

GreenGold Group AB - Quarterly report Q2F21

About GreenGold Group AB

GreenGold Group AB is a Swedish company specializing in forest investments in Europe. Through evergreen, sustainable and profitable forest ownership and management we aim to deliver consistent and growing cash flows from disciplined acquisitions and superior management of prime forests located in Europe - diversified, unleveraged and self-managed.

Financial

The consolidated pure forestry operational EBITDA at group level (i.e. exclusive property appreciation value and exclusive capital gains from sale of property) for Q2F21 was 0.98 MEUR, bringing the H1F21 EBITDA to 2.12 MEUR (0.24 EUR earnings per share) - which represents an increase of approx. 105 % vs H1F20.

Assets

Total forest assets at the end of Q2F21 were 34 364 ha with more than 9.1 million m³ Standing Forest Inventory. Our assets are distributed by area in 7 European countries: Romania (47.8%), Lithuania (23.3%), Finland (16.3%), Sweden (4.6%), United Kingdom (3.9%), Latvia (3.5%) and Estonia (0.5%). The age class distribution in our forest portfolio is geared mainly towards middle-aged forests which provide high biological growth and thus high CO₂ sequestration as well as good harvesting possibilities in the immediate and near future. The species distribution is focused on the 10 most commercial species giving us favorable diversified exposure to European, US, Asian and MENA countries markets.

Operations

We are continuing to acquire attractive forest properties across our focus European regions. During Q2 we have acquired 2 241 ha, mainly in Finland, Romania and UK. Our acquisition pipeline looks good with over 40 thousand ha, which we are scrutinizing at the moment. Despite the general and global Covid-19 pandemic effects on economy, this quarter we have experienced a solid pick-up mainly in timber assortment prices across Europe. We are continuing to carry out our planned harvests. During Q2 we have harvested around 46 thousand m³, carried out new forest management plans for 2 330 ha and soil preparation, pre-commercial thinning and new planting of total 183 ha. Also we have built in total 2.5 km of new forest roads.

Team

GreenGold Group AB has ca 100 employees across Europe and the management team consists of Sorin Chiorescu (CEO), Carl Kling (COO Nordics & Britannia), Alexandru Florea (COO Balkans), Simonas Zebrauskis (COO Baltics) and Maj-Britt Kühnemann (Head of Finance & Adm). During Q2F21 there were no changes in the team across entire Europe. CFO recruiting process started with support of Amrop international, expected to be rounded-up in Q3//Q4F21.

Shares

During Q2F21 the company has issued 2 132 543 new shares @38.0 EUR/share. The injected equity was used to execute attractive deals thus increasing the NAV. Subsequently, during July, further 469 288 new shares have been issued @45.0 EUR/share. Outstanding number of shares as per Aug 27 is 8 907 679.