

# GREENGOLD
# Q2/2024 Update

## HIGHLIGHTS OF THE QUARTER

- Acquired 328 ha of forest properties in Q2/2024, in UK, Finland and Baltic countries, bringing the total area to 76.9 thousand ha as at June 30, 2024.
- Total standing forest inventory (SFI) at the end of Q2/2024 was 20.0 million $m^3$.
- Harvested volume of 95 thousand $m^3$ - good performance in all countries, and higher average stumpage price, compared with same period last year (88 thousand $m^3$ last year).
- Adjusted EBITDA amounted to EUR 3.2 million (EUR 2.3 million), driven by higher volumes and prices
- Cash & cash equivalents balance as at June 30, 2024, of EUR 11.2 million, and no debt.
- Published first Group Annual report in accordance with IFRS and henceforth apply IFRS Accounting Standard.
- Received planting permission for 212 ha UK afforestation project and is now seeking government subsidies for the planting costs. The land is still recorded as Agricultural land.
- The number of outstanding shares as at June 30, 2024, amounted to 10,391,621.

### KEY FINANCIAL METRICS

| | Q2 | | | 6M | | |
|---|---|---|---|---|---|---|
| EUR Thousand | 2024 | 2023 | Δ | 2024 | 2023 | Δ |
| **Net sales** | **4,789** | **3,958** | **21.0%** | **11,204** | **10,233** | **9.5%** |
| **Adj EBITDA*** | **3,212** | **2,342** | **37.1%** | **8,037** | **7,251** | **10.8%** |
| *Adj EBITDA Margin* | 64.5% | 56.8% | 13.6% | 69.9% | 68.1% | 2.6% |
| **Operating profit before change in value of Biological Assets** | **3,057** | **2,209** | **38.4%** | **7,738** | **6,986** | **10.8%** |
| **Profit/loss for the period** | **3,048** | **-82** | **n/a** | **4,766** | **2,280** | **109.0%** |
| *Earnings per share* | 0.3 | 0.0 | n/a | 0.5 | 0.2 | 108.6% |
| **Free Cash Flow** | **1,580** | **1,027** | **53.9%** | **5,983** | **5,238** | **14.2%** |
| *Free Cash Flow per share* | 0.2 | 0.1 | 53.9% | 0.6 | 0.5 | 14.0% |

| EUR Thousand | 30/06/2024 | 31/12/2023 | Δ |
|---|---|---|---|
| **Forest assets** | **666,324** | **661,916** | **0.7%** |
| Deferred tax attributable to forest assets | 54,763 | 54,436 | 0.6% |
| **NAV** | **633,031** | **626,925** | **1.0%** |
| **NAV excluding deferred tax attributable to forest assets** | **687,794** | **681,361** | **0.9%** |
| *NAV excluding deferred tax attributable to forest assets/share (EUR)* | 66.2 | 65.6 | 0.9% |

*EBITDA excluding revaluation of biological assets

**2%**

**Year-on-year increase in owned land area**

**Forest land / Total land**

**95%**

**(Dec 31, 2023 93% )**

**SFI/ha**

**274**

**m3 per ha forest land**

## FOREST ASSETS

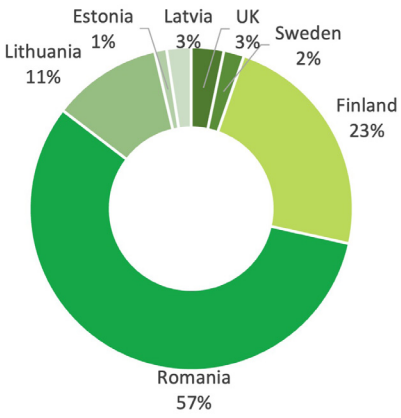
A total of 328 hectares of new properties were acquired in Q2/2024, as part of the continuous aggregation activities in key markets. The Company has several potential larger deals in the pipeline. New forest properties were acquired in UK, Finland, and the Baltic countries. The total area as at June 30, 2024, stood at 76.9 thousand hectares. The ratio of Forest land to Total land remains at 95%, and the average $m^3$ per forest land hectar stands at 274 $m^3$. The Company also has a small portfolio of agricultural land, mainly in the Baltics.

| EUR Thousand | 30/06/2024 | 30/06/2023 | Δ | 31/12/2023 |
|---|---|---|---|---|
| Total land (thousand ha) | 76.9 | 75.3 | 2.1% | 76.4 |
| Forest land (thousand ha) | 73.1 | 71.0 | 3.0% | 72.0 |
| Agricultural land (thousand ha) | 0.8 | 0.8 | 0.0% | 0.8 |
| SFI ($m^3$ thousand) | 20,004 | 19,788 | 1.1% | 19,895 |

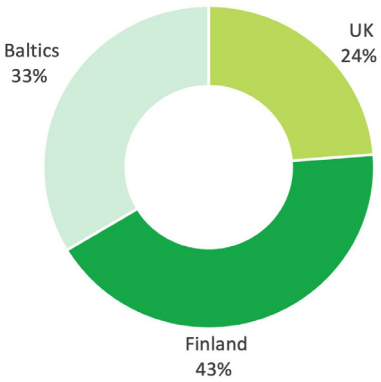
| | Q2 | | | Full year |
|---|---|---|---|---|
| EUR Thousand | 2024 | 2023 | Δ | 2023 |
| Acquisitions land (ha) | 328 | 1,287 | -74.5% | 3,266 |
| Acquisitions SFI ($m^3$ thousand) | 66 | 164 | -59.9% | 424 |

In accordance with the Company's current strategy of having a balanced East West asset portfolio, the acquisitions in Q2/2024 were located in UK, Finland and Baltic.

Geographic land distribution




Land acquisitions in Q2 2024




GreenGold continuously invests in its forest assets. One of the regular investments is road building to improve the accessibility of its forest properties, which also has a positive indirect value on the property values. GreenGold is continuously updating forest management plans and the forest property database, giving the Company more up-to date data with higher accuracy. That is also a reason why volume and growth can be fluctuating from quarter to quarter.

Value forest assets

**666**

MEUR
(Dec 31, 2023
662 MEUR)

Weighted average SFI valuation (EUR/$m^3$)

**33.3**

(Dec 31, 2023
33.3 EUR/$m^3$)

# FOREST VALUATION

Accounting principles for forest assets are described in detail in GreenGold's Annual Report 2023, Note 15 on pages 75–80. The Group's Forest assets are recognised at fair value based on a combination of forest land transactions in the areas where GreenGold owns forest assets, as well as a Discounted Cash Flow (DCF) model for the forecasted future cash flows generated by the forest properties. The weighting between the two methods used by the Company is 70% DCF approach and 30% sales comparison approach. The Comparable sales approach is performed by an independent third-party appraiser at year-end. The DCF approach relies on the determination of the net present value of expected post-tax cash flows from the harvest and sale of timber and future residual resale value of the properties. The parameters included in the model for calculating the fair value of forest assets are updated annually at year end, if there are no significant events that warrant updating them during the course of the year.

The total value of the forest assets is allocated across growing trees and forest land. The value of the growing trees, which is recognised in accordance with IAS 41 Biological Assets, is determined by calculating the present value of expected cash flows. Changes in value are recognised in the income statement. The value of forest land is recognised in accordance with IAS 16. The value of land assets constitutes the residual amount between the total value of Forest assets in accordance with the combination method described above, and the value of the biological assets. Changes in the value of forest land are recognised directly in the balance sheet through statement of other comprehensive income.

The estimated change in value of forest assets and biological assets stemming from Biological growth and felling is accrued over the course of the year and based on annualized expected growth and GreenGold's annual felling plan. Growth in the forest varies naturally with weather and season but can be more reliably measured and projected annually and over the long term. As at June 30, 2024, approximately 50% of the expected annual change in value stemming from change in standing timber volume was recognized. The value of forest assets as at June 30, 2024 reflects the value of 73.1 thousand ha of forest land and an estimated SFI of 20,004 thousand $m^3$. Given GreenGold's geographically diversified portfolio with different valuation levels for different regional forest assets, total annual value change will also depend on the specific regional structure of growth and felling in a given year. Acquisitions and disposals of forest properties will also lead to intra-year changes in the value of forest assets.

| | End of period | |
|---|---|---|
| EUR thousand | 30/06/2024 | 31/12/2023 |
| Fair value of forest assets | 666,324 | 661,916 |
| Biological assets | 535,030 | 531,586 |
| Forest land | 131,294 | 130,330 |
| Deferred tax attributable to forest assets | 54,763 | 54,436 |

| EUR | 30/06/2024 | 31/12/2023 |
|---|---|---|
| Value per SFI ($m^3$) | 33.3 | 33.3 |



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