



GROWTH. IMPACT. VALUE.

TREECYCLE AG ANNUAL REPORT

2025

”

**CAPITAL THAT PROTECTS
FORESTS – YOUR INVESTMENT
MAKES THE DIFFERENCE.**



TREECYCLE AG

a subsidiary of
Global TREE Project AG

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FIND OUT MORE
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TREECYCLE

” ACT ECOLOGICALLY, THINK ECONOMICALLY – FOR A GREEN FUTURE THAT PAYS OFF.

Mission – what drives us

With TREECYCLE we are creating a sustainable value cycle that brings together nature, capital and social impact. Our investment process creates long-term value that makes growth possible – for investors, for the environment and for the generations to come.



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Financial report Grant Thornton

OUR VISION

Our future begins today

We see a future in which economic success, ecological responsibility and technological progress go together as a matter of course. A future in which investments achieve far more than a financial return – by using natural resources responsibly, enabling sustainable value creation and making a positive contribution for the generations to come

With TREECYCLE, we are actively shaping this change.

Nature powered. AI accelerated.

We combine the power of nature with the possibilities of modern technology in order to make sustainable investment processes continuously more intelligent, more transparent and more efficient. In this way we create a value cycle in which nature, capital and social impact benefit from one another over the long term.





DEAR INVESTORS,

the 2025 financial year marks an important milestone in the development of TREECYCLE AG. We have created measurable added value on the investment and are entering the growth phase with confidence.

From building up to scaling up

In recent years, our company focused on building a stable foundation: developing legal and technical structures, establishing our blockchain-based investment model, and step by step developing our reforestation projects in Paraguay.

That phase was characterised by long-term thinking, strategic patience and the consistent build-up of our sustainable business model.

At the same time, the global economic environment is changing noticeably. The accelerating retreat from an alliance-based world order, the drastically deteriorated security situation and the rising sovereign debt associated with it, together with mounting pressure for structural change in financial and currency markets, mean that the risks attached to financial securities are increasing and that real resources and tangible assets, as well as the safe global South, are moving into investors' focus.

In this context, so-called real world assets are gaining in importance. They combine tangible assets with decentralised technology and thereby give private investors transparent access to real assets that were until now almost exclusively reserved for institutional investors.

TREECYCLE positions itself precisely at this intersection. Our model combines sustainable reforestation with a blockchain-based structure that makes real assets accessible to everyone and thereby helps citizens to create financial security outside the fragile financial system.

Timber, the renewable raw material, is developing worldwide into a strategic commodity. At the same time, the destruction of natural forest areas continues to advance. Sustainably built reforestation projects are therefore increasingly becoming an important component of future raw-material and climate strategies.

TREECYCLE thus stands for a model that combines ecological responsibility with an economic perspective and opens up to investors the opportunity to participate, with full transparency, in the development of real, growing assets.

The following review of the 2025 financial year shows how this strategy has taken further concrete shape in our operating business, and what progress we were able to achieve over the past year.

1.1 REVIEW

TREECYCLE AG – FINANCIAL YEAR 2025 & PERSPECTIVE 2026

For TREECYCLE AG, the 2025 financial year was guided by a clear strategic objective: to increase reforestation output significantly and at the same time to sustainably strengthen the value of our TREE for our investors.

Looking back, we can state that this objective was achieved and even exceeded, despite exceptional external challenges.

The year began with extreme climatic conditions in Paraguay. A heatwave lasting several weeks, with temperatures of around 40 °C and almost no rainfall, placed our reforestation activities before considerable challenges.

Despite intensive irrigation measures and additional technical solutions such as gel packs at planting, around 30 % of the young plants had to be replaced. Through consistent replanting, however, the stands could be stabilised.

Later in the year came an exceptionally intense rainy period during the Paraguayan autumn.

This meant that part of our largest property could not be fully reforested by year-end, because drainage measures there had not yet been completed.

It was precisely in this phase that the strength of our forward-looking land management became apparent. Through the continuous analysis of alternative sites, we were able to react at short notice and acquire a further property with an area of around 316 hectares (Santaní – TREECYCLE 4).

With a usable share of about 95 % and a favourable elevation, this area could still be successfully reforested in the same year, so that our overall target was achieved despite all adversities.





The Cerro Azul area also developed particularly positively. There, the original planting scheme was adjusted from 2'500 to 1'000 trees per hectare. The trees removed could be successfully marketed and confirmed both the quality of the timber and the economic viability of our reforestation model.

A further focus of the year was the structural preparation of CO₂ certification. The growing interest of institutional and international investors shows what importance sustainable reforestation projects are increasingly gaining in a global context. Here we were able to create important foundations in order to tap this potential in a targeted way in the future.

In parallel, our operational structure was further strengthened. In Paraguay we were able to expand our team in a targeted manner and to gain both an experienced forestry engineer and a controller.

At the same time, the analysis and securing of additional areas was intensified – an important step against the background of rising property prices and Paraguay's dynamic economic development.

Alongside this operational progress, 2025 also marks a decisive economic milestone: the value of the reforestation areas built up has meanwhile clearly exceeded the level of the capital raised.

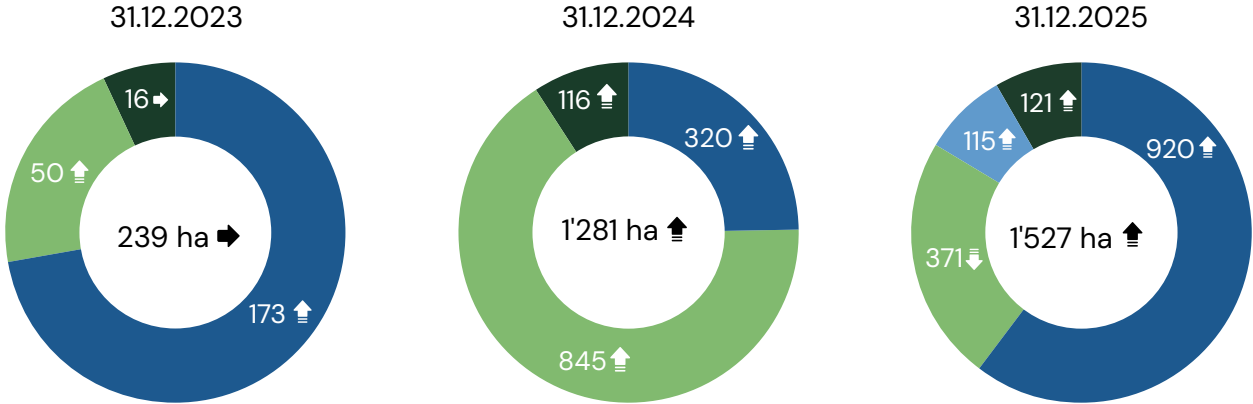
This makes visible that the development work of recent years is increasingly reflected in real substance.

Our forests are thus developing step by step into a long-term growing tangible asset. In a world in which natural resources are becoming scarcer while at the same time demand for sustainable raw materials is rising, professionally established reforestation is gaining structural importance.

FINANCIAL FIGURES AT A GLANCE

Our financial figures are prepared in accordance with IFRS, the global standards for listed groups, and are certified by the auditor. This always includes a full inventory of the properties and the trees as well as of the condition of the plantation on site in Paraguay.

These standards require the financial position, assets and results of operations to be presented according to economic principles



Glossary of terms

Grant Thornton
Original Annual Report

- Area already reforested (in hectares)
- Reforestation in progress (in hectares)
- Reserves incl. tracks & fire protection (in hectares)
- Primary forest areas (in hectares)

Glossar der Begriffe
¹ Carrying amount of the land (in CHF) – Land Costs (page 29)
² Carrying amount of the plantation (in CHF) – Biological Reforestation assets (page 5)
³ Total TREE subscription volume (in CHF) – Issued TREE Token (page 32)
⁴ Asset backing of the TREE (in %) – (total carrying amount of plantation + land) / total TREE subscription volume
⁵ Equity ratio – Total Equity / (Total Equity and Liabilities) (page 5)

Land	Area already reforested (in hectares)	173	320	920
	Reforestation in progress (in hectares)	50	845	371
	Reserves incl. tracks and fire protection (in hectares)	-	-	115
	Primary forest areas (in hectares)	16	116	121
	Total area (in hectares)	239	1'281	1'527
	Growth in reforested areas (in hectares)	47	147	600
	Change (in % vs. prior year)	37.0 %	315.5 %	408.2 %
Carrying amount	Carrying amount of the plantation (in CHF) ²	4'565'768	10'144'304	29'996'816
	Carrying amount of the land (in CHF) ¹	823'450	2'339'195	3'082'709
	Total value of plantation + land (in CHF)	5'389'218	12'483'499	33'079'525
	Increase in value (in % vs. index/prior year)	25.3 %	131.6 %	165.0 %
Capital	Total TREE subscription volume (in CHF) ³	16'298'651	19'497'357	24'141'141
	TREE issued (number of TREE)	791'608	956'891	1'202'719
	Intrinsic value per TREE (in CHF)	6.8	13.0	27.5
	Asset backing of the TREE (in %) ⁴	33.1 %	64.0 %	137.0 %
	Improvement in asset backing (in % vs. prior year)	- 2.0 %	93.6 %	114.0 %
Equity	Liabilities (in CHF)	2'205'627	3'904'636	7'525'691
	Equity (in CHF)	4'899'056	10'426'614	28'250'209
	Equity ratio (in %) ⁵	69.0 %	72.8 %	79.0 %
	Improvement in equity ratio (in % vs. prior year)	14.9 %	5.5 %	8.5 %

OUTLOOK 2026

For TREECYCLE AG, the year 2026 stands under the sign of scaling. The aim is to expand reforestation activities significantly and to develop at least 1'200 hectares of new forest area.

To enable this growth, we will expand our network of reforestation partners and build up additional operational structures. With every newly developed hectare, not only the area of our forests grows, but also the economic substance of TREECYCLE AG.

Timber is one of the world's most important renewable raw materials and will gain further strategic importance in view of the increasing scarcity of natural resources. At the same time, the ongoing clearance of primary and rainforests worldwide is increasing both the need for and the value of sustainably managed plantation forests.

Precisely in the context of long-term wealth preservation, a historical principle becomes apparent: great European families such as the Wittelsbachs or Thurn und Taxis built up economic stability over centuries through extensive forest holdings.

This cross-generational thinking is gaining importance at a time of crisis-prone financial markets. TREECYCLE transfers this proven principle into the present and combines sustainable reforestation with a long-term investment strategy. In this way a form of investment arises that combines ecological responsibility with economic stability.

With the success in 2025, the transition to the purchase of large areas and the expected shortage of supply in CO₂ certificates, doors have opened to talks with institutional investors. With the start of CO₂ certification for our areas and the sale of the certificates, we stand before the important development step of scaling and of opening up new revenue streams, which can become available considerably earlier in the cycle. This further strengthens the substance and improves the earnings profile in favour of our investors.

In summary, we look back on a demanding but very successful year – and enter the 2026 financial year with a clear strategic direction, a growing organisation and decidedly positive prospects.



We thank all investors, supporters, partners and pioneers who are walking this path with us.

Alf Schröter

Alf Schröter
Member of the Board of
Directors, founder &
operational manager
Paraguay, TREECYCLE AG

Jörg Schäfer

Jörg Schäfer
Chairman of the Board of
Directors, founder & CEO,
TREECYCLE AG

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Whoever plants a forest does not think in quarters, but in generations. That is exactly where the real strength of a project like TREECYCLE begins.





02

Our four reforestation areas in Paraguay

PROPERTIES
TREECYCLE I, II, III, IV

I – CERRO AZUL

200 hectares

II – ITURBE

65 hectares

III – SANTA LUCÍA

946 hectares

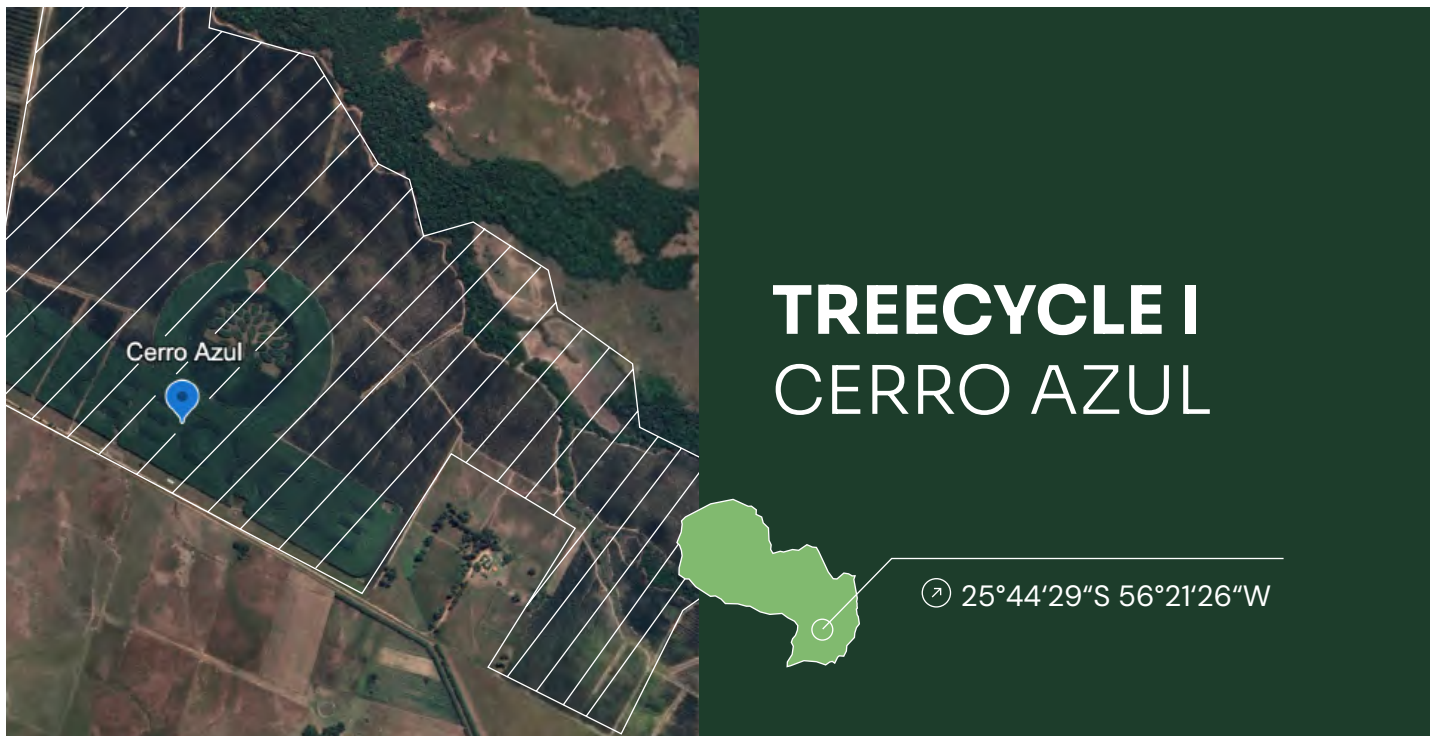
IV – SANTANI

316 hectares



We are just short of the milestone of one million planted trees: currently there are already more than 983'000 – which means that our shared areas today stand for sustainable growth and long-term value creation. They extend over more than 1'500 hectares and were selected with foresight and clear ecological criteria, in order to enable management that is responsible and at the same time economically convincing. In doing so we deliberately concentrate on soils that have already become over-acidic, which are specifically enriched with minerals, lime and phosphorus before cultivation, while existing primary forest areas remain consistently protected and integrated into the overall structure of our projects.

A key success factor here is the location of Paraguay. With its high natural water availability, fertile soils and favourable climatic conditions, the country offers ideal preconditions for growing eucalyptus and enables particularly dynamic and reliable growth. In all our projects we combine modern forestry with innovative approaches. We rely on genetically optimised eucalyptus hybrids that were developed specifically for tropical and subtropical conditions. They are convincing thanks to their rapid growth, their high wood density and their remarkable adaptability to differing soil and climate conditions. In this way a balanced interplay of profitability and responsibility arises, together with our investors and for the generations to come.



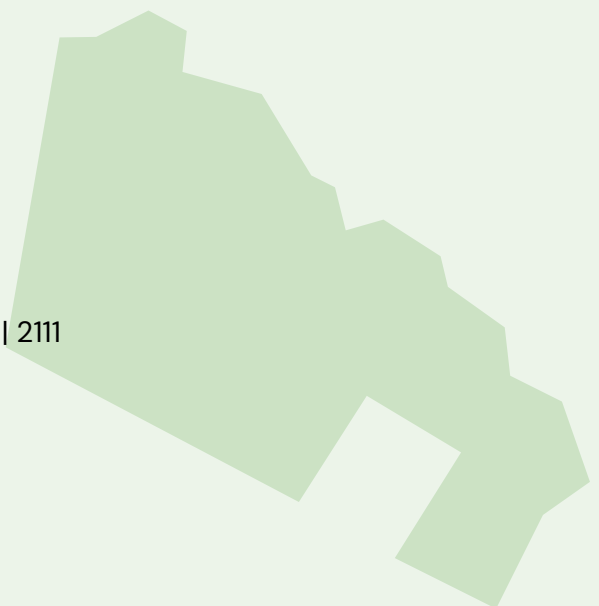
Property information

Property area: :	200 hectares
Special features	award-winning world record „largest natural logo“ – with 105'000 trees

200
ha

Tree stock information

Trees planted:	236'000
Tree varieties:	Eucalyptus VM-01 Euca 608 2111
Primary forest stock:	16 hectares
Owner:	TREECYCLE AG
Anpflanzungsbeginn:	mid-2022
Completion:	March 2023



THE LARGEST NATURAL LOGO IN THE WORLD, OUR WORLD RECORD

Sometimes everything begins with a simple question. When Jörg Schäfer told his daughter Angelina, then eight years old, about the reforestation projects in Paraguay, at some point came the sentence:

Paraguay erzählte, kam irgendwann der Satz: „Papa, my friends don't believe that those are really our trees.“

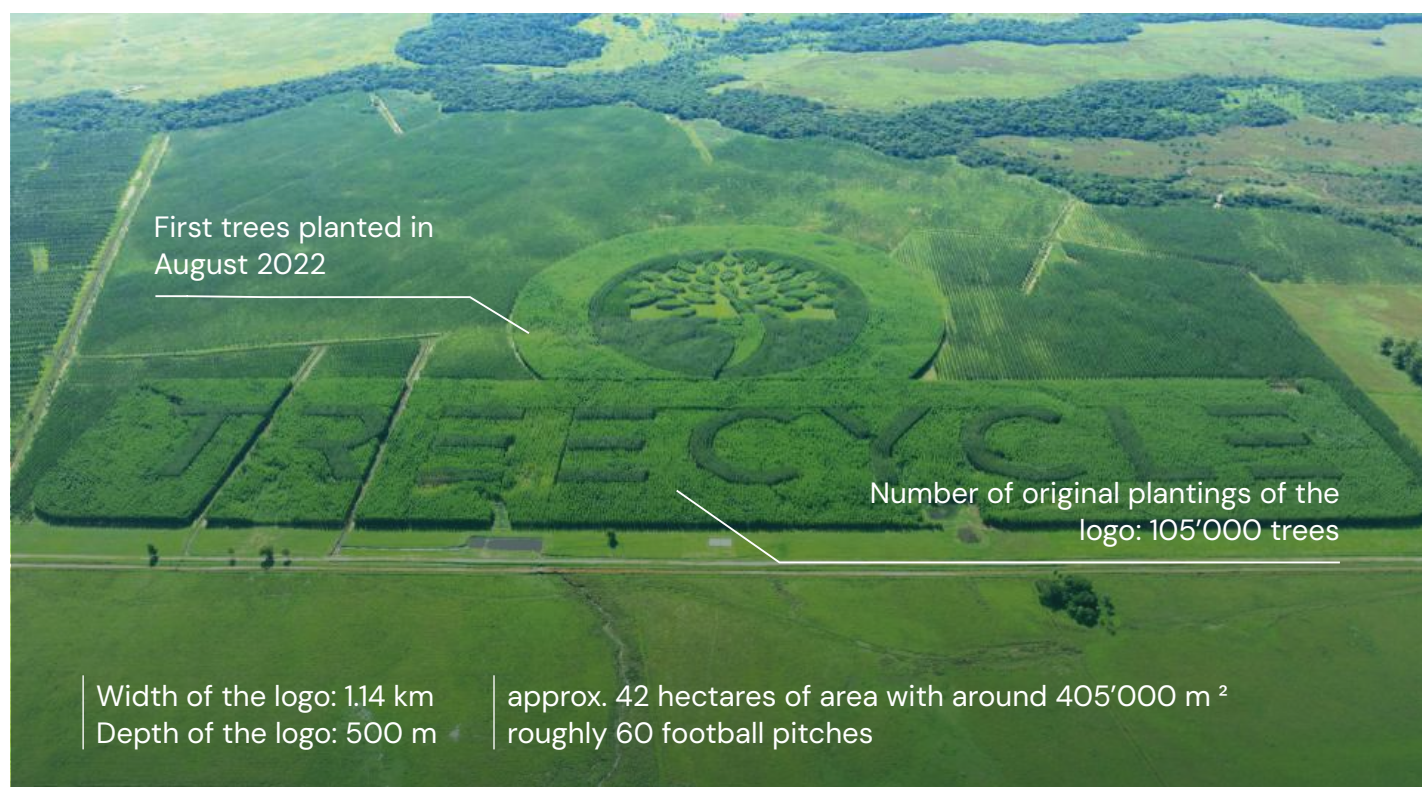
A sentence that stuck. Because it called something fundamental into question: how do you make visible what otherwise exists only on plans, in contracts and on plots of land? The answer was as simple as it was bold: You make it impossible to overlook. A living sign. Something that grows. Something that remains. Something the world can see. And so the idea of a logo made of trees arose. On 14 November 2021 this idea became reality.

With Guinness World Records, the official attempt began to create the largest planted natural logo in the world. What arose here is not a symbol in the

classical sense. It is the largest physical logo in the world. In January 2022 the concrete implementation started. Authorities, engineers, surveyors and an international team worked together on the planning.

In August 2022 the first tree was planted. And with it began something that one does not grasp immediately, but watches growing. Three different eucalyptus species. Different shades of green. Planted at staggered times. In this way, step by step, a growing picture arises – not a static logo, but a symbol that develops naturally. In order to make the shape recognisable early on, planting is denser than usual: around 2'500 trees per hectare. On 14 March 2023 the logo was fully planted.

An image that can be recognised from the air. A project that has arrived in reality. And at the same time the true dimension becomes apparent here: the logo itself consists of around 105'000 trees; on the property as a whole more than 236'000 trees are currently growing.



~105'000 trees form the world-record logo.
>236'000 trees stand for the entire Cerro Azul area.

On 6 November 2023 came the official confirmation by Guinness World Records: „Largest planted tree mosaic (logo)“.

But that is precisely the difference from classical records:

This one changes. Since May 2025 the area has been deliberately thinned. Trees that were initially necessary for the perfect outline are giving way. Not because they are superfluous – but so that the others can become stronger. In this way a clearly drawn logo becomes a stable, living forest. Today the trees reach heights of up to 16 metres. Was hier entstanden ist, ist sichtbar.

Aus der Luft. Auf Karten. Und in der Realität.

A world record made of trees.



14 March 2023 – the logo is complete
6 Nov. 2023 – officially a world record





Property information

Property area:	65 hectares
Special features	long preparation time before reforestation

65
ha

Tree stock information

Trees planted:	50'000
Tree varieties:	Eucalyptus VM-01 Euca 608 2111
Primary forest stock:	-
Owner:	TREECYCLE AG
Start of planting:	mid-2023
Completion:	March 2024
Challenge:	at times a great deal of wet



Property information

946 ha

Property area:	946 hectares
Special features	tracks and fire protection area 96 hectares

Our largest plantation to date covers 946 hectares and is thus almost 3x as large as Central Park in New York. Around 89 % of the area is actively suitable for reforestation, while existing primary forest areas are deliberately preserved and protected as an integral part.

Tree stock information

Trees planted:	405'000
Tree varieties:	AO8, i144, G2 Corymbia variegata
Primary forest stock:	100 hectares
Owner:	TREECYCLE AG
Start of planting:	December 2024
Completion:	-

Since the project start in December 2024, Santa Lucía has developed with impressive speed. Already in the first quarter of 2025 the first 100 hectares could be fully prepared and planted as scheduled. Over the further course of the year the area was consistently extended. In this way a plantation of up to 405'000 trees on Santa Lucía alone arose here by the end of the financial year.

A particular advantage of the site is its natural water dynamic: a river runs through the property. The canalisation and drainage measures implemented in 2025 have specifically harnessed this natural strength – in total, around 300'000 to 400'000 tonnes of earth were moved and a canal network of more than 91 kilometres was built.

In parallel, the infrastructure was systematically developed.

The construction of two bridges considerably improved the accessibility of the site and enables efficient management even in demanding terrain. In addition, fencing with a total length of around 30 kilometres was newly erected and repaired in order to secure the areas over the long term. In stand development, too, important foundations were laid early on: through targeted care and pruning measures, the quality of the plantation is actively steered from the outset.



Santa Lucía demonstrates impressively how natural site advantages, technical implementation and clear structure combine into a scalable and resilient overall system, with a robust basis for sustainable growth and stable yields.

<p>Earth moved</p> <p>A remarkable 300'000–400'000 tonnes of earth were moved on Santa Lucía in this financial year alone.</p> 	<p>Canalisation</p> <p>The canalisation was laid out over almost 91 km.</p> 	<p>Fence</p> <p>A total of 30 kilometres of fencing was repaired and newly created in 2025.</p> 	<p>Bridge building</p> <p>Two bridges were built on the property for better accessibility by vehicle.</p> 
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TREECYCLE IV SANTANI



24°43'39.2"S 56°31'03.3"W

Property information

Property area:	316 hectares
Special features:	the property could already be planted one month after purchase. Tracks and fire protection area 19 hectares.



Tree stock information

Trees planted:	292'000
Tree varieties:	H15 H13 2034 I144 EICA52
Primary forest stock:	5 hectares
Owner:	TREECYCLE AG
Start of planting::	November 2025
Completion:	December 2025



TREECYCLE IV

SANTANI

After the acquisition in October 2025, the area could be transferred into cultivation immediately – a decisive advantage for rapid and plannable development. Already at the outset the high site quality became apparent: the terrain is naturally slightly elevated and has functioning water run-off, so that elaborate canalisation or interventions in the natural topography can largely be avoided. These conditions enable direct accessibility by vehicle and create ideal preconditions for efficient land management. Before the project start, the site was comprehensively analysed by an independent laboratory. The results confirm a well-aerated, easily workable soil profile with clearly recognisable development potential.

The predominantly light, sand-dominated soils ensure reliable water conduction and form the basis for a deep-reaching, vital root system.

Already in 2025, 292 hectares could be successfully reforested at Santaní. The location is thus developing into an efficient, clearly structured area with high operational speed. Santaní thereby combines decisive advantages: immediate usability, reduced infrastructure complexity and a solid agronomic foundation.

The result is a location with high efficiency, a reliable development perspective and attractive preconditions for sustainable yields.

What was moved on the property in 2025, among other

<p>The property was only bought towards the end of the financial year.</p>	<p>The area could be driven on directly and already had tracks laid out.</p>	<p>Thanks to its elevated position the area has natural run-off and needed no artificial ditches.</p>	<p>Already one month after purchase the area was under cultivation and 292'000 trees had been planted.</p>
<p>Purchase</p>	<p>Property infrastructure</p>	<p>High ground</p>	<p>Reforestation</p>

Purchase of the property October 2025 and first planting already in November





our plantation

protected primary
forest

PRIMARY FOREST PROTECTION

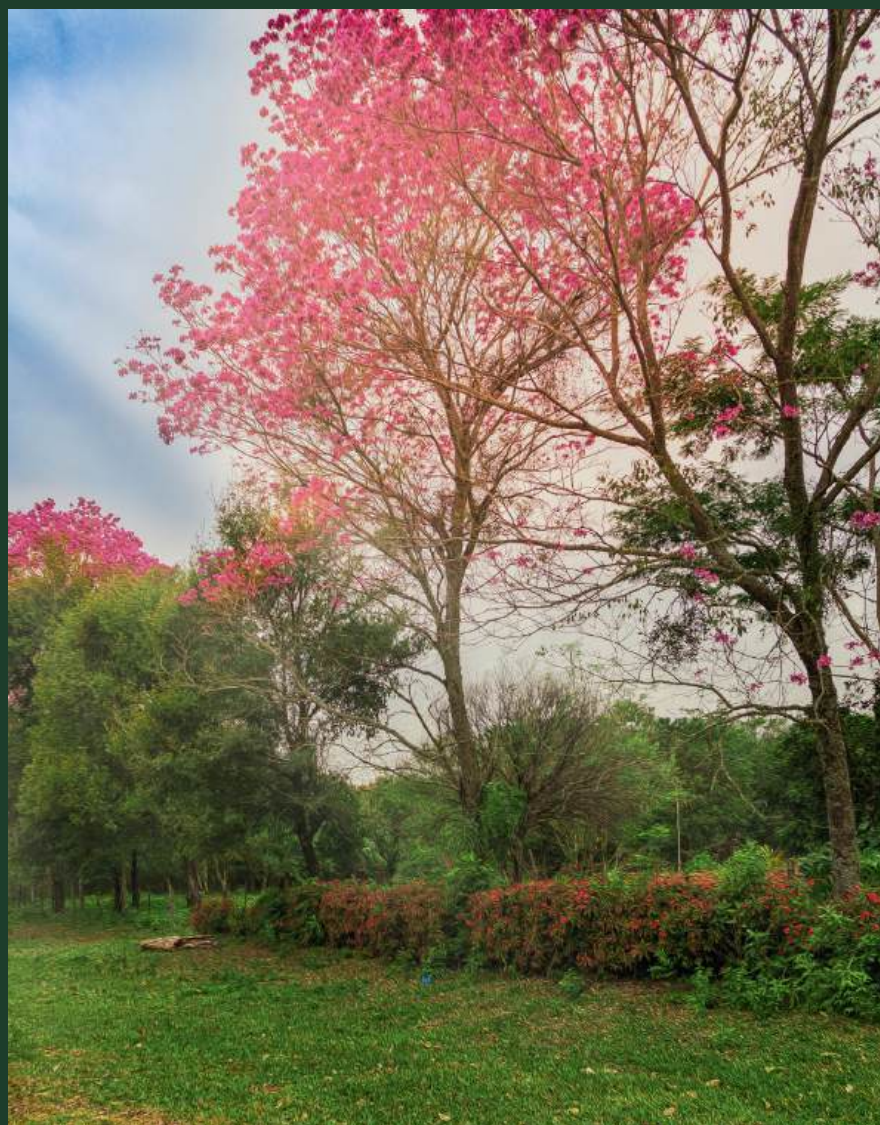
With TREECYCLE you are an active protector of primary forest – in an innovative way. Our reforestation projects in Paraguay start exactly where they can make the greatest difference: we deliberately acquire areas that comprise both fallow land and valuable primary forest regions. The original forests on these sites – often the last green lungs of the region – are permanently protected and preserved by us.

Instead of operating at the expense of the primary forest, we plant our fast-growing eucalyptus trees exclusively around the existing forest areas. In this way a natural buffer arises that relieves the sensitive ecosystems and gives them room to survive.

But that is not all: after the harvest, branches and leaves of our plantation trees remain on the areas. This promotes natural humus formation, improves soil quality and creates the basis for new life – a cycle from which plants, animals and the climate benefit alike.

With every share in TREECYCLE you participate, according to the cooperative principle, not only in a piece of plantation forest, but are at the same time an active protector of valuable habitats. You contribute to preserving biodiversity, to protecting primary forests from clearance and to shaping a liveable future – tree by tree.

THE TREE THAT, THAT CARRIES PARAGUAY



There are trees that one plants. And there are trees that mean something. The Lapacho is Paraguay's national tree – and at the same time one of its strongest symbols. When it blossoms, it transforms whole stretches of land into a sea of pink and gold, even before the first leaf comes out. Its wood is among the hardest in the world; its bark has been regarded in the tradition of the Guaraní for centuries as a source of health and strength. In the primary forests of Paraguay the Lapacho is a silent giant: it grows slowly, becomes more than a hundred years old and offers a habitat to countless species. That is precisely why it stands for what we protect. A sign that remains.

From an investment of CHF 100'000 we plant three Lapachos for you – symbolic, permanent and untouched. These trees will never be harvested. They grow, blossom and remain. A wooden plaque bears your first name. In this way your investment stays discreet while your sign becomes visible. Year after year, blossom after blossom.



„Some values are not measured in numbers. Some are measured in centuries.“





03

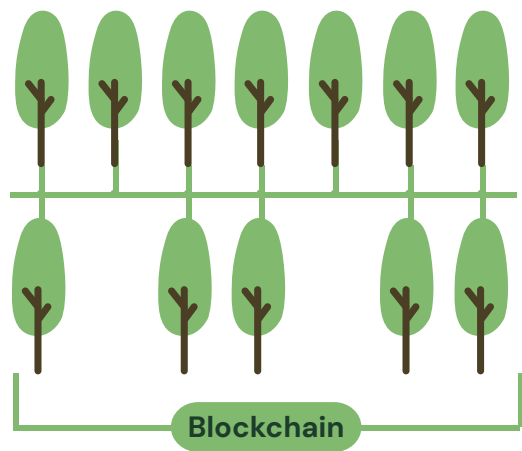
TREECYCLE fundamentals

TREECYCLE
FOUNDATION

WHAT IS AND HOW DOES A BLOCKCHAIN WORK?

A blockchain is a decentralised, digital register for the forgery–proof documentation of transactions and ownership rights.

All entries are stored chronologically in so-called blocks, cryptographically linked with one another and maintained simultaneously on many independent computers.



Real World Asset

1 TREE



real trees in the
ground

Digitally as a token

Recorded & secured
– viewable digitally
anywhere.

Blockchain technology

Wallet on the TREECYCLE platform

This creates a transparent, immutable system without a central controlling authority. Transactions are grouped into blocks and, after verification by the network, stored permanently.

Each new block refers technically to the previous block. A subsequent alteration of individual entries would change the entire chain and would be immediately recognisable.

This structure guarantees

Transparency

Traceability

Protection against manipulation

For digital assets, the blockchain thereby creates a high degree of technical security and public verifiability.

WHAT IS A TOKEN?

A token is the digital representation of a defined right or economic claim on a blockchain.

It can fulfil different functions, for example usage rights, participation rights or payment functions. What is decisive is that the underlying right is technically documented and publicly traceable.

Why are real values tokenised?

Tokenisation makes it possible to represent real economic values digitally and to administer them transparently.

The advantages are in particular

- clear allocation of ownership
- technical immutability
- efficient transferability
- public verifiability

Tokenisation does not thereby replace real value creation – it documents and structures it digitally.

OUR MODEL TREE AND THE TREECYCLE OF LIFE®

TREE is a digital register security (Registerwert-recht) pursuant to Art. 973d of the Swiss Code of Obligations (OR). It conveys a contractual claim to participation in the Net Operating Cash Flow (NOCF) of the issuer in accordance with the conditions of the securities prospectus and the key information document.

In the course of a one-off genesis process, exactly 10'000'000 TREE were created. This total quantity constitutes a binding hard cap and is immutably documented on the blockchain. An increase of the token quantity is excluded.

Where can the total number of TREE be viewed?

The total quantity is not in the portal, but is publicly traceable directly on the blockchain in the genesis wallet. The portal only maps usage and administration functions, not the token issuance.

How does TREE grow economically if no new tokens are issued?

Growth occurs via the TreeCycle of Life® model. In this, the number of TREE remains constant while the real production base (reforestation area, biomass, yield-bearing trees) grows continuously. Over the course of time, therefore, ever more real trees generate a return per TREE.

What does TreeCycle of Life® mean in concrete terms?

TreeCycle of Life® describes the biological and economic cycle of planting, growth, harvest, reinvestment and re-forestation. Value arises through real nature and time, not through token expansion. The model is designed for the long term and is deliberately not optimised for short-term cash flows.

THE BENEFIT OF THE BLOCKCHAIN FOR OUR INVESTORS

1. Public verifiability of the hard cap

The total quantity of 10'000'000 TREE was created once in the genesis process and documented on-chain as a hard cap in the genesis wallet. The token quantity is thereby technically traceable and cannot subsequently be increased – a central element in avoiding dilution.

2. Traceability instead of a „black box“

Essential token parameters are not only described contractually, but are additionally mappable technically. For investors this increases verifiability and reduces scope for interpretation.

3. Integrity of the documentation

Blockchain entries are designed in such a way that subsequent changes would be recognisable. This strengthens the reliability of the documentation and supports governance and audit processes.

4. Structured audit trail

Through blockchain-based documentation a traceable audit trail arises, which is relevant in particular for professional investors, auditors and committees.

5. A clear delimitation: technology documents – value arises in the real world

For TREE the blockchain is neither an end in itself nor a driver of returns. It serves as a technical register for the transparent documentation of the token structure. Economic development is based on real reforestation, cultivation and on the operating cash flow (NOCF) reported on an IFRS basis.

FROM THE SOIL TO IMPACT. HOW WE CREATE THE BASIS FOR SUSTAINABLE VALUE

Every investment begins with a decision. And every good decision needs a robust basis.

This is exactly where we start. Before TREECYCLE grows by a further area, we examine areas, structures and framework conditions with the greatest care. Not superficially, but in depth. Technically, economically and legally. Our aspiration is to recognise risks early, to assess potential realistically and to invest only where long-term stability is possible.

We analyse not only the soil and the growing conditions, but also ownership situations, infrastructure and market connection. Independent expert reports and multi-stage examination procedures create a robust basis for decision-making, long before the first planting takes place. At the same time we pay consistent attention to ecological and social framework conditions. Because sustainable economic success arises only where responsibility is thought along with it.

In this way a system arises that carries: ecologically through healthy, stable reforestation and economically through clear, plannable development. Our aim is to give you not only insight, but security. Security in processes, in decisions and in the quality of implementation.

Because in the end it is not only about growth. It is about trust in what arises from it.

FOR YOU AS AN INVESTOR THIS MEANS:

- | Multi-stage property examination
- | External expert
- | Sustainability
- | Infrastructure and market connection
- | Digital documentation

BY WHICH CRITERIA ARE SUITABLE PROPERTIES IDENTIFIED?

At the beginning there is always the question: does this land carry a future within it?

We are not looking for areas, we are looking for places with potential. Places where nature, profitability and responsibility come together.

For this we examine every property according to clearly defined criteria:

Technically we look for a topography that is as flat or gently sloping as possible, which enables natural water run-off. We analyse the soil condition in detail – from drainage capacity and erosion risk through to lime content and nutrient requirement. Equally decisive are the size and the shape of the area: contiguous, efficiently manageable and with easily accessible tracks.

The location likewise plays a central role. Proximity to existing project areas, the connection to main roads as well as the actually usable area – after deduction of protection zones, tracks, firebreaks or canals – substantially determine the quality of the area. This is complemented by the analysis of natural growing conditions such as rainfall amounts and access to water.

Economically we assess the purchase price or the lease in relation to the project planning, the development costs for infrastructure as well as the expected development of CO₂ sequestration and timber production. Proximity to relevant sales markets – sawmills, for example – and suitability for certifications are further decisive factors.

Legally we examine zoning plans, environmental requirements and existing usage restrictions just as carefully as ownership situations, rights of way and possible easements. The protection of natural areas and acceptance among the local population also flow into our assessment. Only when all these factors fit together does the basis arise for what we build up:

A stable system with substance –
and genuine future potential.



How is the ownership situation examined?

Trust begins with clarity. In Paraguay in particular this means: look closely, go deeper, leave nothing to chance.

We examine not only who owns a property today. We go back, often decades. We trace every change, every entry, every boundary. We reconcile registers, cadastre and historical documents in order to ensure that the foundation is sound. Because only on legally clean ground can sustainable development arise.

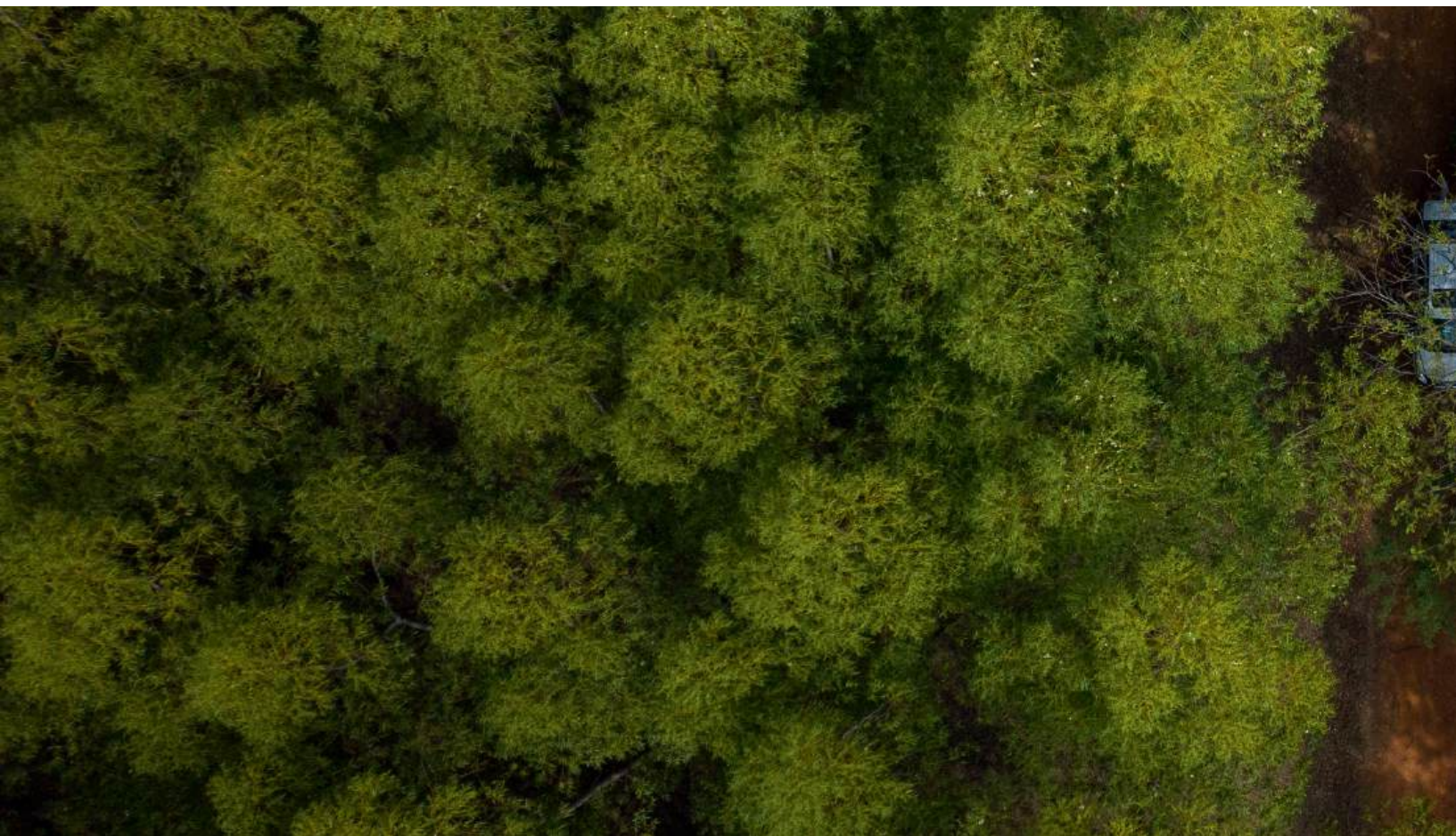
For this we work with a multi-stage examination procedure:

In the first step we analyse the Registro Público – the central state institution for ownership entries. Here current owners are recorded as well as possible encumbrances such as mortgages, rights of way, easements or tax debts. At the same time the register contains the history of the ownership situation. But precisely here lies the challenge: the register is authoritative – but not always free

of errors. That is why we go further. In the second step we examine the Cadena de Títulos – the unbroken chain of ownership over 20 to 30 years, and for larger areas considerably longer.

Every transfer is examined as to whether it is correctly documented and notarially certified. Typical risks such as missing entries, double sales or unclear boundary definitions – particularly in rural regions – are systematically identified in this way.

In the third step the cadastral examination takes place through the Servicio Nacional de Catastro. Here the actual property boundaries and area sizes are analysed and compared with the details in the register. Deviations between cadastre and land register are not uncommon – and are consistently examined and assessed by us. Only when these three levels agree does a robust picture arise.



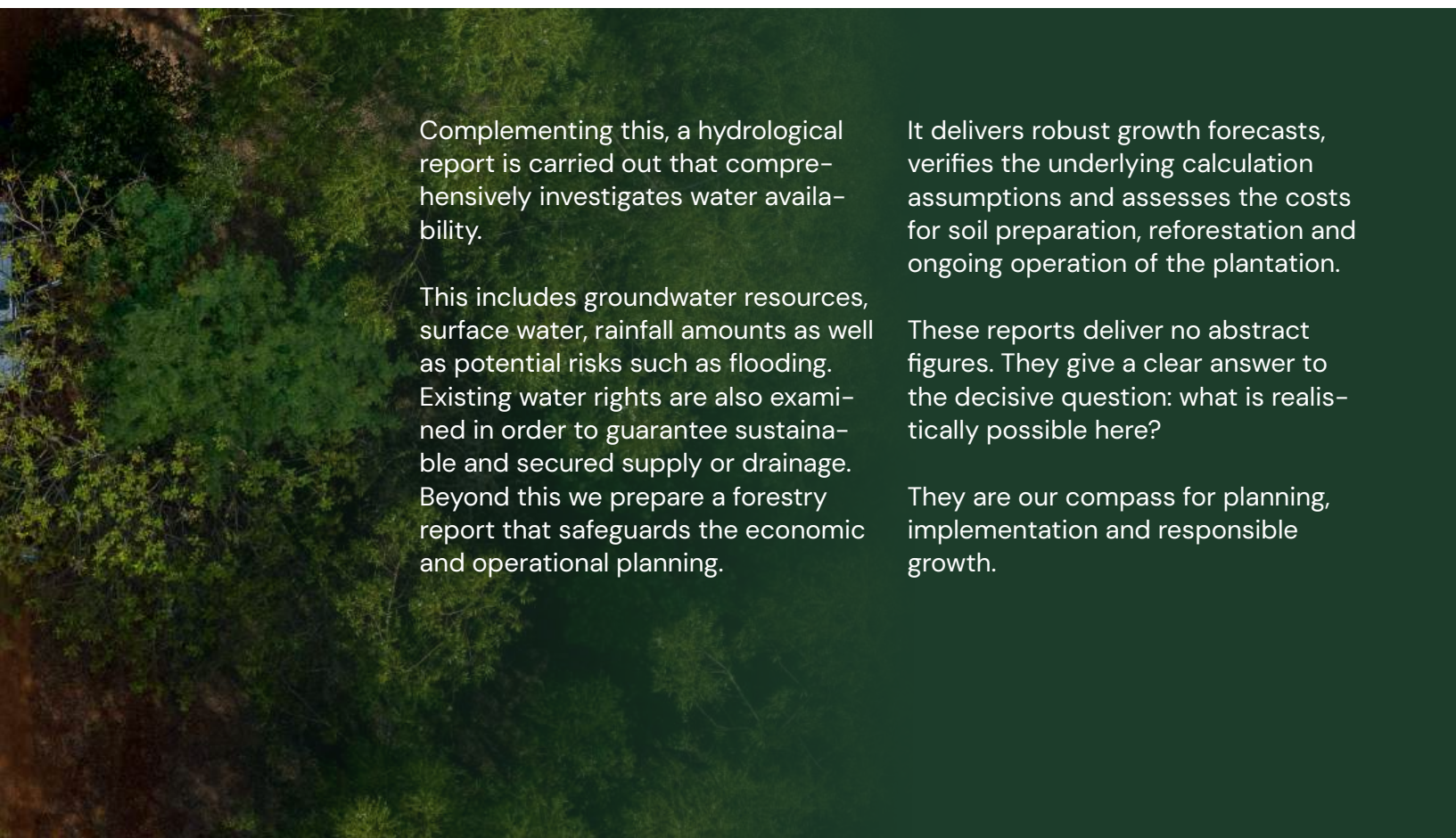
Independent experts analyse the condition of the soil, the availability of water and the long-term growing conditions. They deliver no abstract figures, but a clear answer to the question:

What is possible here?

These findings are our compass. They determine how we plan, how we act and how we shape growth responsibly.

WHICH EXTERNAL EXPERT REPORTS ARE OBTAINED?

A central element is the soil report. It provides information about the long-term usability of the area and analyses nutrient contents, drainage capacity, erosion risks as well as the organic share of the soil. The soil classification too – whether sand, loam or clay – is assessed in detail in order to create the basis for targeted soil preparation.



Complementing this, a hydrological report is carried out that comprehensively investigates water availability.

This includes groundwater resources, surface water, rainfall amounts as well as potential risks such as flooding. Existing water rights are also examined in order to guarantee sustainable and secured supply or drainage. Beyond this we prepare a forestry report that safeguards the economic and operational planning.

It delivers robust growth forecasts, verifies the underlying calculation assumptions and assesses the costs for soil preparation, reforestation and ongoing operation of the plantation.

These reports deliver no abstract figures. They give a clear answer to the decisive question: what is realistically possible here?

They are our compass for planning, implementation and responsible growth.

How are sustainability criteria taken into account?

For us sustainability is not an addition, it is a pre-condition. We work exclusively on areas that withstand the statutory environmental examinations and beyond that correspond to our own standards. All larger projects in Paraguay are subject to examination by the Ministerio del Ambiente y Desarrollo Sostenible. These official procedures ensure that environmental requirements are complied with and ecological

impacts are assessed. But we go beyond this. For every area we examine specifically whether protected zones or particularly sensitive ecosystems are affected. Existing remnants of primary forest

are consistently preserved and – where sensible – integrated into or supplemented within the project structure. At the same time we analyse possible restrictions, for instance through statutory clearance restrictions, and align our planning accordingly.

A further central component is the consideration of the effects on the local communities. We examine how projects fit into existing structures and attach importance to acceptance on the ground – because sustainable development functions only in harmony with the surroundings. In this way we combine regulatory requirements with our own responsibility.

OUR ADDITIONAL EXAMINATION CRITERIA



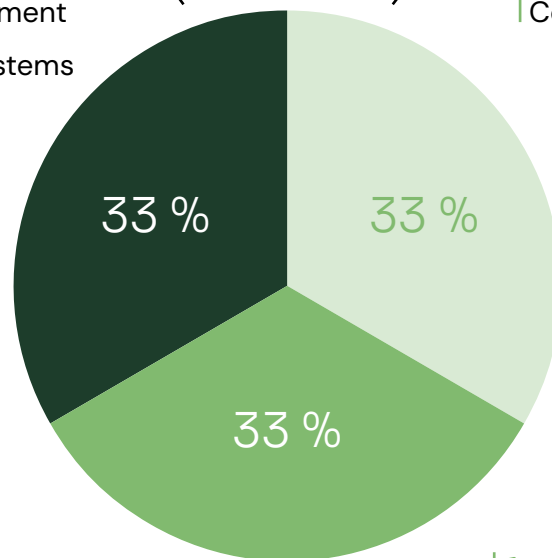
Environmental

- | Environmental impact assessment
- | Protection of sensitive ecosystems
- | Preservation of primary forest areas



Social

- | Consideration of local communities
- | Creation of regional value
- | Long-term acceptance



Governance

- | Official examination
- | Compliance with statutory requirements
- | Additional internal control processes

HOW ARE INFRASTRUCTURE AND LOGISTICS SECURED IN THE LONG TERM?

Because only when infrastructure and logistics are thought along with it does a system arise that not only functions, but carries over the long term.

Our planning begins with a detailed site analysis. We examine the distance to paved main roads, to ports for later export as well as to relevant buyers such as sawmills.

Transport times, costs and the actual condition of the transport routes likewise flow into the assessment. But accessibility alone is not enough.

We also analyse the quality of the existing infrastructure: the load-bearing capacity of roads and bridges, particularly with regard to heavy machinery for reforestation, care and later harvest. Possible weak points, necessary investments or repairs are identified early and integrated into the planning.

In this way a realistic picture of feasibility arises, not only for the initial phase, but for the entire life cycle of the project.





HOW ARE SOIL ANALYSIS & SOIL PREPARATION

The soil is an essential component; here it is decided whether something grows or not.

We analyse it in its depth: nutrients, structure, composition and water conduction. On this basis we develop a targeted preparation – individually for each area. A central step is mechanical soil loosening (subsolado). In this, the soil, particularly in heavy, loam-rich structures, is broken up at depths of 50 to 100 cm.

In this way we improve aeration and create room for stable root growth. The soil is then ploughed and structured into light planting rows or ridges in order to create optimal conditions for the seedlings. A decisive factor here is correct water management. Soil that is too wet quickly leads to compaction and oxygen deficiency – both inhibit growth considerably. That is why we plan and integrate targeted drainage systems in order to divert excess water in a controlled manner. Precisely in Paraguay, where heavy rainfall of more than 100 mm on a single day is not uncommon, this is essential.

Which target values are aimed for in the soil?

Balance is the key. A stable pH value, sufficient nutrients and a healthy soil structure form the basis for sustainable growth. The focus is on a pH value in the range of about 5.5 to 6.5. In this range plants can absorb nutrients optimally and develop stable root systems. Deviations are specifically compensated for through liming.

In parallel we pay attention to a balanced supply of essential nutrients, in particular nitrogen, phosphorus and potassium. These are added as required, above all in the sensitive phase after planting, in order to ensure healthy initial growth. What is decisive here is not only the quantity, but the interplay: nutrients, soil structure and water availability must be in equilibrium.

Through targeted measures we compensate for deficits and create conditions under which young plants not only survive, but can develop vigorously – stable, resilient and viable over the long term.

pH-Wert-Skala

- Too acidic (4–5)
- Improvement range (5–5.5)
- Optimal for tree growth (5.5–6.5)
- Improvement range (6.5–7)
- Too alkaline (7–8)

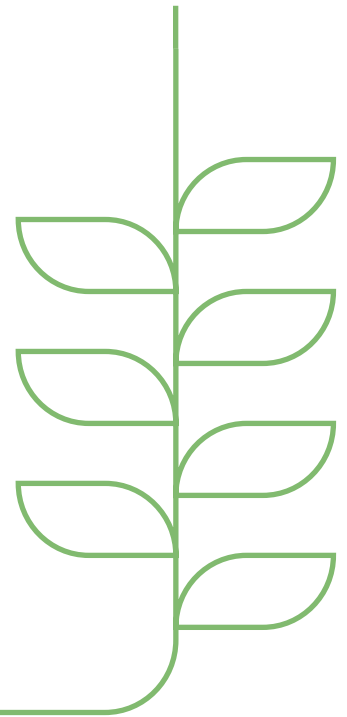
TREECYCLE Zielbereich: pH 5.5–6.5

- Optimal nutrient uptake
- Strong root development
- Improved water availability

How is erosion protection guaranteed?

Already in the early phase of the property examination, the erosion risk is systematically assessed. In this, the gradient of the area, the soil condition as well as the regional rainfall amounts play a decisive role in particular. Our focus lies on areas with low natural erosion risk, as a stable basis for long-term use. Beyond this we pay attention to the soil structure being preserved and water being guided in a controlled manner. Because precisely in regions with intense rainfall events, uncontrolled water run-off can lead to soil loss.

Through the combination of careful area selection and adapted soil cultivation we create conditions under which the soil remains protected and what grows on it endures.



Which environmental requirements are to be observed?

All projects are subject to the statutory environmental requirements in Paraguay and are examined by the Ministerio del Ambiente y Desarrollo Sostenible. The basis is a comprehensive environmental study (Licencia Ambiental) that assesses the effects on nature and surroundings and creates the permit for implementation. A central component is the protection of existing forest areas. Natural primary forest may not be cleared and is subject to strict statutory requirements such as the law Ley Deforestación Cero, which clearly restricts use and defines protected areas.

Beyond this, clear regulations apply to the protection of water bodies. Along rivers and streams, protection zones are maintained in order to secure natural watercourses and ecosystems permanently.

Species protection likewise plays an important role. Protected animal and plant species are identified and taken into account in the planning. Where necessary, the project layout is adjusted in order to preserve habitats.

For us these requirements are not an obstacle – but orientation. They define the framework within which sustainable development becomes possible in the first place.

How is progress documented?

We work together with experienced external service providers who regularly document the progress of the measures. These reports form the basis for continuous monitoring.

Complementing this, TREECYCLE carries out its own on-site examination and acceptance of all works. In this way we ensure that planning and implementation agree – and that quality is not only documented, but actually achieved. In parallel we are consistently advancing the digitalisation of these processes. Our teams in Paraguay are already equipped with corresponding technical equipment in order to capture and transmit data directly on site.

The aim is to evaluate reports in future with AI support, to recognise deviations early and to implement necessary measures – for instance in soil preparation – immediately. In this way a system arises that not only documents, but actively steers – precise, traceable and in real time.

YOUR SECURITY AT A GLANCE



Careful property selection

Multi-stage examination according to technical, economic and legal criteria – only areas with demonstrable potential are implemented.



Legal clarity

Detailed analysis of ownership situations, history and cadastral data creates a robust basis.



Independent expert reports

External analyses of soil, water and growth secure well-founded planning and realistic forecasts.



Infrastructure & market connection

Strategic site selection with a view to logistics, accessibility and long-term economic use.



Transparent processes

Continuous documentation, on-site examinations and increasing digitalisation for maximum traceability.



Sustainable implementation

Consideration of environmental requirements, protection of existing ecosystems and involvement of local

GROWING ATTENTION FOR TREECYCLE



With the progress of our projects, public perception of TREECYCLE also rose markedly in the 2025 reporting year. Numerous contributions in trade and general-interest media have taken up our work, our vision and our business model and brought them closer to a broad public. This media response shows that sustainable reforestation, real tangible assets and innovative investment models are meeting with increasing interest.

For us this attention is more than mere visibility. It confirms the relevance of our themes, strengthens awareness of TREECYCLE and creates trust among investors, partners and further stakeholder groups.

At the same time it contributes to advancing further the dialogue about sustainable investments and the role of reforestation projects in a changing world. The publications that follow give an insight into the media presence of TREECYCLE in the 2025 financial year and at the beginning of



PRESTIGE BUSINESS

GREEN STRATEGY

Zwischen Klimakrise und Kapitalmärkten verändert sich die Logik des Investierens: Kapital soll Rendite und Wirkung entfalten. TREECYCLE zeigt, wie das gelingt. Bei dem Unternehmen handelt es sich um ein Schweizer Impact-Investment, das Regenwald schützt und stabile Erträge erzielt.

Autorin: Jannina Stübgen

NACHHALTIGKEIT ALS GESCHÄFTSMODELL

Die TREECYCLE AG mit Sitz in Hünenberg ist eine Tochtergesellschaft der Global Tree Project AG (GTP) und steht zweigleisig für die Professionalisierung grüner Kapitalanlagen. Der Wertpapierprospekt des Unternehmens wurde 2023 erneut von der Finanzmarktaufsicht Liechtenstein (FMA-LI) genehmigt und nach Deutschland und Österreich notifiziert sowie in der Schweiz für den Vertrieb bewilligt. Damit zählt TREECYCLE zu den wenigen Impact-Investments Europas mit einem offiziell gebilligten Prospekt – ein Meilenstein für Transparenz und regulatorische Qualität in einem Markt, der noch immer von unregulierten Angeboten geprägt ist.

«Greenwashing muss ein Ende haben», sagt Gründer und CEO Jörg Schäfer. «Nur wenn ökologisches Handeln wirtschaftlich attraktiv ist, wird es dauerhaft umgesetzt. Unser Ziel ist es, ökologische Verantwortung mit messbarem Ertrag zu verbinden.»

VOM BAUM ZUR BILANZ

In Paraguay revitalisiert das Unternehmen mit dem «TreeCycle of Life»-Modell ausgedehnte, brachliegende Flächen mithilfe der Bepflanzung schnell wachsender ▶

43



«Wir konzentrieren uns auf Eukalyptus»: Wiederaufforstung in Paraguay (oben); Naturkostwerk aus 115.000 Bäumen.

26

Waldresten Grün No. 40,35
Bäume 49

NATÜRLICHE RESSOURCEN

Mit Wäldern zu Reichtum

Die Firma Treecycle investiert in Paraguay in die Aufforstung degenerierter Flächen, um den Waldverlusten entgegenzuwirken. CEO und Gründer Jörg Schäfer erklärt das Zusammenspiel von Baumwachstum und Wertgenerierung.

Beat Cygi, Michael Baumann

Zu den wichtigsten Themen der Uno-Klimakonferenz COP30, die im November im brasilianischen Belém über die Bühne gegangen ist, zählte der fortschreitende Verlust an Waldflächen und Naturressourcen. Laut jüngsten Welt-Bericht der Uno-Landwirtschaftsorganisation FAO bedeckte die weltweit noch gut 4,14 Milliarden registrierten Hektar Wald rund 32 Prozent der gesamten Landfläche der Erde. Die Hälfte der Wälder konzentriert sich auf die fünf Länder Russland, Brasilien, Kanada, USA und China, grosse Teile liegen in den Tropen. Die Schwundrate habe sich laut den Angaben in jüngerer Zeit zwar vermindert, aber es verschwinden immer noch jedes Jahr netto gut vier Millionen Hektar Wald. Rund neunzig Länder machten nun im Rahmen der Uno-Klimapolitik Zusagen, in den nächsten Jahrzehnten bis zu 100 Millionen Hektar degradierten Waldes wiederherzustellen. An der COP30 wurde ein neuer Fonds gegen Entwaldung und für Aufforstung von Urwäldern in Aussicht gestellt.

«Solche Bemühungen deuten in die Richtung, in der wir auch mit unserem Unternehmen gehen, zurzeit verlieren wir ja pro Minute rund sieben Hektar Ur- und Regenwald», sagt der Unternehmer Jörg Schäfer. «Wir finanzieren und betreiben in Paraguay Aufforstung – aber wir tun das aus privaten, eigenständigen Geschäftsüberlegungen heraus und nicht umweltpolitisch subventioniert oder aus Wahlkampfsgründen.» Schäfer hat 21 Jahre als klassischer Investmentmanager als Generalist, sich vor Jahren neu orientiert und sich zum Ziel gesetzt, mit seinem Unternehmen das Kapital von Anlegern direkt dorthin zu lenken, wo es seiner Ansicht nach den grössten Nutzen stiftet: «In Projekte, die unsere Umwelt schützen, Bäume

wachsen lassen, CO₂ binden, Böden verbessern, Menschen Arbeit geben.» Jahrzehntlang sei Lateinamerika Heimat der grössten zusammenhängenden Waldflächen gewesen, als Folge der Abholungen jetzt aber hinter Russland zurückgefallen. Paraguay habe durch Raubbau im Laufe der Zeit 90 Prozent seiner Ur- und Regenwaldflächen verloren, hauptsächlich für Sojabau und für Rinderzucht, daneben aber auch für die Verfeuerung. Das sei jetzt das Land, in dem sich engagiere – zumal Paraguay von der Ratingagentur Moody's 2024 auf Investitionsqualität hochgestuft worden sei, Investitionsanreize sowie steuerlich attraktiv und politisch solid dastünde und über eine üppig-sichere Energieversorgung aus Wasserkraft verfüge.

Bäume und Blockchain

Schäfer hat mit seiner Firma Treecycle AG, eine Tochter der Global Tree Project AG, das Investitionsmodell «TreeCycle of Life» auf den Weg gebracht, das auf einer langfristigen Aufforstungsstrategie beruht. Im Rahmen dieses Projektes werden in Paraguay degradierte, einst mit Urwald bedeckte Flächen

Vermögenswerten und Blockchain-Technologie, auf Investitionen in sogenannte Real World Asset (RWA), wie es in der Finanzsprache ausgedrückt. Die Anteile der Investoren mit dem Recht auf die Beteiligung an den Nettogewinnen werden dabei als «Token» (»Tree») beziehungsweise «Real World Asset» auf der Blockchain abgebildet.

Die Blockchain wurde gewählt, um einerseits unabhängig von Kreditinstituten zu sein und andererseits dem Projekt die nötige Sicherheit vor äusseren Angriffen zu gewährleisten.

Schäfer präzisiert: Es sei mehr als ein Finanzmodell, es sei ein Paradigmenwechsel, denn diese RWA seien nicht durch Hoffnung getragene Wertpapiere, sondern durch real gepflanzte Bäume rückgedeckte «Wert-Papiere», die damit ihren Namen zu Recht tragen und damit einen Mehrwert schaffen – wie man dies ja bildlich treffend auch so ausdrücken könne: Die Bäume wachsen und bringen jährlichen Wertzuwachs, 2018 habe man mit dem Konzeptarbeiten begonnen und 2020 den ersten Zyklus gestartet. Man ist damit nicht allein.

«Apple macht genau das Gleiche wie wir, auch IT-Riesen wie Amazon, Google und andere, diese Unternehmen haben jetzt gemeinsam eine grosse Baumkoyalanz lanciert», legt Schäfer im Gespräch im Hünenberg das. «Die forcieren jetzt grossflächig Wald auf, nach dem gleichen Modell wie wir, das heisst, sie forsten ebenfalls nicht Urwald auf, sondern



«7 Hektar pro Minute»: Jörg Schäfer.

Paraguay habe durch Raubbau im Laufe der Zeit 90 Prozent seiner Ur- und Regenwaldflächen verloren.

erworben und wieder aufgeforstet. Mit dem so gewonnenen und verkauften Holz wird eine Rendite für die Investoren generiert.

In Schäfers Worten: «Anleger jeder Einkommensklasse sollen auf diese Weise Zugang haben zu echten, greifbaren Werten.» Das Anlagenmodell beruht auf der Verbindung von



„Timber is not a niche topic, but a real value of growing importance“

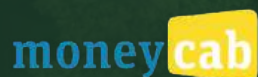
Interview with Jörg Schäfer, CEO of Global TREE Project AG / TREECYCLE AG

INTELLIGENT INVESTORS



TREECYCLE AG: Reforestation as a real-asset model – positioning between „conscious investing“ and forestry

Reforestation and forestry as a tangible-asset model underpinned by the real economy.



TREECYCLE on sustainable investments: „What one cannot see and examine creates no trust.“

TREECYCLE AG / Global TREE Project AG positions its forestry model.

wallstreet ONLINE



„Resolving the false either/or between return and responsibility“

CEO Jörg Schäfer explains in an interview the location focus on Paraguay and the use of eucalyptus hybrids.



SEE WHAT GROWS. EXPERIENCE WHAT REMAINS.

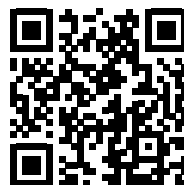
Figures create trust. Experience creates conviction.

That is why we open our doors – or better: our forests. On our information trip, investors and interested parties experience for seven days the heart of Latin America and stand where their investment takes root. On Cerro Azul, in the middle of the largest natural logo in the world. Between rows of eucalyptus that are taller than one would ever expect of trees of this age.

But the journey shows more than plantations. It shows a country: the colonial soul of Asunción, the craftsmanship of Villarrica, the thundering force of the beautiful Iguazú Falls and the sheer inconceivable dimensions of the Itaipú hydroelectric plant. In between: encounters with people, tereré under the open sky and evenings that one does not plan, but lives. What one has seen, one no longer has to believe.

Whoever has once stood before their own trees no longer understands TREECYCLE merely as an investment – but as a reality one can touch.

„One can read about TREECYCLE in the abstract, or one can experience the project and Paraguay directly on site.“



**THE NEXT EVENT
DATE ON SITE**

12.11. – 19.11.2026



04

Forest development and progress

LOCATION
PARAGUAY

FOREST DEVELOPMENT IN PARAGUAY – PROGRESS AND PROSPECTS

Paraguay continues to possess significant forest resources and counts among the more heavily forested countries of South America. According to current data of the Paraguayan forestry institute INFONA (2026 report), the forest cover of the country amounts to around 44.4 % of the national territory, which corresponds to about 17.76 million hectares. At the same time the most recent analyses show a positive development: the deforestation rate has fallen to the lowest level in almost two decades.

In parallel, Paraguay is continuously improving its systems for monitoring and steering land use. Modern forest mapping now achieves an accuracy of around 98.2 %, while about 87.4 % of registered land-use changes take place within the framework of approved management plans. The national early-warning system for the detection of deforestation has also been considerably expanded and recorded 47 % more reports between 2023 and 2024, which contributes to better control of forest areas.

At the same time, the protection of the forests remains a long-term challenge.



44.4 %

forest share



98.2 %

mapping accuracy



87.4 %

approved land-use changes



+47 %

early-warning reports

Between 2001 and 2024, around 7.2 million hectares of forest were lost, which corresponds to a decline of about 30 %. In 2024 alone, around 135'000 hectares of forest area were registered, among them about 38'000 hectares of primary forest.

Against this background, sustainable reforestation projects are gaining in importance. Current reforestation programmes possess the potential to sequester around 27.7 million tonnes of CO₂ equivalent over the long term.

This development shows that sustainable forestry in Paraguay does not only constitute an ecological task, but can also make an important contribution to long-term economic development and to international climate policy.

PARAGUAY IN TRANSITION: ENVIRONMENTAL CHALLENGES AND NEW OPPORTUNITIES

BEFORE

Paraguay's forest development in the past

- | Large-scale clearance since 1985
- | Loss of habitats
- | Soil erosion and water scarcity

TODAY

Paraguay's forest development in the present

- | 44.4 % forest share (17.76 million ha)
- | +66 % Plantagenflächen in nur zwei Jahren
- | Forestry exports of more than USD 100 million

FUTURE

Paraguay's forest development in the future

- | New reforestation areas
- | Habitats for flora & fauna
- | More resilience to climate extremes

TREECYCLE actively accompanies this transition through sustainable reforestation and long-term forest management.

Paraguay has stood under considerable environmental pressure for decades. Particularly in the Gran Chaco – one of the most species-rich regions of South America – forests have been cleared on a large scale since 1985, above all for agriculture and cattle farming. In parallel, the Atlantic rainforest in the east of the country has almost entirely disappeared. The consequences are noticeable: soil erosion, increasing water scarcity and the loss of characteristic animal species such as tapirs and jaguars. But current developments show a clear change of direction.

The transition 2025/2026: from loss to stability

According to the Infona report 2026, 44.4 % of Paraguay's national territory is once again forested – this corresponds to around 17.76 million hectares, predominantly natural forests in the west. Particularly remarkable: at the same time the forestry sector is developing dynamically. Plantation areas have grown by 66 % within only two years. In 2025 forestry exports exceeded the mark of 100 million US dollars for the first time, a significant economic milestone.

TREECYCLE: from reforestation to systems thinking

Our TREECYCLE starts exactly here: with targeted reforestation projects and the creation of new habitats for fauna and flora.

In 2025 Paraguay was repeatedly affected by severe weather events, among them heavy storms, flooding and a national state of emergency because of forest fires in January.

That said, forest fires do represent a low risk for our plantations. We work with water ditches, fire-breaks and have on every property a capataz who lives there with his family and keeps the properties in view.

Healthy forests in Paraguay have long been more than an ecological theme; they are a strategic factor for resilience, economic stability and future security. TREECYCLE therefore understands them as an active component of a regenerative, globally responsible corporate strategy.

GUARANÍ AQUIFER

A strategic water resource for Paraguay

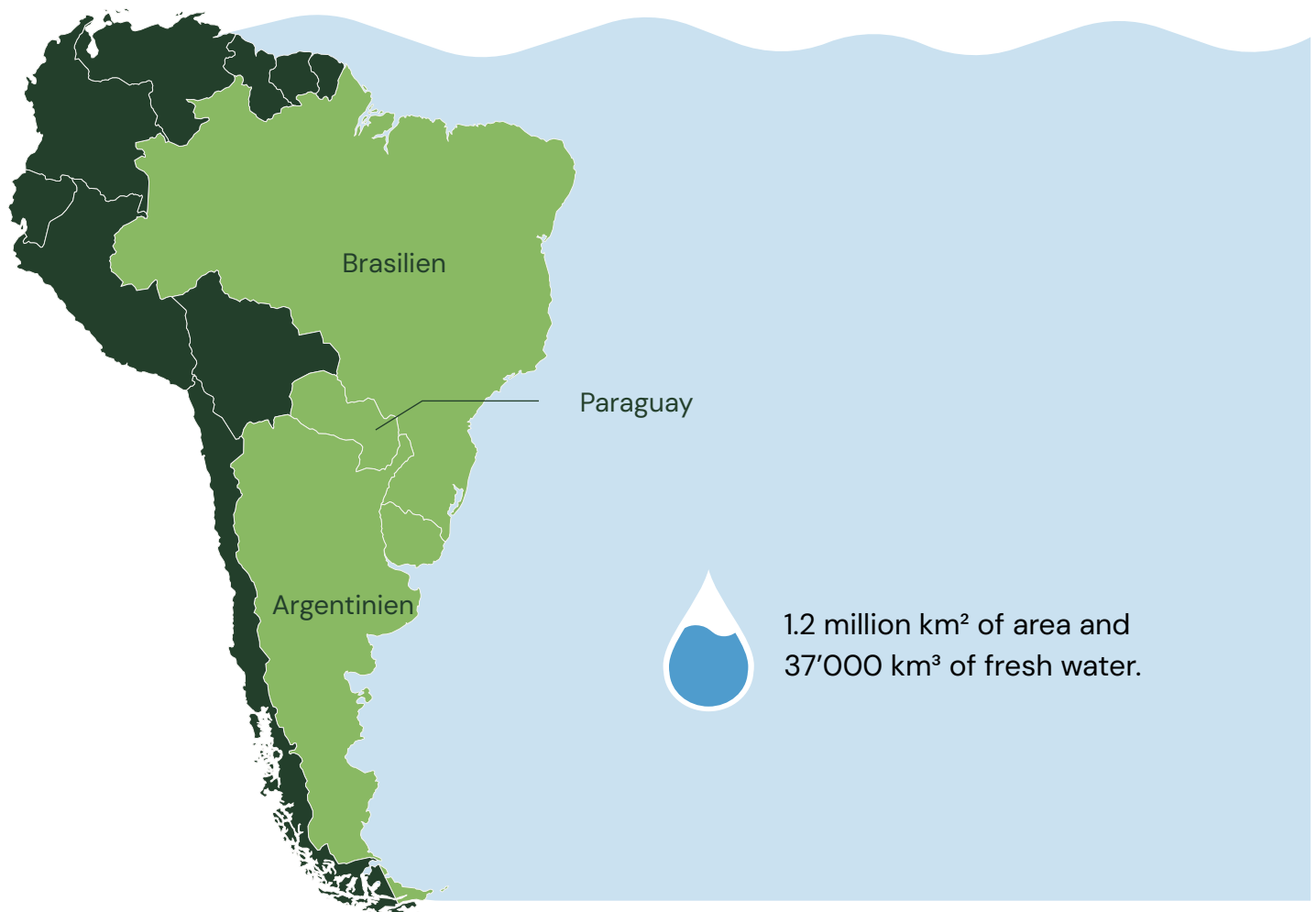
The Guaraní Aquifer counts among the largest underground freshwater reservoirs in the world. It extends across Paraguay, Brazil, Argentina and Uruguay and comprises an area of around 1.2 million km² with an estimated 37'000 km³ of fresh water. It thereby forms a central backbone of the water supply in the entire region.

For Paraguay this natural reservoir is of particular importance: around 80 % of drinking water comes from groundwater sources, a large part of it directly from the aquifer system. The high water quality as well as availability at depths of between about 50 and 1'500 metres secure supply even in dry periods and at the same time relieve rivers and other surface waters.

Current developments 2025: protection and use in equilibrium

In 2025 the sustainable use of the aquifer moves even more strongly into focus. New monitoring systems and cross-border programmes for data collection improve transparency about water abstraction and quality.

At the same time, cooperation between the neighbouring states is being intensified in order to ensure joint management of this transboundary system. The Guaraní Aquifer is thereby far more than a geological phenomenon: it is a decisive location factor and a long-term guarantor of security of supply – provided that protection and use remain permanently in equilibrium.



Energy in Paraguay: renewable strength and strategic future potential

Paraguay belongs to the few countries worldwide that cover their electricity almost entirely from renewable sources. Around 99–100 % of electricity comes from hydropower, above all from the binational large-scale plants Itaipú hydroelectric plant (with Brazil) and Yacyretá hydroelectric plant (with Argentina) as well as the national Acaray hydroelectric plant. This exceptionally sustainable energy production has made Paraguay one of the largest electricity exporters in South America for years. In 2024/2025 too, exports remain at a high level, with stable delivery volumes to the neighbouring countries – a substantial contribution to the regional energy supply and a significant economic factor.

Energy as a location advantage: reliable, green and competitive

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Diversification as the key to resilience

Experience from the drought periods of recent years has shown that electricity generation based almost exclusively on water also carries risks. Accordingly, Paraguay is investing increasingly in the expansion of solar energy, in modern grid infrastructure as well as in storage solutions, in order to strengthen the resilience of the energy system and to secure supply over the long term.

TREECYCLE: energy as the foundation of sustainable development

For TREECYCLE this stable and renewable energy base forms a decisive foundation. It not only enables the build-up of sustainable reforestation projects, but also creates the preconditions for further investment in a green, future-capable economy. Paraguay's energy sector thereby stands exemplarily for what distinguishes the country: a strong starting basis – and the clear potential to shape a sustainable future from it.

MARKET DEVELOPMENT

TIMBER IN PARAGUAY

Growing demand...

32.6 %

of energy consumption comes from biomass

99.7 %

renewable electricity generation through hydropower

STABLE TIMBER DEMAND

industry uses timber as an energy source

...meets limited supply

300'000 ha

existing plantations

162'000 ha

new reforestation areas

+66 %

plantation growth in two years

Up to 5 million

suitable area potential



Conclusion

Demand for timber is growing faster than the available reforestation areas.

Timber and plant biomass continue to play a central role in Paraguay's energy supply. Particularly in rural regions as well as in parts of the processing industry, timber and biomass are used as important energy sources. According to current data of the Balance Energético Nacional 2024, the share of biomass in the country's total energy consumption lies at around 32.6 %. At the same time almost all of Paraguay's electricity production comes from renewable sources: more than 99.7 % of electricity is generated by hydropower.

This structure also shapes the industrial use of timber. Above all in agricultural processing, for example in the soy industry, timber continues to be used on a large scale as an energy source. The need for timber and biomass is therefore stable and closely linked with the development of agro-industrial value chains.

At the same time, Paraguay has over many years built up considerably fewer reforestation areas than other countries of the region. States such as Uruguay have invested specifically in modern forestry over the past decades and develop 30'000 to 40'000 hectares of new forest plantations annually. Paraguay, by contrast, long remained behind this development. In recent years, however, a noticeable dynamic is emerging in the Paraguayan forestry sector. Industry analyses show that the area of forest plantations has grown by around 66 % within only two years. Today the sector comprises about 300'000 hectares of existing plantations, supplemented by around 162'000 hectares of young reforestation areas.

The expansion continues at a high pace. The industry is currently extending its areas by around 20'000 hectares per year, which corresponds to growth of about 15 % annually. Despite this development, the long-term potential of the country is by far not exhausted. Experts assume that Paraguay could develop up to five million hectares of suitable areas for sustainable forestry in total.

Such an expansion would not only considerably broaden the production base of the country, but could also make a significant contribution to economic development. Studies assume that a consistent development of the forestry sector would have the potential in the long term to increase economic value creation in this field considerably within a decade.

In parallel, international demand for timber products continues to grow. Timber is gaining importance worldwide – both as a sustainable raw material for construction and industrial applications and as an energy source in the context of the global energy transition.

The market for wood pellets is developing particularly dynamically. Production in the European Union now lies at around 20.5 million tonnes per year, while the global market for wood pellets reached a volume of about 7.65 billion US dollars in 2025. Forecasts assume that this market could grow to around 12.53 billion US dollars by 2032, which corresponds to an average annual growth rate of about 6.2 %.

Paraguay's export figures likewise reflect this development. The national forestry sector achieved export revenues of more than 101 million US dollars for the first time in 2025 and thereby attained a historic record. Several product segments developed particularly strongly:

■ Plywood exports rose by 24 %

■ Wood panel exports increased by 50 %

■ Sawn timber exports grew by 38 %

Overall the sector most recently recorded average monthly growth of around 4 %.

Against this background, an increasingly attractive environment for sustainable forestry is arising in Paraguay. The combination of growing global demand for timber products, rising regional demand for energy and raw materials as well as large available areas creates stable long-term framework conditions for reforestation projects.

TREECYCLE sees considerable future potential in this development. The company combines ecological reforestation with a long-term economic use of timber resources. The aim is to make degraded areas productive again, to build up new forest ecosystems and at the same time to produce a sustainable raw material that can generate economic returns over the long term.

Timber is thus increasingly developing into a strategic factor for the sustainable transformation of the Paraguayan economy. Professionally operated reforestation projects can thereby set both ecological and economic impulses and make an important contribution to long-term stable, climate-friendly value creation.



IMPETUS FOR PARAGUAY'S FORESTRY AND INDUSTRY

With the Paracel project, one of the largest industrial undertakings in the history of the country is currently arising in Paraguay, and at the same time a significant milestone for the development of national forestry. The investment volume is estimated at around 3.6 billion US dollars and makes Paracel the largest single private investment in Paraguay.

The plant will be the first large-scale industrial pulp factory of the country and is designed for an annual production capacity of up to 1.8 million tonnes of bleached eucalyptus kraft pulp (BEKP). The production start is scheduled for 2028 according to the current project status. Already today, around 103'000 hectares of eucalyptus plantations have been built up which are to serve as the raw material base for the start of production.

Alongside the industrial dimension, the project also possesses considerable economic importance for the region. During the construction phase, up to 8'000 jobs are reckoned with at the peak of building activity. In the long term, Paracel aims to create around 40'000 direct and indirect jobs in industry, forestry and supplier structures in total, and thereby to set an important employment impulse for the Concepción region and the north of Paraguay.

In October 2025, IDB Invest and Paracel additionally signed an agreement on the development of Paraguay's first „sustainable forestry industrial hub“. The aim is to establish, around the plant, a modern infrastructure and new industrial activities along the entire timber value chain. For the Paraguayan forestry sector, this development opens up long-term perspectives. Rising industrial demand for certified timber resources can make sustainable reforestation projects economically more attractive and further accelerate the expansion of modern forest plantations.

THE PARACEL PROJECT

USD 3.6 billion
investment volume

1.8 million t of pulp/year
production capacity

103'000 ha of eucalyptus
plantation base

Up to 8'000 jobs
construction phase

Up to 40'000 jobs
long-term effect

TIMBER AS BUILDING MATERIAL OF THE FUTURE

From high-rise construction to new wood-based materials

Timber is increasingly developing from a traditional building material into a high-tech material for architecture and structural engineering. One example of this is transparent wood, which arises through the combination of lignin-reduced timber with bio-based polymers and opens up new applications in architecture and materials technology – a development that was already presented in more detail in the 2024 annual report.

At the centre of current developments, however, stands above all the rapid progress in modern timber construction. Worldwide, more and more multi-storey buildings are arising from so-called mass timber elements, in which industrially manufactured timber components such as glued laminated timber or cross-laminated timber (CLT) are used.



Mass timber describes large-format, industrially manufactured timber components that are used in modern construction as load-bearing structural elements. Projects such as the 25-storey hybrid tower „Ascent“ in Milwaukee, which currently counts as one of the tallest mass-timber buildings in the world, show that timber is meanwhile competitive even at high-rise scale. Through the use of prefabricated timber modules, construction times can be reduced by up to 25 % compared with conventional building methods, while at the same time the CO₂ footprint of buildings sinks considerably. Timber is thus developing into a central material for a more climate-friendly construction industry.

Modern timber construction – important trends

- Timber high-rises with 20+ storeys
- 25 % faster construction times through prefabrication
- Strongly growing use of CLT and mass timber
- Timber as a CO₂ store in the building sector

In Latin America too, multi-storey timber construction is gaining importance. Projects such as the Tamango project in Chilean Patagonia, a planned twelve-storey CLT building, show that prefabricated timber structures can also be realised safely, energy-efficiently and reversibly at greater building heights. As a fast-growing hardwood with high density and stiffness, eucalyptus is moreover particularly well suited to modern wood-based materials such as glued laminated timber or CLT. Studies show that structural elements manufactured from it can achieve load-bearing capacities that are comparable with classic softwood classes or in some cases even higher. For TREECYCLE AG this development means that sustainable reforestation projects not only unfold ecological impact, but can in the long term also constitute an important raw-material base for innovative applications in modern timber construction.

MERCOSUR AND ITS SIGNIFICANCE FOR PARAGUAY

UPDATE

The partnership agreement between the European Union and Mercosur, signed on 17 January 2026 and provisionally in force since 1 May 2026, creates one of the largest free trade zones in the world between Europe and Argentina, Brazil, Paraguay and Uruguay. In total this economic area comprises more than 700 million people. The agreement provides for the dismantling of tariffs on 91–92 % of all goods within 15 years and at the same time anchors binding standards in the fields of the environment, sustainability and workers' rights.



CENTRAL ADVANTAGES OF THE EU-MERCOSUR AGREEMENT

Economic effect

Strengthening of competitiveness through diversified supply chains, secured access to raw materials and closer economic relations within an economic area with a combined GDP of around 2.2 trillion euros.

Impetus for agricultural exports

Fixed import quotas – for example 50'000 tonnes of organic sugar and 1'500 tonnes of pork (plus further quotas) – enable expanded, tariff-free access to the EU market.

Sustainability standards

Binding commitments to the Paris Climate Agreement as well as measures to combat deforestation are an integral component of the agreement.

Investment protection

Strengthening of intellectual property rights as well as a more stable and more plannable legal framework for investments.




European Union:
27 member states

Common internal market
~450 million people.

The three pillars of the agreement



Mercosur
Argentina, Brazil,
Paraguay & Uruguay.

+ Bolivia (accession in progress)

Industrial and maquila growth

Improved framework conditions for exports – in particular in the field of automotive supply components, an industrial segment growing strongly in Paraguay with rising relevance for the European market.

Increase in foreign investment

The increased regulatory clarity and reliability makes Paraguay considerably more attractive for investors from the EU.

Economic diversification

Expansion of trading partners and reduction of one-sided dependencies. At the same time, growth opportunities are

Dismantling of trade barriers

The elimination of more than 90 % of tariffs facilitates and accelerates trade considerably – with direct access to a European market of more than 400 million consumers.

PARAGUAY'S RATING UPGRADE: A CHANGE IN RISK PERCEPTION AND STABLE MONETARY CREDIBILITY

Paraguay's most recent upgrade to an investment-grade rating of BBB- by Standard & Poor's in December 2025, following Moody's initial assignment of an investment-grade rating of Baa3 in 2024, confirms the structural transformation of the country's economic positioning. The upgrade reflects strengthened macroeconomic stability, fiscal discipline, and continued progress in the institutional framework. This development builds on the economic consolidation achieved in 2020–2021 and was further reinforced by the strengthening of the fiscal framework under the 2024 Fiscal Responsibility Law. With these developments, Paraguay has achieved investment-grade status for the first time in its history in 2024.

Economic growth remains stable at around 4 % (2025–2026), while government debt at about 40 % of GDP (2025) lies at a moderate level. At the same time, monetary policy continues to enjoy high credibility. Improvements in tax administration and governance additionally strengthen the trust of investors. The upgrade is already leading to noticeable effects: sinking financing costs, rising foreign direct investment as well as expanded access to international capital markets.

Paraguay is thereby increasingly positioning itself as an attractive investment location – in particular in the fields of energy, infrastructure and forestry. Despite existing challenges, the upgrade represents a significant change in risk perception and acts as a catalyst for sustainable capital inflows.

Effects of investment-grade status on forestry (2026)

The improved credit standing lowers financing costs considerably and expands access to international capital. Project developers in the forestry field benefit from cheaper loans, increased access to green financing instruments as well as a growing participation of development banks and institutional investors. This accelerates the implementation

of reforestation and CO₂ projects considerably. Paraguay possesses around 5.8 million hectares of suitable areas for commercial forestry. State programmes provide for reforestation targets of about 450'000 hectares within 15 years.

The improved access to capital enables in particular the expansion of fast-growing plantations such as eucalyptus and pine and strengthens the position of the country in the global markets for timber, pulp and CO₂ certificates. At the same time, trust in voluntary CO₂ markets is rising, in which Paraguay already hosts several ARR projects (afforestation, reforestation and revegetation).

With a sequestration potential of around 300 tonnes of CO₂ equivalent per hectare and increasing quality of the certificates, interest in long-term offtake agreements as well as structured financing is growing.

In parallel, foreign direct investment in forestry infrastructure is increasing – for instance in pulp mills, logistics solutions and traceability systems that are oriented towards European standards. This supports the build-up of an integrated and institutionally viable value chain. At the same time, risks continue to exist, in particular through monoculture plantations, effects on biodiversity as well as continuing deforestation pressure – above all in the Gran Chaco region. Sustainable value creation will depend substantially on bringing economic growth into harmony with clear ESG standards and their consistent implementation.



Conclusion

The rating upgrade acts as a capital catalyst: it enables scaling, lowers costs and positions Paraguay as a competitive location for forestry and CO₂ investments – provided that sustainability risks are actively steered.

AGRICULTURAL LAND PRICES IN PARAGUAY (OUTLOOK 2026)

Price levels (2025–2026)

Eastern region (high-quality arable land – Alto Paraná, Itapúa): approx. 3'000 – 6'500 USD/ha

Central region (mixed use): approx. 1'500 – 3'500 USD/ha

Chaco (pasture land / development region): approx. 500 – 2'200 USD/ha, with currently the strongest growth dynamic

The eastern region continues to achieve top prices on account of high yields and well-developed infrastructure. The Gran Chaco, by contrast, is recording an accelerated price development, driven by the expansion of cattle farming and improved access.

Paraguay continues to count among the most attractive agricultural property markets in Latin America. Drivers of this development are competitive land prices, strong export demand as well as increasing international investment.

Central drivers

High global demand for agricultural commodities such as soy, beef and maize

Competitive cost structure and investor-friendly framework conditions in Paraguay

Advancing expansion of infrastructure and logistics

Increasing participation of regional and international investors



Risks

Deforestation and rising ESG requirements, in particular in the Chaco.

Necessity of careful examination of ownership situations and legal framework conditions.

Dependence on commodity cycles and possible political changes.



Outlook

Land prices are likely to continue rising moderately. The Chaco thereby offers the greatest relative growth potential, while high-quality arable land in the eastern region retains stable premium valuations on account of scarcity and high productivity. Paraguay thereby positions itself as a high-growth agricultural market with attractive entry costs. Returns arise in particular from export dynamics and long-term appreciation of land – provided that ESG and legal risks are consistently taken into account.

THE RULE OF LAW IN PARAGUAY 2026: A PERSPECTIVE FOR INVESTORS

The legal framework in Paraguay is based on the constitution of 1992, which guarantees separation of powers, rule-of-law procedures, judicial independence as well as strong property rights. The system follows the civil-law tradition and offers, on paper, a solid and investor-friendly basis. In practical implementation, however, challenges continue to exist, in particular with regard to efficiency, consistency of judicial decisions and corruption risks.

In recent years Paraguay has achieved measurable progress. Reforms in tax administration, in public procurement as well as in the field of anti-money-laundering – complemented by the increasing digitalisation of courts and public registers – improve transparency and reduce administrative hurdles. These developments strengthen the trust of investors, even if procedural durations and enforcement certainty continue to lag behind more strongly developed markets.

Framework conditions for foreign investors

Foreign investors benefit from an open and protective legal framework, in particular through Investment Law 117/91:

- Full property rights as well as unrestricted repatriation of profits and capital
- Legal certainty agreements (up to 20 years of protection against disadvantageous regulatory or tax changes)
- Access to international arbitration, among others via the International Centre for Settlement of Investment Disputes (ICSID) and bilateral investment treaties
- The possibility of 100 % foreign ownership in most sectors, with low market entry barriers



Conclusion

Paraguay combines a clearly investor-friendly legal framework with institutional structures that are improving step by step. At the same time, the market requires careful due diligence, local expertise and active risk management. For investors who take these dynamics into account, the country offers attractive long-term opportunities – in particular in the fields of agriculture, energy and infrastructure.



TEAM WITH IMPACT

Think strategically. Act sustainably. Move things together.

We combine international experience, economic strength and responsibility for the future – for investments with purpose and substance. Our team brings together decades of expertise in finance, technology, sustainability and brand management – for scalable projects with genuine impact.



Jörg Heinrich Schäfer | Chairman of the Board of Directors and CEO

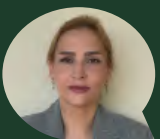
„I do not believe in ideologies, but in responsibility. That is why we plant forests and create real values, for people, markets and the generations to come.“

Alf Schröter | Member of the Board of Directors, operational management in Paraguay

„What inspires me is when out of a vision tangible reality arises. The Tree-Cycle of Life® grows here on the ground every day, step by step. In this way real impact arises for nature and people. It is a fantastic reason for me to get up with enthusiasm every day.“



Andrea Caroni | Director Paraguay



„For me this project stands not only for entrepreneurial responsibility, but also for continuous personal and professional further development. Through the combination of economic progress and legal certainty we make a contribution to the creation of trust as well as of stable and future-capable structures.“

Philip Sebastian Rusch | Head of Finance & Controlling

„I always think of business in interplay with responsibility. This project shows that sustainable investments are economically viable. In this way value arises that goes beyond figures.“





Tanja Hellmuth | Head of Marketing and Communications

„What inspires me is making the clear stance and the benefit of TREECYCLE visible and being part of something that is alive, grows quickly and combines economic impact with purpose.“

Reto Fierz | Head of Regulatory and Operational Affairs

„I am motivated by projects that make sustainable sense and allow me to work together with good people. TREECYCLE is the perfect example of how to combine creativity with modern technology in order to give investors, via a sustainable raw material and with a full return, a protected refuge in uncertain times.“



Christoph Schneider | Head of IT and Compliance

„I do not trust in forecasts. I trust in systems that keep functioning even when everything else starts to falter.“

Jorge Galeano | Forestry engineer and expert for reforestation

„I work in harmony with nature. This project creates a sustainable solution with a long-term perspective for our problems.“



Ben Seck | Project & Operations Manager, Paraguay

„What fascinates me is how TREECYCLE comes into being in everyday work, in every single step on the ground. Tree by tree, that is, when out of a planned project tangible reality arises.“

Denise Becker | Marketing and Communications

„What impresses me is the contrast: timber needs time, and yet trees such as our eucalyptus develop, in the right climate and within a few years, a substance and versatility for which other trees need 50 to 80 years.“





05

Financial report

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Independent Auditor's Report

To the Board of Directors of
TREECYCLE AG, Hünenberg

Qualified Opinion

We have audited the consolidated financial statements of TREECYCLE AG and its subsidiary (the Group), which comprise the consolidated statement of profit or loss and consolidated statement of comprehensive income, the consolidated statement of financial position as at 31 December 2025, and, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

The Group invested in reforestation assets, which are measured at fair value and recognised in the consolidated statement of financial position as at 31 December 2025 at CHF 29'996'816. We were unable to obtain sufficient appropriate audit evidence regarding the carrying amount of these reforestation assets. We could not independently assess the reliability of the underlying data and assumptions used to determine their fair value. Because the reforestation assets and the Group's operations are still at an early stage, historical internal harvest data was not available. Management therefore relied on data provided by its external expert. We were unable to verify this data against actual outcomes or an independent valuation and, consequently, could not determine whether any adjustments to the fair value of the reforestation assets were necessary.

We conducted our audit in accordance with the Swiss Standards on Auditing (SA-CH) and the International Standards on Auditing (ISA). 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 the Swiss audit profession and 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 qualified opinion.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors' is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), and for such internal control as the Board of Directors' determines is necessary to enable the preparation and fair presentation 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 SA-CH and ISA 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 SA-CH and ISA, we exercise professional judgment and maintain professional scepticism 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 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 group 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 qualified 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, 12 June 2026

Grant Thornton AG



Hermann Caspers
Partner



Kenny Wessner
Audit Manager

Enclosure:

- TREECYCLE AG – 31 December 2025 Consolidated financial statements

TREECYCLE AG
Consolidated statement of financial position for the year ended 31 December 2025

	Notes	31.12.2024	31.12.2025
		CHF	CHF
ASSETS			
Cash and Cash Equivalents	14	354'015	1'317'754
Other receivables (third party)		64'193	0
Other receivables (related party)	26	360'342	351'839
Crypto Assets held for sale	15	108'932	87'383
Tax receivables		19'121	65'685
Prepaid expenses		5'260	81'400
Stock on harvested wood		0	14'010
Total current assets		911'863	1'918'071
Biological Reforestation assets	16	10'144'304	29'996'816
Property Plant and Equipment	17	2'554'997	3'276'378
Right of Use Assets	18	236'966	166'075
Intangible Assets	19	483'120	418'560
Total non-current assets		13'419'387	33'857'829
TOTAL ASSETS		14'331'250	35'775'900
LIABILITIES			
Trade and other payables (third party)	20	1'359'389	1'501'131
Trade and other payables (related party)	20, 26	155'251	1'295'465
Lease liability	18	70'778	70'778
Tax payable		0	56'602
Current liabilities		1'585'418	2'923'976
Deferred Tax Liability	13	1'190'894	3'489'793
Financial liabilities (third party)	21	878'934	1'025'200
Financial liabilities (related party)	21	100'000	0
Lease liability	18	149'390	86'722
Non-current liabilities		2'319'218	4'601'715
Share Capital	22	100'000	100'000
Perpetual Instrument	23	19'497'357	24'141'141
Currency Translation Reserve		-15'716	-3'767
Retained Earnings		-9'155'606	4'002'615
Minority Interests		579	10'221
Total Equity		10'426'614	28'250'209
TOTAL EQUITY AND LIABILITIES		14'331'250	35'775'900

TREECYCLE AG
Consolidated statement of profit or loss for the year ended 31 December 2025

	Notes	2024	2025
		CHF	CHF
Revenue		0	7'889
Change in inventories		0	14'011
Gain from changes in fair value of biological assets - reforestation	7	5'513'037	19'227'583
Rental Income		25'495	44'073
Reforestation maintenance		-159'812	-26'179
Corporate Development	8	-609'575	-606'263
Personnel Expenses	9	-453'666	-600'539
Marketing and Sales	10	-875'193	-678'532
Administration	11	-233'533	-395'585
Management Fees		0	-1'281'260
Operating Profit (+) / Loss (-)		3'206'753	15'705'198
Depreciation, amortization and impairment		-227'408	-230'801
Net operating Profit (+) / Loss (-)		2'979'345	15'474'396
Financial Expense net	12	45'601	29'627
Profit (+) / Loss (-) before tax		3'024'946	15'504'023
Income tax	13	-11'940	-38'061
Deferred Tax	13	-684'822	-2'298'900
Net Profit (+) / Loss (-)		2'328'184	13'167'063
Attributable to Shareholders of the Parent		2'329'326	13'158'221
Attributable to Minorities		-1'142	8'842
Net Profit (+) / Loss (-)		2'328'184	13'167'063
Earnings per share		0.23	1.32

To the extent of a positive Net Operating Cash Flow, net profits are attributable to the holders of the Perpetual Instruments in the amount of 40% of Net Operating Cash Flow. The remainder shall be either reinvested (50%) or dedicated to philanthropy in Paraguay (10%).

TREECYCLE AG
Consolidated statement of comprehensive income for the year ended 31 December 2025

	2024	2025
	CHF	CHF
Net Profit (+) / Loss (-)	2'328'184	13'167'063
Items that may subsequently be reclassified to profit and loss	0	0
Other comprehensive income for the period net of tax	0	0
Translation Difference (OCI)	668	12'749
Total comprehensive income for the period	<u>2'328'852</u>	<u>13'179'812</u>
Attributable to Shareholders of the Parent	2'328'494	13'170'170
Attributable to Minorities	358	9'642
Total comprehensive income for the period	<u>2'328'852</u>	<u>13'179'812</u>

To the extent of a positive Net Operating Cash Flow, total comprehensive income is attributable to the holders of the Perpetual Instruments in the amount of 40% of Net Operating Cash Flow. The remainder shall be either reinvested (50%) or dedicated to philanthropy in Paraguay.

TREECYCLE AG
Consolidated statement of cash flows for the year ended 31 December 2025

		2024	2025
		CHF	CHF
OPERATING ACTIVITIES			
Net Profit (losses)		2'328'184	13'167'063
Adjustments:			
Depreciation	17,18	227'408	230'801
Change in fair value movement of biological assets	7	-5'513'037	-19'227'583
Interest expense		12'729	25'348
Tax charge	13	696'762	2'336'961
Foreign exchange gains on operating activities		-31'145	104'288
Changes in working capital:			
Change in other receivables		-374'002	72'696
Change in trade and other payables		56'520	881'067
Change in inventory		0	-14'010
Change in prepaid expenses		-255	-76'140
Change in valuation of crypto assets		-60'847	21'549
Tax Refund/ (paid)		-135'200	-28'024
Interest paid		-1'668	-5'886
Cash outflow from operating activities		-2'794'551	-2'511'869
INVESTING ACTIVITIES			
Purchases of property, plant equipment	17	-653'098	-844'060
Additions to biological reforestation Assets	16	-65'499	-624'929
Purchase of intangible assets	19	-216'000	-56'220
Cash outflow from investing activities		-934'597	-1'525'209
FINANCING ACTIVITIES			
Sale of perpetual instruments	23	3'198'707	4'643'783
Sale of convertible loan notes	21	0	525'000
Repayment of loan		0	-100'000
Lease payments	18	-83'691	-62'668
Cash inflow from financing activities		3'115'016	5'006'115
Net change in cash and cash equivalents		-614'132	969'037
CASH FLOW RECONCILIATION			
Net cash 1 January	14	961'055	354'015
Net change in cash and cash equivalents		-614'132	969'037
Exchange gains / losses on cash and cash equivalents		7'092	-5'298
Net cash 31 December	14	354'015	1'317'754

TREECYCLE AG
Consolidated statement of changes in equity for the year ended 31 December 2025

2024 (all figures in CHF)	Share Capital	Perpetual Instruments	Currency Translation Reserve	Retained Earnings	Share of Minorities	Total
Balance January 01, 2024	100'000	16'298'651	-14'883	-11'484'933	221	4'899'056
Comprehensive income						
Profit of the period	0	0	0	2'329'326	-1'143	2'328'184
Other comprehensive income						
currency translation difference	0	0	-833		1'501	668
Total comprehensive income	0	0	-833	2'329'326	358	2'328'852
Sale Perpetual Instruments	0	3'198'706	0	0	0	3'198'706
Balance 31 December 2024	100'000	19'497'357	-15'716	-9'155'607	579	10'426'614
2025 (all figures in CHF)	Share Capital	Perpetual Instruments	Currency Translation Reserve	Retained Earnings	Share of Minorities	Total
Balance January 01, 2025	100'000	19'497'357	-15'716	-9'155'607	579	10'426'614
Comprehensive income						
Profit of the period	0	0	0	13'158'221	8'842	13'167'063
Other comprehensive income						
currency translation difference	0	0	11'949		800	12'749
Total comprehensive income	0	0	11'949	13'158'221	9'642	13'179'812
Sale Perpetual Instruments	0	4'643'784	0	0	0	4'643'784
Balance 31 December 2025	100'000	24'141'141	-3'767	4'002'615	10'221	28'250'209

TREECYCLE AG

Notes to the consolidated financial statements for the year ended 31 December 2025

1. GENERAL INFORMATION

TREECYCLE AG (formerly: Global TREE Project AG), referred as (the “Company”) is a joint stock company incorporated under Swiss laws (CHE-326.153.517). The registered office address is Rothusstrasse 15, 6331 Hünenberg, Switzerland. Global TREE Project AG consists of the Company and its controlled subsidiary GTP SA RUC No. 80101522 DV:7, with registered office at Gregorio Benitez Y Coronel Oviedo, Villarrica, Paraguay, referred as (“GTP SA”).

The principal activity of the Company is the advancement, planning and realization of ecologically sustainable projects. The current main activity is to arrange for funding for the purchase of land in Paraguay and to conduct extensive reforestation. The company is funding its activities through issuance of a Subordinated Perpetual Participatory Bond, whereby investors are being participated on any realized profits from harvesting of the trees.

The group of consolidated entities controlled by the company is referred as (the “Group”). The accounts are presented in Swiss Francs (“CHF”). The accounts of GTP SA are denominated in Paraguay Guarani (“PYG”).

2. BASIS OF PREPARATION, CONSOLIDATION AND MATERIAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements for the period 1 January 2025 until 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on the bases of historical cost or lower recoverable amount, except for biological assets that have been measured at fair value through profit and loss (FVTPL).

Basis of consolidation

The consolidated financial statements comprise of the financial statement of the Company and its 97% owned subsidiary GTP SA, whereby 3% are held personally on fiduciary bases by Alf Schröter to comply with local requirements. Thereby the Company has and executes the sole power to 1) define the strategy and operational concept of the subsidiary and b) appoints its directors at its fullest discretion by execution of absolute voting powers. GTP SA is fully controlled and hence fully consolidated.

The Group’s financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2025. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Foreign currency translation

Functional and presentation currency: Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are equally presented in Swiss Francs (CHF).

Transactions and balances: Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. 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 in profit and loss.

Group companies: The results and financial positions of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting period;
- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the exchange rates at the dates of the transactions, in which case income and expense items are translated at the exchange rates at the dates of the transactions); and
- iii. All resulting exchange differences are recognized in other comprehensive income.

a) Foreign currency rates

The following foreign currency rates have been used to recognize all effects of foreign currency translation. The applicable rates have been published by Schweizerische Eidgenossenschaft derived from UBS AG Zurich.

		2024				2025			
		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	1.0000	100.0%	1.0000	100.0%	1.0000	100.0%	1.0000	100.0%
Gurany	1 GYP	0.000115	100.0%	0.000117	92.9%	0.00012	104.2%	0.000115	109.6%

Revenue recognition

Revenue from contracts with customers is recognized when and to the extent an identifiable performance obligation arises. A performance obligation is expected to arise when control of the harvested wood is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the disposed harvest.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Income tax

Income tax expense represents the sum of current tax payable and deferred tax. Current tax is determined on the bases of the taxable profit for the year in each relevant jurisdiction.

Deferred tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases (temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profits in the future. Deferred taxable assets are recognized for all temporary differences that are expected to reduce taxable profit in the future as well as any unused tax losses or unused tax credits. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments to prior year assessments are recognized in profit or loss. Deferred tax is calculated using the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted at the end of the reporting period.

Due to the minimum initial harvesting period of five years and the uncertainty of generating future profit in early stages of the harvesting cycle, it is considered unlikely that sufficient taxable profits will occur to offset deferred tax assets. Unless an earlier taxable monetization will become likely to occur, such future tax benefits are and will remain not recognized as an asset. Likewise, and for the same reason, no netting will be accounted for between deferred tax assets and deferred tax liabilities on temporary differences.

Cash and Cash Equivalents

Cash comprises of cash in readily convertible currencies on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash in readily convertible currencies and which are subject to an insignificant risk of changes in value. Any liquid assets in the form of Cryptocurrencies are not considered cash and Cash Equivalents due to their missing status as legal tender currency.

Crypto Assets

Crypto Assets in the form of liquidly exchangeable digital tokens that are commonly used as means of exchange such as i.e. BTC and ETH are classified as Commodities. Those commodities are principally accepted as means of consideration for the Issuance of the perpetual instruments in the form of the TREE Token. They are held with the purpose of selling in the near future and for generating a profit from fluctuations. Under those circumstances, the Group is accounting for BTC and ETH as commodity inventory at fair value less costs to sell under IAS 2. Changes in fair value less cost to sell are recognized in profit and loss.

Reforestation Assets

At initial recognition and subsequent measurement reforestation assets are accounted for at fair value less cost to sell with changes in fair value through profit and loss (FVTPL). The fair value is internally measured as a Level 3 fair value measurement in accordance with IFRS 13 using an internally generated, income based, discounted cash flow model. The model is including all costs associated with the arrangement and execution of the sales transaction to the point where the performance obligation is established allowing for a recognition of revenue under the provisions of IFRS 15.

Inventory of harvested wood

Inventory of harvested wood not yet sold but held in inventory is measured at its fair value less costs to sell at the point of harvest, which becomes its initial cost for inventory accounting under IAS 2. The fair value is initially recognized at the expected economic benefits to be received upon harvest within the internally generated, cash-flow based valuation model in measuring fair value of reforestation assets (see Note 16) less reasonably expected cost of sales. Subsequent measurement is at the lower of its initially recognized amount and net realizable value.

Property, plant and equipment

Property, plant and equipment in the form of acquired land to be used for reforestation are measured at cost, less impairment. Costs include all costs incurred to acquire and prepare the land for its intended use, which is the readiness for plantation of the reforestation assets. The land is accounted for as an asset with indefinite useful life and no depreciation is accounted for.

Items of other property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives for all property, plant and equipment with definite useful life are 5 years. If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Leases

Each contract is assessed at inception, whether it constitutes or contains a lease. This is given, when the contract conveys the right to control the use of the identified asset for the period of use in exchange for substantially all of the economic benefits. The Group elected to apply the recognition exemptions to short-term leases and low value leases. For those leases no right-of-use asset and no lease liability are recognized, instead the lease payments are recognized as operating expenses.

At the commencement date, the lease liability is measured at the present value of future lease payments to be made over the lease term. Incremental borrowing rates are used for the discount rates. The right-of-use asset corresponds initially to the lease liability, plus any initial direct costs, advance payments and dismantling or removing costs. The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life. If at the end of the lease term the ownership of the leased asset is transferred to the lessee or the lessee is reasonably certain to exercise the purchase option, then the right-of-use asset is depreciated according to the useful life defined for property, plant and equipment.

Intangible Assets

Acquired intangible assets will be capitalized at cost and depreciated over their useful life period using straight-line method. Any further developments will be capitalized to the extent they enhance functionality or efficiency. If there is an indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization is revised prospectively to reflect the new expectations.

Impairment of assets

At each reporting date, property, plant and equipment and intangible assets with definite useful life are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there was an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognized immediately in profit or loss.

Provisions

Provisions are recognized when the group has an existing legal or constructive obligation as a result of a past event on or before the balance sheet date, and it is probable that the Group has to give up future economic benefits in order to repay the obligation. The provisions are measured at the

present value of the expected costs to be required in order to repay the present obligation at the balance sheet date. Provisions are not expected to be repaid within a year from the balance sheet date.

Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently reviewed for recoverability. A provision for non- or impaired recoverability due to credit risk of any kind is established once there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivable. Thereby 1) significant financial difficulties of the debtor, 2) knowledge of solvency concerns and the 3) receivable being more than 60 days overdue are considered indicators. The carrying amount of the receivable is reduced by the provision, which is charged against revenue in the income statement.

Trade payables

Trade payables are current financial obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency and translated into CHF using the exchange rate at the reporting date. Foreign exchange gains or losses are included in the finance cost or income.

Financial liabilities

At initial recognition, financial liabilities are accounted for at fair value plus transaction costs that are directly attributable to the assumption of the financial liability. In subsequent measurement, financial liabilities are measured at amortized cost using the effective interest method, where applicable. Financial liabilities meeting the criteria of being held for the purpose of trading are accounted for at fair value through profit and loss (FVTPL). All financial liabilities and related expenses are accounted for at settlement date.

Accrued expenses

Accrued expenses are accounted for goods and services obtained but not yet invoiced by the supplying company.

Employee benefits

Defined Contribution Plans: Any contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognized as employee benefit expense when they are due.

Defined Benefit Plans: To the extent a pension plan qualifies as a defined benefit plan, the obligation and costs of pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognized immediately when they occur. Remeasurements which comprise

actuarial gains and losses on the pension obligation, the return on plan assets and changes in the effect of the asset ceiling excluding amounts included in net interest, are recognized directly in other comprehensive income, and are not reclassified to profit or loss in subsequent periods. The pension obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the interest rate on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Profit participation on TREE Token

As per the commercial terms of the perpetual instrument, holders of TREE are eligible to participate on 40% on net operating cash flow. Given the nature of the TREECYCLE Project, such participation only arises upon successful harvest of trees and subsequent disposal to the wood market. The obligation for any participation hence only arises at the time of successful disposal and will consequently only be accounted for as an accrued liability if and when the obligation has arisen.

Determination of Fair Value

The Group uses the following hierarchy for determining and disclosing the fair value by valuation technique:

Level 1	Quoted 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

New or revised IFRS standards, amendments and interpretations

Certain IFRS and interpretations were revised or introduced.

Effective on or after 1 January 2025:

- Lack of exchangeability – amendments to IAS 21 - effective on or after 1 January 2025

None of the new standards or revisions had an impact on the financial statements of the Group.

Effective on or after 1 January 2026:

- Presentation and Disclosure in Financial Statements – IFRS 18 – effective from 1 January 2027
- Subsidiaries without public accountability – IFRS 19 – effective from 1 January 2027
- Amendments to Classification and Measurement of Financial Instruments – IFRS 7 and IFRS 9
- Sale or contribution of assets between an investor and its associate or joint venture – amendments to IFRS 10 and IAS 28 – optional adoption with indefinite effective date
- Contracts referencing nature dependent electricity – amendments to IFRS 9 and IFRS 7

As from 1 January 2027 and for the financial statements for the year 2027, IFRS 18 will be applicable. The standard will require the Group to change the format of the Income statement to a revised format by segmenting positions according to its operating, financing or investing nature. The standard will become retrospectively applicable.

Other changes are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

3. GOING CONCERN STATEMENT

The consolidated financial statements of the Group are prepared on a going concern basis. The company still has limited external revenue and the sale of TREE Token remain the main source of liquidity. The Board of Directors has assessed all measures at hand to assure going concern as follows:

Operating Cash Flow

The total operating expenses of the Group in Financial Year 2025 were CHF 3.5 Million with consistent expectation for the next 12-month ("NTM"). The NTM forecast assumes successful fundraising through placement of TREE Tokens. As per the date of these financial statements, the Group already generated revenues through placement of TREE Tokens in the amount of 75% of NTM forecast to the date of those consolidated financial accounts.

In consideration of repayment of financial liabilities and any other risks of unexpected liquidity constraints, Management further identified options to significantly reduce operating cash outflow on short notice. The main expenses incurred by the Company are Corporate Development, Compensation for Management and Marketing which are mostly of variable nature with short-term ability of reduction without any adverse effects on the growth of the plantations.

Financing Cash Flow from Token Issuance

As per the end of the reporting period, the Company raised CHF 24.1m with a raise in the reporting period of CHF 2.6m through the sale of TREE Tokens. With consolidated equity of CHF 28.2m first time exceeding accumulated capital raised, the Net Asset Value ("NAV") per TREE Token is in premium over issuance price. With expected further growth in NAV, the attractiveness of the TREE Token is significantly enhanced. Management therefore expects more favorable commercial circumstances to raise further capital through the sale of TREE Tokens.

Investing Cash Flow from Sale of Land to Third Party Investors

The company has used proceeds from the issuance of TREE in line with the permitted use of funds by the public offering prospectus. With Paraguay now being rated "Investment Grade" and the global sustainability trend, rapidly increasing, capital is seeking accelerated exposure in direct land ownership in Paraguay. This capital influx into Paraguay leads to increments in paid prices for land and improved market liquidity. In the event of a significant liquidity constraint, the Group could hence reasonably liquidate land within a time-period of maximum 6 months.

Conclusion

To assure going concern for 12 months of the date the financial statements have been approved, the management team and the Board of Directors conclude to have effective measures at hand which can be escalated in stages, should the sale of TREE Token fail to meet management expectation. The Board therefore concluded, that Going Concern is given.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts 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:

Subject matter	Estimates and assumptions
Fair Value measurements of afforestation Assets	Reforestation Assets are measured at fair value by an internally generated valuation model. Respective disclosure on all assumptions and estimates are provided in accordance with the requirements for Level 3 Fair Value under IFRS 13. The model is based on estimated fair value per planted tree, whereby the number of trees is a standard estimate of planted trees per Hectar of land. The determination of the number of trees and the identification of any factors which may impair the growth to expected mass of wood at harvest plus expected sales prices both involve a significant degree of judgement. Future expected cash flows are further discounted using Weighted Average Cost of Capital that is calculated based of available third-party market data for wood markets with risk adders for Paraguay and company size.
Segregation of costs for land acquisition and afforestation	The development of newly acquired land for intended use comprising of its naturalization as well as the building of needed access roads, bridges and canalization is mostly performed by the same third-party provider as the afforestation itself, while development costs and afforestation costs are accounted for using different policies. The allocation is made through segregated scopes of services and invoices. By nature, however, such allocation involves a fair degree of judgement and onsite monitoring for plausibility towards adequate accounting for under IAS 16 at amortized costs or IAS 41 at fair value.

Impairment of assets	The Group acquires sizable parcels of land of up to 1'000 hectares. Such land naturally spreads over a terrain with diverting qualities in soil, availability of water or exposure to other adverse conditions for intended use. Despite the use of technology in monitoring land and plantation, estimates and assumptions are required in identifying any indicator of impairment of the acquired land or the afforested plantation.
Provision and contingencies	Despite Due Diligence in the acquisition of land and active monitoring of the afforestation itself, judgement is required in identifying any risks of future economic outflows requiring accounting for a provision or disclosure of a contingent obligation.

5. FINANCIAL INSTRUMENTS

The Group applies the following accounting policies to account for its financial instruments.

Nature of Financial Instrument	Class	Policy
Trade and other receivables	Asset	Amortized Cost
Trade and other payables	Liability	Amortized Cost
Long-term financial liabilities	Liability	Amortized Cost

6. FINANCIAL RISK MANAGEMENT

In the normal course of business, the Group is exposed to changes in market risk, liquidity risk and credit risk. The Group's financial risk management seeks to minimize potential adverse effects on financial performance. Risk Management is carried out by the Group's finance department under conditions approved by the Board of Directors.

Market risk

- **Interest rate risk:** The Group has no interest-bearing assets exposing the Group to interest rate risk due to variable interest rates.
- **Foreign Currency risk:** The Group only has one subsidiary operating in Paraguay. The Paraguay Company only acts as the legal owner of the land, whereby all other assets, mainly the biological assets, are owned by the Company being denominated in Swiss Francs as the functional and reporting currency. The currency risk between the Paraguay Guarani and Swiss Francs is limited to the valuation of the land as well as the price assumptions for harvested wood to the model used in assessing fair value of biological assets (see note 16). The Group is not actively managing the currency risk by way of hedging or shifting exposure. The sensitivity analysis below is limited to the currency impact of translating the financial accounts denominated in foreign currency, based on the exposure on 31 December and assumptions that have been deemed reasonable by 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.

Reasonable Shift of +/- 10%	2024		2025	
	P&L Impact	Equity Impact	P&L Impact	Equity Impact
	CHF	CHF	CHF	CHF
Guarani / Swiss Francs	3'741	1'517	24'044	28'409

- **Price risk:** The Group is conducting reforestation for subsequent sale of the wood by different types of usage. The Group is therefore exposed to price risk in the wood market. The price risk is managed by adjusting the time of harvest and the type of wood product to be sold during the harvesting process. The Group also is exposed to price risk on the land in Paraguay, whereby a drop of traded price for similar land parcels may only be an indicator for an impairment. The recoverable amount is however determined using the land by its intended use in reforestation.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group is exposed to substantial liquidity risk due to the absence of sellable products until first expected harvest in 2027. The CFO monitors rolling cash flow forecasts and maintains flexibility in funding by monitoring liquidity headroom to cover financial liabilities.

The Group has the proven track-record to raise sufficient capital for covering operational costs through sale of TREE Token. Liquidity risk is managed by a staged escalation plan with first line being the sale of TREE Token, second line the cutting of operational variable expenses and third line the disposal of land in Paraguay.

Since the operations of the Group shall be funded via the issuance of the TREE Token, the Group does not have a refinancing risk but more a liquidity risk to pay third-party liabilities. All related party liabilities are connected to key companies or key management involved in the project, whereby extensions in repayment terms have contractually been agreed to maintain the solvency of the Group if required.

The following table analyses the Group's remaining contractual maturities, including expected future interest payments for financial liabilities at incremental contractual or fair market borrowing rates:

31 December 2024	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
	CHF	CHF	CHF	CHF
Trade and other payables (third party)	1'359'389	0	0	1'359'389
Trade and other payables (related party)	155'251	0	0	155'251
Financial liabilities (third party)	200'445	679'056	0	879'500
Financial liabilities (related party)	0	100'090	0	100'090
Lease Liability	70'778	137'382	41'624	249'784
Total	1'785'863	916'528	41'624	2'744'014

31 December 2025	Less than 1 year CHF	Between 1 and 2 years CHF	Over 2 years CHF	Total CHF
Trade and other payables (third party)	1'501'131	0	0	1'501'131
Financial liabilities (related party)	1'295'465	0	0	1'295'465
Financial liabilities (third party)	0	780'873	315'590	1'096'463
Lease Liability	70'778	81'744	0	152'522
Total	2'867'374	862'617	315'590	4'045'581

Credit Risk

Credit risk is managed on a Group basis from the Swiss parent company. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as, to the extent applicable, outstanding receivables and committed transactions. The Credit Risk is monitored by selecting and assessing the risk of default of the financial institutions where the assets are held in custody and the solvency of operational accounts receivable counterparties. The Group is using publicly available ratings to assess the risk of default and to measure any potential loss for banks and financial institutions to assess the risk of loss on deposits as well as any indications of impaired solvency of operational counterparties, whereby the Group will require adequate advance payments in case of doubt.

Capital Management

When managing capital, the Company's primary objectives are to safeguard the Group's ability to continue as a going concern by raising sufficient capital through sale of TREE Token as the sole source of funding with secondary objectives in growing NAV per issued TREE Token.

Capital Management remains an area of emphasis until first harvest. Since reforestation assets are measured at fair value less cost to sell by using an income approach, a successful reforestation results in an immediate appreciation of fair value, which shall be realized in stages over the harvesting cycles of five, nine and thirteen years. To the extent the Group manages to continue reforestation for each financial year, the capital structure is expected to rapidly improve until first realization. Following first harvest, the TREETCYCLE Project should allow for a rolling cycle of fair value increments and realized harvest proceeds every year. In the absence of any leverage, and the TREE qualifying as equity under IAS 32, the intended capital structure shall develop towards near full equity based. Consequently, Capital Management remains a key risk until 2027 where first harvest shall be realized.

The Group's equity ratio compares the total shareholders equity plus Perpetual Instruments to the total assets as presented in the consolidated statement of financial position. Capital is considered attributable to holders of the Company and the holders of the perpetual instruments. There were no changes in the Group's approach to capital management during the year.

Guarantees and pledges

No assets have been pledged as per 31 December 2025 and 2024.

7. GAIN FROM CHANGES IN FAIR VALUE FROM REFORESTRATION ASSETS

	2024	2025
	CHF	CHF
Change in forestation	3'097'466	12'114'749
Change in grown wood mass	757'215	1'692'203
Change in harvest cycle	0	-148'474
Currency difference	-7'960	1'669'519
Change in discount rate	1'681'947	3'899'586
Other changes in Fair Value	-15'631	0
Total gain from changes in fair value of reforestation	5'513'037	19'227'583

Change in forestation: In 2025 the Group reforested 600ha (PY 147ha) by planting 600'000 trees (PY 147'000 trees). Upon completed plantation, the trees are becoming valued for fair value which resulted in a fair value gain of CHF 12'114'749 (PY: 3'097'466).

Change in grown wood mass: The change in grown wood mass represents the continued growth of the trees planted in prior financial years according to the calculations of the internally generated valuation model for the determination of fair value.

Change in discount rate: For the measurement of reforestation assets for fair value the applied discount rate could have been lowered to 9.15% (PY: 10.34%). The lowering of the discount rate was a result of 1) reduced benchmark industry WACC for Agriculture and Forestry in the United States to 7.10% (PY 7.88%), which reflects a lower global market risk benchmark for the industry of the Company and 2) a reduced Risk Free Rate for Paraguay to 1.17% (PY: 1.59%) which reflects the ongoing effects of Paraguay having been rated "Investment Grade" by global rating agencies.

Currency difference: The currency difference reflects the change in exchange rate on expected cash flows between the presentation currency and Paraguay Guarani.

8. CORPORATE DEVELOPMENT

	2024	2025
	CHF	CHF
Third Party Services	-185'422	-223'242
IT Infrastructure	-123'446	-146'983
Consultancy	-213'777	-164'898
Other	-86'930	-71'140
Total corporate development expenses	-609'575	-606'263

9. PERSONNEL EXPENSES

	2024	2025
	CHF	CHF
Wages and salaries	-393'465	-516'117
Social security costs	-23'898	-30'927
Family allowances contribution	-6'295	-6'968
Pension costs	-28'593	-39'263
Accident insurance	26	-3'613
Other	-1'441	-3'651
Total personnel expenses	-453'666	-600'539

10. MARKETING AND SALES

	2024	2025
	CHF	CHF
Brand Marketing	-550'608	-389'943
Events and Representation	-15'472	-23'180
Sales Commissions	-286'340	-238'727
Other	-22'773	-26'682
Total marketing and sales expenses	-875'193	-678'532

11. ADMINISTRATION

	2024	2025
	CHF	CHF
Office Costs	-59'269	-86'569
Transportation	-5'422	-35'631
Accounting and audit	-91'735	-122'475
Administration expenses	-52'058	-127'064
Communication	-3'609	-5'006
Other	-21'440	-18'840
Total administration expenses	-233'533	-395'585

12. FINANCIAL EXPENSE

	2024	2025
	CHF	CHF
Interest expense	-12'729	-25'349
Bank charges	-21'672	-23'204
Currency Differences	80'002	78'180
Total financial income and (expenses)	45'601	29'627

Crypto related income and expense contains changes in fair value of Bitcoin (BTC) and Ethereum (ETH) received from subscriptions in TREE in prior years.

13. INCOME TAXES

Major tax components

	2024	2025
	CHF	CHF
Current tax expense / (income)	-11'940	-38'061
Deferred tax expense / (income) on temporary differences	-684'822	-2'298'900
Total income taxes	-696'762	-2'336'961

Current tax

Current tax expense is calculated by applying the respective applicable tax rate in the jurisdiction the Group has a legal presence. The Group does not have any tax-deductible loss carry-forwards to be offset against future taxable income.

Deferred tax assets / liabilities

	2024	2025
	CHF	CHF
Fair Value adjustment on biological assets	1'178'661	3'455'093
Leases	-12'231	-11'513
Total deferred tax liability on temporary differences	1'166'430	3'443'580

Due to the unlikely event that any positive temporary differences, leading to a tax asset, will be recoverable in the future, no tax asset from the following temporary differences has been accounted for.

	2024	2025
	CHF	CHF
Cost coverage TREE Token	2'142'316	2'656'834
Crypto Assets held for sale	981	981
Total deferred tax asset on temporary differences	2'143'297	2'657'815

Deferred tax income / (expense)

	2024	2025
	CHF	CHF
Total deferred tax assets / (liabilities) on 1 January	-506'071	-1'190'893
Deferred tax income / (expense)	-684'822	-2'298'900
Deferred tax (charge) in other comprehensive income	0	0
Total deferred tax assets / (liabilities) on 31 December	-1'190'893	-3'489'793

Reconciliation of tax expenses / (income)

The weighted average applicable tax rate, considering all profit- and loss-making entities, was 11.96% (previous year 12.2 %) and is calculated based on the applicable jurisdictional tax rate, expected to apply for the future reverse of temporary differences. All items of deferred tax liability

will reverse on the accounts of the Company in Switzerland. The weighted average applicable tax rate is hence the tax rate applicable in the Canton of Zug and the community of Hünenberg. The applicable tax rate changed due to the lowering of the cantonal tax implied in 2025.

	2024	2025
	CHF	CHF
Net profit / (loss) before tax	3'024'946	15'504'023
Tax using the Group's tax rate of 12.0% (PY 12.2%)	-369'043	-1'854'281
Tax effect of		
- Unrecognized tax assets on temporary differences	-295'750	-495'094
- Use of deductible loss carry forward		12'543
- Change in applicable tax rate	37'888	2'799
- Non taxable income / expense	-69'857	-2'928
Total income taxes	-696'762	-2'336'961

14. CASH AND CASH EQUIVALENTS

	31.12.2024	31.12.2025
	CHF	CHF
Cash at bank	354'015	1'317'754
Total	354'015	1'317'754

15. CRYPTO ASSETS HELD FOR SALE

	31.12.2024	31.12.2025
	CHF	CHF
Bitcoin	93'570	75'833
Ethereum	16'342	12'530
Costs to sell	-980	-980
Total	108'932	87'383

The Company accepts Bitcoin (BTC) and Ethereum (ETH) as means of investment for the subscription to the TREE Token. The Crypto Assets are held on custodial wallets with professional suppliers of custody service. None of those assets are held on any exchange wallet.

16. BIOLOGICAL REFORESTRATION ASSETS

Reconciliation of changes in Carrying Amount

	31.12.2024	31.12.2025
1 January	4'565'768	10'144'304
Purchase of Reforestation Assets	65'499	624'929
Change in Fair Value per IAS 41 (Note 7)	5'513'037	19'227'583
31 December	10'144'304	29'996'816

Nature of the Assets

The objective of the TREECYCLE Project is to plant 1'000 hybrid Eucalyptus Trees per hectare of acquired land. The Trees are strong, pest-resistant and possess high growth yield. They initially gain height up to 5 years from plantation before they grow width up to 9 years from plantation followed by gaining density for enhanced wood quality. The TREECYCLE project and the valuation model follows this natural routine of growth and harvest in a perpetual cycle of 13 years whereby Year 1 and 2 are reserved for planting and maintenance of seedlings. In year 6 the trees reach heights of 20 meters and 30 cm in diameter whereby they need space. Every second tree (50%) is therefore harvested. The wood is used in paper and energy production or to make posts. In year 10 an additional harvest is performed in order to ensure that the remaining trees have sufficient space and light, whereby about 19% of trees will be harvested. At this stage, the trees are approximately 45 cm in diameter. The harvested trees are sold and used for parquet flooring and general timber. In year 13 the final harvest takes place as the trees have grown to 60 cm in diameter. Most of the wood is sold to the furniture, veneer, roof and parquet industry. After the first full planting and harvesting cycle new seedlings will be planted in order to start a new cycle.

Valuation Process

The Group has a team lead by Chief Financial Officer and the local team of experts that performs the valuation of the reforestation assets. The Chief Financial Officer holds relevant internationally recognized experience in valuation techniques and the local team of experts do contribute an extensive track record in executing reforestation projects in Paraguay as well as all relevant data sources on key assumptions such as growth patterns of Eucalyptus Trees, and wood prices for the different types of wood over the cycle. Due to the early stage of the Group's reforestation activity and the related absence of internally generated, historically substantiated data, management had to determine key assumptions on plantation growth and harvest proceeds based on expertise and data provided by third parties which have been externally validated to best extent available.

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 trees per hectare, 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 Board of Directors semi-annually.

Methodology and assumptions used in determining fair value

The determination of the fair value is conducted by Level 3 fair value measurement according to IFRS 13 based on a base case management expectation scenario. The valuation model considers the present value of the net cash flows expected to be generated from the natural plantation management activities over a full cycle of 13 years.

Since management was able to provide reliable cash flow estimates, the group utilized the Income Approach, specifically the Discounted Cash Flow (DCF) Method for determine the fair value of the

biological assets. The DCF Method is a commonly used method for valuing biological assets based on its expected future cash flows. The following significant assumptions were adopted by the group to determine the fair value of the reforestation assets:

Price assumptions: The price assumptions are split by the different qualities of wood being energy wood, poles, value wood and wood laminates. All prices used are based on current traded prices and indexed by the currently applicable and expected inflation rates in Paraguay.

Harvesting cycle: The revenue at each point of harvest is calculated by the number of trees harvested and the respective revenue for the specific wood class in accordance to the maturity of the harvested trees.

Harvest costs: The costs of harvesting are assumed to be 10%

Discount rate: In determining the pre-tax weighted average cost of capital (WACC) a group rate of 9.15 % (2024: 10.34%) has been applied considering the following input-factors:

	31.12.2024	31.12.2025
WACC for Framing / Agriculture US	7.43%	7.27%
WACC for Paper / Forest Products US	8.32%	6.93%
Average US Comparable Industry WACC (A)	7.88%	7.10%
Risk Free Rate Paraguay	6.38%	6.01%
US Risk Free yield (30 year treasury yield)	4.79%	4.85%
Paraguay Risk Free Rate Adder (B)	1.59%	1.17%
Small Company Risk Premium (C)	0.88%	0.88%
Adjusted Paraguay Timber Rate (A + B + C)	10.35%	9.15%

Risk management strategies

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

Operational risks: The TREECYCLE Project is subject to various operational risks. This includes, but is not limited to early stage demise of newly planted trees force majeure events (such as fires, explosions, earthquakes, cyclones, hurricanes, floods, droughts or such other extreme weather or environmental conditions), plant diseases, climate changes, temporarily or permanently insufficient workforce, temporary or permanent unavailability of proper infrastructure, theft of machinery, equipment and/or wood as well as improper execution of logging, transport and interim storage of harvested timber. Adverse weather conditions (long periods of rain or drought) may damage the new plantings and make replanting necessary, which would result in considerable additional costs and delays in realizing planned harvests.

Market related risks: The TREECYCLE Project is subject to various market related risks. These risks include, but are not limited to, volatility of wood prices, collapse of the wood market, lack of demand for the timber produced and harvested. Demand for products might also adversely be

affected by adverse economic developments such as high inflation leading to higher applicable discount rates.

Political risks: The TREETCYCLE Project is subject to various political risks, including, but not limited to, political turmoil, unrest, war, hostilities, requisition, embargo, rebellion, revolution, insurrection, or military or usurped power or civil war.

Legal and regulatory risks: The TREETCYCLE Project is subject to various legal and regulatory risks, including, but not limited to, the change or different interpretation of laws and regulations concerning land ownership, forestation, environmental protection and timber trade.

Sensitivity analysis

Assuming all other unobservable inputs are held constant, the following changes in these below assumptions will cause a change in the fair value of the biological assets. The below sensitivity analysis as per 31 December 2025 shows how the present value of the discounted cash flows would be affected if the key sensitivity parameters were used to determine discounted cash flows. An increase by the same percentage would have the opposite effect on the valuation.

		<i>Change in fair value</i>	
		31.12.2024	31.12.2025
Sales price of harvested wood	-20.00%	-1'909'595	-6'221'745
Harvest Costs	50.00%	-522'574	-1'841'649
Delay in harvesting cycle	2 years	-1'764'494	-4'816'699
Loss in harvested volume	-30.00%	-3'324'075	-9'482'819
Increase in industry WACC	50.00%	-3'355'773	-9'462'829
Country adder to Risk Free Rate	50.00%	-799'248	-1'835'581

Additionally, management is observing relevant scenario analysis which depart from the applied management base case scenario. Such deviation would have the following effect on the fair value of the biological assets.

		<i>Change in fair value</i>	
		31.12.2024	31.12.2025
Pessimistic Scenario	-50%	-5'732'953	-16'761'990
Management Scenario	0%	0	0
Optimistic Scenario	50%	5'733'691	15'532'784

17. PROPERTY PLANT AND EQUIPMENT

	Land	Equipment	Total
Cost	CHF	CHF	CHF
1 January 2024	697'329	177'541	874'870
Additions	1'788'606	67'204	1'855'810
Reclassification to reforestation assets	-146'740	0	-146'740
31 December 2024	2'339'195	244'745	2'583'940

Accumulated depreciation			
1 January 2024	0	-9'933	-9'933
Depreciation	0	-19'009	-19'009
31 December 2024	0	-28'942	-28'942

Carrying amount 31 December 2024	2'339'195	215'803	2'554'998
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	Land	Equipment	Total
Cost	CHF	CHF	CHF
1 January 2025	2'339'195	244'745	2'583'940
Additions	828'860	15'200	844'060
Exchange differences	-85346	1796	-83'550
31 December 2025	3'082'709	261'741	3'344'450

Accumulated depreciation			
1 January 2025	0	-28'942	-28'942
Depreciation	0	-39'130	-39'130
31 December 2025	0	-68'072	-68'072

Carrying amount 31 December 2025	3'082'709	193'669	3'276'378
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Land includes all land acquired in Paraguay for conducting subsequent reforestation. The land has an indefinite useful life subject to impairment which was nil in 2025 (2024; nil).

Equipment consists of minor office equipment and IT Hardware. Which is linearly depreciated over the useful life of 5 years.

18. LEASES

Right of use assets

	Vehicles	Office Rent	Total
Cost	CHF	CHF	CHF
1 January 2024	0	0	0
Additions	32'326	275'531	307'857
31 December 2024	32'326	275'531	307'857

Accumulated depreciation			
1 January 2024	0	0	0
Additions	-10'775	-60'116	-70'891
31 December 2024	-10'775	-60'116	-70'891

Carrying amount 31 December 2024	21'551	215'415	236'966
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	Vehicles	Office	Total
Cost	CHF	CHF	CHF
1 January 2025	32'326	275'531	307'857
31 December 2025	32'326	275'531	307'857
Accumulated depreciation			
1 January 2025	-10'775	-60'116	-70'891
Depreciation	-10'775	-60'116	-70'891
31 December 2025	-21'550	-120'232	-141'782
Carrying amount 31 December 2025	10'776	155'299	166'075

Right of use assets comprise of the office lease at the head-quarter of the company and the corporate vehicle, which are both amortized by way of straight-line monthly depreciation over the term of the lease agreement until first termination right on 1. August 2028 for the office lease and 1. June 2027 for the vehicle. Both agreements contain extension options, which have not been accounted for. The Company intends to extend the office lease which would lead to a remeasurement of the right of use asset as well as the lease liability under the extended terms of the lease. The Company intends not to extend the leases for vehicles.

Lease liabilities

Lease Liability	31.12.2024	31.12.2025
	CHF	CHF
At 1 January	0	220'169
Additions	307'857	0
Interest expenses	-3'997	-3'183
Downpayments	-83'691	-59'486
At 31 December	220'169	157'500
Thereof current	70'778	70'778
Thereof non-current	149'391	86'722

19. INTANGIBLE ASSETS

	TREE Platform	Total
Cost	CHF	CHF
1 January 2024	603'900	603'900
31 December 2024	603'900	603'900
Accumulated depreciation		
1 January 2024	0	0
Depreciation	-120'780	-120'780
31 December 2024	-120'780	-120'780
Carrying amount 31 December 2024	483'120	483'120

	TREE Platform	Total
Cost	CHF	CHF
1 January 2025	483'120	603'900
Additions	56'220	56'220
31 December 2025	603'900	660'120
Accumulated depreciation		
1 January 2025	-120'780	-120'780
Depreciation	-120'780	-120'780
31 December 2025	-241'560	-241'560
Carrying amount 31 December 2025	418'560	418'560

Acquired intangible assets are the third-party costs incurred for the development of the customized platform allowing to onboard subscribers to the TREE Token, to conduct relevant checks on compliance, the handling customer related marketing and information activities as well as to provide all essential information to manage the TREE Token. The development was completed end 2023 and will be amortized over its estimated useful life of 5 years using the straight line method starting expecting full depreciation at the end of 2029.

20. TRADE AND OTHER PAYABLES

	31.12.2024	31.12.2025
	CHF	CHF
Accounts payables suppliers and administration	406'188	488'298
Accounts payables social security	27'522	34'458
Deferred payments land acquisition	925'679	978'375
Employees and Management	155'251	1'295'465
Total	1'514'640	2'796'596
<i>Thereof third-party</i>	<i>1'359'389</i>	<i>1'501'131</i>
<i>Thereof related-party</i>	<i>155'251</i>	<i>1'295'465</i>

Trade and other payables (related party) contains the obligation to pay the performance related management fee. The public offering prospectus applying to the first public offering permitted for 2.0% on the first CHF 20m raised, which has been achieved in the second quarter of 2025. The public offering prospectus applying to the second public offering as approved by the Financial Market Authority in the Principality of Liechtenstein on 11 June 2025, permits for 2.0% on capital raised and 11.0% on invested funds in land and afforestation. Total performance-based management fee in the amount of CHF 1'295'465 (PY: Nil) relates to the first prospectus in the amount of CHF 1'000'000 and to the second prospectus in the amount of CHF 295'465.

21. FINANCIAL LIABILITIES

	31.12.2024	31.12.2025
	CHF	CHF
Long term interest bearing liabilities	400'889	544'462
Long term non interest bearing liabilities	100'000	0
COVID-19 Loan	478'045	480'738
Total	978'934	1'025'200
<i>Thereof ranking junior</i>	<i>100'000</i>	<i>0</i>
<i>Thereof ranking senior</i>	<i>878'934</i>	<i>1'025'200</i>

Long term interest bearing liabilities: The position refers to a convertible loan note subscribed by and through a private offering to selected investors in the second quarter of 2025 to grant the Company a loan to acquire more land for afforestation. The loan has an initial maturity to 31 December 2026 with automatic extension if not given notice to and a fixed interest of 5.00% with right of increase up to 7.00% based on extension and amount subscribed. At the discretion of the subscriber, the loan may be repaid at initial or extended maturity or converted into TREE Token using the prevailing issuance prices at the date of conversion. The choice between conversion and repayment constitutes an option right which qualifies as an embedded derivative. The fair value of such derivative is solely dependent on the expected future development of the value of TREE Token, which, in the absence of liquid market data, cannot reasonably be estimated. The company consequently measures the fair value of the embedded derivative at zero.

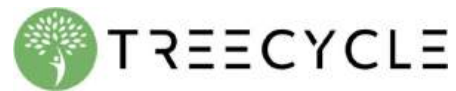
Covid-19 loan: In April 2020 the Company applied for and received a state arranged long-term bank overdraft in the amount of CHF 0.5 Million to support during the hazards of COVID-19. The facility was granted through a Swiss Bank and backed by an indirect state guarantee whereby the commercial terms are determined through the respective state ordinance allowing for an interest free-period of three years followed by a 1.5% p.a. interest rate until maturity of initially 5 years and subsequently extended to 7 years with early repayment right. In Mai 2022, the issuing bank past the loan to the state guarantee institution, whereby the state ordinance allows the bank to do so on an informal conduct with unchanged commercial terms.

22. SHARE CAPITAL

The Balance as at 31 December 2025 comprises 10'000'000 common shares (prior year: 10'000'000) at CHF 0.01 par value per share, fully paid in, in one single share-class with no preferential rights of any kind. None of There are no potential shares in the form of permissioned capital or any form of conversion rights outstanding.

23. PERPETUAL INSTRUMENTS

	2024		2025	
	TREE	CHF	TREE	CHF
Issued TREE Token 1 January	791'608	16'298'651	956'891	19'497'357
Annual Issuance	165'283	3'198'706	245'828	4'643'784
Issued TREE Token 31 December	956'891	19'497'357	1'202'719	24'141'141



The Perpetual Instruments are substantially a Subordinated Perpetual Participatory Bond which is represented by the issuance of maximum 9'430'000 TREE Token. The funds are used to cover the comprehensive costs and expenses of the TREECYCLE Project, which comprises of the acquisition of land in Paraguay, the afforestation of said land and the sale of harvested wood in different forms to local wood markets. The TREECYCLE Project includes the acquisition of about 10,000 hectares of land and the planting of about 10 million trees. As per the terms of the TREE Token, the Group will distribute 40% of net operating cash flow to Tokenholders, reinvest 50% of net operating cash flow back into the TREECYCLE Project and use 10% of net operating cash flow to support projects for the protection of jungle and natural forests as well as social projects designated by the Issuer's Board of Directors.

The TREE Token neither gives any right of regular payments in the form of fixed interest nor for a repayment. Due to the nature of the TREECYCLE Project net operating cash flows will be generated only if and when the afforestation and the sale of harvested wood can be successfully completed. Such is subject to, and conditional upon, a successful afforestation and distribution of harvested wood. Since the issuer has no contractual obligation for interest payments, a repayment may only arise upon the liquidation of the company and the returns are dependent on the performance of the assets which factually stipulates the profile of an Equity investment.

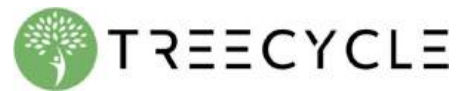
The TREE Token is governed by a securities offering prospectus, that is prepared in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC in connection with Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. The first prospectus has been approved by the Liechtenstein Financial Market Authority on 14 February 2024 with incremental validity until 15 February 2025. The second prospectus has been approved by the Liechtenstein Financial Market Authority on 11 June 2025 with incremental validity until 10 June 2026.

According to the passporting-rights in the European Union, the approved prospectus has been and will be notified to Germany and Austria. In addition, the Swiss Financial Market Authority granted respective distribution permission for Switzerland.

24. OTHER FINANCIAL OBLIGATIONS AND CONTINGENT LIABILITIES

As part of the terms to the TREE Token, the issuer has the contingent obligation to distribute 40% of net operating cash flow to holders of the TREE Token. Neither in 2025 nor for the years before have positive net operating cash flow been generated.

The Company previously outsourced the comprehensive handling of the land preparation, the plantation and the harvesting to La Rivera. In the third quarter of 2024, the Company has given notice of termination to La Rivera on the existing contract and invited the same for renegotiations. According to the previous contract and subject to successful harvesting plus distribution of the harvested wood, the Company had a contractual obligation to pay 18.75% of the revenue to La Rivera as a success fee on plantations taken care of by La Rivera. Given the terminated agreement the likelihood of such performance component is unlikely but may still occur depending on the outcome of ongoing settlement negotiations.



Despite the Company being the legal owner of the plantation in Paraguay, there is risk, that its activity on the grounds of Paraguay may constitute a taxable branch, leading to an additional direct and indirect tax obligation in Paraguay. The Company is assessing the likelihood of occurrence below 50%. In view of first harvest in 2027, the Company will assess further and consider corrective structural measures.

25. GEOGRAPHIC REPORTING

In the reporting periods 2025 and 2024, the strategy of the Group continued to be concentrated on the development of the TREECYCLE project as one comprehensive line of business under direct decision making by and reporting to the Board of Directors with no further segmentation. The TREECYCLE project consists 1) of the issuance of perpetual instruments basically in the form of the TREE Token, 2) the acquisitions of land and its afforestation in Paraguay and 3) the distribution of respective profit shares to Tokenholders. Consequently, the consolidated statement of profit and loss as well as the consolidated statement on comprehensive income is identical to the income statement for the sole operating segment. Likewise, the assets and liabilities for the sole operating segment are identical as reported in the consolidated statement of financial positions.

Geographic information

The Group is operationally active in Switzerland and Paraguay, whereby the GTP SA owns the land with all other assets and liabilities owned by the Company. Except for immaterial costs at GTP SA, all revenues and costs are incurred by the Company. Likewise, all funding through issuance of the perpetual instrument is arranged and incurred by the Company in Switzerland.

Geographic allocation of assets - 31 December 2024	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Biological Reforestation Assets	10'144'304	0	10'144'304
Property Plant and Equipment	2'363'858	191'139	2'554'997
Right to use Assets	0	236'966	236'966
Intangible Assets	0	483'120	483'120
Current assets	7'478	904'385	911'863
Total	12'515'641	1'815'610	14'331'250

Geographic allocation of liabilities - 31 December 2024	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Trade and other payables	1'202'668	311'972	1'514'640
Deferred tax liabilities	0	1'190'894	1'190'894
Long term financial liabilities	0	978'934	978'934
Lease liability	0	220'168	220'168
Total	1'202'668	2'701'968	3'904'636

Perpetual Instrument	0	19'497'357	19'497'357
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Geographic allocation Statement of Profit and Loss 2024	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Gain from changes in fair value of biological assets - reforestation	5'513'037	0	5'513'037
Other income	0	25'495	25'495
Operating expense	-20'747	-2'311'032	-2'331'779
Depreciation, amortization and impairment	-16'728	-210'680	-227'408
Financial Expense net	230	45'371	45'601
Taxation	0	-696'762	-696'762
Net Profit (+) / Loss (-)	5'475'792	-3'147'609	2'328'184

Geographic allocation of assets - 31 December 2025	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Biological Reforestation Assets	29'996'816	0	29'996'816
Property Plant and Equipment	2'639'388	636'990	3'276'378
Right to use Assets	0	166'075	166'075
Intangible Assets	0	418'560	418'560
Financial Assets	0	351'839	351'839
Current assets	47'871	1'518'363	1'566'234
Total	32'684'075	3'091'827	35'775'902

Geographic allocation of liabilities - 31 December 2025	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Trade and other payables	978'375	1'818'221	2'796'596
Deferred tax liabilities	0	3'489'793	3'489'793
Long term financial liabilities	0	1'025'200	1'025'200
Lease liability	0	157'500	157'500
Total	978'375	6'547'316	7'525'691

Perpetual Instrument	0	24'141'141	24'141'141
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Geographic allocation Statement of Profit and Loss 2025	Paraguay	Switzerland	Group
	CHF	CHF	CHF
Net revenue	21'900	0	21'900
Gain from changes in fair value of biological assets - reforestation	19'227'583	0	19'227'583
Other income	0	44'073	44'074
Operating expense	-46'926	-3'541'432	-3'588'358
Depreciation, amortization and impairment	-9'865	-220'936	-230'801
Financial Expense net	227'303	-216'842	29'627
Taxation	-26'716	-2'310'245	-2'336'961
Net Profit (+) / Loss (-)	19'371'379	-6'245'382	13'167'063

Reforestation Assets are legally owned by the Swiss Company but physically planted in Paraguay.

26. RELATED PARTY TRANSACTIONS

Intercompany Transactions

Transactions between the company and the subsidiary, which is a related party, have been eliminated on consolidation.

Parent and ultimate controlling party

2024

<i>Shareholder - 31 December 2024</i>	<i>Beneficiary</i>	<i>Shares</i>	<i>Percent</i>
Alffs GmbH, Hünenberg (Switzerland)	Alf Schröter	4'210'000	42.10%
MC Freedom Holding GmbH, Hünenberg (Switzerland)	Jörg Schäfer	4'590'000	45.90%
Proindex Capital AG, Wülfershausen (Germany)	Andreas Jelinek	1'200'000	12.00%
<i>Total</i>		<i>10'000'000</i>	<i>100.00%</i>

2025

<i>Shareholder - 31 December 2025</i>	<i>Beneficiary</i>	<i>Shares</i>	<i>Percent</i>
Global TREE Project AG, Hünenberg (Switzerland)	Alf Schröter, Jörg Schäfer	8'800'000	88.00%
Proindex Capital AG, Wülfershausen (Germany)	Andreas Jelinek	1'200'000	12.00%
<i>Total</i>		<i>10'000'000</i>	<i>100.00%</i>

In first quarter 2025 Alffs GmbH and MC Freedom GmbH newly incorporated Global TREE Project AG, Hünenberg (Switzerland) and contributed all shares held in the Company in exchange for newly issued shares in Global TREE Project AG, which forthwith holds 88.0% of all shares in the Company as its controlling shareholder.

Key management compensation

Board Compensation: Members of the Board of Directors are all directly or indirectly shareholders of the Company and are currently compensated at CHF 37'665 (PY: 39'900) per Board-Member and year for the performance of their duties.

Fixed Compensation for Executive Management: Executive Management comprising of six members (PY: six) is compensated by way of advisory agreements with one member being employed by the Company. Total compensation paid to executive management was CHF 698'219 (PY: 644'600) with the highest individual compensation being CHF 378'727 (prior year CHF 358'048).

Performance based Compensation for Executive Management: The public offering prospectus applying to the first public offering permitted for 2.0% on the first CHF 20m raised, which has been achieved in the second quarter of 2025. The public offering prospectus applying to the second public offering as approved by the Financial Market Authority in the Principality of Liechtenstein on 11 June 2025, permits for 2.0% on capital raised and 11.0% on invested funds in land and afforestation. Total performance-based management fee in the amount of CHF 1'295'465 (PY: Nil) relates to the first prospectus in the amount of CHF 1'000'000 and to the second prospectus in the amount of CHF 295'465.

Global TREE Project AG, Switzerland

As per 31 December 2025 and with effect from 1 January 2026, the Company entered into a comprehensive management agreement with Global TREE Project AG, the newly established controlling parent of the Company. All management costs, except directly attributable third-party expenses will forthwith be borne by Global TREE Project AG and invoiced on cost-plus basis to the Company.

In the context of establishing the new management agreement, the company established a short-term receivable in the amount of CHF 351'839 which contains 1) the assignment of an indirect receivable from Jörg Schäfer in the amount of CHF 282'035, 2) an advance to the new management agreement in the amount of CHF 50'000 and 3) incorporation and set-up costs borne by the Company on behalf of Global TREE Project AG during its incorporation. Further to this, all management fees falling due under the presumptions of past and current public offering prospectus will be rendered to Global TREE Project AG as the acting manager of TREECYCLE. The amount of CHF 1'264'659 (PY: zero) has been accrued to be paid as a short-term liability.

Hyperbaric Oxygen LLC, United States of America

For the year 2025 the Company incurred expenses the amount of 140'223 in provisions for investor introducing activities. The beneficial owner to Hyperbaric Oxygen LLC is Jörg Schäfer.

Related party balances

	31.12.2024	31.12.2025
	CHF	CHF
<i>Receivables</i>		
Shareholder	360'342	351'839
<i>Trade and other payables</i>		
Employees	6'188	0
Key management	149'063	30'806
Shareholder	0	1'264'659
<i>Financial liabilities</i>		
Shareholder	100'000	0

27. FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE MEASUREMENT

Categories of financial assets and liabilities

31 December 2024	Amortised cost	FVTPL	Total
	CHF	CHF	CHF
Cash and cash equivalents	354'015	0	354'015
Trade and other receivables	424'535	0	424'535
<i>Total financial assets</i>	778'550	0	778'550
Trade and other payables	1'514'640	0	1'514'640
Lease liabilities	220'168	0	220'168
Financial liabilities	978'934	0	978'934
<i>Total financial liabilities</i>	2'713'742	0	2'713'742

31 December 2025	Amortised cost	FVTPL	Total
	CHF	CHF	CHF
Cash and cash equivalents	1'317'754	0	1'317'754
Trade and other receivables	351'839	0	351'839
Total financial assets	1'669'593	0	1'669'593
Trade and other payables	2'796'596	0	2'796'596
Lease liabilities	157'500	0	157'500
Financial liabilities	1'025'200	0	1'025'200
Total financial liabilities	3'979'296	0	3'979'296

28. USE OF FAIR VALUE AND FAIR VALUE HIERARCHY

As per 31 December 2024 and 2025, biological assets in the form of afforestation trees were measured at fair value. The fair value was determined under Level 3 by using an internally generated, income based, discounted cash flow model as disclosed in Note 16, The Crypto Assets were measured at Level 1 fair value less estimated cost to sell.

29. EARNINGS PER SHARE

	31.12.2024	31.12.2025
	CHF	CHF
Ordinary Shares 1. January	10'000'000	10'000'000
Change in ordinary Shares	0	0
Ordinary Shares 31 December	10'000'000	10'000'000
Average outstanding ordinary shares	10'000'000	10'000'000
Potential dilutive shares 31 December	0	0
	2024	2025
	CHF	CHF
Net Profit	2'328'184	13'167'063
Undiluted earnings per share	0.23	1.32
Diluted earnings per share	0.23	1.32

30. EVENTS AFTER BALANCE SHEET DATE

In view of the current public offering prospectus to expire on 10 June 2026, the Company filed for approval with the Financial Market Authority in the Principality of Liechtenstein for another 12 month with no material changes. The extended Prospectus is expected to be approved by the Liechtenstein Financial Market Authority in June 2026 with subsequent notification to Germany and Austria and the to be applied for extension of the public distribution permission in Switzerland.

31. APPROVAL

These financial statements were approved by the Board of Directors and authorized for issue on 12 June 2026.

