

GreenGold Group AB (G3X) - Quarterly report Q1F22

About GreenGold Group AB (G3X)

G3X is a Swedish company specializing in forest investments in Europe. Through sustainable and profitable forest ownership and management we aim to deliver predictable and growing cash flows and CO2 hedging from disciplined acquisitions and superior management of prime forests located in key forestry areas of Europe. The key-pillars of the G3X concept: evergreen - diversified - unleveraged - self managed.

Financials

Total sales for Q1F22 were 5.6 MEUR (up 154% vs Q1F21). The pure forestry operational consolidated EBITDA at group level (excl. property appreciation) for Q1F22 was 3.84 MEUR (up 212% vs Q1F21). This corresponds to total weighted Q1F22 earnings per share of 0.40 EUR (up 90% vs Q1F21). Pure forestry operational EBITDA margin for Q1F22 was 68.8% (vs 61.7% in Q1F21). G3X's balance sheet continues to remain fully unleveraged, all acquisitions for growing G3X are and will remain financed just with own equity.

Assets

Total forest assets at the end of Q1F22 were 60 181 ha with ca 17 million m3 Standing Forest Inventory. Our assets are distributed in 7 European countries, by invested capital: Romania (57%), United Kingdom (16%), Finland (13%), Lithuania (11%), Latvia (1%), Sweden (1%) and Estonia (1%). 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 continue to acquire attractive forest properties across our focus European regions. During Q1F22 we have acquired 1 150 ha, mainly in Finland, UK and Baltics. Our acquisition pipeline looks good with over 50 thousand ha across Europe, which we are scrutinizing at the moment. During Q1F22 we have experienced an overall high level in timber assortments and pulp prices in Europe and globally. We envisage that wood prices will stay attractive even during FY22 so we plan to continue carry out our planned harvests during this year. During Q1F22 we have harvested around 110 thousand m3. Silvicultural operations (soil preparation, pre-commercial thinning and new planting) on total surface of 197 ha were carried out during Q1F22 as well as new forest management plans for 265 ha. We have built in total 1.0 km of new forest roads.

Team

G3X's management team consists of Sorin Chiorescu (CEO), Gustav Wetterling (CFO, starts Q3F22), Carl Kling (COO Nordics & UK), Alexandru Florea (COO Balkans) and Simonas Zebrauskis (COO Baltics). In Finland the recruitment process of one forest acquisition manager and one forest operation coordinator was finalized successfully during Q1F22 and the two persons started on March 21:st and April 1:st. In Latvia the recruitment process of one forest acquisition and operation manager was finalized successfully during Q1F22 and the person started on May 1:st.

Shares

During Q1F22 the company has issued 271 979 new shares at valuation 48.0 EUR/share. A new issue of shares is ongoing at 51.0 EUR/share. At moment of writing this report G3X has a total of 9 835 855 shares.