



ASX Release
26 February 2026

Half Year Financial Results – H1 FY26

Atlas Pearls Ltd (ASX: ATP) (“Atlas Pearls” or “the Company”) is pleased to report its financial results for the half-year ended 31 December 2025.

Highlights for H1 FY26

- Revenue \$13.6M, down 27% from H1 FY25, reflecting softer market conditions and a lower realised value per pearl
- Normalised EBITDA of \$3.2M down 49% from H1 FY25
- Operating expenses broadly stable

The Group reported a net loss after tax of \$5.2M for the period ended 31 December 2025, compared to a net profit after tax of \$12.1M in the prior comparative period. The result reflects lower revenue and non-cash valuation movements. Operating revenue for the half-year was \$13.6M, a decrease of 27% over the same period last year.

As reported in recent market announcements¹, market conditions softened over the first half and resulted in lower revenues relative to H1 FY25. The sales had a higher proportion of low-grade pearls. The average selling price for the half-year ended 31 December 2025 moderated across categories and was \$33 per pearl, compared to \$63 per pearl in the prior corresponding period. While total volumes sold increased by 33% to 379k pearls, this increase was primarily driven by higher sales of low-grade pearls, which comprised 53% of total sales (H1 FY25 (restated): 24%). However, this outcome should be considered in the context of opening inventory levels of 219,436 pearls at the commencement of the year. Accordingly, not all low-grade pearls sold during the period were harvested within the reporting half.

Sales volumes of higher-value loose and value-add pearls were lower than the same period last year as the softening market resulted in lower demand from our private sale customers and a slight dip in quality resulted in lower high-grade product availability.

A comparison between H1 FY25 and H1 FY26 loose and value add pearls sales performance is presented in the table below:

	H1 FY26	H1 FY25 (Restated)	Movement
Loose and value add pearls– excluding low grade			
Pearls sold	177k	215k	-17%
Average \$/pearl	\$63	\$81	-22%
Revenue - excluding low grade	\$11.1M	\$17.4M	-36%
Loose and value add pearls–low grade			
Pearls sold	201k	69k	+189%
Average \$/pearl	\$7	\$8	-7%
Revenue – low grade	\$1.5M	\$0.5M	+168%
Loose and value add pearls – total			
Pearls sold	379k	285k	+33%
Average \$/pearl	\$33	\$63	-47%
Total revenue – loose and value add pearls	\$12.6M	\$17.9m	-30%
Proportion of loose and value add pearls that are low grade	53%	24%	+118%

The Company conducted several auctions during the period and recorded growth across other sales channels, as we divert pearls for higher prices and margins away from the auction system. Demand conditions moderated during the period, with purchasing activity slower relative to recent comparative periods.

Pearls on hand decreased to 92,886 at 31 December 2025 (30 June 2025: 219,436), resulting in an inventory value of \$3.5M (30 June 2025: \$6.0M). The value per pearl increased from \$27 per piece at 30 June 2025 to \$38 per piece at 31 December 2025, reflecting changes in product mix and a higher proportion of higher-grade pearls held at reporting date.

The reported result includes a non-cash reduction in the fair value of biological assets of \$5.4M. This adjustment reflects changes in key valuation inputs, including market pricing assumptions, growth profiles and survival estimates, applied at reporting date. As a non-cash accounting movement, the adjustment does not impact the Group's underlying cash flows or operational performance for the period.

Key Consolidated Results

	H1 FY25 (Restated)	H1 FY26	Movement
Pearls sold	284,953	378,617	up 33%
Average \$/pearl	\$63	\$33	down 47%
Total revenue	\$18,509,668	\$13,579,902	down 27%
NPAT	\$12,101,405	-\$5,228,128	down 148%
Normalised EBITDA	\$6,204,598	\$3,151,931	down 49%

Against a more subdued market backdrop relative to recent financial years, the Company has continued to refine its sales strategy and optimise its channel mix. Management remains focused on disciplined inventory management, channel optimisation, and positioning the business to respond to market conditions.

Key Financial Position

	FY25 \$'000	H1 FY26 \$'000	Movement
Cash and cash equivalents	20,215	9,694	down 52%
Total assets	85,886	69,885	down 19%
Total liabilities	(14,850)	(11,400)	down 23%
Shareholder funds / net assets	71,035	58,485	down 18%
No. shares on issue (million)	439.0	439.0	-
Net tangible assets per share (cents)	16.0	13.1	down 18%
Share price at reporting date (cents)	16.5	20.0	up 21%

Interim Dividend

The Board has determined that no interim dividend be paid in relation to the half year ended 31 December 2025. In arriving at this position, the Board has considered the EBITDA performance and the cash position weighed up against the company's strategic objectives of improved operational efficiencies through investment in a new larger vessel as well as significant expansion of pearl production at Alyui. This is a conservative position but reflects the commitment to execute on the FY30 strategy, which is designed to deliver sustainable growth and long-term value creation. Otherwise, the dividend policy remains in place and will be re-considered as part of the 30 June 2026 full year results.

Outlook

Notwithstanding softer performance in the half, the Group remains firmly focused on executing its FY30 strategy, which is designed to deliver sustainable growth and long-term value creation.

The Group will continue to focus on enhancing health, safety and environmental capability and capacity across the business, with ongoing investment in systems, capability, and continuous improvement.

Strategic initiatives and projects aligned with the FY30 strategy, including business improvement, growth, and innovation, will continue to be executed. The Group will also continue its sustainability and CSR projects in collaboration with stakeholders as operations expand.

Innovation and R&D remain a key focus, aligned with the Group's objective of delivering the finest South Sea pearls at the lowest sustainably achievable production cost.

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This ASX announcement was approved for release by the Board of Atlas Pearls Ltd.

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FORWARD LOOKING STATEMENTS

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, harvest figures and sales. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

¹ Refer ASX announcements of 3 October 2025 'Update - Kobe Auction September 2025' and 15 December 2025 'Update - Kobe Auction December 2025'.