assets

in thousand EUR	2024	2023
Opening fair value of plan assets	6 180	4 779
Interest income	71	116
Return on plan assets excluding interest income	276	312
Contributions by the employers	225	269
Contributions by plan participants	96	115
Benefits paid in/transferred	–2 594	224
Currency effects	–99	365
31 December	**4 155**	**6 180**

in thousand EUR	2024	2023
Present value of obligations	6 150	8 390
Fair value of plan assets	4 155	6 180
Net liability	**1 996**	**2 210**

Changes in net liability

in thousand EUR	2024	2023
Opening net liability	2 210	1 496
Pension cost recognized in profit or loss	376	321
Pension cost recognized in other comprehensive income	–336	535
Employer contributions	–225	–269
Currency effects	–29	127
Recognized in balance sheet	**1 996**	**2 210**

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

in thousand EUR	2024	2023
Current service costs	346	290
Net interest costs	30	31
Recognized in profit or loss	**376**	**321**

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

in thousand EUR	2024	2023
Return of plan assets excluding interest income	276	312
Changes in assumptions	–580	–1 089
Experience adjustments	640	242
Recognized in other comprehensive income	**336**	**–535**

Principal actuarial assumptions used

	2024	2023
Expected employer contributions	202 650	283 030
Discount rates	1.45 %	1.45 %
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	13.7	13.7

Sensitivity to changes in the principal assumptions

in thousand EUR	DBO	Effect
Actuarial assumption 31 December 2024	6 150	
Discount rate +0.25 %	5 928	–3.7 %
Discount rate –0.25 %	6 387	3.9 %
Salary increase rate +0.25 %	6 168	0.3 %
Salary increase rate –0.25 %	6 132	–0.3 %

in thousand EUR	DBO	Effect
Actuarial assumption 31 December 2023	8 390	
Discount rate +0.5 %	8 082	–3.7 %
Discount rate –0.5 %	8 717	3.9 %
Salary increase rate +0.5 %	8 415	0.3 %
Salary increase rate –0.5 %	8 365	–0.3 %

Plan asset allocation

in thousand EUR	2024	2023
Shares	35.2 %	33.6 %
Bonds	29.5 %	29.6 %
Real estate investments	23.8 %	24.9 %
Mortgages	4.2 %	4.0 %
Alternative investments	4.6 %	4.0 %
Liquidity	1.5 %	3.1 %
Infrastruktur	1.2 %	0.8 %
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:

		2024				2023			
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	1.0636	98.8 %	1.0500	102.0 %	1.0765	106.6 %	1.0292	103.4 %
Euro	1 EUR	1.0000	100.0 %	1.0000	100.0 %	1.0000	100.0 %	1.0000	100.0 %
Brazilian real	1 BRL	0.1556	83.4 %	0.1721	93.0 %	0.1866	105.7 %	0.1851	100.4 %
US dollar	1 USD	0.9626	106.2 %	0.9244	100.0 %	0.9060	97.0 %	0.9248	97.3 %
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 2024	Ownership 2023
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. [1]	Gabon	99 %	99 %
Precious Woods – Tropical Gabon Industrie S.A. [1]	Gabon		100 %
Precious Woods Europe B.V.	Netherlands	100 %	100 %
Lastour & Co. S.A.	Luxembourg	100 %	100 %
Unio Holding S.A.	Luxembourg	100 %	100 %
Precious Woods Management Ltd. (inactive)	British Virgin Islands	100 %	100 %

1 Precious Woods – Tropical Gabon Industrie S.A. was merged with Precious Woods – Compagnie Equatoriale des Bois S.A. as of January 1, 2024.

Further information about the associated entities 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 23 April 2025 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 2024 (2023: no dividend paid).

Report of the statutory auditor on the consolidated financial statements

KPMG AG
Landis + Gyr-Strasse 1
PO Box
CH-6302 Zug

+41 58 249 74 74
kpmg.ch

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Precious Woods Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, 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 21 to 46) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, 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, 23 April 2025

3

Precious Woods

Precious Woods Holding Ltd

Financial statements

Balance sheet

in thousand CHF	Notes	31.12.24	31.12.23
ASSETS			
Current assets			
Cash and cash equivalents		724	591
Trade receivables			
against third parties		4 888	4 862
against Group companies		16	202
Other short-term receivables			
against third parties		29	17
against Group companies		2 940	2 602
Inventories		398	359
Prepaid expenses		50	62
Total current assets		**9 044**	**8 694**
Non-current assets			
Financial assets to Group companies	6	42 528	51 409
Investments	6	47 722	35 918
Property, plant and equipment	8	28	186
Intangible assets		–	1
Long-term financial assets		30	50
Total non-current assets		**90 308**	**87 564**
TOTAL assets		**99 353**	**96 258**

in thousand CHF	Notes	31.12.24	31.12.23
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables			
against third parties		906	755
against Group companies		4 514	2 459
Short-term interest-bearing liabilities against third parties	2	500	6 500
Short-term interest-bearing liabilities against shareholders	2	700	8 541
Short-term lease liabilities	11	4	98
Other short-term liabilities		195	586
Other short-term liabilities against related parties		–	176
Accrued expenses and short term provisions		1 180	1 204
Accrued interest expenses against shareholders	2	2	7 824
Total short-term liabilities		**8 001**	**28 144**
Non-current liabilities			
Long-term interest-bearing liabilities against shareholders	2	0	21 000
Long-term lease liabilities	11	5	57
Long-term provisions		243	250
Total long-term liabilities		**248**	**21 307**
Shareholders' equity			
Share capital	1, 2, 3, 4	15 751	7 053
Legal capital reserves			
Capital contribution reserves	2	123 076	88 924
Legal retained earnings			
General legal retained earnings in the narrow sense		4 534	4 534
Treasury shares	5	–29	–29
Loss carried forward		–53 674	–44 336
Net result for the year		1 446	–9 339
Total shareholders' equity		**91 104**	**46 806**
TOTAL liabilities & shareholders' equity		**99 353**	**96 258**

Income statement

in thousand CHF	Notes	2024	2023
Revenues			
Sales		39 191	51 438
Freight expenses		–1 112	–2 487
Sales commissions		–621	–735
Sales deductions and other sales related expenses		–96	–302
Net sales timber products		**37 361**	**47 915**
Changes in inventories of finished goods		–52	34
Changes in inventories of CO_2 certificates		–	38
Costs of goods sold		–34 742	–44 300
Total operating income		**2 567**	**3 686**
Personnel expenses		–2 435	–3 573
Administrative expenses		–1 591	–1 283
Audit fees		–208	–284
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**–1 667**	**–1 453**
Depreciation, amortization and impairment	8	–90	–2 950
Earnings before interest & taxes (EBIT)		**–1 757**	**–4 403**
Financial income		1 460	1 530
Financial expenses		–95	–2 193
Foreign exchange differences		1 928	–4 224
Earnings before taxes (EBT)		**1 537**	**–9 291**
Direct taxes		–90	–48
Net result for the year		**1 446**	**–9 339**

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 2024 was subdivided into 7 052 745 (2023: 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. Ordinary capital increase

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 by offsetting, with 869 838 registered preferred shares with a nominal value of CHF 10.00 and a conversion price of CHF 50.00 being issued. Specifically, of the total of CHF 43.5 million short- and long-term interest-bearing liabilities against shareholders, CHF 8.7 million were converted into share capital and CHF 34.8 million were allocated to capital contribution reserves. Additionally, transaction costs of CHF 0.6 million were recognized in capital contribution reserves.

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 2024, 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 2024, 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 (2023: 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 2024, 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 2024, no transactions with treasury shares took place. As at the balance sheet date, the acquisition cost of treasury shares amounts to CHF 29 462.

	Number of transactions	Average price	in thousand CHF	Total shares
Number of shares				
At 1 January 2023			21	1 632
Purchases	3	9.58	20	2 175
Sales	1	10.00	–12	–1 200
At 31 December 2023			**29**	**2 607**

6. Investments

The company holds the following direct and significant indirect investments:

Company, country	Currency	2024 Nominal share capital	2023 Nominal share capital	2024 Voting rights and Participation	2023 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 [1]	EUR	1 000 000	1 000 000	100.00 %	100.00 %
Precious Woods Tropical Gabon Industrie S.A. (TGI), Gabon [3]	XAF	–	10 000 000	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 [1]	EUR	372 575	372 575	100.00 %	100.00 %
Precious Woods Compagnie Equatoriale des Bois S.A. (CEB), Gabon [2]	XAF	1 572 926 074	1 571 276 074	99.02 %	99.02 %
Precious Woods Management Ltd., British Virgin Islands (dormant) [1]	USD	20 000	20 000	100.00 %	100.00 %

1 participation directly held
2 participation indirectly held
3 company merged with CEB Precious Woods Compagnie Equatoriale des Bois S.A. (CEB), Gabon as of January 1st, 2024

In 2024, in order to strengthen CEB's financial position, financial assets to Group companies were converted into equity investments. The company has not recognized an impairment loss. In 2023, the company recognized an impairment loss of CHF 2.8 million on the investment Unio S.A., which was recognized as an impairment loss in the income statement (see note 8).

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 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 These Board members resigned in May of the respective year.
2 These Board members were elected for the first time in May 2023.
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 2023						
Katharina Lehmann[1]	34	–	–	34	104 021	–
Markus Brütsch	67	–	–	67	228 220	–
Jürgen Blaser	30	–	–	30	3 500	–
Robert Hunink	39	3	3[3]	45	32 500	–
Werner Fleischmann	30	–	3[3]	33	1 753 941	–
Bernhard Pauli[2]	19	–	3[3]	22	–	–
Olivier Kobel[2]	21	32	3[3]	57	–	–
Total	**240**	**35**	**12**	**288**	**2 122 182**	**–**

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 2024						
Fabian Leu, Markus Pfannkuch, co-CEOs	400	33	54	487	6 600	–
Group Management Total	**801**	**33**	**164**	**998**	**242 320**	**4 240**

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 2023						
Markus Brütsch, CEO / CFO (until 30.06.23)	188	100	45	333	228 220	–
Fabian Leu, Markus Pfannkuch, co-CEOs (since 01.07.23)	198	–	25	223	6 600	–
Group Management Total	**1 015**	**190**	**176**	**1 381**	**242 320**	**–**

1 During 2024 and 2023 no share-based compensation was made to the Group Management. The bonus payments are based on the last financial year (2023) 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 2024, depreciation, amortization and impairment includes, the normal depreciation on property, plant and equipment in the amount of CHF 0.1 million (2023: CHF 0.1 million). In 2023, it includes an impairment of the investment Unio S.A. in the amount of CHF 2.8 million.

9. Pledged assets / other securities

As of 31 December 2024, there are no secured liabilities in the balance sheet. In 2023, Precious Woods Holding Ltd liabilities of CHF 26.0 million were secured by land securities in Brazil.

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 leasing 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	2024	2023
Position of balance				
Property, plant, equipment and lease (rights-of-use assets)	Vehicles	3 years	4	13
	Office spaces	5 years	–	131
	IT equipment	5 years	6	13
Total rights-of-use assets			**10**	157
Total Leasing liabilities (short- and long-term)			**9**	155

in thousand CHF	2024	2023
Position of income statement		
Depreciation (rights-of-use assets)	–78	–99
Interest expenses lease liabilities	–1	–2

12. Liabilities to pension funds

As of 31 December 2024, there are no liabilities to pension fund included in the balance sheet (2023: CHF 0.1 million).

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 2025 to carry forward the accumulated losses for the financial year ended 31 December 2024 of CHF 52.2 million:

in thousand CHF	2024
Appropriation of losses	
Loss carried forward	–53 674
Profit for the year	1 446
Total to be carried forward	**–52 228**

Report of the statutory auditor on the financial statements

KPMG

KPMG AG
Landis + Gyr-Strasse 1
PO Box
CH-6302 Zug

+41 58 249 74 74
kpmg.ch

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

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Precious Woods Holding AG (the Company), which comprise the balance sheet as at 31 December 2024, 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 52 to 56) 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.

KPMG

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, 23 April 2025

2

Contact addresses

Precious Woods in Europe

Precious Woods Holding Ltd

Company headquarters:
Untermüli 6
CH-6300 Zug
Switzerland

Phone +41 41 726 13 13
www.preciouswoods.com
office@preciouswoods.com

Precious Woods Europe B.V.

Marktstraat 1 (unit 3.03)
2411 BE Bodegraven
The Netherlands

Phone +31 (0)6 11335117

Precious Woods in Brazil

MIL Madeiras Preciosas Ltda.

(Precious Woods Amazon)
Rodovia AM 363, KM 1.5, Zona Rural
Zip Code – 69109-899
Itacoatiara – Amazonas
Brazil

Phone +55 92 99136-5045/5066
Fax +55 92 98533-1664/1682
contato@preciouswoods.com.br

MIL Energia Renovável Ltda.

(Precious Woods Energy)
Rodovia AM 363, Km 1, Área Rural
Zip Code – 69109-899
Itacoatiara – Amazonas
Brazil

Phone +55 92 99136-5045/5066
Fax +55 92 98533-1664/1682

Precious Woods in Central Africa

Precious Woods Gabon CEB

(Precious Woods Gabon)
P.O. Box 2262 – Libreville
Rue Kringier Rendjombé
Quartier Batterie IV
GA-Libreville
Gabon

Phone +241 011 73 45 79
Fax +241 011 73 87 80
ceb@preciouswoods.com

Editorship
Precious Woods Holding Ltd

Design
Qube AG

Photography
ATIBT
Precious Woods Holding Ltd

Production
Management Digital Data AG
Precious Woods Holding Ltd

Cautionary note on forward-looking statements: This Annual Report contains forward-looking statements that reflect Precious Woods' current views with respect to future events. These forward-looking statements are based on assumptions and involve risks and uncertainties with regard to future global economic conditions, foreign exchange rates, regulatory rules, market conditions, environmental factors, the actions of competitors and other factors. These risks and uncertainties could cause actual results to differ materially from those contained in the forward-looking statements. Precious Woods does not assume any obligation to update information or forward-looking statements set forth in this document.

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

Precious Woods Holding Ltd
Untermüli 6
6300 Zug
Switzerland