Precious Woods

Half-Year Report

2026

Contents

Group Results

Cost increases affect financial performance

In the first half of 2026, Precious Woods Group generated consolidated net revenue of EUR 21.1 million (previous year: EUR 21.6 million). EBITDA amounted to EUR -0.8 million (previous year: EUR 0.8 million), while EBIT totalled EUR -2.7 million (previous year: EUR -1.3 million). Net income amounted to EUR -4.3 million (previous year: EUR -2.6 million).

in EUR million	30.06.2026	30.06.2025	Index	Change
Net Sales Precious Woods Group	**21.1**	**21.6**	**97.8%**	**–0.5**
Net Sales Precious Woods Gabon	13.8	13.5	102.2%	0.3
Sawmills	9.8	10.4	94.2%	–0.6
Net Sales Precious Woods Amazon	5.6	5.6	100.7%	0.0
Sawmills	5.3	5.3	100.8%	0.0
Net Sales Energy Biomass power plant	0.1	0.1	117.7%	0.0
Net Sales Precious Woods Trading	1.6	2.5	65.4%	–0.9

The exchange rate effect on sales was 0.9 % compared to the same period last year.

The changes in the economic and regulatory environment in Gabon since the end of 2025 had a significant adverse impact on the Group's business performance during the reporting period. Higher export taxes together with increased diesel, transportation and other production costs led to a substantial deterioration in the profitability of the Group's largest business segment. CPL, the veneer manufacturing joint venture, was also affected by these conditions and again reported a negative net result.

The Group's other business segments performed broadly in line with expectations but could not offset the decline in earnings in the Gabon segment. In addition, unrealized foreign exchange losses relating to the Brazilian real adversely affected the financial result.

In response to these developments, the Group initiated measures towards the end of the previous financial year aimed at improving profitability and mitigating cost increases. These measures included negotiations with key customers regarding price adjustments to partially pass on higher costs. As these measures require time to take full effect, the additional cost burden could not yet be fully offset during the first half of the year.

Stable turnover despite a challenging environment

Consolidated net revenue of EUR 21.1 million was 2.3 % below the previous year's figure of EUR 21.6 million. Overall, order intake and revenue development proved resilient despite the challenging market environment. While the Group's other business segments developed steadily, higher export duties and logistics costs in Gabon negatively affected net revenues in that segment.

Higher costs significantly impact operating profit

EBITDA declined to EUR -0.8 million (previous year: EUR 0.8 million). The decrease in operating earnings was primarily attributable to higher export taxes as well as increased energy and transportation costs in Gabon. In addition, CPL, the veneer manufacturing joint venture operated together with the Group's French partners, again made a negative contribution to earnings. Depreciation and amortization amounted to EUR 1.9 million (previous year: EUR 2.2 million), resulting in EBIT of EUR -2.7 million compared with EUR -1.3 million in the previous year period.

Financial result affected by foreign exchange losses

The financial result amounted to EUR -1.5 million (previous year: EUR -1.0 million). It was primarily affected by unrealized foreign exchange losses of EUR 0.8 million (previous year: EUR 0.4 million) resulting from the development of the Brazilian real against the euro. Net result amounted to EUR -4.3 million (previous year: EUR -2.6 million).

Balance sheet

Total assets amounted to EUR 123.4 million as of 30 June 2026 (year-end 2025: EUR 117.3 million). Inventories decreased by EUR 0.6 million to EUR 10.2 million compared with the previous year-end. Trade receivables have risen marginally to EUR 9.4 million (year-end 2025: EUR 9.0 million). Net debt amounted to EUR 12.0 million, compared with EUR 9.9 million at the end of the previous financial year.

Cash flow and investments

Cash flow from operating activities amounted to EUR -0.1 million during the first half of 2026. Investments in property, plant and equipment amounted to EUR 1.2 million and consisted of selective replacement investments. Cash flow from financing activities amounted to EUR 1.4 million.

Outlook

The Group expects higher production and sales volumes in the second half of the year compared with the first half. This development will be supported by the strengthening of the sales organization and the expansion of the Group's sales structures. However, the economic and regulatory environment, particularly in the Gabon segment, is expected to remain challenging. Accordingly, the additional cost burden is not expected to be fully offset during the 2026 financial year. The Group remains committed to its strategic direction but expects that the targeted turnaround will become visible beyond the 2026 financial year.

On behalf of the Board of Directors and Management

Markus Brütsch

Chairman of the Board of Directors

Fabian Leu

Co-CEO

Markus Pfannkuch

Co-CEO

Richard Meister

CFO

PW Amazon

Stable performance despite lower production

PW Amazon generated net revenue of EUR 5.6 million in the first half of 2026, in line with the previous year (previous year: EUR 5.6 million). EBITDA amounted to EUR 1.4 million (previous year: EUR 1.6 million). Sales volumes were only slightly below the previous year's level, while sawn timber production decreased by 21.3 % to 9 982 m^3 (previous year: 12 691 m^3).

Business performance during the reporting period was primarily affected by lower production volumes. In addition, uncertainty surrounding the US Administration's tariff policy resulted in subdued demand for products destined for the US market, leading to lower sales of certain product groups. Biomass sales were also affected by inconsistencies in the forestry authorities' administrative system. The authorities are currently working on a solution, and biomass sales are expected to resume in full during the second half of the year. Overall, the segment performed positively and in line with expectations.

As planned, harvesting activities resumed in June. At the same time, PW Amazon invested in the renewal of its forestry machinery fleet and further optimized forestry operations to improve efficiency throughout the value chain.

The local market in the metropolitan area of Manaus continues to offer attractive growth potential. To acquire new customers and strengthen relationships with existing customers, a new sales outlet opened in Manaus in June.

For the second half of the year, higher production volumes at the sawmills and increased revenues are expected. The planned increase in harvesting activities together with the strengthening of the sales organization will support this development.

PW Gabon

Changing framework conditions prevailed in the first half of the year

PW Gabon generated net revenue of EUR 13.8 million in the first half of 2026 (previous year: EUR 13.5 million). EBITDA amounted to EUR -0.9 million (previous year: EUR 0.3 million). Sawn timber sales increased by 4.6 % compared with the previous year, while production declined by 9.6 % to 15 433 m^3 (previous year: 17 070 m^3).

Operating results during the reporting period were significantly affected by changes in the economic and regulatory environment in Gabon since the end of 2025. Higher export taxes together with increased diesel, transportation and other production costs led to a substantial increase in direct costs. Higher administrative expenses and the negative contribution from the veneer manufacturing facility also adversely affected operating earnings.

The challenging financial situation of the Republic of Gabon continued to delay VAT recoveries, resulting in increased working capital requirements for the segment. At the same time, transportation between the sawmill and the port was gradually shifted from rail to road to improve the reliability of deliveries and mitigate freight rate increases imposed by the railway operator.

In response to the changing market environment, PW Gabon consistently continued the measures initiated to improve profitability. These included negotiations on price adjustments as well as targeted replacement investments to safeguard production capacity. In addition, projects aimed at making better use of existing resources, particularly in the areas of energy efficiency and the utilization of production by-products, were launched.

Higher production volumes are expected in the second half of the year. However, liquidity remains constrained and the economic environment continues to be challenging.

PW Trading

Subdued market demand weighs on trading volumes

PW Trading generated net revenue of EUR 1.6 million in the first half of 2026 (previous year: EUR 2.5 million). EBITDA amounted to EUR 0.1 million (previous year: EUR 0.2 million).

The performance of the segment was in line with expectations and continued to be affected by subdued demand in international timber markets. In the European log trading business with Asia, weaker demand from Asian markets resulted in lower trading volumes. Trading in African sawn timber also declined slightly compared with the previous year.

A modest improvement in trading activity is expected during the second half of the year. Additional momentum is anticipated with the start of the European harvesting season towards the end of the year.

PW Carben

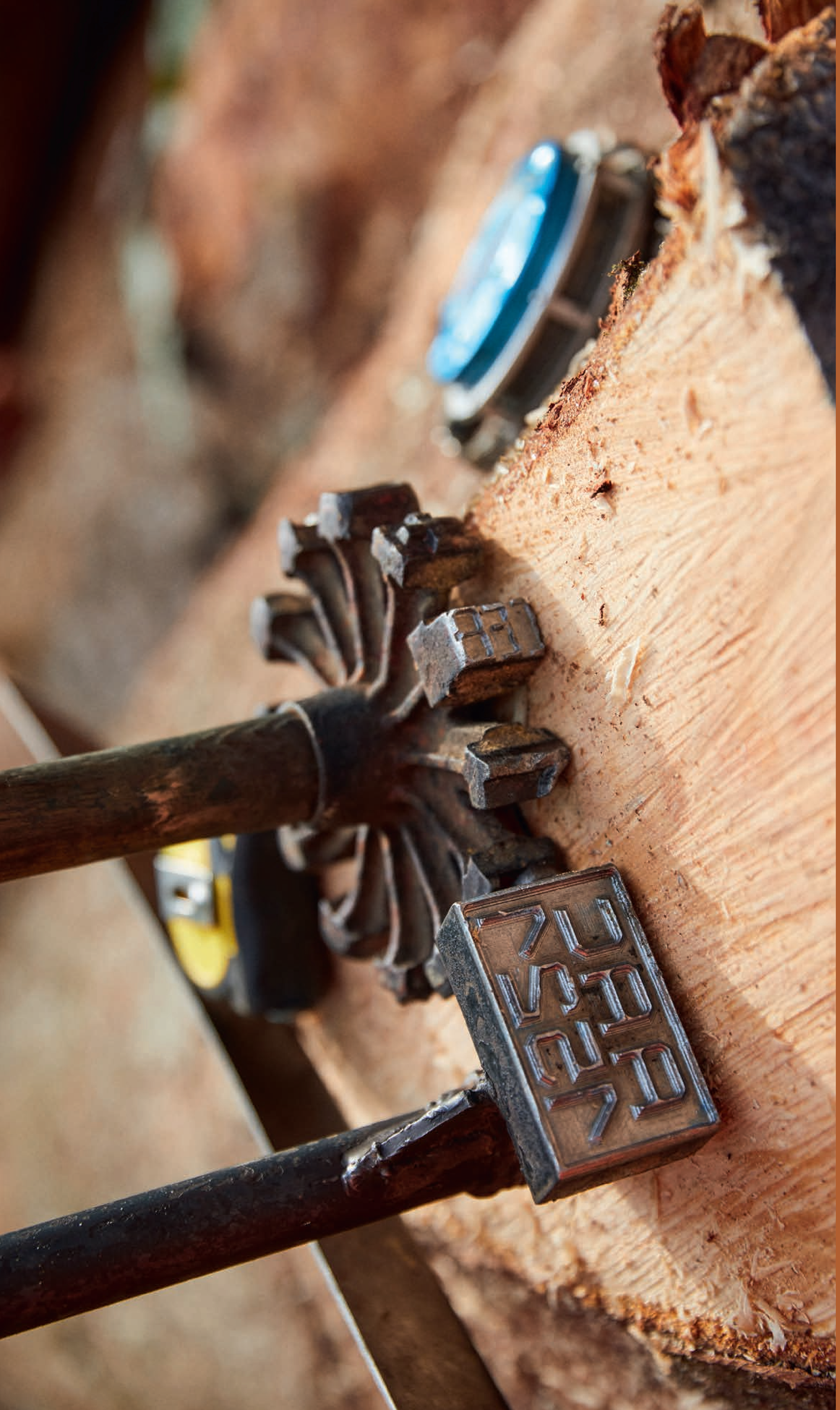
Project validation proceeding as planned

PW Carbon & Energy generated net revenue of EUR 0.1 million in the first half of 2026 (previous year: EUR 0.1 million). EBITDA amounted to EUR -0.2 million (previous year: EUR -0.3 million).

During the reporting period, the biomass power plant continued to generate electricity primarily for the Group's own production facilities. Given the currently low electricity prices, additional electricity generation for supply to the national grid is not economically viable and has therefore not been pursued.

At the same time, development of the TROPICAL RAINFOREST REDD+ carbon project (Verra Registry No. 5960) continued according to plan. The focus remained on preparations for the upcoming project validations, which represent a key prerequisite for the future issuance of tradable carbon credits.

Project validations will remain the key priority during the remainder of the year. Subject to successful completion of this process, the first carbon credits are expected to be issued and offered for sale during the 2027 financial year.



Precious Woods

Precious Woods Group

Interim condensed consolidated financial statements

Consolidated statement of profit or loss

in thousand EUR	30 June 2026 unaudited	30 June 2025 unaudited
Sale of goods and services	27 495	27 764
Freight expenses and sales commissions	–6 412	–6 195
Net revenues	**21 083**	**21 569**
Change in inventory of semi-finished and finished products	–670	–759
Raw materials	–4 810	–4 235
Consumables used	–4 853	–4 631
Other productions costs	–1 492	–1 377
Personnel expenses	–8 133	–8 464
Other operating expenses	–2 282	–2 098
Other operating income	687	1 255
Share of profit/(loss) of associates	–336	–438
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**–806**	**822**
Depreciation, amortization and impairment	–1 920	–2 153
Earnings before interest and taxes (EBIT)	**–2 726**	**–1 331**
Financial income	16	15
Financial expenses	–1 467	–1 059
Earnings before tax (EBT)	**–4 177**	**–2 375**
Income tax (expenses)/income	–121	–261
Net profit/(loss) for the period	**–4 298**	**–2 636**
Allocation of net profit/(loss):		
Equity owners of Precious Woods Holding Ltd	–4 267	–2 614
Non-controlling interests	–31	–22
Basic earnings per share	**–0.27**	–0.17
Diluted earnings per share	**–0.27**	–0.17

Consolidated statement of comprehensive income

in thousand EUR	30 June 2026 unaudited	30 June 2025 unaudited
Net profit/(loss) for the period	**–4 298**	**–2 636**
Items that will not be reclassified to profit or loss	**–**	**–**
Currency translation effects	4 864	230
Items that may be reclassified subsequently to profit or loss	**4 864**	**230**
Total other comprehensive income/(loss) for the period	**4 864**	**230**
Total comprehensive income/(loss) for the period	**566**	**–2 406**
Attributable to:		
Equity owners of Precious Woods Holding Ltd	597	–2 384
Non-controlling interests	–31	–22

Consolidated statement of financial position

in thousand EUR	30 June 2026 unaudited	31 December 2025 audited
ASSETS		
Current assets		
Cash and cash equivalents	1 818	1 592
Trade and other receivables	15 579	14 191
Inventories	10 204	10 766
Prepaid expenses	628	556
Total current assets	**28 229**	**27 105**
Non-current assets		
Property, plant and equipment	64 711	61 186
Right-of-use assets	808	1 182
Biological assets	22 626	20 741
Intangible assets and goodwill	2 651	2 528
Investments in associates	645	981
Non-current loans and investments	1 460	1 460
Other non-current assets	1 654	1 474
Recoverable taxes	640	606
Total non-current assets	**95 195**	**90 158**
Total assets	**123 424**	**117 263**

in thousand EUR	30 June 2026 unaudited	31 December 2025 audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables	22 862	21 288
Current income tax payables	1 818	1 674
Current loans and interest payables	8 852	6 437
Current lease liabilities	606	744
Current provisions	484	731
Total current liabilities	**34 622**	**30 874**
Non-current liabilities		
Non-current loans and interest payables	4 092	3 850
Non-current lease liabilities	239	475
Deferred tax liabilities	11 739	10 015
Non-current liabilities due to employees	2 470	2 476
Non-current provisions	1 191	1 068
Total non-current liabilities	**19 731**	**17 884**
Equity		
Share capital	14 864	14 864
Treasury shares	–81	–81
Additional paid-in capital	64 035	64 035
Revaluation surplus on land	32 005	32 005
Foreign currency translation reserve	–637	–5 501
Retained earnings	–41 071	–36 804
Equity attributable to owners of Precious Woods Holding Ltd	**69 115**	**68 518**
Non-controlling interests	–44	**–13**
Total shareholders' equity	**69 071**	**68 505**
Total liabilities and shareholders' equity	**123 424**	**117 263**

Consolidated statement of changes in equity

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
	Attributable to equity holders of Precious Woods Holding Ltd								
Balance 1 January 2025	**14 864**	**–30**	**100 798**	**32 372**	**–8 789**	**–65 923**	**73 292**	**39**	**73 331**
Net profit/(loss) for the period	–	–	–	–	–	–2 614	**–2 614**	–22	**–2 636**
Other comprehensive income/(loss) for the period	–	–	–	–	230	–	**230**	–	**230**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**230**	**–2 614**	**–2 384**	**–22**	**–2 406**
Sale/(purchase) treasury shares	–	–3	–	–	–	–	**–3**	–	**–3**
Reclassification [1]	–	–	–36 972	–	–	36 972	**–**	–	**–**
Reversal of costs of capital increase [1]	–	–	370	–	–	–	**370**	–	**370**
Balance 30 June 2025	**14 864**	**–33**	**64 196**	**32 372**	**–8 559**	**–31 565**	**71 275**	**17**	**71 292**
Balance 31 December 2025	**14 864**	**–81**	**64 035**	**32 005**	**–5 501**	**–36 804**	**68 518**	**–13**	**68 505**
Net profit/(loss) for the period	–	–	–	–	–	–4 267	**–4 267**	–31	**–4 298**
Other comprehensive income/(loss) for the period	–	–	–	–	4 864	–	**4 864**	–	**4 864**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**4 864**	**–4 267**	**597**	**–31**	**566**
Balance 30 June 2026	**14 864**	**–81**	**64 035**	**32 005**	**–637**	**–41 071**	**69 115**	**–44**	**69 071**

1 Offsetting capital increase against retained earnings, with partial reversal of transaction costs.

Condensed consolidated statement of cash flows

in thousand EUR	30 June 2026 unaudited	30 June 2025 unaudited
Cash flow from operating activities		
Profit/(loss) for the period	–4 298	–2 636
Total non-cash items	3 473	3 767
Operating cash flow before working capital changes	**–825**	**1 131**
Total working capital changes	694	–595
Net cash flow generated from operations	**–131**	**536**
Income tax (paid)/received	50	–119
Net cash flow operating activities	**–81**	**417**
Cash flow from investing activities		
Purchase of intangible assets	–	–39
Proceeds from sale of property, plant and equipment	133	256
Purchase of property, plant and equipment	–1 246	–466
Proceeds from disposal of other non-current assets	5	–
Purchase of other non-current assets	–59	–55
Increase/(decrease) in recoverable taxes	20	–21
Net cash flow investing activities	**–1 147**	**–325**

in thousand EUR	30 June 2026 unaudited	30 June 2025 unaudited
Cash flow from financing activities		
Purchase of treasury shares	–	–3
Proceeds from borrowings	2 822	2 056
Repayment of borrowings	–915	–677
Interests paid	–251	–282
Interests paid on lease liabilities	–42	–58
Repayment of lease liabilities	–210	–231
Net cash flow financing activities	**1 404**	**805**
Net increase/(decrease) in cash and cash equivalents	**176**	**897**
Cash and cash equivalents, at the beginning of the year	**1 592**	**1 340**
Increase/(decrease) in cash and cash equivalents	176	897
Translation effect on cash	50	–4
Total cash and cash equivalents, at the end of the period	**1 818**	**2 233**

Notes to the interim condensed consolidated financial statements

1. Basis of presentation, consolidation and general accounting policies

Basis of presentation

The unaudited interim condensed consolidated financial statements of Precious Woods Group (hereinafter „interim financial statements") for the six months ended 30 June 2026, have been prepared in accordance with IAS 34 Interim Financial Reporting and were authorized for issue by the Board of Directors on 18 August 2026. The interim financial statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2025. They mainly focus on new activities, events and circumstances and do not duplicate information previously reported.

The reporting currency is euro (EUR). 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 interim consolidated financial statements requires 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 made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

General accounting policies

These statements have been prepared according to the same accounting policies as those followed for the Group's annual financial statements 2025. The effects of changes to International Financial Reporting Standards are explained in Note 2.

2. New or revised IFRS standards, amendments and interpretations

Certain IFRS standards and interpretations were revised or amended, effective on or after 1 January 2026. None of these changes is relevant for the Group.

3. Seasonality

For the forestry operations in Brazil the first half of the year is characterized by the rainy season (January to May/June) during which no logs are harvested.

4. Financial information by segment

The Group's reportable segments are Sustainable Forest Management Brazil, Sustainable Forest Management Gabon, Trading and Carbon & Energy.

Operating segments – 30 June 2026

in thousand EUR	Sustainable Forest Management Brazil	Sustainable Forest Management Gabon	Trading	Carbon & Energy	Other [1]	Total 30 June 2026
Net revenues						
Third parties	5 595	13 795	1 628	65	–	21 083
Intersegment	25	–	–	56	–80	–
Total net revenues	**5 620**	**13 795**	**1 628**	**120**	**–80**	**21 083**
Profit/(loss) on sale of PP&E	115	3	–	–	–	118
Share of profit/(loss) of associates	–	–336	–	–	–	–336
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**1 432**	**–930**	**106**	**–236**	**–1 178**	–806
Depreciation and amortization	–699	–1 209	–	–8	–9	–1 925
Impairment charges/reversals	5	–	–	–	–	5
Profit/(loss) from operating activities (EBIT)	**739**	**–2 139**	**106**	**–244**	**–1 188**	–2 726
Financial income						16
Financial expenses						–1 467
Earnings before tax (EBT)						–4 177
Segment assets	**81 351**	**43 226**	**1 261**	**2 089**	**–4 503**	**123 424**
Segment liabilities	**51 447**	**42 083**	**1 666**	**134**	**–40 977**	**54 353**

1 The eliminations and adjustments consist of the inter- and intrasegment eliminations and the results from Precious Woods Holding Ltd, which are not allocated to any specific segment.

Operating segments – 30 June 2025

in thousand EUR	Sustainable Forest Management Brazil	Sustainable Forest Management Gabon	Trading	Carbon & Energy	Other [1]	Total 30 June 2025
Net revenues						
Third parties	5 584	13 494	2 491	–	–	**21 569**
Intersegment	–	–	–	102	–102	**–**
Total net revenues	**5 584**	**13 494**	**2 491**	**102**	**–102**	**21 569**
Profit/(loss) on sale of fixed assets and affiliates	164	–0	–	–	–	**163**
Share of profit of associates	–	–438	–	–	–	**–438**
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**1 560**	**279**	**228**	**–256**	**–989**	**822**
Depreciation and amortization	–708	–1 430	–	–9	–11	–2 158
Profit/(loss) from operating activities (EBIT)	**857**	**–1 151**	**228**	**–265**	**–1 000**	**–1 331**
Financial income						15
Financial expenses						–1 059
Earnings before tax (EBT)						**–2 375**
Segment assets	**74 764**	**42 017**	**1 439**	**2 201**	**–4 944**	**115 477**
Segment liabilities	**43 634**	**37 253**	**1 601**	**94**	**–38 396**	**44 186**

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 any specific segment.

Reconciliation of reportable segment profit or loss

in thousand EUR	30 June 2026	30 June 2025
Total EBITDA for reportable segments	708	2 249
EBITDA Other	–1 178	–989
Share of profit/(loss) of associates	–336	–438
EBITDA	**–806**	**822**
Depreciation, amortization and impairment	–1 920	–2 153
EBIT	**–2 726**	**–1 331**
Financial income and expenses	–1 451	–1 044
Earnings before tax	**–4 177**	**–2 375**

5. Subsequent events

There were no significant events after the reporting period.

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