

Annual Report 2023

GreenGold Group AB (publ)

“GreenGold stands for the value of forests as both an ecological and economic resource”

GREENGOLD

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GreenGold in brief

A unique European forest platform

GreenGold's goal is to create lasting value for our investors by unlocking the commercial potential of Europe's forests while prioritizing sustainable and cost-effective management practices. As a responsible forest owner, we are committed to balancing economic growth with the ecological integrity of our properties.

The Company has a pronounced diversification strategy and seeks broad geographical and biological exposure and to capitalize on the unique opportunities each property and region offers and incorporate the best available methods to ensure forest health and resilience. This diversification enables the Company to minimize risks and generate a stable, long-term income stream for its investors

76
K ha total area

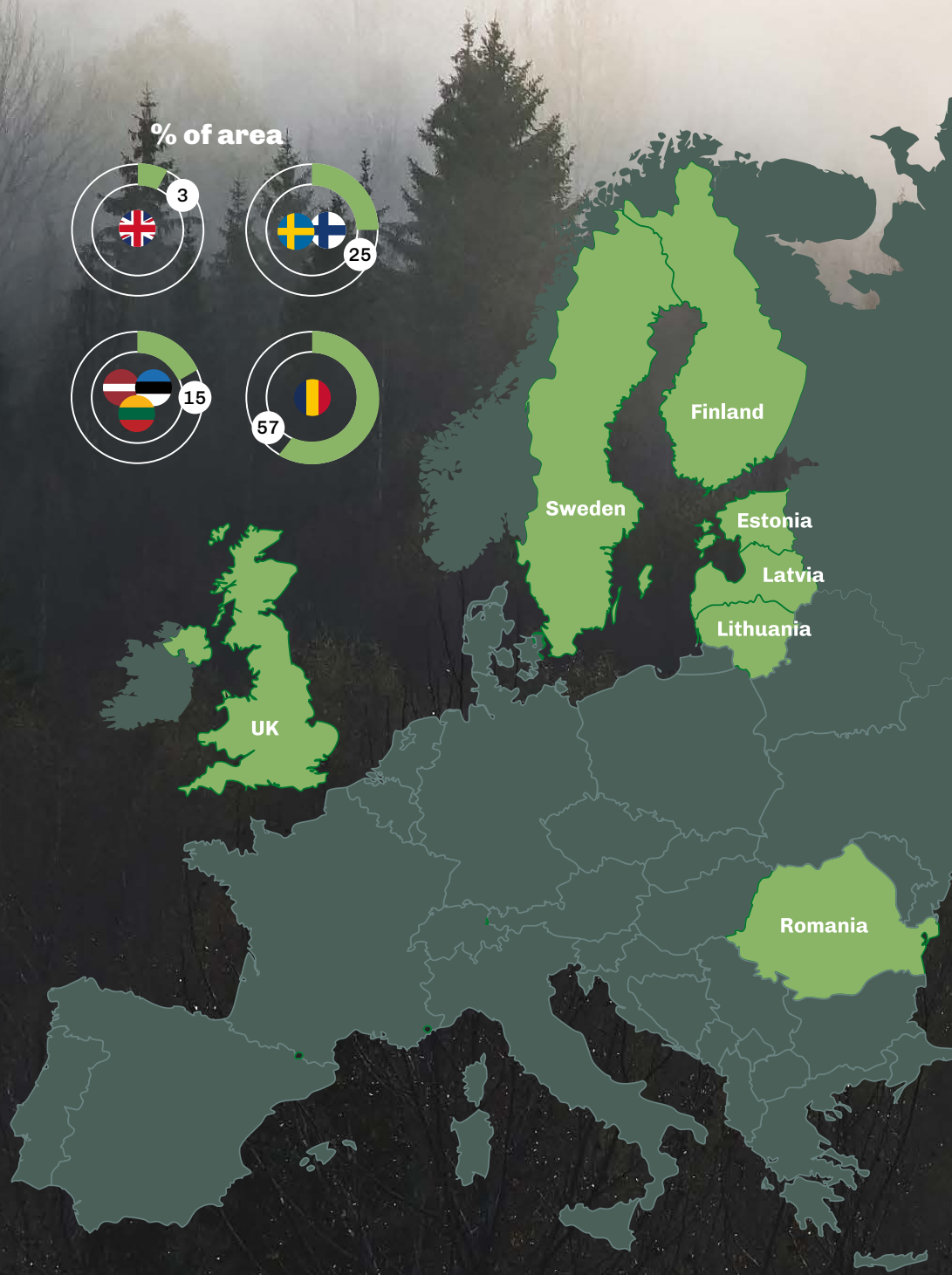
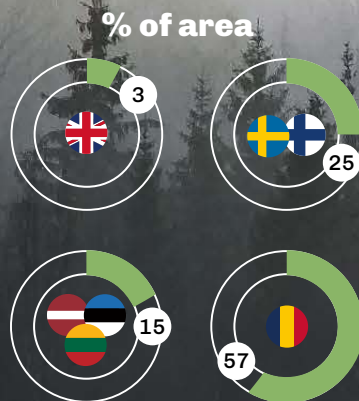
20
million m³
SFI

Active in
7
countries

117
employees

22
million EUR
net sales

306
K ton CO₂
sequestered in
2023



About GreenGold

Business areas

Investment activities

Through our extensive experience and strong local presence, we have developed a large network for sourcing forest property deals and have a proven value creation playbook on a regional level.

A lean, entrepreneurial firm structure with a pan-European focus allows GreenGold to act quickly and be more flexible than large forest owners. Additionally, our pan-European strategy involves seeking the best value markets and deals across the entire region. This approach has led to our current presence in seven different countries, yielding the benefits of diversification across wood markets, jurisdictions, species, and climate types.

We employ a disciplined and rigorous value-based approach to acquiring assets, with a clear strategy towards diversification to lower risks or adding synergies through regional aggregation and therefore enhanced efficiencies and economies of scale.

Ownership and management

We have a buy-to-hold-forever philosophy in an evergreen structure, which allows us to have a long-term maximum impact and return focus. Forest management is performed by in-house staff and we are proud to have some of the best forestry professionals in Europe.

We use proven practices to manage our forests in a way that promotes their long-term health and vitality. We work closely with local communities and organizations to develop sustainable forestry plans that balance the needs of the environment with the economic and social needs of the communities that depend on our forests.

Timber sales

Our main operational business is the production and sale of timber. We manage our forests sustainably with the aim of good and steady yield, which enables us to provide customers with responsibly produced, certified wood. We sell our wood without long-term fibre supply commitments. This enables us to choose the best possible timing of timber sales in order to secure the best possible returns on our wood. GreenGold has a clear strategy of selling on stumpage which generate the best returns for our organisation.

We believe in mutually beneficial partnerships and while keeping flexibility strive to integrate with key customers for better planning and execution of sales.

Digital tools are essential for efficiency and managing large areas and GreenGold has developed bespoke IT systems for this purpose.

Other business and uses

We provide high-quality forest management services to a few select customers. For our service agreement customers, we perform silvicultural work such as forest regeneration and tending of seedling stands, as well as assistance in marketing and selling their wood.

We also allow paid access to our land for various purposes, such as hunting and foraging, and actively pursue additional uses such as wind power or solar developments together with partners. Our forests are also widely used for free-of-charge recreation. We plan and sell waterfront plots and soil resources. We also occasionally sell small plots of agricultural- or forest land that do not fit in the local planning and strategy.

About GreenGold

The year 2023 in figures

2023 was another good and profitable year for GreenGold, while the expansion was not as aggressive as previous years, the Company still managed to grow by about three thousand hectares in key areas, in line with our current focus of diversifying and balancing our footprint by further investments in especially Finland, UK, Latvia and Estonia. The less rapid expansion also meant we could consolidate and focus on operational excellence in our forest management as well as timber selling business, translating into increased net sales and operating profit before value change in Biological assets.

The value of our forest portfolio also increased in value, driven by improved forest economics, and observed strength in the forest property markets in several of our countries. The Company remains unleveraged. Capital markets have been challenging but the Company managed to raise a total of EUR 6.7 million before issue costs which have been deployed into new value accretive acquisitions in 2023.

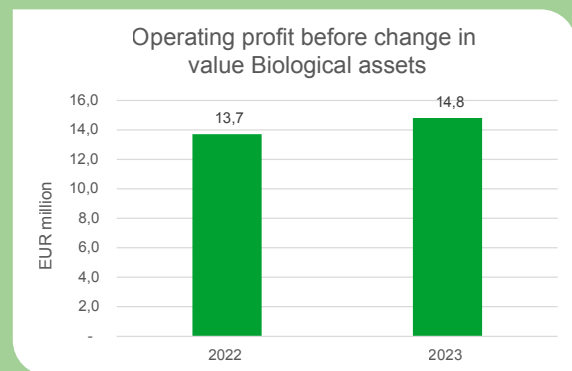
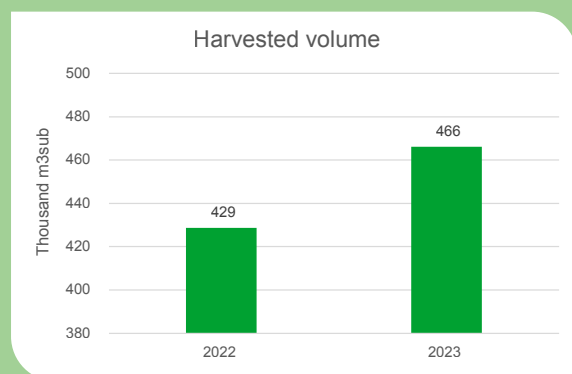
General Highlights

Crossed milestone in Finland of more than
15,000
ha owned and managed

Increase in total land footprint by
3,232
hectares

Net increase in SFI by
375,000
m3fo

Harvested volume
+9%



Financial Highlights

Increase in value of total forest assets
45.2
EUR million

Total income
22.9
EUR million

Operating profit before change in value of Biological assets
14.8
EUR million

Net profit
64.7
EUR million

About GreenGold

CEO's review

As we reflect on the past year, it is with a sense of pride that we observe the trajectory of our company. The past year has been marked by continued growth, enhanced performance, and significant corporate development towards a future IPO. These achievements are a testament to the resilience, dedication, and innovative spirit of our team, especially in these times of inflation and geopolitical turbulence.



Continued Growth and Improved Performance

Our commitment to sustainable forestry practices and our selective investments in forest properties have yielded good results. We've seen continued growth in our operations, not just in terms of area and revenue, but also in expanding our market presence and enhancing our integration with key wood buyers in Europe to ensure best possible prices. This growth is underpinned by an improvement in operational efficiencies and our signature focus on cost efficiency.

Strategic Development

The past year was also significant for our strategic development initiatives. We have expanded our footprint in especially Finland, which now boasts close to 18,000 hectares owned and under management, and also in Baltic countries and UK, continuing to build a more equal balanced portfolio between East and West. Risk reduction through selective and balanced diversification remains at the heart of our strategy. Diversification across markets and species helps us face the challenges of a dynamic global market, as evidenced by our financial results improving. In parallel, we have been focused on internal development, investing in our people and processes, raising the bar in all aspects of governance, control and competence. We also welcomed Malcolm Cockwell as a strong addition to our board.

About GreenGold

Transition to IFRS

A pivotal element of our corporate development this year has been work related to the transition to the International Financial Reporting Standards (IFRS). This move is more than a change in accounting standards; it represents a significant shift towards enhanced transparency, accountability, and comparability of our financial statements on a global scale. The transition to IFRS has been a comprehensive process, involving all our subsidiaries, managers and finance teams. I am proud to say that our team has managed this transition with resolve, ensuring that our financial reporting is now aligned with global practices which enhances our attractiveness to international investors.

Looking Forward

As we look to the future, our path is clear. We are committed to continuing our growth trajectory, improving our operational performance, and making strategic investments that align with our long-term vision. They are not just milestones but stepping stones towards achieving our goal of being a leading, globally recognized forest company that operates with integrity, excellence, and a commitment to sustainability.

In closing, I wish to express my sincere gratitude to our employees for their hard work and dedication, to our customers for their trust and loyalty, and to our shareholders for their continued support. Together, we are building a sustainable future for our company, our communities, and our planet.

Sorin Chiorescu
CEO, GreenGold Group



About GreenGold

Key metrics*

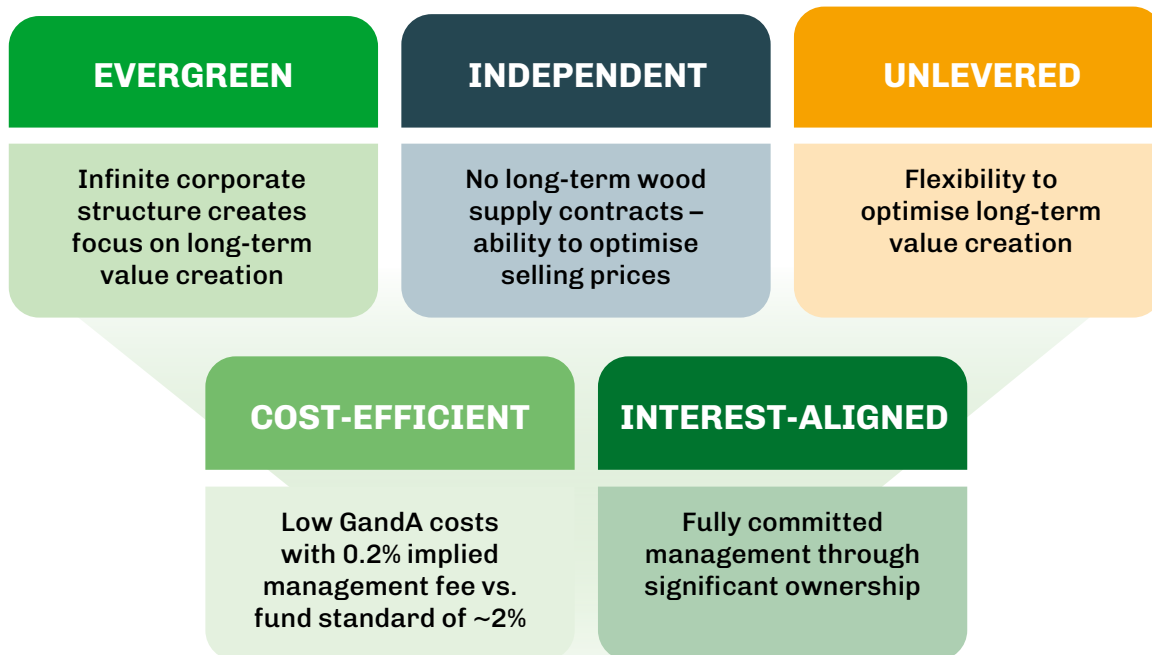
EUR Thousand	2023	2022	Δ
Net sales	22,311	20,496	8.9%
Operating profit before change in value of Biological assets	14,813	13,709	8.1%
<i>Margin Operating profit before value change in Biological assets (%)</i>	64.6%	64.5%	0.1%
Operating profit	76,040	125,166	-39.2%
Adjusted EBITDA	15,366	14,160	8.5%
<i>Adj EBITDA Margin (%)</i>	67.0%	66.6%	0.5%
Profit/loss for the period	64,689	106,408	-39.2%
<i>Earnings per share (EUR)</i>	6.2	10.3	-39.8%
Free cash flow	12,236	10,615	15.3%
<i>Free cash flow/share (EUR)</i>	1.2	1.0	14.1%
Net climate benefit (Net CO2 sequestration, tonnes)	306,000	270,000	13.3%
EUR Thousand	31/12/2023	31/12/2022	1/1/2022
Forest assets	661,916	616,762	411,442
<i>Deferred tax related to fair value of Forest assets</i>	54,436	51,245	29,049
Net Asset Value ("NAV")	626,925	591,969	441,704
<i>NAV/share (EUR)</i>	60.3	57.5	46.2
NAV excluding deferred tax attributable to forest assets	681,361	643,214	470,753
<i>NAV excluding deferred tax attributable to forest assets/share (EUR)</i>	65.6	62.5	49.2
Capital employed	627,609	592,205	441,819
<i>ROCE (%)</i>	2.4%	2.3%	-
Amount of outstanding shares	10,391,621	10,287,731	9,563,876

*Definitions and explanations of the key metrics are found on pages 98-100.

Operations and strategy

The GreenGold way

GreenGold's professional and motivated organisation has built a unique platform for long term value creation from forests, and has a clear roadmap of the different activities to realise those values for its shareholders and other stakeholders. True to the name and ethos of the Company, it is both about maximising the monetary as well as the ecological value of the forests.



Strategy and activities



Fundraising



Forest acquisition



Harvesting



Planting/
afforestation



Conservation



CO₂
sequestration



Geographical
expansion



Renewable energy



Other HBU



IPO

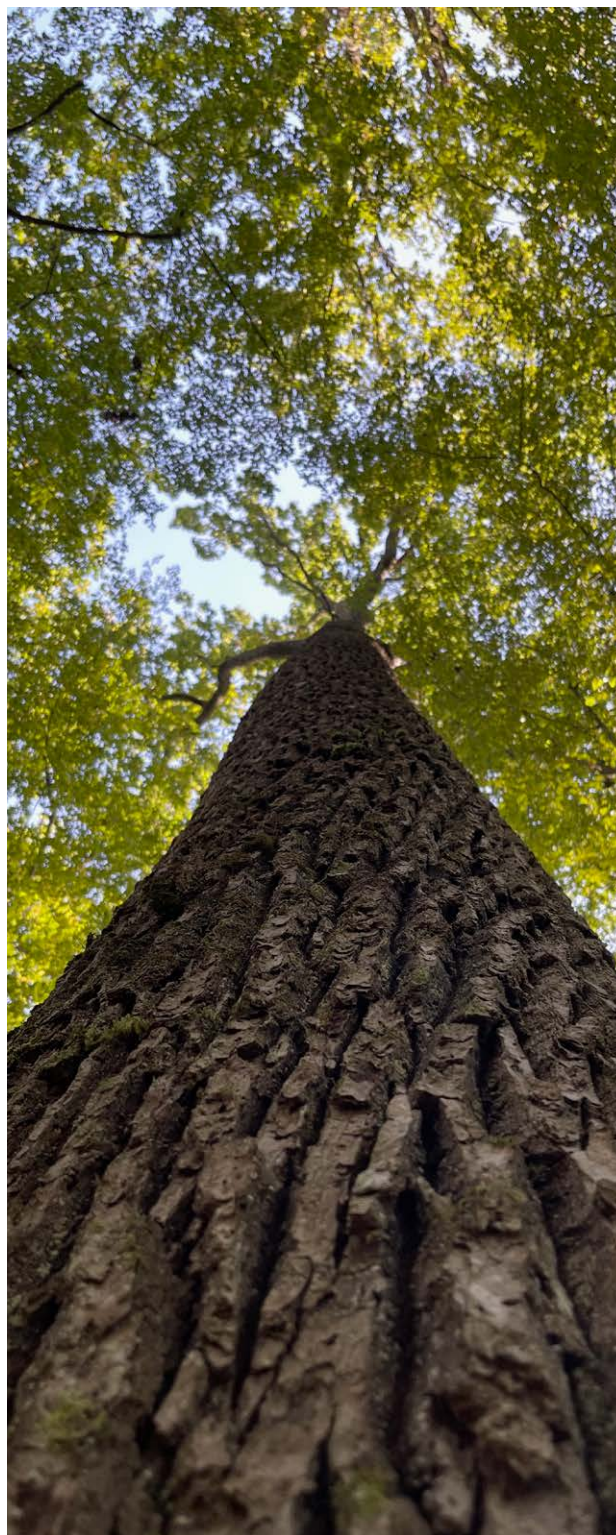
Operations and strategy

Business environment

Our view is that the long-term supply and demand fundamentals of timberland have not changed and bode well for true long-term investors. A growing global population, coupled with a rising standard of living in many parts of the world, will lead to increased demand for a finite supply of timberland. In addition, recognition of timber's sustainability characteristics is growing, leading to both new uses of wood and new markets for forests and forest products.

The market experienced very volatile timber prices during the COVID-19 pandemic period in 2020-2021. Now, volatility has subsided, and prices have decreased from their peaks, while remaining at a historically high level. The European market witnessed further turbulence with Russia's invasion of Ukraine in February 2022, resulting in Russian timber and timber products being excluded from the European market and driving energy prices to very high levels, which in turn pushed the prices for energy wood to new highs. The absence of Russian volumes means that the vibrant European wood and fiber industrial sector has been forced to look elsewhere for supply, which has underpinned strong demand for timber from European forest owners. This dynamic is likely to remain for the foreseeable future. The expected recession or significant economic slowdown coming off the COVID-19 pandemic's broad government stimulus into rising inflation and consequently interest rates, has not materialized to the degree feared. While sawmilling and pulp industries have been suffering somewhat on lower end-prices, the demand and prices on the raw materials have remained robust, supporting good economics for forest owners such as GreenGold, while putting further margin pressure on the industrial companies. 2023 saw some bifurcation between the different markets where GreenGold operates, with the UK local market being weak due to cheap imports from Scandinavia, while Finland and Romania remained strong, and Baltic countries saw some intra-year volatility in prices but overall prices were stable due to new domestic production facilities.

The forest property markets and property prices have remained robust, and forest as an asset class has generally lived up to its reputation of being a good asset to hold in inflationary times. It helps that the forest ownership in Europe is generally nowhere near as leveraged as the real estate market as a whole, thus being less affected by rising interest rates. Some reshuffling among institutional forest owners has however been observed, and for individual leveraged players, the situation may deteriorate, potentially opening good acquisition opportunities for an unlevered player such as GreenGold.



Operations and strategy

There has been some recent activity of larger scale from institutional actors in Europe such as Ingka (IKEA) and MunichRe buying large portfolios of European forest land in the jurisdictions where GreenGold is present. The Company's view is that this kind of institutional interest in European forests is still in its infancy, while in our view expected to grow given the high-quality assets and strong forestry knowledge and traditions in Europe. The strong sustainability framework in place for a long time in Europe should further enhance its international allure, against the backdrop of global ESG trends.

EU is working on a framework for CO2 compensation related to forestry. While the subject is complicated and not without controversy and will likely take time, GreenGold closely monitors the developments, and of course can appreciate the hypothetical opportunity for the Company, sitting on a large independent high-quality forest portfolio in productive areas, not bound by delivery agreements to fulfill. General EU policy on forestry will of course have an impact on any European forest owner, especially around questions such as harvest restrictions, forced carbon sink for traditional forest industry countries; however, recent developments seem to suggest that the EU understands the benefit of actively managed forests and the industry's socio-economic contribution as a whole.

As a large European forest owner, GreenGold entertains the possibility of additional development on its properties, such as wind or solar installations, and there is indeed interest from many parties for this kind of cooperation. There are a number of agreements already signed between the Company and developers; however, in some jurisdictions such as Scandinavia, it seems that the regulatory approval processes have slowed down a bit, in some cases seemingly related to oversight of energy priorities, while the overall goal of more renewable energy seems to be repeated everywhere.

All in all, the attractive fundamentals for forest ownership and forestry in Europe very much remain, and 2023 was a good year for GreenGold and the sector, and both the short- and long-term outlook is positive for the Company with continued expansion and development on the horizon.



Operations and strategy

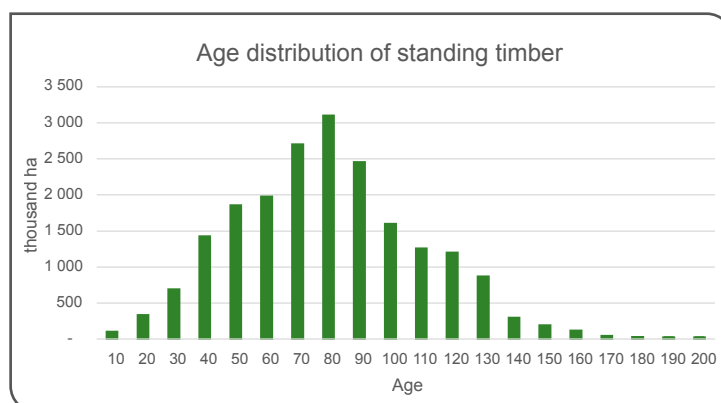
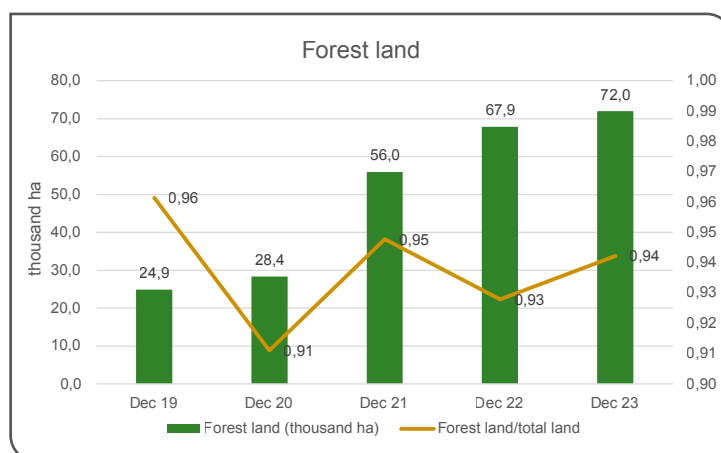
GreenGold's forests

GreenGold prides itself on having a very high-quality portfolio of forest assets, selectively acquired across Europe. Indeed, the company's strategy has always been to be opportunistic and to act on the best value deals from a pan-European perspective. This approach takes into account factors such as quality, geographic location—including proximity to industry and infrastructure—as well as ecological factors, such as environmental risks. As of 31 December 2023, GreenGold's forest portfolio is well-diversified and structured to generate optimal and stable cash flows..

31/12/2023, Per country	Geographic land distribution (thousand ha)	Geographic distribution of SFI (thousand m3fo)
Scotland	2.5	563
Sweden	1.6	41
Finland	17.7	1,621
Romania	43.6	15,978
Lithuania	8.4	1,440
Estonia	0.9	99
Latvia	1.9	153
Total	76.4	19,895

Since its establishment in 2018, GreenGold has been annually increasing its forest portfolio while maintaining a very high ratio of forest land to total land. The remainder consists of agricultural land and other non-commercial areas such as hilltops, roads, areas under power lines, and swamps. These generally come included to varying degrees when acquiring forest properties.

GreenGold has a good and balanced age distribution, with large parts of the portfolio at, or close to, harvestable age, creating a strong base for cash flow generation in the short-, medium-, and long-term. The age for final cut depends on the species and climatic regions; for example, Sitka spruce in the UK has a cycle of about 40 years, while the best trees of oak in Romania are harvested at an age of 200. The majority of softwoods could potentially be harvested from an age of 70-80 years in most jurisdictions. However, the harvestable and optimal ages for harvest are not always the same and depend on local growth as well as pricing conditions.

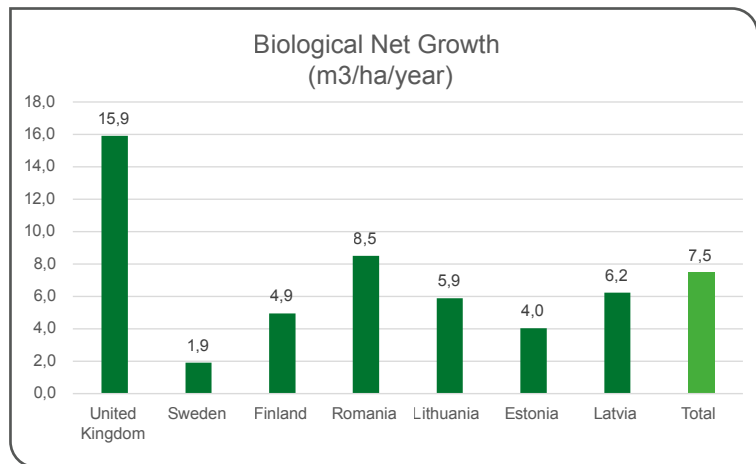
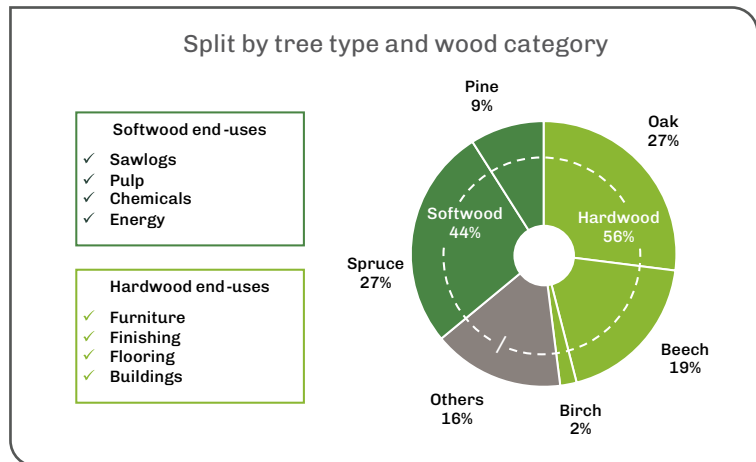


Operations and strategy

Significant variations in tree types and exposure create resilience against end-market demand volatility, as well as a good hedge against any species-specific pests or conditions. The value of species diversification has been evident in recent years, where cyclicity in softwoods has been balanced by hardwoods, enabling GreenGold to continue showing increased revenue and returns. This independence allowed the company to capitalize on the spike in energy wood prices in 2021-2022.

The biological growth of the trees is a very important value driver for GreenGold and forestry in general; it is the asset's most distinguishing trait. Because it is independent of other factors typically impacting financial investments, trees grow in both volume and value even during the most difficult economic times. Consistent biological growth leads to timber's stable returns and low correlation with other financial assets. Since GreenGold's portfolio is intentionally less homogeneous than those of other large forest industrial companies, and because it is constantly acquiring new properties and harvesting certain properties, the exact composition of species, ages, and geographic distribution of its forest portfolio is continually shifting. Therefore, the average net growth will vary marginally over time. Here is a good representation of the current growth of the Company's forests as of December 31, 2023, stated as net growth in cubic meters per hectare per year. GreenGold generally maintains a high stocking level, measured as the volume of standing timber divided by the forest land.

These exact numbers will also change over time as the structure of the forest portfolio changes, but the average growth and stocking levels convincingly tell the story of the quality and value of GreenGold's forest portfolio.



31-dec-23	Growth Net m3fo/ha/year	SFI m3fo/ha forest land
United Kingdom	15.9	312
Sweden	1.9	49
Finland	4.9	100
Romania	8.5	372
Lithuania	5.9	178
Estonia	4.0	123
Latvia	6.2	116
Weighted average	7.5	276

Operations and strategy

Growth

GreenGold's growth is derived from the expansion of its owned and managed areas, which is in turn the result of very disciplined acquisition activities. Additionally, operational growth stems from bringing acquired hectares into production. This includes integrating them into the company's harvesting and business planning, as well as actively managing them to gradually increase biological growth and improve quality.

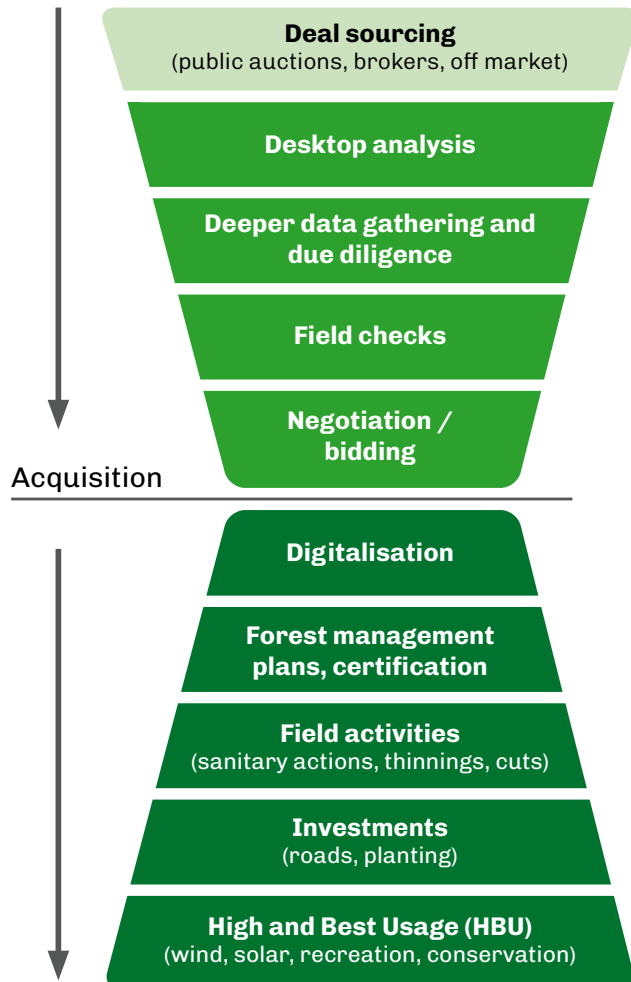
Investing activities

Value is the overarching principle for all acquisitions. Simply interpreted to mean that every property should be acquired on its own merits and add value on a stand-alone basis, while potential synergies with existing properties are desired. Additionally, there are some strategic considerations applied in terms of where GreenGold is actively seeking new acquisitions. One such important strategic consideration is diversification; GreenGold actively strives to maintain a diversified portfolio in terms of ages, species, climates, end-market exposure, and jurisdictional diversification.

GreenGold has a large network and strong local teams for sourcing property deals. Furthermore, it has established an efficient system and a step-by-step approach for considering property deals, to ensure discipline regarding which properties are acquired and to enable quick action and screening of a large number of prospective properties. For this purpose, GreenGold has also developed proprietary digital forest management systems to keep track of the deal flow and subsequent planning and management after acquisition.

It is the disciplined and value driven selection and due diligence process, coupled with a large network for deal generation, which has contributed to GreenGold's successful investment activities.

After acquisition GreenGold also has a clear roadmap for how to incorporate new properties into the operational business and start to enhance their productivity and value.



Operations and strategy

GreenGold has been annually increasing its footprint since its establishment in 2018. The company generally considers that, with the current organization, it could double the footprint under management.

The size of annual acquisitions varies between the years and can be divided into two categories:

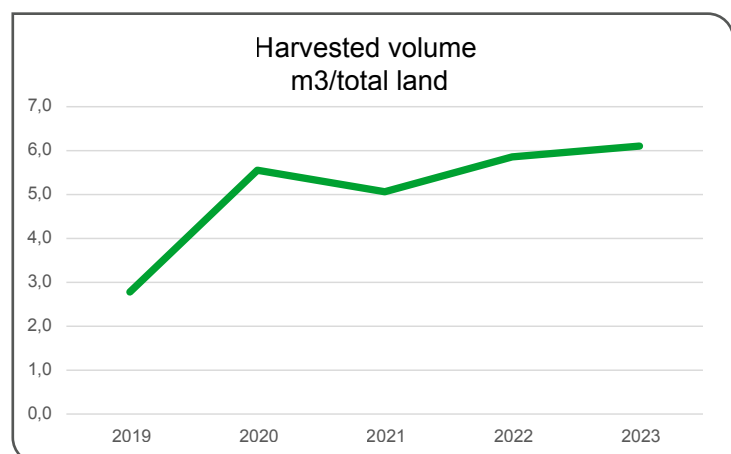
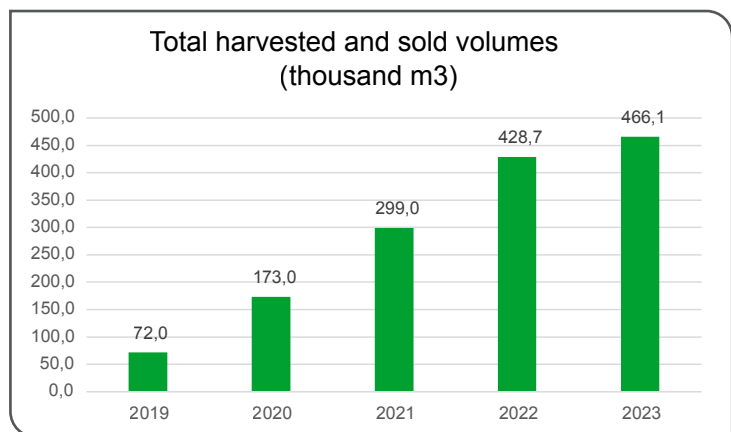
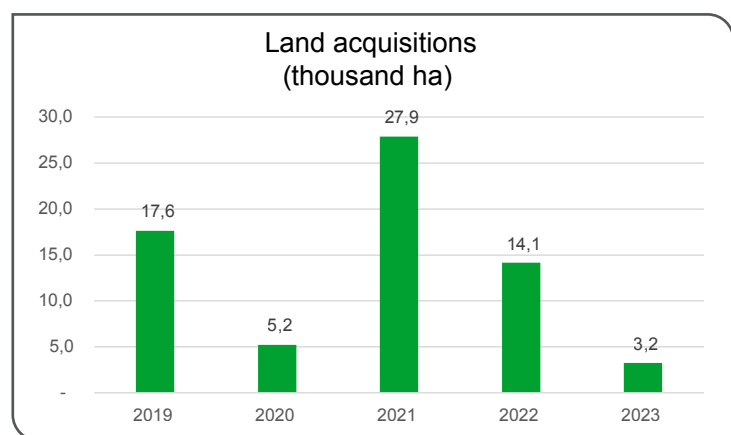
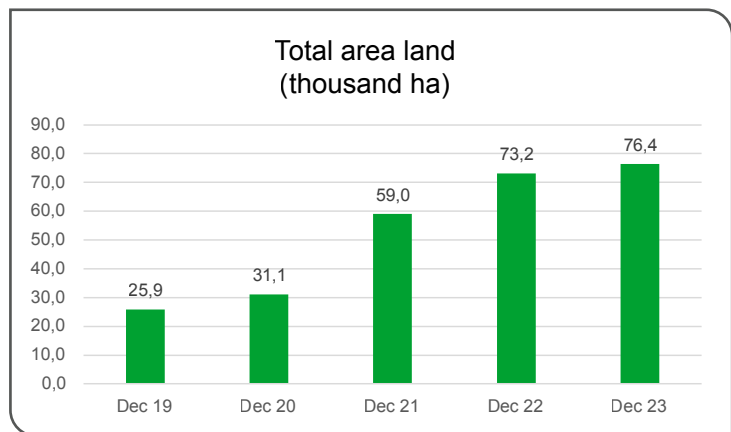
1. Continuous acquisitions of smaller properties with GreenGold acting as a regional consolidator, which occur regularly.
2. Larger transactions, which usually take longer to negotiate, have historically been significant value drivers and the main reason for variations between years. Access to funding also plays a role in the speed of acquisitions.

Operational activities

GreenGold has been steadily increasing its annual harvesting and wood sales. This is partly due to the overall growth in forest assets, but also because more of the acquired properties are being incorporated into the business planning and activities through updated forest management plans, which drive the harvesting plans.

As stated, the company has no long-term supply agreements in order to maintain flexibility and optimize sales prices. Behind the general increase in wood sales lie some intra-group decisions and adjustments regarding where and what to sell, based on market conditions, to generate the best revenue. The company has also developed more efficient operations in terms of organizing sales, through integration with key customers, while maintaining full independence.

One of the metrics that the company follows, as an indication for production level is the harvested volume/total land, and can be seen as an extraction metric, indicating level on production.



Operations and strategy



Area

2.5 kha

3% of total area

Volume

563 km³

3% of total volume

Scotland

Forests in Scotland are diverse, ranging from ancient Caledonian pine forests to commercial plantations of coniferous species. The climate in Scotland is generally cool and wet, with abundant rainfall throughout the year, which is ideal for tree growth. Overall, the conditions for forestry in Scotland are favourable, with a supportive policy framework, abundant natural resources, and a strong tradition of responsible forest management. The country has also a developed framework for afforestation and CO2 projects. This has helped to establish Scotland as a leader in sustainable forestry practices, with a reputation for high-quality timber products and a commitment to environmental stewardship, which aligns very well with GreenGold's own mission statement.



Romania

In Romania, the "Carpathian Garden", where vast, biodiverse forests form the emerald lungs of Europe. Our lands are home to beech, oak, fir, and spruce, embodying the rich forestry tradition of Romania. The country's forests cover almost 7 million hectares, making up nearly a third of its total land area. The conditions for forestry in Romania are generally favourable, with a temperate climate and ample rainfall providing good growing conditions for trees and natural resistance. The forest industry in Romania is diverse. The country is also a significant exporter of forest products, particularly to other countries in Europe. Romania's forests are a bio-diverse treasure, featuring European beech forests that are part of a UNESCO World Heritage site. Given Romania's unique forest resources, our commitment doesn't just stop at sustainable logging. We are also focused on conservation and supporting local communities, ensuring that Romania's forestry sector remains both profitable and sustainable for generations to come.

Area

43.6 kha

57% of total area

Volume

15.9 m³

80% of total volume

Operations and strategy



Area
17.7 kha
23% of total area

Volume
1.6 m m³
8% of total volume

Finland

In Finland, the "Land of a Thousand Lakes," forests cover about 75% of the total land area. Finnish forestry stands out for its integration with technology and GreenGold is constantly looking for new properties. Primarily made up of pine, spruce, and birch. These forests are certified and managed sustainably with a long-term perspective including areas under the Finnish METSO program that aims to halt the decline of forest biodiversity. This forest wealth has given rise to global leaders in the forest products sector like Stora Enso, Metsä and UPM Kymmene. Finland is a global leader in sustainable forest management and advanced forest products. The country is not just about raw timber but also about high-value products like specialty papers, engineered wood, and biofuels. GreenGold is excited to be part of Finland's forestry landscape. With our own mission of sustainable forestry, we find Finland to be an inspiring and strategic fit for GreenGold's objectives.



Area
8.4 kha
11% of total area

Volume
1.4 m m³
7% of total volume

Lithuania

GreenGold owns and manages about 8,000 hectares of forest land in Lithuania, the "Land of Storks and Woodlands," where forestry traditions run deep. Unique for its balance between coniferous and deciduous forests, Lithuania has an expanding forestry sector with an increasing focus on export to the European market. GreenGold's commitment to responsible forestry finds a natural home here, where forest certification systems are widely adopted for international trade. Lithuania's forests are diverse but predominantly consist of pine, spruce, and birch trees. The country benefits from a temperate climate and balanced rainfall, which support excellent conditions for forestry. Lithuania has a growing emphasis on sustainability and responsible forest management, with various initiatives in place to support these goals. GreenGold's mission to practice responsible and sustainable forestry merges seamlessly with Lithuania's approach to forest management.

Operations and strategy



Latvia

GreenGold currently owns and manages about 1,700 hectares of forest land in Latvia, and is always on the lookout for new properties, capitalizing on the country's thriving forestry sector, which contributes nearly 5% to the national GDP. Latvia is noteworthy since forests have increased in area by about 45% over the past 100 years. Latvian forests are a mosaic of coniferous and deciduous trees, with an array of spruce, pine, and birch species. With a robust framework for sustainable forestry practices and responsible forest management, Latvia offers an advantageous setting for forestry investments. As in other countries where we operate, GreenGold is committed to environmental stewardship and sustainable forest management, which aligns well with Latvia's own forestry ethos.



Estonia

GreenGold currently owns and manages about 900 hectares of forest in Estonia, a country known for its digital innovation even in forestry. With nearly half of its land covered in forests, Estonia is one of the most forest-rich countries in Europe. Here, our focus is on leveraging tech solutions for sustainable forest management, taking cues from Estonia's e-governance initiatives. Estonian forests are primarily composed of pine, spruce, and birch trees, similar to its Baltic neighbors. The country's cool and wet climate provides excellent conditions for tree growth. Estonia also places a strong emphasis on responsible forest management and sustainability, much like GreenGold. Our commitment to environmental protection and sustainable forestry practices finds a fitting home in Estonia's forests.



Sweden

GreenGold owns and manages about 1,500 hectares of Swedish forest land, characterized by its mixed forests comprising Scots pine, Norway spruce, Siberian larch, Lodgepole pine, and birch. In Sweden, where forests cover more than half of the country, GreenGold is continuously seeking new properties to add to our portfolio. Sweden is not only Europe's largest exporter of sawn timber but also a leader in forest research and innovation. Contrary to many countries, Sweden's forest volume has actually increased, thanks to sustainable management practices.

Area
1.9 kha
2% of total area

Volume
153 km³
1% of total volume

Area
0.9 kha
1% of total area

Volume
99 km³
0.5% of total volume

Area
1.6 kha
2% of total area

Volume
41 km³
0.2% of total volume

Operations and strategy

Sustainability

Climate Change, Net Zero, and the Importance of Forestry and Green Investments

Climate change is one of the most critical global challenges we face today. The increasing greenhouse gas (GHG) emissions, primarily from the burning of fossil fuels, have led to a significant rise in global temperatures, causing severe environmental and socio-economic impacts. To combat this crisis, the goal of achieving net zero emissions has become a vital global priority. Net zero refers to the balance between the amount of GHG emissions produced and the amount removed from the atmosphere. When this balance is achieved, consensus is that we can effectively halt further increases in global temperatures.

Forestry plays a crucial role in addressing climate change and achieving net zero emissions. Forests act as natural carbon sinks, absorbing and storing large amounts of carbon dioxide (CO₂) from the atmosphere. Sustainable forest management, reforestation, and afforestation efforts can significantly enhance this carbon sequestration potential, effectively reducing GHG concentrations in the atmosphere. Moreover, the use of wood and wood-based products as alternatives to more carbon-intensive materials can help lower our carbon footprint, further contributing to climate change mitigation.

GreenGold takes the challenge of climate change and the goal of net zero emissions very seriously. Committed to contributing to a sustainable future, GreenGold recognizes the crucial role of forestry in addressing climate change and is dedicated to responsible forest management practices that promote carbon sequestration and reduce emissions. Forests also provide a wide range of ecosystem services. In addition to providing food, fuel and fiber, forests clean the air, filter water supplies, control floods and erosion, sustain biodiversity and genetic resources, and provide opportunities for recreation, education, and cultural enrichment. Actively, but responsibly managed forests maximise CO₂ uptake and ensure long term health; GreenGold is fully committed to this endeavour.

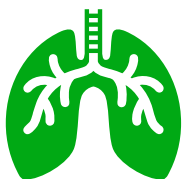


**770,000 new trees planted by GreenGold in 2023, which
= 2,100 trees planted per day in 2023**



Operations and strategy

CO2 Capture



63 K tonnes
Forest sink

37 K tonnes
Product sink

208 K tonnes
Substitution sink

306 K tonnes Total
Net CO2 benefit in 2023

While GreenGold is not currently engaged in any voluntary CO2 projects, the company sees a significant opportunity in this area as the European and EU regulatory frameworks for carbon offsetting become more developed and standardized. Carbon capture by forests comes in different forms:

- Net increase of carbon stored in living trees and thus removed from the atmosphere – the forest sink
- Net increase of carbon stored in wood product – the product sink
- Net decrease of CO2 emissions from the use of coal, oil, natural gas, and cement – the substitution effect

Based on Holmgren 2019 (skogsnaaringens-klimatbidrag.pdf) the following key numbers can be used for calculating forest sink, product sink and substitution effect:

- 1.001 tons of CO2 are captured for every m3 of increasing standing forest inventory.
- 0.079 tons of CO2 are captured for every m3 being harvested and turned into products
- 0.447 tons of CO2 are kept underground through substitution for every m3 being harvested

When applied to the actual net increase of GreenGold's portfolio of standing forest inventory and harvest levels for the last 12 months, and also after deducting its own carbon footprint to manage the portfolio, the total net climate benefit is as stated above. This corresponds to the total yearly CO2 footprint emission of ca 40,000 people living in Europe. A small additional amount of carbon dioxide is also captured through an increasing carbon stock under ground because of protecting forests from fire, which is in this case not quantified above.

Biodiversity and conservation

GreenGold has a main focus on natural forests, with a flexible approach that recognizes the value of prudent forest management. The overarching ambition is to support biodiversity and ecological resilience, acknowledging that natural forests are dynamic and have developed diverse characteristics over time. We believe in a balanced strategy that allows for a variety of species, ages, and structures within our forest landscapes. This is part of our business diversification strategy as well. However, we also understand the necessity of certain intensive management practices, including sanitary cleaning and thinning, to maintain forest health and vitality and protect against pests, disease and fire risk. These actions are taken with careful consideration.

In Europe, where robust environmental frameworks like Natura 2000 are in place, GreenGold consistently meets these requirements for biodiversity and habitat protection. Our approach to forest stewardship is multifaceted, with a range of initiatives aimed at preserving the delicate balance of our ecosystems:

1. Mindful harvesting practices and adapted forestry management with a focus on the best regeneration, promoting natural regeneration where it is possible, to ensure the suitability of forests to the local soil and weather conditions for good resilience, which also generally fosters a naturally more biodiverse forest.
2. Our commitment to sustainability is reflected in the FSC and/or PEFC certification of our forests, signaling our adherence to high environmental standards.
3. Voluntary conservation areas.
4. We take special measures to protect threatened species and support the conservation of deadwood and biodiversity trees within our commercially managed forests.
5. Collaborating with governmental agencies and academic institutions, including participation in projects like INFORMA, GreenGold is dedicated to advancing our understanding of forest ecosystems and the species that rely on them.

Operations and strategy

As per 31 December 2023 GreenGold had about 16.6 thousand hectares under some form of Natura 2000 designation, which also covers the non-forest areas under GreenGold ownership such as wetlands. Practically all of its forest land was FSC or PEFC certified, with an area of about 900 hectares as related conservation. The accompanying rules and regulations vary from property to property, but are generally meant to ensure biodiversity and protect certain animal habitats.

Natura 2000	FSC/PEFC certified forest area	Conserved under certification
16,611 ha	71,816 ha	938 ha

Certification

GreenGold is committed to managing forests in the most responsible way possible, and as part of that commitment, has chosen to apply and receive certification for its forest assets. Certification is a valuable tool for sustainability work and provides confidence and acknowledgement both internally and to external partners.

Through certification, GreenGold is able to demonstrate to its stakeholders that it is managing its forests in a responsible and sustainable way. This not only helps to build trust and credibility with customers and investors but can provide a competitive advantage in certain markets. That said, Europe's historic and scientific approach to forestry has contributed to the development of leading sustainable forest management practices. Through ongoing research and collaboration between scientists, forest managers, and policymakers, Europe continues to play a leading role in promoting the responsible and sustainable use of forest resources. Local European forest legislation is already restrictive and founded on strong sustainability principles which GreenGold follows diligently.

The certification however provides reference and measurable criteria by which forestry meets through independent and transparent certification. This means that GreenGold's forest management practices are independently assessed against a set of rigorous criteria, providing assurance to stakeholders that the company is managing its forests in a responsible and sustainable way.

In the forest industry, there are two leading certification organizations, FSC® – Forest Stewardship Council® (FSC) and PEFC – Programme for the Endorsement of Forest Certification. GreenGold works with both organizations but in different markets.

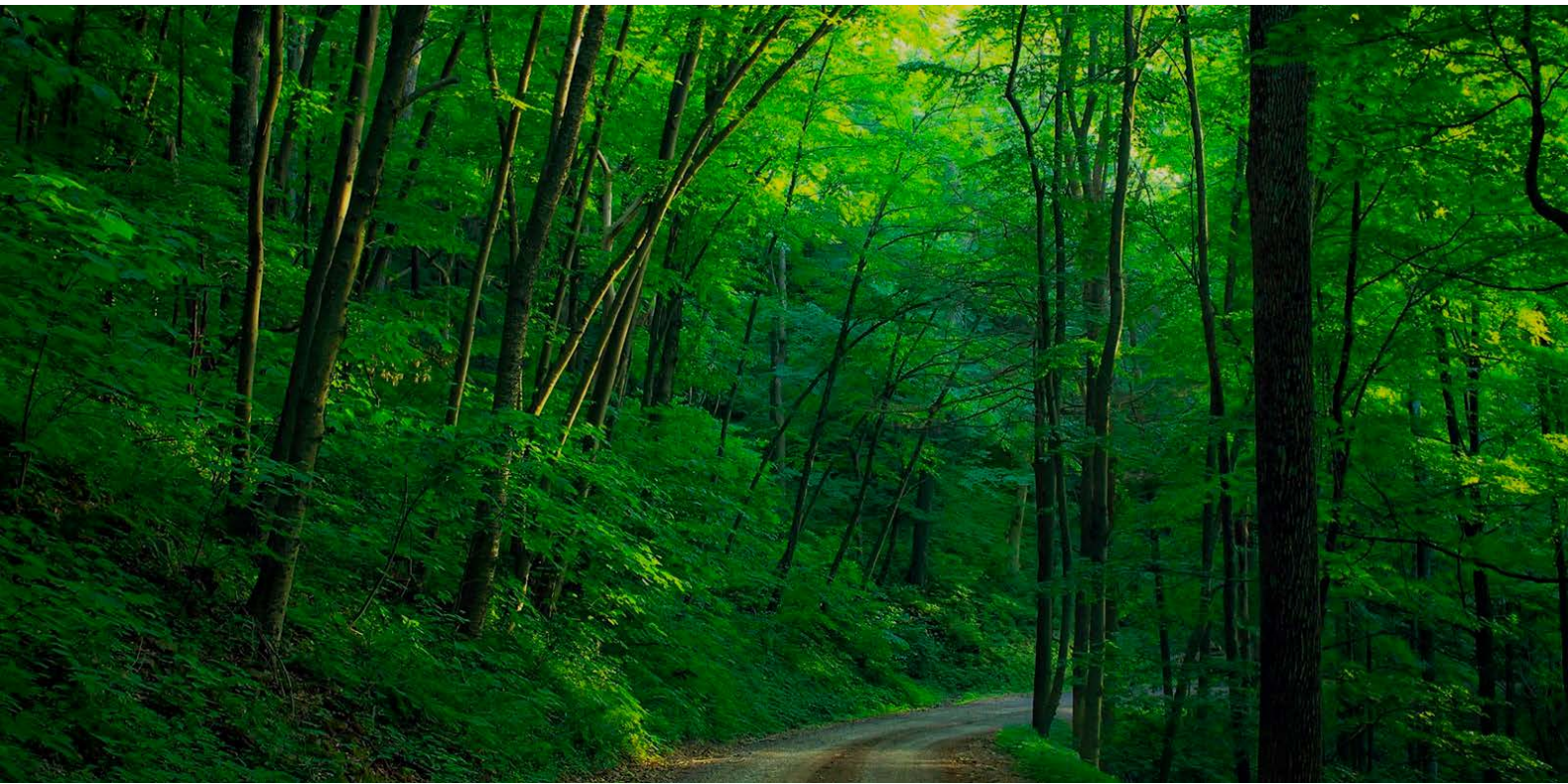
There are two main differences between the two organizations. PEFC is the forest companies' own organization and is now the largest organisation. The other major difference is that PEFC adapts its rules to national standards.

In summary, certification provides GreenGold with a valuable tool for demonstrating its commitment to responsible and sustainable forestry management practices. Through certification, the company is able to build trust and credibility with its stakeholders and gain a competitive advantage in the marketplace.

Certification
Romania – PEFC
Nordics – PEFC
UK – FSC
Baltics – FSC



Operations and strategy



Social responsibility

At GreenGold we know that being a responsible corporate citizen means more than just focusing on our business success. As a forest company, we understand the impact we have on local communities, and our employees, and the responsibility we bear for nature. We take our social responsibility seriously and constantly work to improve the way we contribute to the world around us.

Supporting Local Communities and Businesses

We recognize that our operations directly affect the communities we work in, and we want to make sure our presence brings about positive influence. To do this, we focus on creating jobs, if possible prioritize local suppliers and buyers, and actively participating in community initiatives, contributing to the social and economic growth of the regions where we operate.

In addition to our efforts to support local businesses, we also offer financial support to communities through various initiatives. Especially in Romania the Company has a long history of social support, with a particular focus on children from rural areas and disadvantaged regions, identifying their needs and providing resources to prevent and reduce school dropout rates and improve their level of education.

Employee Health, Safety, and Education

The well-being and safety of our employees are of utmost importance to us. We invest in health and safety programs to ensure that our team members can work in a secure and supportive environment.

We also believe in educating our employees about sustainable forestry practices and the ecosystem services that nature provides. By empowering our team with knowledge about responsible forest management, we can ensure that our operations have a minimal impact on the environment and contribute to the long-term health of the forests under our care.

Operations and strategy

A selection of social initiatives and community projects supported by GreenGold

Lithuania – school collaboration projects

Interactive field projects, to educate about forests and ecosystems and forestry management practices.



Romania – Leontie Foundation

www.sfantulleontie.ro

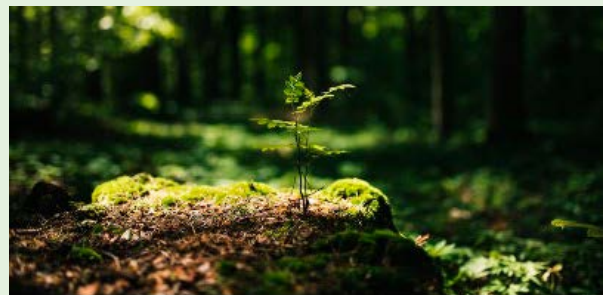
Romania – ProVita Association

www.voluntar-provita.ro

Support for abandoned, neglected or orphaned children. To provide care and shelter to women, mothers and their children, mothers-to-be, homeless adults and abandoned elderly people. Support and shelter provided through social centers and Children's Home settlement.

Romania – practical training program

GreenGold has established a practical training / internship program in cooperation with the forestry departments of the universities of Brasov / Suceava / Timisoara / Cluj Napoca.



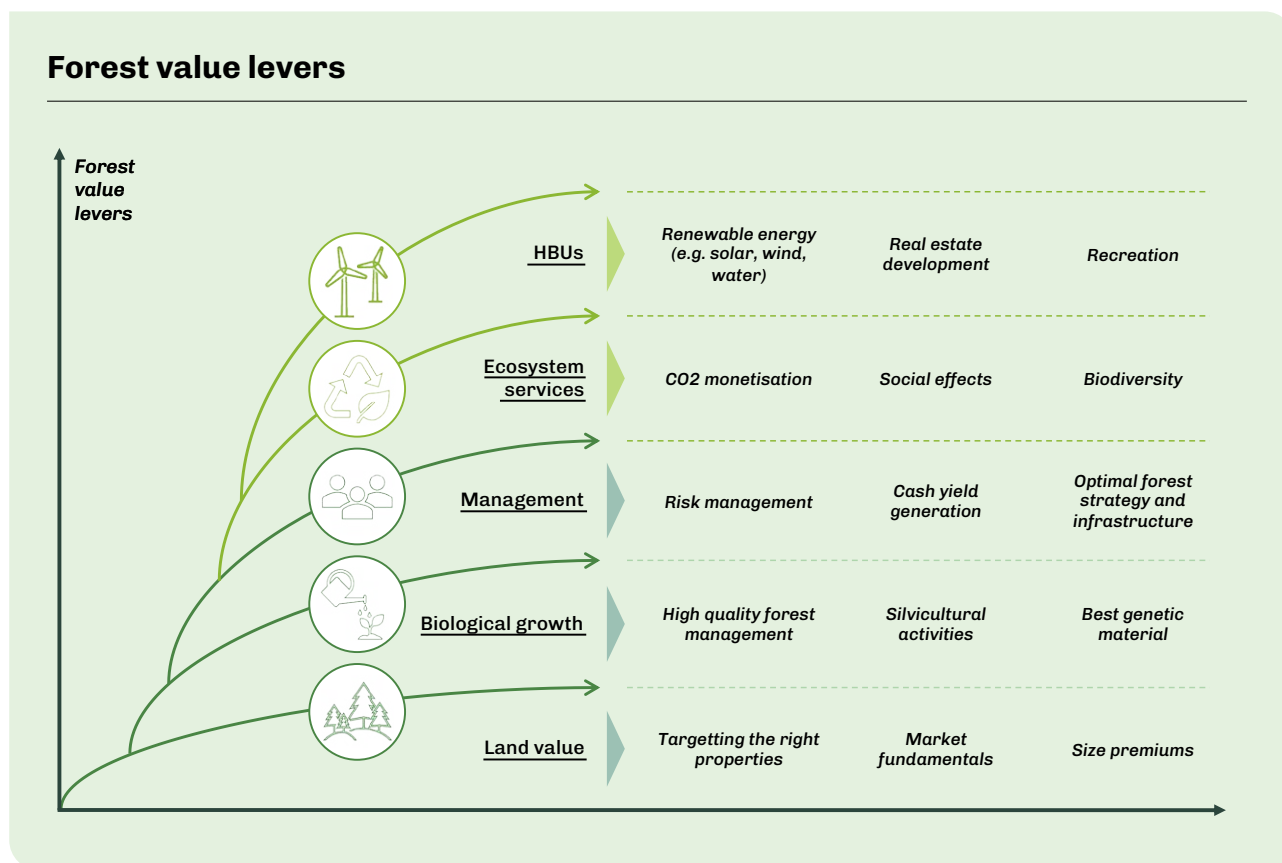
Lithuania – tree planting festival

It is now a tradition to organize educational and collaborative tree plantings on “earth day” each year together with other local companies and organisations like Swedish Chamber of Commerce in Lithuania, SKOGRAN and Transcom, Foros and Neste, and all their colleagues and families. This has become a popular and appreciated yearly event.

Operations and strategy

The value creation of forests

The GreenGold investment and management model ensures the maximum benefit of the forest land asset opportunity

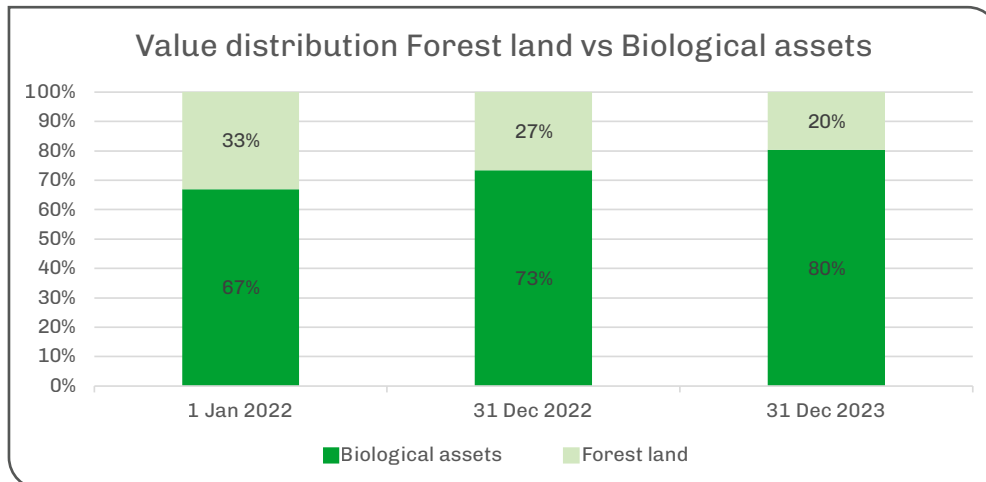


Forest valuation

GreenGold's forest portfolio has seen a significant increase in value over recent years, driven by both macro and micro factors. As explained in detail in Note 15 – Forest Assets, GreenGold derives the total value of the forest assets for accounting purposes based on a combination of forest land transactions in the areas where GreenGold owns forest assets, as well as a detailed Discounted Cash Flow (DCF) model for the forecasted future cash flows generated by the forest properties. In accordance with IFRS, forest assets need to be separated into Land and Biological assets. Following industry practice, GreenGold calculates the value of the land assets (forest land without trees) as the residual between the total value of the forest assets and the value of the biological assets determined by a DCF model for the same. This also means that while the overall value of forest assets might increase, the exact distribution of value between biological assets and land will depend on the assumptions and forest economics prevalent at any given time, which might shift the implied value of each component relative to each other. While GreenGold strives to enhance the value of its land properties through Highest and Best Use (HBU) projects, the main value is clearly derived from the trees, as evidenced by the significantly increased returns per cubic meter of harvested and sold volume, thereby assigning more value to the biological assets. As more revenue is potentially attributed to the land in the future, this structure might change.

	31/12/2023	31/12/2022	1/1/2022
Value forest assets (EUR thousand)	661,916	616,762	411,442
Value per m3 of SFI (EUR)	33.3	31.6	24.9

Operations and strategy



IFRS requires the recognition of deferred tax for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Simply put, a deferred tax liability is recognized on the difference between the historical acquisition cost and the estimated current fair value of the forest assets, regardless of whether that difference would materialize or not.

	31/12/2023	31/12/2022	1/1/2022
Deferred tax liability attributable to forest assets (EUR thousand)	54,436	51,245	29,049



Shareholder information

Share structure

GreenGold Group AB is a Swedish public (publ) company which has a broad European ownership base with approx. 200 owners from 15 countries, and a significant ownership by management of the Company.

The Company has two categories of shares, A and B, with different voting power.

A shares – GreenGold founder and CEO - Sorin Chiorescu

1 share = 10 voting rights

B shares – ordinary shares

1 share = 1 voting right

A and B shares carry equal rights towards GreenGold's assets and profits.

Primary preferential rights for both A and B shareholders in case of capital increase, pro-rata to the number of shares previously owned in their respective class of shares

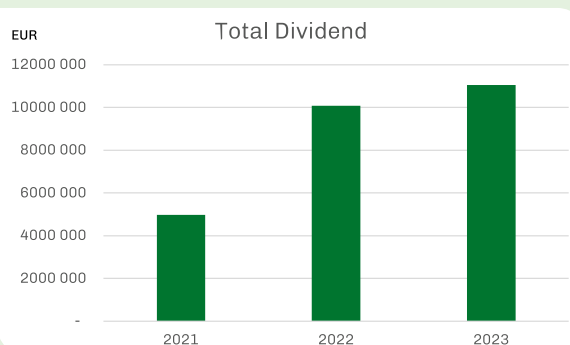
GreenGold's shareholder register is administrated by The Swedish Central Securities Depository (Euroclear Sweden). Name: GREENGOLD, ISIN: SE0014583647

Number of outstanding shares as per: 31 December 2023

A shares: 1,084,129

B shares: 9,307,492

Total: 10,391,621

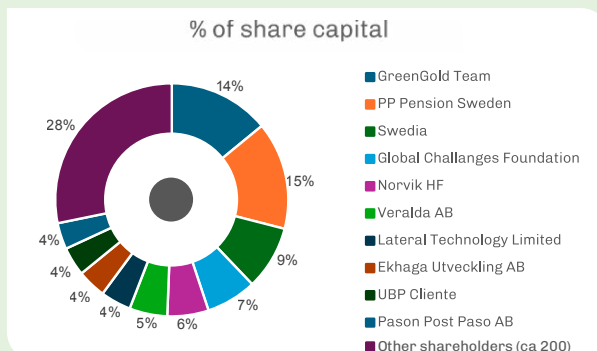


Dividend

The Company has been paying dividends twice a year since 2021. Dividend has been determined on a half yearly basis in relation to the operating profit for the previous 6 months. In accordance with the Company's new dividend policy, dividends shall henceforth be approved at annual general meeting based on annual performance.

Shareholders

Largest 10 shareholder/shareholder groups as per 31 December 2023 according to Euroclear (% of outstanding A and B shares). GreenGold management team controls 55.6% of votes, through A-shares



Governance

Corporate governance

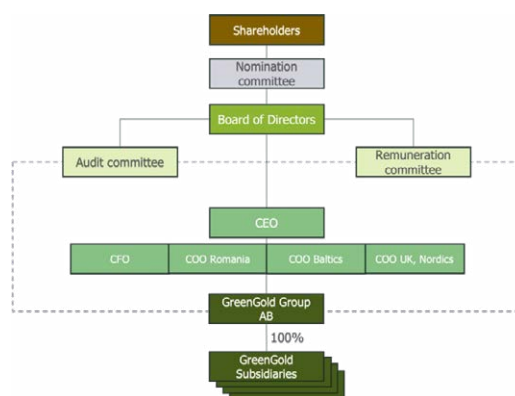
Corporate governance within GreenGold

GreenGold Group AB is a Swedish public limited company. The owner's governance of GreenGold takes place through the General Meeting of Shareholders and the Board of Directors. GreenGold's corporate governance is formed on the basis of applicable Swedish and foreign legislation and the Swedish Code of Corporate Governance ("the Code"). However, the Company does not formally apply the Code.

With inspiration from the Code, GreenGold has established two key committees as an integral part of the governance framework: the Audit Committee and the Remuneration Committee.

1. General Meeting

The General Meeting of Shareholders is GreenGold's highest decision-making body and the forum where the shareholder formally exercises its influence. The convening notice for the Annual General Meeting shall be made no earlier than six weeks and no later than four weeks before the Annual General Meeting through advertising in the Official Swedish Gazette and on the company's website: www.greengold.se. The Board of Directors is responsible for convening the General Meeting.



A Nomination Committee consisting of representatives of the 4 largest shareholders shall present proposals to the Annual General Meeting regarding Chairman of the Annual

General Meeting, Chairman of the Board of Directors and other members of the Board of Directors, auditor, remuneration to the board members and auditor as well as principles for appointing the Nomination Committee and the rules of procedure for the Nomination Committee.

Nomination Committee 2023

The Nomination Committee ("NomCom") 2023 consisted of Carl Lindgren, Staffan Persson and Sorin Chiorescu, representing the 4 largest shareholders. Göran Persson as Chairman of the Board was a co-opted member of NomCom. Carl Lindgren was appointed as Chairman of the NomCom. NomCom represented 42% of the equity and 70% of the votes outstanding in GreenGold as of the time of formation of NomCom.

Annual General Meeting 2023

The Annual General Meeting of the parent company GreenGold Group AB (publ) was held on 24 May 2023 in Stockholm. The meeting was opened by the Chair of the Board, Göran Persson, who was also appointed to lead the meeting. The Annual General Meeting adopted the income statement and balance sheet for the 2022 financial year and granted discharge from liability to the Board of Directors and the CEO for the year. The AGM resolved to approve the Board's proposed appropriation of earnings. In addition, the Board members, Chairperson and Auditor were elected and resolutions were passed regarding remuneration. Minutes and other material related to the Annual General Meeting can be found on the company's website: www.greengold.se.

Governance

Extraordinary General Meeting 2023

GreenGold Group AB (publ) held an Extraordinary General Meeting on 19 September 2023. The EGM resolved to approve an extraordinary dividend of EUR 0.52 per share, which corresponds to a total amount of EUR 5,391,672, related to 1H 2023 financial performance. The dividend was paid on 29 September.

Nomination Committee 2024

NomCom 2024 consists of Carl Lindgren, Staffan Persson and Sorin Chiorescu, representing the 4 largest shareholders. Göran Persson as Chairman of the Board is a co-opted member of NomCom. Carl Lindgren has been appointed as Chairman of the NomCom. NomCom represented 41% of the equity and 70% of the votes outstanding in GreenGold as of the time of formation of NomCom.

Annual General Meeting 2024

The 2024 Annual General Meeting will be held on 24 May. Documents for, and minutes from, General Meetings can be found on the company's website: www.greengold.se

2. External auditor

Election of auditors is decided by the owners at the Annual General Meeting. The Nomination Committee submits a proposal on an auditor's election to the AGM after consultation with the Audit Committee. Proposals for the election of auditors are presented in the convening notice to the Annual General Meeting and on the company's website: www.greengold.se. The auditors are appointed for a one-year term of office.

According to GreenGold's Articles of Association, the company must have one or two auditors or a registered accounting firm as the auditor. At the 2023 Annual General Meeting, KPMG AB was re-elected as auditor for a one-year period until the 2024 Annual General Meeting. The accounting firm appointed Helena Arvidsson Älgne as the auditor in charge. The auditor is responsible for examining the company's annual financial statements and accounts, as well as the management of the Board of Directors and the CEO, on behalf of the shareholders.

The Board of Directors has a dialogue with the auditor through the Audit Committee and through the auditor's presence at Board meetings in the treatment of issues leading to the annual financial statements and annual accounts. At least once a year, the auditor meets with the Board of Directors without the presence of the CEO or another person from Group management. Fees for the auditor's work are paid according to an approved bill.





Governance

3. Board of Directors

The Board of Directors is responsible for the company's organisation and management of the company's affairs within the framework of the legislation, and the company's Articles of Association.

The 2023 Board of Directors

The Board shall consist of at least 3 but not more than 8 directors. At the AGM held on 24 May 2023, it was resolved, in accordance with the proposal of the 2023 Nomination Committee, to re-elect Göran Persson, Fredrik Persson, Gudmundur Johnsson, Martin Randel and Johanna Ikehäimo as Directors, it was also resolved to elect Malcolm Cockwell as new Director, with Göran Persson as Chairman of the Board.

All Board members are independent vis-à-vis major shareholders. The 2023 Board of Directors had a gender distribution of 17% women and 83% men (1 woman, 5 men). For a detailed presentation of the current Board, see section "Presentation of Board of Directors" in this report.

The Board's rules of procedure govern the work of the Board and determine how the work is to be divided among the Board members, the number of ordinary Board meetings, matters to be dealt with in ordinary Board meetings and the responsibility of the Chair of the Board. The Chair of the Board shall ensure that the work of the Board is carried out effectively and that the Board fulfils its obligations. At each Board meeting during the year, the CEO submits a report on significant events in the company and the Chair of the respective committees reports from the committee meetings that have taken place between the Board meetings. According to the rules of procedure, the Chair shall, on behalf of the Board, consult representatives of the owner on matters of crucial importance to GreenGold. The rules of procedure also contain information about the Chair's role in the Board and information about the division of responsibilities and roles between the Board and the CEO. The Board continuously evaluates the CEO's work, and makes an annual evaluation of the Board's work. At least once a year, the CEO's work is evaluated without the presence of anyone from Group management.

Governance

Board meetings

According to the Rules for Board of Directors, board meetings are held in accordance with established annual calendar and when deemed necessary. Board meetings are either held physically, or conducted by video conference, and, on occasion, resolutions may be passed by circulation ("per capsulam") if all board members approve. The Chief Executive Officer is in regular contact with the Chairman of the Board of Directors as well as the other members of the Board of Directors. During 2023, nine board meetings were held (3 physically, 2 by video and 4 per-capsulam). Several Board members also participated in field visits to the Company's operations in different countries.

Remuneration of the Company's Board of Directors

The remuneration of the Board of Directors was set at SEK 220,000 for the Chairman of the Board and SEK 110,000 for each of the other members of the Board of Directors. Members living abroad shall also be reimbursed EUR 500 per physical meeting attended and all members compensated for reasonable travel expenses. For work on the Audit Committee and Remuneration Committee no additional remuneration has been given.

Committees of the Board of Directors

The Board has established committees to specifically monitor and prepare Board issues within the respective focus areas of the committees. The members of the committee are elected at the statutory meeting of the Board, which is held in direct connection with the Annual General Meeting. Guidelines for the work of the committees are set out in the Board's rules of procedure. In addition, there are specific instructions for the Audit and Remuneration Committee. The issues dealt with by the committees are recorded and reported at the next Board meeting. The audit committee was decided to consist of Gudmundur Johnsson (chairman), and Fredrik Persson. The remuneration committee was decided to consist of Göran persson (chairman) and Martin Randel. The composition of the committees may be altered upon resolution by the board of directors.

Remuneration Committee

Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing and making recommendations regarding the remuneration of the company's executive management. The Committee ensures that remuneration is competitive, supports the company's strategic objectives, and aligns with the long-term interests of shareholders.



Governance

Audit Committee

The Audit Committee is responsible for overseeing the company's financial reporting process, internal control systems, and risk management. This committee works to ensure that our financial statements are accurate, complete, and prepared in accordance with applicable accounting standards and regulations.

The main functions of the Audit Committee include: a) Reviewing and monitoring the financial reporting process and the quality of financial statements, b) Assess the effectiveness of the Company's internal controls and risk management with regards to financial reporting, c) Overseeing the company's relationship with the external auditor, including the selection, appointment, and d) Evaluation of their performance and Ensuring the independence and objectivity of the external auditor. The committee continuously meets the company's auditor to inform itself of the focus, scope and results of the audit and discusses the coordination between the auditor and the internal control activities and the view of the company's risks.

Name	Year of birth	Elected to the Board	Position	Remuneration committee	Audit committee	Per-capsulam Board meetings Attended/ Meetings	Video board meetings Attended/ Meetings	Physical board meetings Attended/ Meetings	Total Board meetings Attended/ Meetings	Attendance %	Annual Board compensation (SEK)
Göran Persson	1949	2018	Chairman	X		4/4	2/2	3/3	9/9	100%	220,000
Fredrik Persson	1984	2018	Member		X	4/4	2/2	3/3	9/9	100%	110,000
Martin Randel	1974	2020	Member	X		4/4	2/2	3/3	9/9	100%	110,000
Gudmundur Jonson	1977	2022	Member		X	4/4	2/2	3/3	9/9	100%	110,000
Johanna Ikehäimo	1968	2022	Member			4/4	2/2	3/3	9/9	100%	110,000
Malcolm Cockwell	1988	2023	Member			2/2	1/1	1/1	3/3	100%	110,000
											770,000

Remuneration committee	Number of meetings	Meetings attended
Göran Persson (Chair)	1	1
Martin Randel	1	1

Audit Committee	Number of meetings	Meetings attended
Gudmundur Johnson (Chair)	5	5
Fredrik Persson	5	5



Governance

Presentation of Board of Directors and Auditors

GÖRAN PERSSON

Chairman of the Board
Chairman of the Remuneration Committee

Elected: 2018

Year of Birth: 1949

Nationality: Swedish

Education: Sociology and Political Science, Örebro University, Sweden

Other positions: Chairman of the Board of Swedbank and LKAB. Senior advisor Consulting assignments through own business, Baven AB. Previous experience include Sveaskog, Chair 2008–2015 (State forestry company and the largest forest owner in Sweden with about 3 million hectares of commercial forest land), Scandinavian Biogas Fuels, Chair 2009–2021, Ålandsbanken, Board member 2015–2019, Prime Minister of Sweden 1996–2006 and Finance Minister of Sweden 1994–1996.

Board member's independence: Independent in relation to the Company and the management of the Company and independent in relation to the Company's major shareholders.



FREDRIK PERSSON

Board member
Member of audit committee

Elected: 2018

Year of Birth: 1984

Nationality: Swedish

Education: Civil engineering from Uppsala University and has undergone training for board work at Michael Berglund Board Value

Other positions: Investment Manager at Swedia Capital AB and CEO Swedia Fastigheter AB, Chairman of the Board Arctic Falls Aktiebolag and Board member of 4minutemile AB, Breaking Media AB, Jiver River Aktiebolag, Lundqvist Intressenter AB, Lundqvist Trävaru AB, Optise AB, STIGA Sports AB, STIGA Sports Group AB, STIGA Sports Holding AB, Swedia Fastigheter AB. Mr. Persson is also deputy Board Member of Nortal Investments AB, Piteå Stadshotell AB, Swedia Capital AB, Swedia HighP AB

Board member's independence: Independent in relation to the Company and the management of the Company and independent in relation to the Company's major shareholders.



GUDMUNDUR H JÓNSSON

Board member
Chairman of the Audit Committee

Elected: 2022

Year of Birth: 1977

Nationality: Icelandic

Education: Bachelor's degree in Business Administration, University of Iceland

Other positions: Chairman of the Board of Byko ehf., Smaragardur ehf. Board member of Norvik hf., Bergs Timber AB, Sterna ehf., Deilir Tæknithjonusta, Axiom ehf

Board member's independence: Independent in relation to the Company and the management of the Company and independent in relation to the Company's major shareholders.



MALCOLM COCKWELL

Board member

Elected: 2023

Year of Birth: 1988

Nationality: Canadian

Education: B.Sc. in Forestry from the University of Toronto and is a Registered Professional Forester in Ontario. PhD from the Faculty of Forestry at the University of Toronto with research interests focused on hardwood silviculture and processing

Other positions: Chairman of the Board of Acadian Timber Corporation (one of the largest timberland owners in eastern Canada and the northeastern U.S, with a total of approximately 1 million hectares of land under management). Managing Director of Haliburton Forest and Wildlife Reserve. Mr. Cockwell also serves on the board of directors of Forests Ontario and represents Haliburton Forest at the Ontario Forest Industries Association

Board member's independence: Independent in relation to the Company and the management of the Company and independent in relation to the Company's major shareholders.



JOHANNA IKÄHEIMO

Board member

Elected: 2022

Year of Birth: 1968

Nationality: Finnish

Education: Master's Degree in Administration and honorary doctor of Philosophy, from the University of Lapland

Other positions: Chairman of the Board of Directors of the Lappset Group since 2006. Board Member of Mutual Insurance Company Fennia, and the University of the Arctic (UArctic). Chairmanship of the University Consortium of Lapland including the University of Lapland and Lapland University of Applied Sciences. Previous experience include Board engagements at Mutual Pension Insurance Company Varma, and Metsähallitus (Finland's state-owned company administering the state-owned land and water areas, managing about 3.5 million hectares of commercial forest land).

Board member's independence: Independent in relation to the Company and the management of the Company and independent in relation to the Company's major shareholders.



MARTIN RANDEL

Board member
Member of the Remuneration Committee

Elected: 2020

Year of Birth: 1974

Nationality: Swedish

Education: MSc and CEMS, Finance and International Business from Stockholm School of Economics

Other positions: Martin is a private investor and entrepreneur, founder, owner. Board member of Kindred, Vitamin Well, Unifaun, Instabee, and EnginZyme

Board member's independence: Independent in relation to the Company and the management of the Company and independent in relation to the Company's major shareholders.



Governance

AUDITOR

At the 2023 Annual General Meeting it was approved to re-elect KPMG AB as Auditor until the end of the 2024 Annual General Meeting. The authorized public accountant Helena Arvidsson Älgne, is auditor-in-charge.

The auditor's independence is ensured by legislation and professional ethics and the audit firm's internal guidelines, as well as by adhering to the Audit Committee's guidelines governing the type of assignments that the audit firm may conduct in addition to the audit.

Presentation of the Executive Management Team

SORIN CHIORESCU

CEO and Founder

Working in GreenGold since: 2007

Year of Birth: 1974

Nationality: Swedish

Education: M.Sc. in Forestry and Wood Technology, from Romania's Forest University and France's National School of Forestry and Rural Sciences (ENGREF). Ph.D. in Forestry-Wood Chain from Luleå University of Technology, Sweden and a MBA from Stockholm School of Economics

Previous Experience: Before founding GreenGold, Sorin worked for Weyerhaeuser Company in Seattle, US, at INRA and Office National du Forests in Nancy, France, and State forestry Romsilva Company in Romania.



SIMONAS ŽEBRAUSKIS

COO Baltics and Poland

Working in GreenGold since: 2014

Year of Birth: 1978

Nationality: Lithuanian

Education: Master's degree in Forest Economics, MBA

Previous Experience: Trade and Logistics manager Sveaskog Lithuania



ALEXANDRU FLOREA

COO Romania and CEEurope

Working in GreenGold since: 2009

Year of Birth: 1970

Nationality: Romanian

Education: Master's degree in Forestry and Business Administration



CARL KLING

COO Nordics and UK

Working in GreenGold since: 2021

Year of Birth: 1984

Nationality: Swedish

Education: M.Sc. in Forestry and a Master's degree in Business Administration from SLU.

Previous Experience: Head of Forestry – Baltics at Skogssällskapet and later Head of Forest Investments and Property Development for Sweden, Finland and the Baltic. Also Investment Manager and managing director for Lithuania in GreenGold 2011-2013.



GUSTAV WETTERLING

CFO and Investor Relations

Working in GreenGold since: 2022

Year of Birth: 1981

Nationality: Swedish

Education: M.Sc. in Economics and Business from the Stockholm School of Economics

Previous Experience: Deputy CEO and CFO at Pomegranate Investment. Group CFO at RusForest AB. Black Earth Farming Ltd. Vostok Nafta Investment AB



MIHAI SOLCANU

Business Development Manager

Working in GreenGold since: 2013

Year of Birth: 1978

Nationality: Romanian

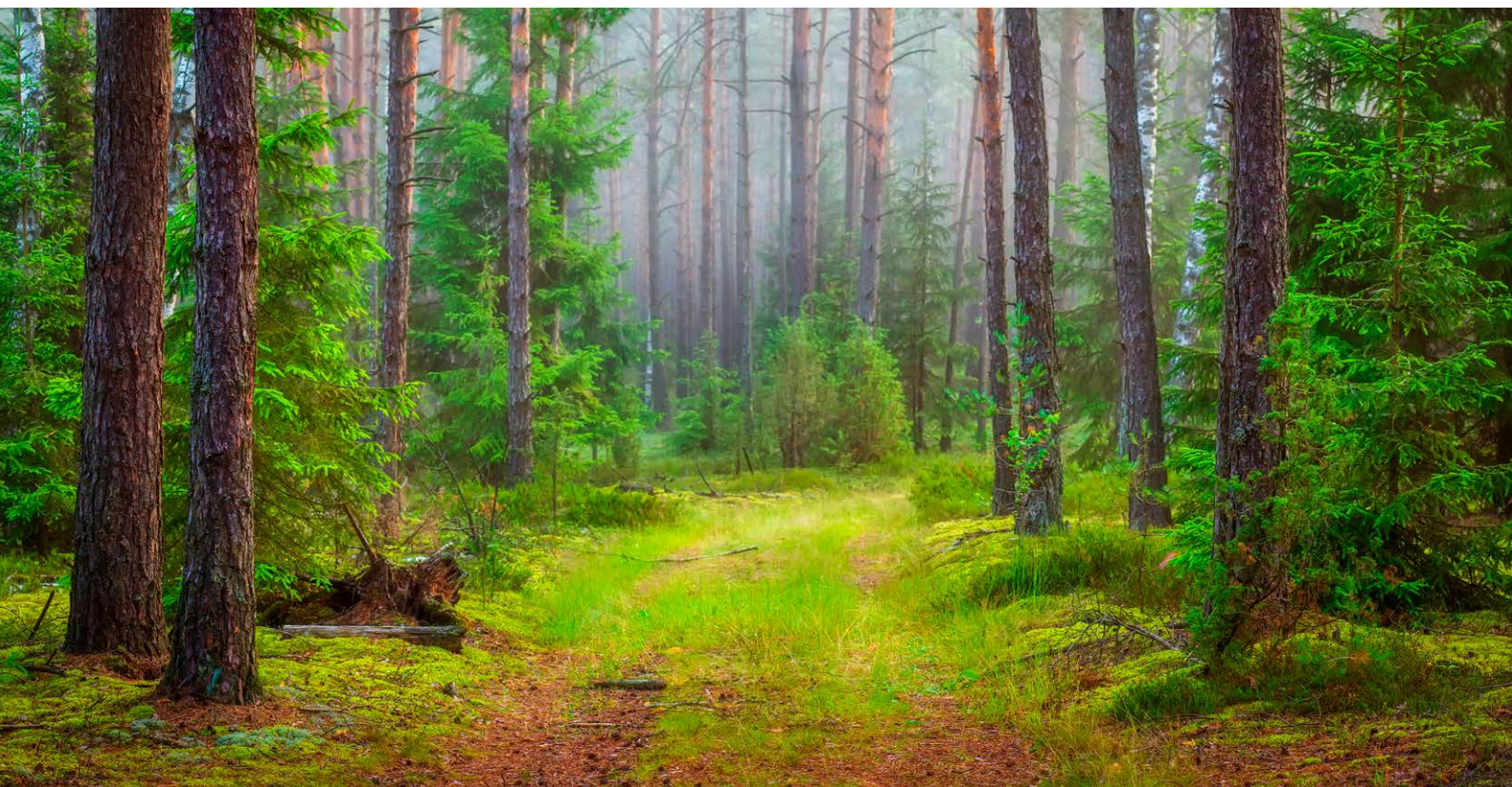
Education: M.Sc. in Psychology



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Board of Directors report



The Board of Directors and the CEO of GreenGold Group AB (publ), corporate identity number 559168–7719 (“the Company” or together with subsidiaries, “the Group”), hereby prepare their annual report 2023 in accordance with the Annual Accounts Act and the recommendations of the Swedish Accounting Standards Board (RFR 2). This means that the parent company, in the annual report for the legal entity, shall apply all EU-approved IFRS and statements to the extent possible within the framework of the Annual Accounts Act (ÅRL) and taking into account the relationship between accounting and taxation. The recommendation specifies which exceptions and additions should be made from IFRS. The parent company applies the same accounting principles as the group, except as stated below in the section “Parent Company’s Accounting Principles”.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as interpretations from the IFRS Interpretations Committee approved by the EU Commission for application within the EU. Furthermore, the Swedish Financial Reporting Council’s recommendation RFR 1 – Supplementary Accounting Rules for Groups has been applied.

This report has been prepared in Swedish with an English translated copy. In case of variations in the content between the two versions, the Swedish version shall govern.

Incorporation

GreenGold Group AB is a public limited liability company, corporate identity number 559168-7719, with its registered office in Stockholm, Sweden. GreenGold Group AB was incorporated in Sweden on 2018.

Principal activities

The company shall, directly or indirectly through subsidiaries, joint ventures or other collaborations, conduct industrial forestry operations with continuous delivery capacity, as well as activities compatible therewith.

Reporting currency

The Company reports Group consolidated financials in EUR.

Board of Directors report

Change of accounting standard

The company has decided to change the accounting principles for the group from BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3) to IFRS Accounting Standards. These financial reports are the first financial reports according to IFRS Accounting Standards on which IFRS 1 is applied (First-time adoption of IFRS Accounting Standards). IFRS 1 specifies the rules and principles that must be followed when a reporting entity applies IFRS Accounting Standards for the first time with January 1, 2022 as the transition date to IFRS Accounting Standards. According to IFRS 1, the accounting principles under IFRS Accounting Standards should be the same from the beginning of the first comparison year on January 1, 2022, and in subsequent periods. These accounting principles must comply with all IFRS Accounting Standards effective as of December 31, 2023, with certain mandatory and optional exceptions. For the presentation of the consolidated financial reports, the group has chosen to apply the optional exemption in IFRS 1 not to retrospectively recalculate business acquisitions made before the transition date to IFRS Accounting Standards.

The reason for the change is GreenGold's ambition to align with global standards for financial reporting, to increase financial transparency and comparability, and to prepare the company for a future public listing. Detailed information on how the transition to IFRS affects the company's historical financial reports, including the income statement and balance sheet, can be found in Note 3.

Significant events during the year

In 2023, the company raised a total of 6.6 million EUR in capital from shareholders. GreenGold acquired approximately 3 thousand hectares of land and about 0.4 million cubic meters of timber reserves in 2023. Both sales and profit reached new all-time highs.



Sustainability

The group has a strong focus on sustainability related to its operations, which means conducting sustainable forestry in cooperation and harmony with local communities and stakeholders over the long term. The group's operations generate a net uptake of CO₂, which amounted to 306 thousand tons of CO₂ in 2023, calculated according to Peter Holmgren's accepted methodology and the company's own estimate of the organization's CO₂ emissions. The company has several policies in place related to sustainable forestry, ethical conduct, employee health, as well as transparent and proper corporate governance. Through selective acquisitions, skilled personnel, and active management, the group works fundamentally and continuously to minimize biological and other risks associated with its operations and assets. In 2023, the group successfully avoided the negative impact of fires and pests that occurred in some other European forest areas. Certification is a valuable tool for sustainability efforts and provides trust and confirmation both internally and externally. As of December 31, 2023, virtually all forest land was FSC or PEFC certified. As consistently described in this report, the Company has a declared risk minimization strategy, exemplified by asset diversification and the absence of external borrowing.

Board of Directors report

Comments regarding the development, position and performance of the activities of the Group

2023 was a year of stability and continued improvement of operational and financial performance for the Company. Both harvesting and total area and Standing Forest Inventory (SFI) increased year-on-year. The Company was especially active in forest property acquisitions in Finland, but also managed to increase the footprint in Estonia and Latvia considerably compared to pre-existing footprint. At the same time the year was characterised by uncertain macro environment related to steep global interest rate rise and continued inflation. The softwood market saw some weakness in certain markets during the year, while hardwood markets held up and overall timber prices are still at historically high levels, while below its recent peak. The improved operational performance and continued strong prices led to a significantly improved result with new all-time highs for net sales and EBITDA, as well as net profitability.

Loans and equity

The business is entirely financed with equity and, as of December 31, 2023, the group has no loans. For further information on equity, see changes in equity.

Total income

The Group's total income for the year ended 31 December 2023 was EUR 22.9 million compared with EUR 21.2 million in 2022, representing an 8.0% increase year-on-year. The increase in total income is mainly attributable to an increase in Net sales of 8.9% and in turn increased harvesting volumes from an increased land footprint but also increase in prices driven by both market factors and sales mix. Romania continues to be the Group's largest operation representing about 53.8% of net sales in 2023. The Group remains well diversified in terms of softwood and hardwood mix and number and types of customers.

The Group's results

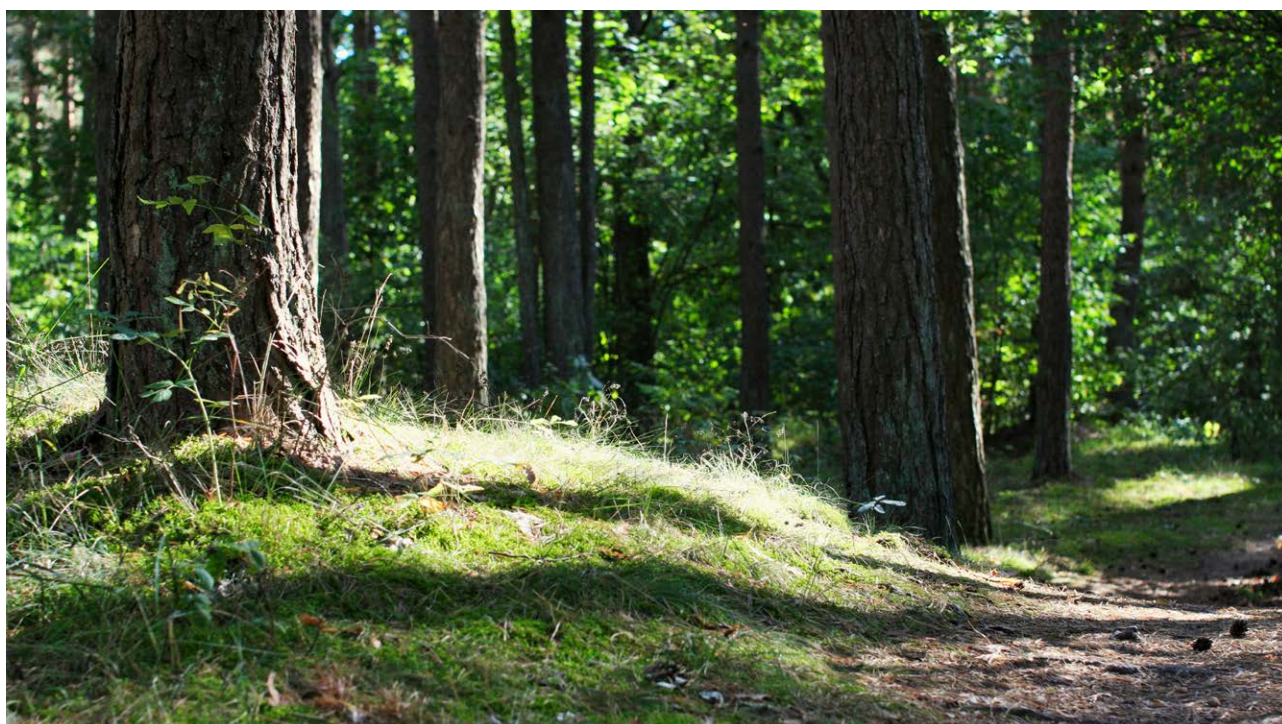
While total income increased by 8.0% in 2023 compared with 2022, the operating results before change in value of Biological assets in 2023 improved by 8.1% compared with 2022, driven by expenses which increased slightly less than income at 7.8%. Change in Biological assets contributed EUR 61.2 million to Operating result, driven by an increased valuation per m³ at the end of 2023 compared with end of 2022, net growth, but also due to a relative shift within forest assets, assigning more value to Biological assets and less to underlying land, in accordance with the Company's valuation methodology. The change in value of Biological assets in 2023 was still smaller than EUR 111.2 million recognised in 2022 due to a significant increase in property prices in all the Company's regions in 2022 compared with 2021, while significant value adding property deals were also made in 2022 which contributed to the change in value. Net result was slightly negatively affected by a -13.5% reduction in net financial items, which amounted to EUR 0.6 million compared with EUR 0.7 million in 2022. Current taxes were largely unchanged in 2023 compared with 2022. The year ended with a net profit of EUR 64.7 million compared with a net profit of EUR 106.4 million in 2022.



Board of Directors report

Dividends

At an EGM in 2023, the Company's shareholders approved an extraordinary dividend of EUR 5.4 million, or EUR 0.52 per share related to 1H2023 performance. In accordance with the company's new dividend policy, dividends should primarily be decided at the annual general meeting. The proposal for the annual dividend should be decided by the board based on the year's free cash flow, defined as the company's cash flow from operating activities after taking into account capitalized forest management costs, considered maintenance CAPEX. The board should also consider other relevant factors that balance the immediate transfer of value to shareholders with investment opportunities, strategic goals, and the current financial position. Given the extraordinary dividend already distributed in 2023, the board has proposed that the 2024 Annual General Meeting decide on a regular dividend to shareholders of EUR 0.3 per share to be paid in December 2024, corresponding to EUR 3.1 million to be distributed, based on the total number of registered shares.



Future developments

The Board of Directors does not anticipate any significant changes to the strategy of the Group in the near future.

GreenGold intends to continue to develop its current assets and raise more capital to pursue new acquisitions to continue to grow the business profitably. The Company is currently preparing for a future IPO, putting in place all the necessary procedures and corporate infrastructure to be able to apply for and be approved for listing on a European main market, at such a time when the board deems it appropriate.

Issued capital

On 31 December 2023 the issued share capital of the Company amounted to EUR 379,878 divided among 10,391,621 shares of EUR 0.036556148 each.

Board of Directors

The members of the Board of Directors of the Company as at the date of this report are Göran Persson, Fredrik Persson, Malcolm Cockwell, Martin Randel, Johanna Ikäheimo and Guðmundur Halldór Jónsson.

Independent auditors

The independent auditors of the Company in 2023 were KPMG AB.

Board of Directors report

Parent company data

The Parent company shall, directly or indirectly through subsidiaries, associated companies, or other collaborations, conduct industrial forestry operations with continuous delivery capacity, as well as activities compatible therewith. The Parent company is currently owner of 12 wholly owned subsidiaries in 7 countries, mainly financed with capital contributions from the parent.

The Parent company's net profit in 2023 amounted to EUR 3.6 million (2022: EUR 0.3 million profit). The administrative costs related to parent GreenGold Group AB were larger in 2023 compared with 2022, personnel expenses increased by EUR 281 thousand. During 2023 the Company received EUR 7.4 million in dividend from Group companies compared with EUR 1.8 million in 2022.

The profit of the Parent company was also influenced by a reduction in interest income and similar financial items which amounted to EUR 0.2 million in 2023 compared with EUR 0.8 million in 2022. No impairment of any investments in group companies were made in 2023. The Parent company wrote down the remaining value of Goodwill as per 31 December 2023, to be in line with Group IFRS treatment, in which the Goodwill is fully impaired as of the transition date.

The Parent company's cash and cash equivalents amounted to EUR 4.99 million at the end of the period (EUR 13.9 million on 31 December 2022).

Historical financial data

GROUP (EUR THOUSAND)	2023	2022
Total net sales	22,311	20,496
Operating profit	76,040	125,166
Net result	64,689	106,408

PARENT COMPANY (EUR THOUSAND)	2023	2022
Total net sales	138	149
Operating profit	- 4,016	- 2,352
Net result	3,574	296

Proposal for profit allocation

The Board proposes that the available earnings of, 354,662,164 EUR, be allocated as follows:

Total available funds for distribution (EUR)	EUR
Share premium	332,559,841
Retained earnings incl profit for the year	22,102,323
Total non-restricted equity	354,662,164
Proposed to be allocated as follows: (EUR)	
An ordinary dividend of EUR 0.3 per share ¹	3,117,486
To be carried forward ²	351,544,678
Sum	354,662,164

1) EUR 0.3 per share, total amount based on 10,391,621 outstanding shares

2) Of which share premium 332,559,841 EUR

Board of Directors report

Corporate governance

GreenGold Group AB is not listed on any stock exchange nor large enough that the Company is subject to the Swedish Code of Corporate Governance. However, the Company's Board of Directors will observe the development of the practical implications of the Code and take inspiration, in order to gradually adapt its activities to the Code in areas where it is regarded as being of relevance to the Company and its shareholders. The Board has not deemed it relevant yet to prepare a Corporate Governance and internal control report.

Nomination Committee

The Nomination Committee for the Annual General Meeting 2024 is comprised of Carl Lindgren (PP Pension, Global Challenges Foundation), Sorin Chiorescu (Forestum Capital) and Staffan Persson (Swedia Capital) with Göran Persson as deputy member (Chairman of the Board of GreenGold Group AB (publ)).

Significant risks and Uncertainty Factors

The Group is exposed to market risks from changes in global timber prices, exchange rates, inflation, and interest rates. The Group is exposed to currency risk to the extent that sales revenues, costs, receivables, loans, and liabilities are in currencies other than EUR. The Group is also exposed to biological risks specific to forests and forestry. The Group is constantly working to mitigate the risks and reduce the potential damage from any of the below described risks materializing.

Impact of Climate Change

The Company faces risks with climate change, which can lead to reduced forest productivity, damage to infrastructure, and increased susceptibility to pests and diseases. These factors can negatively affect tree growth, yield, and overall forest health, which in turn can impact the company's profitability and sustainability.

Regulatory and Political Uncertainty

The Company is exposed to risks of changes in environmental legislation, land use policy, and forest management practices at national and EU levels. Such changes can lead to increased operating costs, restrictions on harvests, or even conversion of land use, which can affect the company's operations and profitability.

Market Volatility

The Company is exposed to fluctuations in demand and supply in the timber market, which can affect timber prices and the company's overall profitability. Factors such as economic downturns, trade policies, and changing consumer preferences can lead to variations in market conditions, posing risks to the company's financial results.

Fire Risk

The Company is exposed to the risk of forest fires, which can cause significant damage to timber resources, infrastructure, and other assets. Climate change exacerbates fire risk, with rising temperatures and prolonged drought periods making forests more susceptible to ignition and spread of wildfires. However, the Company actively manages its properties and collaborates with local authorities to reduce fire risk and ensure a rapid response in case of fire.

Property Price Fluctuations

The Company is exposed to fluctuations in property prices, which can affect the value of its assets and the potential return on investments. Variations in property prices can pose challenges for the company when it comes to acquiring, selling, or managing forest properties in a volatile market.



Board of Directors report

Risk of Dependence on Key Personnel

The Company relies on the expertise and leadership of key personnel, which poses a risk to its operations, performance, and strategic direction if a key person all of a sudden ends the employment.. This dependence highlights the need for the company to focus on effective succession planning, knowledge transfer, and talent development to ensure its long-term success and resilience. The company's success largely depends on its continued ability to identify, hire, and retain qualified and experienced members of management and other key employees.

Geopolitical and War Risks

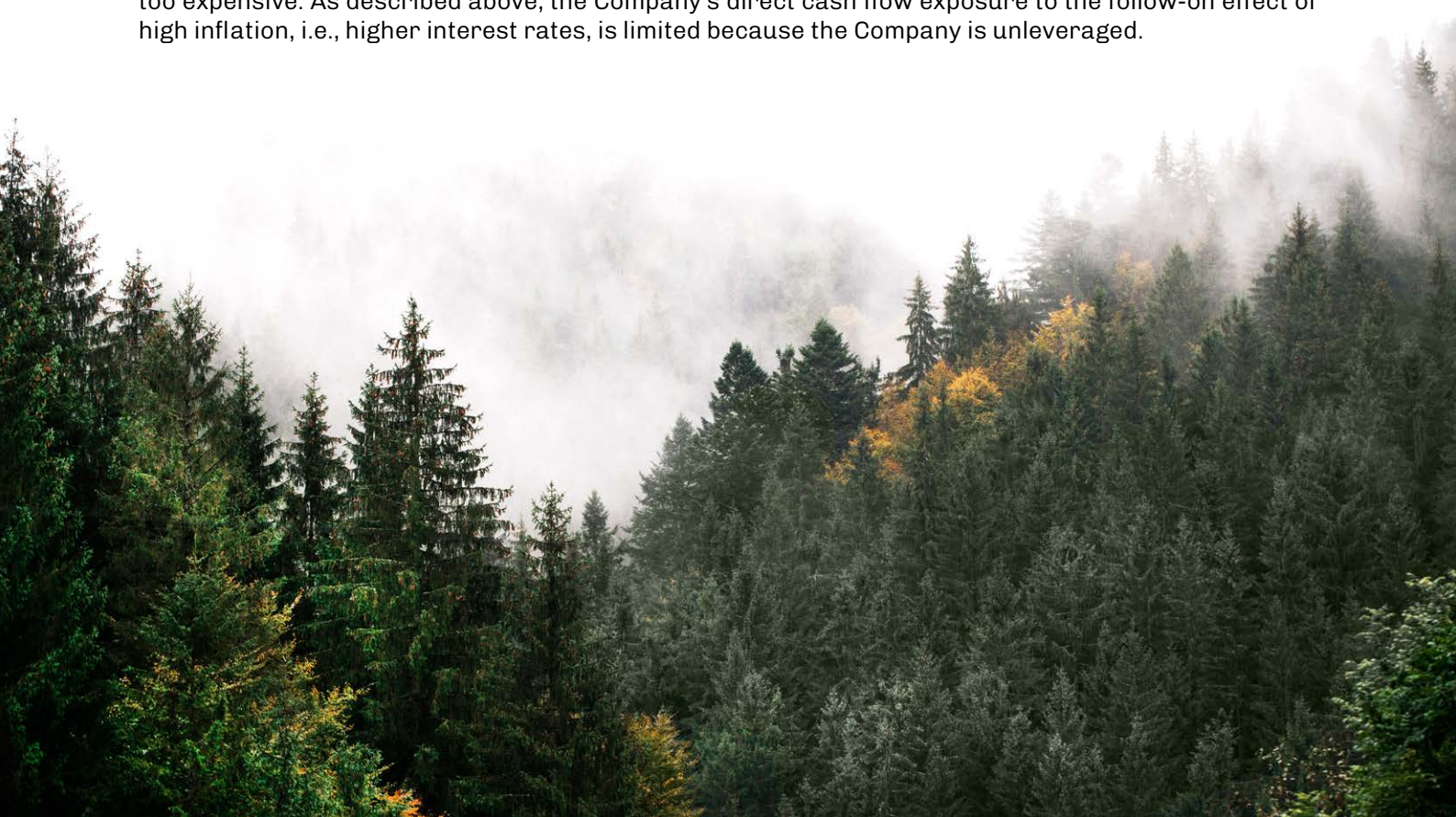
The Company faces potential risks related to geopolitical tensions and the ongoing armed conflict between Russia and Ukraine, which can affect the stability and security of the regions where its forest properties are located. War or military actions can lead to disruptions in operations, damage to forest properties, and negative effects on local and international markets. Additionally, these events can lead to increased uncertainty and fluctuations in financial, regulatory, and business environments, posing challenges for the company's long-term growth. With Finland's and Sweden's inclusion in NATO, all of the Company's operating countries are NATO members.

Macroeconomic Risks

The general economic environment at the international level can significantly affect the company's operations. Inflation, unemployment, and GDP growth are directly linked to the economic framework of each country, and variations therein and the general economic environment can create chain reactions across all areas, affecting the company. In particular, the correlation between the international construction cycle and the price of sawn timber is traditionally high. The company's prices are linked to international prices for sawn timber. External factors such as general macroeconomic development, housing construction, geopolitical events, and natural disasters can negatively affect the company's operations and financial position.

Inflation

The high inflation within the Euro area has led to higher interest rates and rapidly rising interest rate expectations. How inflation and interest rates develop will have a significant impact on the financial stability in the Company's markets. In the short term, the transition to a higher interest rate environment entails increased uncertainty and risks. Historically, forests have been a good hedge and value preserver in times of inflation, but rising prices pose a risk that the Company's operational profitability is affected and that forest properties the Company wishes to purchase for continued expansion become too expensive. As described above, the Company's direct cash flow exposure to the follow-on effect of high inflation, i.e., higher interest rates, is limited because the Company is unleveraged.



Group Income statement

EUR Thousand	Note	2023	2022
Net sales	5	22,311	20,496
Other operating income	6	633	753
Total revenue		22,944	21,249
Forestry-related materials and services		- 905	- 985
Personnel costs	9	- 4,573	- 3,974
Depreciation and amortization	10, 14,17,18	- 553	- 451
Other operating expenses	7, 8	- 2,100	- 2,130
Total expenses		- 8,131	- 7,540
Operating profit before change of value in biological assets		14,813	13,709
Change in value of Biological assets	15	61,227	111,457
Operating profit		76,040	125,166
Interest income and similar profit items	11	1,022	1,186
Interest expenses and similar loss items	11	- 420	- 490
Total financial items		602	696
Profit before tax		76,642	125,862
Taxes	12	- 11,953	- 19,454
Net profit for the year		64,689	106,408
Statement of comprehensive income			
EUR Thousand		2023	2022
Profit for the year		64,689	106,408
Other comprehensive income			
Items that will not be reversed to the income statement			
Change in value of land assets		- 36,195	30,105
Tax on change in value of land assets		6,425	- 5,221
Items that subsequently may be reclassified to the income statement			
FX Translation differences		- 1,024	- 3,307
Other comprehensive income for the year, net after tax		- 30,794	21,577
Comprehensive income for the year		33,895	127,985

Group statement of financial position

EUR Thousand	Note	31/12/2023	31/12/2022	01/01/2021
ASSETS				
Fixed assets				
Intangible assets	14	149	77	66
Forest assets	15	661,916	616,762	411,442
-whereof forest land		130,330	164,476	135,743
-whereof forest assets		531,586	452,286	275,699
Agricultural land	16	4,797	4,833	-
Other non-current assets	17	5,194	5,052	4,913
Right-of-use assets	18	226	11	34
Non-current receivables	20	1,439	1,110	1
Deferred tax asset	12	3	2	0
Total non-current assets		673,724	627,847	416,456
Current assets				
Inventories		6	8	38
Accounts receivable	21	876	846	326
Tax receivables (statutory corporate income tax)		29	22	50
Other receivables	22	854	637	1,097
Prepaid expenses and accrued income	23	411	387	383
Cash and cash equivalents	25	9,967	22,470	54,795
Total current assets		12,143	24,370	56,689
TOTAL ASSETS		685,867	652,217	473,145

Group statement of financial position

EUR Thousand	Note	31/12/2023	31/12/2022	31/12/2021
EQUITY AND LIABILITIES				
Equity	24			
Share capital		380	376	350
Share premiums		332,560	326,102	288,104
Reserves		95,894	126,689	105,112
Retained earnings including profit for the year		198,091	138,802	48,138
Total equity		626,925	591,969	441,704
Liabilities				
Interest-bearing non-current liabilities		26	55	82
Lease liabilities, non-current	18, 25	128	-	33
Other non-current liabilities		528	179	-
Deferred tax liabilities	12	54,586	51,318	29,057
Total long-term liabilities		55,268	51,552	29,172
Current liabilities				
Advances from customers		887	499	440
Accounts payables		190	504	279
Current tax liabilities	12	714	609	525
Leasing liabilities, short term	18	107	12	-
Other current liabilities ¹	26	1,101	6,602	858
Accrued expenses and deferred income	27	675	470	167
Total current liabilities		3,674	8,696	2,269
Total liabilities		58,941	60,248	31,441
TOTAL EQUITY AND LIABILITIES		685,867	652,217	473,145

1) The item included a decided but unpaid dividend to shareholders in 2022, amounting to 5.7 million EUR.

Group statement of changes in equity

EUR Thousand	Equity attributable to parent company shareholders					
	Share capital	Other contributed capital	Revaluation reserve	Translation reserve	Retained earnings	Total equity
Equity, 01/01/2022	350	288,104	106,126	- 1,014	48,138	441,704
Profit for the year	-	-	-	-	106,408	106,408
Other comprehensive income	-	-	24,884	- 3,307	-	21,577
Issue of new shares	26	39,200	-	-	-	39,226
Cost for issue of new shares	-	- 1,202	-	-	-	- 1,202
Dividends	-	-	-	-	- 15,744	- 15,744
Equity, 31/12/2022	376	326,102	131,010	- 4,321	138,802	591,969
Equity, 01/01/2023	376	326,102	131,010	- 4,321	138,802	591,969
Profit for the year	-	-	-	-	64,689	64,689
Other comprehensive income	-	-	- 29,770	- 1,024	-	- 30,794
Change in accounting principles	-	-	-	-	- 9	- 9
Issue of new shares	4	6,668	-	-	-	6,672
Cost for issue of new shares	-	- 210	-	-	-	- 210
Dividends	-	-	-	-	- 5,392	- 5,392
Equity, 31/12/2023	380	332,560	101,240	- 5,346	198,091	626,925

Consolidated cash flow statement for the group

TEUR	Note	2023	2022
Profit before tax		76,642	125,862
Adjustment for non-cash items	13	- 60,177	- 111,033
Taxes paid		- 2,060	- 1,931
		14,405	12,898
Change in operating receivables		- 232	- 27
Change in operating payables		462	676
Change in working capital		230	649
Net cash from operating activities		14,635	13,547
Acquisition of intangible assets		- 85	- 28
Acquisition and investment in tangible assets		- 19,629	- 69,718
The period's capitalized forest management activities		- 2,399	- 2,932
Proceeds from sales of tangible assets		53	32
Loan receivables		- 328	- 1,108
Other changes in fixed assets		- 53	- 13
Net cash from investing activities		- 22,441	- 73,767
Repayment of borrowings		- 92	- 22
Proceeds from issue of share capital		6,461	38,024
Paid dividends		- 11,050	- 10,085
Net cash from financing activities		- 4,681	27,917
Cash flow for the year		- 12,486	- 32,302
Cash Opening Balance		22,470	54,795
Exchange losses/gains on cash		- 17	- 23
Cash Closing Balance		9,967	22,470

Parent company income statement

EUR thousand	Note	2023	2022
Operating income			
Net sales	5	138	149
Other operating income	6	9	183
Total income		147	332
Operating expenses			
Personnel expenses	9	- 1,498	- 1,217
Depreciation and amortization	8, 10	- 2,275	- 1,116
Other external expenses	7, 8	- 390	- 351
Total expenses		- 4,163	- 2,684
Operating profit/loss		- 4,016	- 2,352
Profit from financial items			
Dividends from group companies		7,387	1,846
Financial income	11	277	802
Financial expenses	8, 11	- 74	-
Net financial items		7,590	2,648
Result before tax		3,574	296
Taxes	12	-	-
Result for the year		3,574	296

Parent company balance sheet

EUR thousand	Note	31/12/2023	31/12/2022	01/01/2021
ASSETS				
Non-current assets				
Intangible assets	14	-	2,275	3,391
Total intangible assets		-	2,275	3,391
Participations in subsidiaries	19	337,459	329,949	245,106
Long-term receivables, group companies	20	3,000	10,196	3,000
Total financial assets		340,459	340,145	248,106
TOTAL NON-CURRENT ASSETS		340,459	342,420	251,497
Current assets				
Accounts receivables	21	-	-	1
Other non-interest bearing current receivables from group companies	21	10,195	-	25,246
Other current receivables	22	18	27	701
Prepaid expenses and accrued income	23	34	35	30
Prepaid expenses and accrued income from group companies	23	80	3	-
Cash and cash equivalents	25	4,999	13,965	50,924
TOTAL CURRENT ASSETS		15,326	14,030	76,901
TOTAL ASSETS		355,785	356,450	328,398

Parent company balance sheet

EUR thousand	Note	31/12/2023	31/12/2022	01/01/2021
EQUITY AND LIABILITIES				
Equity	24			
Restricted equity				
Share capital		380	376	350
Total restricted equity		380	376	350
Non-restricted equity				
Share premium reserve		332,560	326,102	288,104
Retained earnings including profit for the year		22,102	23,920	39,368
Total non-restricted equity		354,662	350,022	327,472
Total equity		355,042	350,398	327,822
LIABILITIES				
Non-current liabilities				
Non-current liabilities to group companies		-	-	206
Other non-current liabilities		309	105	-
Total non-current liabilities		309	105	206
Current liabilities				
Accounts payables		5	24	64
Current tax liabilities		-	-	10
Other liabilities ¹⁾	26	79	5,759	176
Accrued expenses and deferred income	27	350	164	120
Total current liabilities		434	5,947	370
LIABILITIES		743	6,052	576
EQUITY AND LIABILITIES		355,785	356,450	328,398

1) The item included a decided but unpaid dividend to shareholders in 2022, amounting to EUR 5.7 million.

Parent company statement of changes in equity

EUR Thousand	Restricted equity		Non-restricted equity		
	Share capital	Share premium reserve	Retained earnings incl. profit for the year	Subtotal	Total equity
Equity, 01/01/2022	350	288,104	39,368	327,472	327,822
Profit for the year	-	-	296	296	296
Issue of new shares	26	39,200	-	39,200	39,226
Cost for issue of new shares	-	- 1,202	-	- 1,202	- 1,202
Dividends	-	-	- 15,744	- 15,744	- 15,744
Equity, 31/12/2022	376	326,102	23,920	350,022	350,398
Equity, 01/01/2023	376	326,102	23,920	350,022	350,398
Profit for the year	-	-	3,574	3,574	3,574
Issue of new shares	4	6,668	-	6,668	6,672
Cost for issue of new shares	-	- 210	-	- 210	- 210
Dividends	-	-	- 5,392	- 5,392	- 5,392
Equity, 31/12/2023	380	332,560	22,102	354,662	355,042

Parent Company cash flow statement

EUR thousand	Note	2023	2022
Profit before tax		3,574	296
Adjustment for non-cash items	13	2,480	1,221
Taxes received/paid	12	-	- 10
		6,054	1,507
Change in other receivables		10	670
Change in other payables		145	- 72
Change in working capital		155	598
Net cash from operating activities		6,209	2,105
Shareholders' contrib received/paid		- 7,510	- 84,844
Change in intercompany receivables		- 3,077	17,842
Net cash from investing activities		- 10,587	- 67,002
Issue of new shares		6,461	38,024
Dividends paid		- 11,050	- 10,085
Net cash from financing activities		- 4,589	27,939
Change in cash and cash equivalents for the year		- 8,967	- 36,958
Cash and cash equivalents at the beginning of the year		13,966	50,924
Cash and cash equivalents at the end of the year		4,999	13,966

Notes to the financial statements

1. Accounting principles

General Information

GreenGold Group AB (publ) is a public limited company, corporate registration number 559168–7719, based in Stockholm, Sweden. GreenGold Group AB (publ) was established in Sweden on August 23, 2018. The consolidated financial statements of the company for the year ending December 31, 2023, include the company and its subsidiaries (collectively referred to as “GreenGold” or “the Group” or “the Company” and individually as “Group companies”). The primary activities of the Group are investments in forest properties and management.

Basis for Preparation

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and the interpretative statements from the IFRS Interpretations Committee as adopted by the EU. Additionally, the Council for Sustainability and Financial Reporting’s recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. The parent company has prepared its annual report in accordance with the Annual Accounts Act (1995:1554) and the Council for Sustainability and Financial Reporting’s recommendation RFR 2 Accounting for Legal Entities. RFR 2 requires that in the annual report for the legal entity, the parent company should apply all IFRS and statements adopted by the EU as far as possible within the framework of the Annual Accounts Act, the Assurance Contracts Act, and considering the relationship between accounting and taxation. The recommendation specifies the exceptions from and additions to IFRS that should be made.

The parent company applies the same accounting principles as the group except in the cases specified below in the section on the parent company’s accounting principles.

This consolidated financial statement is GreenGold’s first to be prepared in accordance with the IFRS Accounting Standards. Historical financial information has been recalculated from January 1, 2022, which is the date of transition to accounting in accordance with IFRS Accounting Standards. Explanations for the transition from previously applied principles and the effects of the recalculation are detailed in note 3.

Valuation Basis

Assets and liabilities are recorded at historical cost, except for certain financial assets and liabilities and forest and agricultural assets which are valued at fair value.

Judgments and Estimates in the Financial Reports

In preparing the financial reports in accordance with IFRS Accounting Standards, management must make judgments and estimates, as well as assumptions that impact the application of accounting principles and the reported amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on historical experiences and several other factors that appear reasonable under current circumstances. The results of these estimates and assumptions are then used to assess the reported values of assets and liabilities that are not otherwise clearly evident from other sources. Actual outcomes may differ from these estimates and assessments.

Estimates and assumptions are regularly reviewed. Changes in estimates are reported in the period the change is made if it only affects that period, or in the period the change is made and future periods if the change affects both the current period and future periods. The judgments and estimates that management considers significant for the reported amounts in the financial statements, and where there is a significant risk that future events and new information could change these judgments and estimates, primarily include climate-related risks.

A changing climate increases the risk of extreme weather such as drought, storms, and heavy rainfall. It also leads to changes in precipitation, increased wildfires, and a higher occurrence of pests which complicates forestry. These risks could, for example, result in the loss of timber stock or impact the quality and biological growth that could affect the estimates made. GreenGold’s forest holdings are spread across several countries and regions, which mitigates weather and biological risks over time, and the company continuously takes these risks into account in its business plan, investment decisions, and ongoing impairment testing, and takes measures to reduce risk exposure.

Notes to the financial statements

GreenGold uses a method for accounting and valuing forest assets based on a combination of comparable transaction data and present value determination of the forest's expected future cash flows. A production cycle for standing forest is estimated by GreenGold to average 100 years, which is therefore used in the cash flow model.

The total forest assets are divided into standing forest, so-called timber stock, and land assets. Standing forest is recorded as a biological asset according to IAS 41 Agriculture. Land assets are recorded as a tangible fixed asset according to IAS 16 Property, Plant and Equipment, the so-called revaluation method (see note 15). To calculate the fair value of the biological asset – standing forest, the expected cash flow from future timber harvesting, after deducting costs, has been discounted to a present value. The value change concerning biological assets, calculated as the net of changes due to harvesting, growth, and other changes in fair value, is reported in the income statement. The recorded value of forest land is calculated as the difference between the total value of the forest assets and the biological assets. This value is considered to reflect future income from activities other than the harvesting of currently standing trees, such as potential rentals for wind power, extraction from quarries, hunting leases, concession revenues, and especially the harvest of future generations of trees, and is reported through other comprehensive income. Cash flows are calculated based on harvesting volumes according to GreenGold's current harvesting plan and assessment of future price and cost developments. GreenGold sells virtually all timber as standing, including so-called harvesting rights, which means that no specific assumptions about harvesting and delivery costs are needed. Timber prices are based on historical and forecasted prices.

Regarding cost development, the current standard cost based on cost outcomes from the current and previous year and forward-looking expectations about the cost level is applied. The inflation assumptions in the model are based on a long-term level assessed during the valuation period. Post-tax cash flows are discounted at an interest rate of 4.9 percent (31 Dec 2022: 5.3 / 1 Jan 2022: 6.0). GreenGold's board considers that this rate corresponds to the long-term capital cost for an investment in forest assets with GreenGold's geographical profile and is not affected by short-term variations in market interest rates. The accounting principles specified below have been consistently applied to all periods presented in the financial reports, and more details are provided in Note 15.

New Standards and Interpretations Not Yet Effective

None of the new accounting rules adopted by the IASB that will come into effect in 2024 will have any significant impact on GreenGold.

Segment Reporting

The Group does not apply IFRS 8 - Segment reporting.

Consolidation Principles

Transactions to be Eliminated in Consolidation

Intra-Group receivables and liabilities, revenues or expenses, and unrealized gains or losses arising from intra-Group transactions between Group companies are fully eliminated in preparing the consolidated financial statements.

Notes to the financial statements

Currency and Date

The company has chosen EUR as the reporting currency for the Group because it is an internationally established currency and also serves as the functional currency for the parent company and is the functional currency in several Group companies. Where applicable, items included in the Group's financial reports are first measured in the currency of the primary economic environment in which the Group company operates, which corresponds to the functional currency.

Assets and liabilities are converted at the closing rate, and income and expenses are converted at the average rate for the period, which approximates the rates at the time of each transaction. Income statement-related items refer to the period January 1 – December 31, and balance sheet-related items refer to December 31. Translation differences arising from currency translation of operations with a functional currency other than EUR are reported in other comprehensive income and in equity as a translation reserve.

All financial information presented in EUR has been rounded to the nearest thousand unless otherwise indicated. Amounts in parentheses indicate the value for the previous year.

Impairments

An impairment is recognized when the carrying amount of an asset or a group of a company's assets exceeds its recoverable amount. An impairment charge affects the income statement and is apportioned across the assets affected.

Taxes

As a responsible social actor, GreenGold strives to pay the correct tax, in the right country, and at the right time based on the activities conducted within the Group. We allow a business perspective on the tax expense for the companies included in the Group to permeate our decisions and manage tax as a cost in the operation. In cases where legislation and/or regulations are unclear, GreenGold will act responsibly, long-term, and transparently to minimize the risk of incorrect tax being paid. See more in note 12.

PARENT COMPANY

Parent Company's Accounting Principles

Due to the relationship between accounting and taxation, the rules in IFRS 16 do not need to be applied in legal persons. The parent company applies the exemption from the application of IFRS 16.

Group Contributions

The parent company applies the alternative rule and records Group contributions as year-end adjustments

Further accounting principles are presented in connection to each respective financial note.

Notes to the financial statements

2. Information about the Parent Company

GreenGold Group AB (publ) is a public limited company, registration number 559168–7719, head-quartered in Stockholm, Sweden. GreenGold Group AB (publ) was established in Sweden on August 23, 2018. GreenGold's head office is located at the following address: 103,90 STOCKHOLM

Visiting address: Kungsgatan 29.

GreenGold AB (publ) owns shares in subsidiaries and is responsible for Group-wide financing.

3. Transition to IFRS Accounting Standards

As of January 1, 2023, GreenGold Group AB (publ) prepares its consolidated financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and the interpretations from the IFRS Interpretations Committee as adopted by the European Union (EU).

The date for the first application of IFRS Accounting Standards has been set to January 1, 2022, which means that the comparative figures for the fiscal year 2022 have been recalculated according to IFRS Accounting Standards. The transition to IFRS Accounting Standards has been carried out in accordance with IFRS 1 First-time Adoption of International Financial Reporting Standards and a description and quantification of the transition effects as of January 1, 2022, are provided below.

The effect of the transition to IFRS Accounting Standards is recorded directly against opening equity. The main rule in IFRS 1 is that a company applies all standards retrospectively when determining the opening balance sheet. However, there are certain mandatory and optional exemptions from retrospective application. The Group has chosen to apply the following exemptions:

- IFRS 3 has not been applied to acquisition analyses prepared before the transition date

Changes in the Income Statement and Balance Sheet from the Transition to IFRS Accounting Standards och RFR 2

Revenue Recognition: The Group now applies IFRS 15 - Revenue from Contracts with Customers. Revenue is recognized when the customer gains control over the sold goods or services. In cases where a subsidiary within the group performs forest management services, including facilitating the sale of trees without owning the forest, this is considered an agency agreement under IFRS 15, since ownership and control are closely linked, and the benefits and risks associated with the trees sold are tied to the owner. Previously, certain revenues from such sales were recorded as gross income in a subsidiary, but under IFRS, the subsidiary should only recognize revenues equivalent to the amount of commission or fee it is entitled to for arranging the sale of the goods.

Goodwill: Under IFRS, the item goodwill is an intangible asset with an indefinite useful life, which means that it is not reduced by annual depreciation but must be continuously tested for impairment. The company has conducted an impairment test on the reported Goodwill, and it has consequently been written down in full as of the date of the first application of IFRS on January 1, 2022. This differs from previous accounting principles (K3), where an economic life of 5 years was previously applied, and systematic annual depreciation was recorded. Consequently, there has also been a reinstatement of previous years' depreciation on goodwill against retained earnings in equity. Goodwill is not a deductible expense or taxable income, therefore the adjustment has no tax effects for the items related to business acquisitions.

Leasing: Accounting for lease agreements in the Group's balance sheet

Previously, the Group classified lease agreements as operating leases. Operating leases were not recognized as assets and liabilities in the statement of financial position, and a rental expense was recorded linearly over the lease term. Under IFRS 16, the Group now recognizes right-of-use assets and lease liabilities for most lease agreements, and in the statement of profit or loss and other comprehensive income, depreciation and interest expense are reported.

Notes to the financial statements

Short-term lease agreements and leases for which the underlying asset has a low value are exempted. For these leases, lease payments continue to be expensed in the income statement as before. Lease payments related to lease agreements existing as of the transition date of January 1, 2022, were discounted using the relevant local borrowing rates at that date. The right-of-use asset was valued solely at an amount equivalent to the lease liability, adjusted for any prepaid or accrued lease payments.

Planting Costs: IFRS allows capitalization of planting costs in forestry

These costs are considered to increase the future economic benefits that the forest will provide over its lifecycle. By treating planting costs as activated expenditures, IFRS recognizes that these costs are an investment in the future production potential of forest assets, not merely operational expenses. This treatment of planting costs represents a change, as planting costs were previously primarily expensed according to local regulations, meaning that previous costs were reversed and instead recorded against forest assets in the balance sheet. However, only those costs that are directly attributable to the forest planting constitute a capital expenditure.

Depreciation: According to IFRS, the principal rule for depreciation is to systematically allocate the cost of a property, plant, and equipment over its useful life. Application of the useful life principle has, in some cases, led to a different depreciation period for property, plant, and equipment compared to that previously applied, and thus an adjustment of previously reported depreciation has been made.

Forest- and Land Assets: Previously, forest assets were recorded at historical cost including additional investments in the balance sheet. Historical cost also included certain direct acquisition costs beyond the property price, such as legal assistance and field inspections. Under IFRS, stamp duties and transfer fees can also be capitalized as part of the acquisition cost, which is a change from previous practices. Under IFRS, total forest assets must be divided into standing timber, so-called Biological assets, and land assets. Standing timber is reported as a Biological asset according to IAS 41. Land assets are reported as a tangible fixed asset according to IAS 16 Property, Plant and Equipment paragraph 31, the so-called revaluation method. The major difference is that forest assets are now reported at fair value instead of historical cost. The annual value change attributable to biological assets is reported in the income statement as "Value Change in Biological Assets". Value change related to forest land is instead reported through "other comprehensive income" against equity. The company's agricultural land is now also reported at fair value according to the revaluation method, like forest land, and annual value change on agricultural land is reported through other comprehensive income against equity.

Operating profit before value change in Biological assets: Due to unrealized value changes related to the timber stock now being reported in the income statement and affecting the financial result, the Company has introduced an additional line item that presents the operating result before the asset value changes, thus providing a clearer picture of the operating result from the related timber sales.

Deferred Tax: Deferred tax is accounted for on value increases of biological assets and land assets according to the framework provided by IAS 12 Income Taxes. IAS 12 requires the recognition of deferred tax for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. The accumulated historical cost is considered the tax base for biological assets and forest land, and thus a deferred tax on the unrealized gain between the tax base and the recorded fair value is reported. The accounting for deferred tax varies between the two subcategories of forest assets, where deferred tax related to Biological Assets results in a tax expense in the income statement, and deferred tax related to value change in land is reported through other comprehensive income against equity. In summary, as forest and agricultural assets are now reported at fair value, the company also needs to report new items for deferred tax related to the value change.

Notes to the financial statements

Intangible fixed assets: Previously, the Company capitalized costs associated with the creation of new forest management plans as an intangible asset, which was amortized over the validity period of the forest management plan. This is particularly relevant in Romania, where forestry plans are extensive and costly and represent a clear value in the event of a sale of a property with a professional and officially approved forestry plan. With the transition to IFRS, forest assets are now reported at fair value, and it is assumed that the forest management plans positively affect the real value of the Company's forest assets, but their value is included therein and should not be reported as a separate asset. Therefore, the accumulated net value of the forestry plans has been transferred from Intangible Assets to historical cost and additional investments for forest assets.

Parent Company

The parent company previously applied the Swedish Annual Accounts Act and BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3) in the preparation of financial reports. As of this financial report, following the Group's transition to IFRS, the parent company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The transition from previously applied accounting principles to RFR 2 has had no effects on the income statement, balance sheet, equity, or cash flow for the parent company for the comparative figures for the fiscal year 2022 and opening balances as of January 1, 2022.

Condensed Income Statement

EUR Thousand	2022		Effect at the transition to IFRS					2022
	K3	Income recognition	Goodwill	Leasing and depreciation	Capitalised expenses and immaterial assets (planting, forest management plans)	Biological assets	Land assets	IFRS
Net sales	20,700	-204	-	-	-	-	-	20,496
Other operating income	753	-	-	-	-	-	-	753
Total revenue	21,453	-204	-	-	-	-	-	21,249
Forestry-related materials and services	-1,181	-	-	-	197	-	-	-984
Personnel costs	-3,974	-	-	-	-	-	-	-3,974
Depreciation and amortization	-1,583	-	1,116	16	-	-	-	-451
Other operating expenses	-2,357	204	-	23	-	-	-	-2,130
Total expenses	-9,095	204	1,116	38	197	-	-	-7,540
Operating profit before change of value in biological assets	12,358	-	1,116	38	197	-	-	13,709
Change in value of biological assets	-	-	-	-	-	111,457	-	111,457
Operating profit	12,358	-	1,116	38	197	111,457	-	125,166
Interest income and similar profit items	1,186	-	-	-	-	-	-	1,186
Interest expenses and similar loss items	-490	-	-	-	-	-	-	-490
Total financial items	696	-	-	-	-	-	-	696
Profit before tax	13,054	-	1,116	38	197	111,457	-	125,862
Taxes	-2,036	-	-	-0	-38	-17,381	-	-19,454
Net profit for the year	11,018	-	1,116	38	159	94,076	-	106,408

Notes to the financial statements

Statement of comprehensive income

EUR Thousand	2022		Effect at the transition to IFRS					2022	
	K3	Income recognition	Goodwill	Leasing and depreciation	Capitalised expenses and immaterial assets (planting, forest management plans)	Biological assets	Land assets	IFRS	
Profit for the year	11,018	-	1,116	38	159	94,076	-	106,408	
Other comprehensive income	-	-	-	-	-	-	-	-	
Items that will not be reversed to the income statement	-	-	-	-	-	-	-	-	
Change in value of land assets	-	-	-	-	-	-	30,105	30,105	
Tax on change in value of land assets	-	-	-	-	-	-	-5,221	-5,221	
Items that subsequently may be reclassified to the income statement	-	-	-	-	-	-	-	-	
Translation differences	-3,047	-	-	-	-	-	-260	-3,307	
Other comprehensive income for the year, net after tax	-3,047	-	-	-	-	-	24,624	21,577	
Comprehensive income for the year	7,971	-	1,116	38	159	94,076	24,624	127,985	

Notes to the financial statements

Group statement of financial position 1 January 2022

EUR Thousand	01/01/2022		Effect at the transition to IFRS					01/01/2022	
	K3	Income recognition	Goodwill	Leasing and depreciation	Capitalised expenses and immaterial assets (planting, forest management plans)	Biological assets	Land assets	IFRS	
ASSETS									
Fixed assets									
Other intangible assets	4,374	-	-3,999	-	-309	-	-	66	
Forest assets	263,075	-	-	-	-	19,381	128,986	411,442	
-whereof forest land	6,756	-	-	-	-	-	128,986	135,743	
-whereof forest assets	256,319	-	-	-	-	19,381	-	275,699	
Agricultural assets	-	-	-	-	-	-	-	-	
Other non-current assets	4,930	-	-	-17	-	-	-	4,913	
Right-of-use assets	-	-	-	34	-	-	-	34	
Non-current receivables	1	-	-	-	-	-	-	1	
Deferred tax asset	-	-	-	-	-	-	-	-	
Total non-current assets	272,380		- 3,999	17	- 309	19,381	128,986	416,456	
Current assets									
Inventories	38	-	-	-	-	-	-	38	
Accounts receivable	326	-	-	-	-	-	-	326	
Tax receivables (statutory corporate income tax)	50	-	-	-	-	-	-	50	
Other receivables	1,097	-	-	-	-	-	-	1,097	
Prepaid expenses and accrued income	383	-	-	-	-	-	-	383	
Cash and cash equivalents	54,795	-	-	-	-	-	-	54,795	
Total current assets	56,689							56,689	
TOTAL ASSETS	329,069		- 3,999	17	- 309	19,381	128,986	473,145	

Notes to the financial statements

Group statement of financial position 1 January 2022

EUR Thousand	01/01/2022		Effect at the transition to IFRS					01/01/2022	
	K3	Income recognition	Goodwill	Leasing and depreciation	Capitalised expenses and immaterial assets (planting, forest management plans)	Biological assets	Land assets	IFRS	
EQUITY AND LIABILITIES									
Equity									
Share capital	350	-	-	-	-	-	-	350	
Share premiums	288,105	-	-	-	-	-	-	288,105	
Reserves	653	-	-	-	-	-	104,459	105,112	
Retained earnings including profit for the year	37,603	-	-3,999	-16	-	14,551	-	48,138	
Total equity	326,710	-	-3,999	-16	-	14,551	104,459	441,704	
Liabilities									
Interest-bearing non-current liabilities	82	-	-	-	-	-	-	82	
Lease liabilities, non-current	-	-	-	33	-	-	-	33	
Other non-current liabilities	-	-	-	-	-	-	-	-	
Deferred tax liabilities	7	-	-	0	-	6,121	22,929	29,057	
Total long-term liabilities	89	-	-	33	-	6,121	22,929	29,172	
Current liabilities									
Advances from customers	440	-	-	-	-	-	-	440	
Accounts payables	279	-	-	-	-	-	-	279	
Current tax liabilities	525	-	-	-	-	-	-	525	
Other current liabilities	858	-	-	-	-	-	-	858	
Accrued expenses and deferred income	167	-	-	-	-	-	-	167	
Total current liabilities	2,269	-	-	-	-	-	-	2,269	
Total liabilities	2,358	-	-	33,28	-	6,121	22,929	31,441	
TOTAL EQUITY AND LIABILITIES	329,069	-	-3,999,34	16,83	-	20,672	127,388	473,145	

Notes to the financial statements

Group statement of financial position 31 December 2022

	31/12/2022	Effect at the transition to IFRS						31/12/2022
EUR Thousand	K3	Income recognition	Goodwill	Leasing and depreciation	Capitalised expenses and immaterial assets (planting, forest management plans)	Biological assets	Land assets	IFRS
ASSETS								
Fixed assets								
Other intangible assets	3,266	-	-2,883	-	-306	-	-	77
Forest assets	328,148	-	-	-	-	131,760	156,854	616,762
-whereof forest land	7,622	-	-	-	-	-	156,854	164,476
-whereof forest assets	320,526	-	-	-	-	131,760	-	452,286
Agricultural land ¹	3,913	-	-	-	-	-	920	4,833
Other non-current assets	5,072	-	-	-21	-	-	-	5,051
Right-of-use assets	-	-	-	11	-	-	-	11
Non-current receivables	1,110	-	-	-	-	-	-	1,110
Deferred tax asset	-	-	-	2	-	-	-	2
Total non-current assets	341,511	-	-2,883	-8	-306	131,760	157,774	627,847
Current assets								
Inventories	8	-	-	-	-	-	-	8
Accounts receivable	846	-	-	-	-	-	-	846
Tax receivables (statutory corporate income tax)	22	-	-	-	-	-	-	22
Other receivables	637	-	-	-	-	-	-	637
Prepaid expenses and accrued income	387	-	-	-	-	-	-	387
Cash and cash equivalents	22,470	-	-	-	-	-	-	22,470
Total current assets	24,370	-	-	-	-	-	-	24,370
TOTAL ASSETS	365,880	-	-2,883	-8	-306	131,760	157,774	652,217

1) Previously, agricultural land was reported as part of Forest Assets, for comparison here, Agricultural Land has been broken out from historical amounts into a separate line, in line with current presentation and handling.

Notes to the financial statements

Group statement of financial position 31 December 2022

EUR Thousand	31/01/2022		Effect at the transition to IFRS					31/01/2022
	K3	Income recognition	Goodwill	Leasing and depreciation	Capitalised expenses and immaterial assets (planting, forest management plans)	Biological assets	Land assets	IFRS
EQUITY AND LIABILITIES								
Equity								
Share capital	376	-	-	-	-	-	-	376
Share premiums	326,102	-	-	-	-	-	-	326,102
Reserves	-2,394	-	0	-	-	-864	129,947	126,689
Retained earnings including profit for the year	32,877	-	-2,883	-20	199	108,629	-	138,802
Total equity	356,962	-	-2,883	-20	199	107,764	129,947	591,969
Liabilities								
Interest-bearing non-current liabilities	55	-	-	-	-	-	-	55
Lease liabilities, non-current	-	-	-	-	-	-	-	-
Other non-current liabilities	179	-	-	-	-	-	-	179
Deferred tax liabilities	-	-	-	0	39	23,191	28,088	51,318
Total long-term liabilities	234	-	-	0	39	23,191	28,088	51,552
Current liabilities								
Advances from customers	499	-	-	-	-	-	-	499
Accounts payables	503	-	-	-	-	-	-	504
Current tax liabilities	629	-	-	-	-20	-	-	609
Other current liabilities	6,603	-	-	11	-	-	-	6,614
Accrued expenses and deferred income	450	-	-	-	20	-	-	470
Total current liabilities	8,684	-	-	11	-	-	-	8,696
Total liabilities	8,918	-	-	12	39	23,191	28,088	60,248
TOTAL EQUITY AND LIABILITIES	365,880	-	-2,883	-8	238	130,955	158,035	652,217

Notes to the financial statements

4. Related-party transactions

Transactions with related parties are carried out on market terms. Related parties refer to the companies where GreenGold can exercise a controlling or significant influence regarding the operational and financial decisions. The sphere of related parties also includes the companies and individuals who have the ability to exercise a controlling or significant influence over GreenGold's financial and operational decisions.

For information about the remuneration of senior executives and Board members, please refer to Note 9.

EUR Thousand		Parent company	
		2023	2022
Sales to/income from related parties	Type of transaction		
Forestum Capital AB - Sorin Chiorescu CEO	Accounting services	5	8
Forestum Capital AB - Sorin Chiorescu CEO	Receivables from previous acquisitions	-	175
	Total	5	183

EUR Thousand		Parent company	
		2023	2022
Purchases from/expenses to related parties	Type of transaction		
Baven AB - Göran Persson chairman of the board	Capital raise	35	39
Öregard AB - Martin Randel board member	Capital raise	-	15
	Total	35	54

Notes to the financial statements

5. Revenue distribution/recognition

Accounting principles

GreenGold applies IFRS 15 Revenue from Contracts with Customers. Revenue is recognized when the customer gains control over the sold goods or services and has the ability to use and benefit from them, as well as having assumed the associated risks.

GreenGold's net sales are primarily comprised of revenue from timber sales. Revenue from timber sales includes spruce, pine, and various hardwoods such as beech, oak, and birch. The sales almost exclusively involve the sale of whole trees on what is called "stumpage" or "logging rights". Stumpage sales mean that the sale of roundwood occurs before it is harvested. In stumpage sales, GreenGold grants the buyer the right to fell and haul the agreed timber on an agreed area. The buyer is responsible for the timber harvesting and the transport of the timber. The volume of timber can be finally or preliminarily determined in advance and measured through what is called marking, i.e., or measured retrospectively as at the delivery stump post. The sales are conducted through a bidding process.

A fixed net price is established either per assortment or as a total average price per cubic meter solid under bark. There are also entirely fixed pre-determined volume contracts, a condition for such contracts is that each tree is measured/marked in advance by the seller. When the buyer is deemed to have control and takes over the risks for the goods can vary depending on how the stumpage sale contract is designed, but generally, it is after the sold volume is measured and finally confirmed. It is also common with partial or full prepayment of the estimated timber volumes that the customer will harvest.

A small part of the net sales consists of revenue from forest management services with a few customers which is recognised over time.

Net sales distributed by geographical market

EUR thousand	Group		Parent company	
	2023	2022	2023	2022
Nordics	4,673	2,575	39	60
Great Britain	1,142	969	52	75
Baltics	4,477	3,220	32	9
Romania	12,019	13,732	15	5
Net sales	22,311	20,496	138	149

Parent Company

The parent company, GreenGold Group AB, is primarily focused on management and development of the Group. The parent company's turnover consists almost exclusively of the sales of management services to subsidiaries.

Notes to the financial statements

6. Other operating income

Accounting principles

Government grants

A government grant related to a biological asset is recognized as income when the grant conditions are met. Grants are systematically recognized in the income statement in the same manner and over the same periods as the costs that the grants are intended to compensate for. Government grants related to assets are recorded in the balance sheet as deferred income and are amortized over the asset's useful life. GreenGold does not expect any significant reductions in government supports in the coming years. Before applying for grants, an assessment is made of the time expenditure, the cost of the action, the area of the action, and the area's (potential) natural and cultural values.

Renewable energy

Revenues from renewable energy primarily consist of rental income from the leasing of land area for wind farms or right-of-way.

Rental income

Income from leases primarily includes rental properties and leases for agriculture, peat, gravel, and quarry operations.

Insurance compensation

GreenGold has a property insured against additional costs caused by fire, as well as properties in Romania with title deed insurance. No external insurance compensation has been received for this type of damage during 2023, nor during 2022.

Eur Thousand	Group		Parent company	
	2023	2022	2023	2022
Hunting	11	9	-	-
Grants	93	212	-	-
Penalties	126	84	-	-
Rentals	59	27	-	-
Renewable energy	174	134	-	-
Gain on sales of fixed assets	53	37	-	-
Other operating income	117	250	8	183
Other operating income, internal	-	-	1	-
Total other income	633	753	9	183

Notes to the financial statements

7. Other external expenses

Audit expenses

Included in Other external expenses are the costs for auditor fees listed below.

Audit assignments' refers to the statutory examination of the annual accounts and accounting records, and of the administration by the Board and the CEO, and the auditing carried out as agreed or in accordance with contracts. This includes other duties that are incumbent on the company's auditors, and the provision of advice or other assistance as a result of observations in connection with such reviews or the performance of such other duties.

EUR Thousand	Group		Parent company	
	2023	2022	2023	2022
KPMG				
Audit engagement	-267	-98	-135	-53
Audit-related tasks	-30	-8	-25	-8
Tax advisory/Other services	0	-4	1	-4
Total	-297	-110	-159	-65
Other				
Audit engagement	-11	-10	-	-
Tax related assignments or other	-1	-	-	-
Total	-12	-10	-	-

8. Leases

Accounting principles

GreenGold applies IFRS 16 Leasing.

The Group assesses whether an agreement is, or contains, a lease at the inception of the contract. For all leasing agreements where the Group is the lessee, the Group recognizes a right-of-use asset and a corresponding lease liability, except for short-term leases (agreements classified as leasing with a lease term of less than 12 months) and low-value leases (such as office equipment). For such leases, the Group records the lease payments as an expense on a straight-line basis over the lease term, unless another systematic method is more representative of how the economic benefits from the leased assets are consumed by the Group. GreenGold has relatively few lease agreements.

GreenGold is the lessee of:

- Offices
- Vehicles

IFRS 16 items in income statement

EUR Thousand	Group	
	2023	2022
Depreciation of rights-of use	-102	-23
Interest expenses on lease liabilities	-10	-
Deferred tax	-1	-
Total	-113	-23

Notes to the financial statements

9. Employee benefit expenses

	Group		Parent company	
	2023	2022	2023	2022
Salaries, other remuneration and social expenses				
Salaries and other remuneration for the board, CEO and other senior executives ¹	- 1,175	- 1,001	- 772	- 673
Salaries and other remuneration for other employees	- 2,703	- 2,408	- 308	- 214
Total salary and remuneration expenses	- 3,878	- 3,409	- 1,080	- 887
Social expenses for the board, CEO, and other senior executives ¹	- 260	- 223	- 239	- 208
Social expenses for other employees	- 176	- 153	- 93	- 75
Total social expenses	- 436	- 376	- 332	- 283
Pension expenses to senior executives	- 39	- 20	- 39	- 20
Pension expenses for other employees	- 73	- 63	- 20	- 20
Total pension expenses	- 112	- 83	- 59	- 40
Total salaries and other remuneration and social expenses	- 4,426	- 3,868	- 1,471	- 1,210

1) Salaries and other remuneration to CEO is included to the amount of 469 (471) Thousand EUR, together with social expenses to the amount of 147(148) Thousand EUR. The CEO does not have a pension agreement. The notice period from the Company's side is 24 months and 12 months from the employee. Upon termination from the Company's side, CEO is entitled to a severance payment of 10 MSEK.

	Group		Parent company	
	2023	2022	2023	2022
Number of employees				
Number of employees	117	108	5	6
<i>Of which men</i>	104	95	3	2
Average number of employees	109	102	4	4
<i>Of which men</i>	98	90	2	1

Principles for remuneration and other benefits for the Board of Directors and senior executives

Fees are paid to the Chair of the Board and the other Board members elected by the Annual General Meeting as per Annual General Meeting resolution. The remuneration of the CEO is decided by the Board of Directors and other Group management is decided by the CEO after consultation with the Remuneration Committee. The remuneration issues are prepared by the Remuneration Committee, which consists of Göran Persson and Martin Randel. During 2022 and 2023, board members Guðmundur H Jónsson and Malcolm Cockwell have declined to receive board fees. Some additional compensation to the board and senior executives is detailed in note 4.

Notes to the financial statements

Remuneration and other benefits during the year, Board of Directors	2023	2022
Göran Persson, Board chairman	- 19	- 19
Johanna Ikehäimo	- 11	- 6
Guðmundur H Jónsson	-	-
Malcolm Cockwell	-	-
Fredrik Persson	- 10	- 10
Martin Randel	- 10	- 10
Patrik Clase (until 24/05/2023)	-	- 5
Total	- 50	- 50

Long-term incentive program 2022 - 2026

At the AGM on June 30, 2022, it was decided to adopt a long-term incentive program (LTIP 2022) for key personnel within the Group. Participants in the LTIP 2022 include up to 18 key employees, including senior executives in the GreenGold Group. Participants have the opportunity to receive a cash bonus that should primarily be used to subscribe for shares in GreenGold. The maximum bonus amount that can be paid to each participant corresponds to 3 times each participant's fixed annual salary during 2022, calculated as the fixed monthly salary in June 2022 (gross before tax) multiplied by 12. The size of the bonus is determined based on the degree of fulfillment of performance conditions. Such performance conditions consist of continued employment until December 31, 2026, for all participants except the CEO, as well as total return per share during the period, within different ranges. In addition to the paid bonus amounts, the costs for the LTIP Bonus 2022 consist of customary personnel costs in connection with cash compensation and the cost of administering the program. The costs will vary depending on the degree of fulfillment of the performance conditions and the participants' salary and tax residence. According to initial calculations, GreenGold's total costs for the program are estimated to amount to a maximum of 3.6 million EUR (gross before income tax and before employer contributions). The LTIP liability is also recorded under Other long-term liabilities in the group's respectively Parent company's balance sheet.

	Group		Parent company	
	2023	2022	2023	2022
Long-term incentive plan (LTIP)				
Cost for long-term incentive plan	- 349	- 179	- 204	- 105
-whereof social expenses	- 58	- 30	- 49	- 25

The cost for LTIP is also included in the note part Salaries, other remuneration and social expenses

10. Depreciation and amortisation according to plan and impairment

Accounting principles

Depreciation according to plan is based on the original acquisition values, taking into account any impairments. Depreciation is carried out linearly over the asset's estimated useful life. Land is not subject to depreciation.

The following useful life periods (years) are used:

Administrative and storage buildings, residential 30-50

Operational buildings, ground facilities 20-30

Forest roads 10-30

Bridges, dams 20-40

Equipment 5-10

Personnel transport vehicles – 4-5

Office equipment – 3-5

Notes to the financial statements

If there is an indication that the recorded value is too high, an analysis is performed where the recoverable value of individual or naturally associated assets is determined as the higher of the net selling price and the value in use. The net selling price is the estimated selling price minus estimated costs for selling the asset. The value in use is measured as the expected future discounted cash flow. The applied discount rate considers the risk-free rate and the risk associated with the asset. An impairment is recognized by the amount by which the recoverable value is less than the recorded value.

An impairment reversal is made if there has been a positive change in the conditions used to determine the recoverable value.

A reversal is made up to the recorded value that would have been reported, minus depreciation, had the impairment not been made.

EUR Thousand	Group	
	2023	2022
Depreciation /amortisation according to plan		
<i>Intangible assets</i>		
Depreciation Licenses, patents, trademarks	-13	-16
Total	-13	-16
<i>Right of use assets</i>		
Depreciation Lease assets IFRS 16	-102	-23
Total	-102	-23
<i>Other tangible assets</i>		
Depreciation Buildings	-7	-4
Depreciation Machinery	-17	-
Depreciation Equipment and tools	-15	-11
Depreciation Vehicles	-111	-81
Depreciation Lease assets	-12	-37
Depreciation Forest roads	-278	-279
Total	-438	-412
Total depreciation according to plan	-553	-451

EUR Thousand	Parent company	
	2023	2022
Depreciation according to plan and impairment		
<i>Intangible assets</i>		
Depreciation Goodwill	-1,116	-1,116
Write-down of asset	-1,159	-
Depreciation according ot plan and impairment	-2,275	-1,116

Notes to the financial statements

11. Financial income and expenses

Accounting principles

Financial income and expenses consist of interest income on bank balances, receivables and interest expenses on loans, unrealised and realised gains on financial investments and foreign exchange differences.

Interest income includes accruals of transaction costs and any discounts, premiums and other differences between the original value of the receivable and the amount received at maturity.

EUR Thousand	Group		Parent company	
	2023	2022	2023	2022
Financial items valued at fair value over the income statement	391	2	-	-
Interest income	376	111	198	47
Foreign exchange rate changes on financial items, realized	-	734	-	728
Foreign exchange rate changes on financial items, unrealized	255	339	-	- 113
Interest income from group companies	-	-	79	140
Total Financial income	1,022	1,186	277	802
Interest expenses	-13	-3	-	-
Foreign exchange rate changes on financial items, realized	-	- 5	-	-
Foreign exchange rate changes on financial items, unrealized	- 407	- 482	- 74	-
Financial expenses	- 420	- 490	- 74	-

Notes to the financial statements

12. Taxes

Deferred tax assets and liabilities

Significant judgements and estimates

The valuation of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realised. This means, for GreenGold, that the deferred tax liability also depends on the model assumptions made in the calculation of the biological asset.

Tax on this year's result

EUR Thousand	Group		Parent company	
	2023	2022	2023	2022
Current tax	-2,159	-2,035	-	-
Deferred tax	-9,794	-17,419	-	-
Tax recorded	-11,953	-19,454	-	-
Specification of recorded tax				
Recorded profit before tax	76,642	125,862	3,574	296
Estimated tax base on applicable tax rate Sweden 20.6%	-15,787	-25,928	-736	-61
Tax effect of:			-	-
Other other tax rates in foreign companies	3,285	5,203	-	-
Non-deductible expenses	-144	-137	-472	-232
Non-taxable income	913	1,680	1,565	628
Change in tax loss carryforwards	-355	-272	-357	-335
Other ¹⁾	135	-	-	-
Tax recorded for the year	-11,953	-19,454	-	-

1) Tax rebates are included related to local regulations.

Notes to the financial statements

Deferred tax assets and liabilities are distributed as follows:

EUR Thousand	Group		
	23/12/2023	22/12/2022	01/01/2022
Deferred tax assets			
Other non-current assets	2	2	-
Total	2	2	-
Deferred tax liabilities			
Forest assets	54,436	51,245	29,049
whereof			
Land assets	21,426	27,793	22,929
Biological assets	33,010	23,452	6,120
Other forest assts	104	39	-
Agricultural land	33	33	-
Right-of-use assets	1	-	1
Other non-current assets	1	1	-
Tax allocation reserve*	11	0	7
Total	54,586	51,318	29,057
Total net deferred tax assets/liabilities	54,584	51,316	29,057
Deferred tax assets	2	2	-
Deferred tax liabilities	54,586	51,318	29,057
Net deferred tax liabilities	54,584	51,316	29,057

* Refers to Tax allocation reserve in Swedish company

Accounting principles

Recorded tax for the period comprises current tax and deferred tax. When the tax is based on an underlying transaction that is recorded directly against equity, the tax effect is also recorded directly against equity. Otherwise the tax is recorded in the income statement. Current tax is the tax payable or receivable for the year, adjusted for any correction of current tax from previous years.

Deferred tax is recorded in full, according to the balance sheet method, for all temporary differences that arise between the tax value of assets and liabilities and their reported values in the consolidated financial statements. Temporary differences are not recorded for differences arising on recording of consolidated goodwill or for the initial recording of assets and liabilities that are not acquisitions and that at the time of the transaction do not affect recorded or taxable profit.

Deferred taxes are calculated using the tax rates expected to apply when the tax is to be settled, which are normally the tax rates adopted on the balance sheet date. Deferred tax assets in respect of tax loss carryforwards are recorded only to the extent that it is likely that they can be utilised. Deferred tax liabilities partly consist of untaxed reserves, which are divided into equity and deferred tax in the consolidated financial statements. The amount also includes deferred tax liabilities on the properties recorded at a higher value than the tax value. The Group's earnings in Estonia and Latvia are not burdened with income tax since the current tax regime only taxes dividends. Since no dividends are currently expected no deferred tax related to future dividends from Estonia and Latvia have been recognised.

Notes to the financial statements

13. Non-cash items

EUR Thousand	Group		Parent company	
	2023	2022	2023	2022
Depreciation	661	451	2,275	1,116
Gains & losses on sale of fixed assets	- 25	- 23	-	-
Change in value biological assets	- 61,227	- 111,457	-	-
Provisions	-	- 2	-	-
FX gains & losses	115	- 167	-	-
Interest	- 42	- 14	-	-
Other non-cash items	341	179	205	105
Total adjustment for non-cash items	- 60,177	- 111,033	2,480	1,221

14. Intangible assets

Goodwill

Accounting principles

Goodwill consists of the amount by which the acquisition value on acquisition of companies or operations exceeds the fair value of identified net assets at the time of acquisition. Goodwill are valued at cost less any write-downs. Depreciation according to plan is not made on these assets, instead, any impairment needs are tested annually or more often if there is an indication of a significant decline in value, in accordance with IAS 36.

EUR Thousand	Parent company	
	2023	2022
Opening acquisition value	5,580	5,580
Investments for the year	-	-
Closing accumulated acquisition values	5,580	5,580
Opening accumulated depreciation	-3,304	-2,188
Depreciation of the year	-1,116	-1,116
Closing accumulated depreciation	-4,420	-3,304
Opening write-down values	-	-
Write-down of goodwill	-1,160	-
Closing write-down values	-1,160	-
Closing residual value of goodwill	0	2,275

As per 31 December 2021 – GreenGold Group had recognized a total carrying Goodwill amount of EUR 3,999 thousand. The majority of the goodwill was recorded in the parent company balance sheet (3,399 EUR Thousand) and related to acquisition and subsequent merger of previous management companies and the connected individuals essentially being acquired as key individuals to work in the Group. Other smaller Goodwill amounts are also related to acquisition of companies into the current Group structure.

Notes to the financial statements

In connection with the Group's transition to International Financial Reporting Standard as per 1 January 2022, impairment test of the carrying Goodwill amounts has been performed in accordance with IAS 36. IFRS allows for the recognition of intangible assets that are identifiable, controlled by the entity, and expected to provide future economic benefits. However, the exact measurable economic benefits in terms of revenue generation and cost avoidance, related to acquired key individuals, are difficult to quantify with high degree of certainty. Other Goodwill amounts are also not deemed to be possible to reliably quantify and justify. Therefore, the prudent action in connection with transition to IFRS has been to impair the carrying amount of Goodwill as per 1 January 2022 in full in consolidated group accounting and recognize the asset impairment against balanced result as per 1 January 2022. In the parent company, however, Goodwill has continued to be amortized on a straight-line basis during 2022 and 2023, while the remaining value as of 31 December 2023 was impaired, so as of 31 December 2023, the Goodwill is completely amortized/impaired in both the group and the parent company.

Other intangible assets

Accounting principles

Identified acquired intangible assets are amortized linearly over a period consistent with their useful life, primarily between 5-10 years.

Other intangible assets relate primarily to acquired software, other capitalised expenditures.

For all intangible assets, any need for impairment is tested annually or more often if there is an indication of a significant decrease in value, in accordance with IAS 36.

EUR Thousand	Group					
	2023			2022		
	Licenses, Software	Other	Total	Licenses, IT systems	Other	Total
Opening acquisition value	209	24	233	182	24	206
Investments for the year	85	-	85	28	-	28
Sales/retirements	-2	-	-2	-	-	-
Translation difference	-1	-	-1	-	-	-
Closing accumulated acquisition values	291	24	315	209	24	233
Opening accumulated depreciation	-132	-24	-156	-116	-24	-140
Sales/retirements	2	-	2	-	-	-
Depreciation of the year	-13	-	-13	-16	-	-16
Translation difference	1	-	1	-	-	-
Closing accumulated depreciation	-142	-24	-166	-132	-24	-156
Closing residual value	149	-	149	77	-	77

Notes to the financial statements

15. Forest assets – biological assets and land assets

Accounting principles

Forest assets

GreenGold bases the total value of the forest assets on a combination of forest land transactions in the areas where GreenGold owns forest assets, as well as detailed Discounted Cash Flow model for the forecasted future cash flows generated by the forest properties. The land assets attributable to forest assets are recognised at fair value according to the so-called revaluation model, IAS 16 p.31. Valuation is determined in EUR and then recorded in the local currency of the respective group company for which it applies.

Biological assets

Standing timber is recognised as biological assets, which means that biological assets are valued and recognised at fair value at each closing date based on valuation level 3 IFRS 13. Changes in fair value are recognised in the income statement and GreenGold, makes a valuation as a return value, where future cash flows from timber extraction less felling costs etc. are discounted to a present value. The calculations include future timber extractions that correspond to a forested rotation period of 70 to 100 depending on region and tree types. Since the valuation of Biological assets should only assess the value of currently standing trees, silviculture and planting costs are excluded from the model which can be considered a simplified single rotation extractive model. Other revenue streams to the forest properties, such as hunting-, foraging income and other concessions and grants are not included in the return value. The provision for deferred tax is calculated on the difference between the carrying amount and the fair value.

Land assets

The value of the land assets is the residual between the total value of the forest assets and the value of the biological assets based on discounted cash flow model for the same. The change in value of land is recognised as other comprehensive income and does not affect the income for the year. The increase is accumulated in equity under the heading of the revaluation reserve. However, if the carrying amount of the asset decreases as a result of revaluation, the decrease in profit or loss is recognised as an impairment. However, the decrease in other comprehensive income is recognised to the extent that there is an existing credit balance in a revaluation reserve with respect to that asset, and the amount in the revaluation reserve is also reduced. The provision for deferred tax is calculated on the difference between the carrying amount and the fair value.

Forest assets

As per 31 December 2023, GreenGold's total land holdings amounted to 76,413 hectares, of which 71,999 hectares is forest land. The valuation includes the 71,999 hectares, containing a Standing Forest Inventory estimated at 19,895 thousand cubic metres of standing forest. The difference between GreenGold's land holdings and the valuation's land holdings is agricultural land, valued separately, and other non-forest land not currently assigned any separate value (incl. certain forest roads, swamps, land under electrical lines, hilltops, land for possible real estate development). The fair value of GreenGold's forest assets is determined using a combination of discounted cash flow model and sales comparison approach to arrive at the estimated value for its forest assets. As at December 31, 2023, the weighting between the two methods used by the Company was 70% discounted cash flow approach and 30% sales comparison approach. The Comparable sales approach is performed by an independent third-party appraiser. The method contains elements of observable input contained in the sales comparison but is nevertheless deemed attributable to valuation level 3 in its entirety, taking into account the weighting of the approach and in some cases adjustments to level 2 data by Svefa. There were no transfers between valuation levels during the year.

The change in the balance sheet since the previous year-end is EUR 45 million (31 Dec 2022: EUR 205 million) and is shown in the table biological assets, forest land and forest assets. The main parameters in the fair value calculation model, including independent 3rd party appraisal, are updated annually for both the total forest assets and the value of biological assets, but a detailed analysis is carried out each quarter to assess whether the annual price and assumptions are essentially reasonable. Changes to the forest area and standing forest inventory affecting the fair value of GreenGold's total forest assets are also updated quarterly, to reflect acquisitions or divestments of properties, reduction from harvesting as well as estimated growth and other revisions from fields checks etc.

Notes to the financial statements

The prices for forest properties in the markets in which GreenGold holds its forest have seen a significant rise in the 2021 – 2023 period, driven by many factors such as increased inflation for which forest is historically a good hedge. Timber prices have increased significantly due to strong demand and limited supply, explained partially by exclusion of Russian timber supplies on the European market, and also by high gas and energy prices fuelling demand for wood as an energy source. There is also an increased interest for forest properties for alternative uses such as CO2 sequestration and recreation. All in all, the combination of improved forest economics mainly driven by higher timber prices, as well as additional interest in land and forests have fuelled a significant increase in forest property prices. This is also reflected in the valuation of GreenGold's properties, both driven by the higher values generated by DCF modelling as well as observed market transactions used for benchmarking.

	31/12/2023	31/12/2022	01/01/2023
Fair value of GreenGold Forest Assets (EUR thousand)	661,916	616,762	411,442
Average fair value per m3fo (EUR/m3fo)	33.3	31.6	24.9
Average SFI per ha (m3fo/ha)	276	287	296
Average fair value per ha forestland (EUR/ha)	9,193	9,083	7,353
Deferred tax attributable to fair value of forest assets	54,436	51,245	29,049

DCF Forest assets

The discounted cash flow 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 calculations assume steady state forest management, with implied replanting after final cut, as reflected in operational costs including planting costs and a growth rate representing active continuous management and plantings. The annual growth rate of Timber is based on local conditions and available growth statistics as well as the Company's continuous measurements and analysis. GreenGold has a buy-and-hold forever philosophy in order to drive real biological improvements and long-term value maximisation. Such fundamental improvements take time to materialise, especially since GreenGold is partially targeting under-managed properties where there is a clear value add from GreenGold's professional and knowledgeable team. The model reflects such improvements in output from the properties, gradually kicking in until 2038 and some first thereafter, to reflect the company having managed the properties for 15 years and thereby achieving real improvements in output.

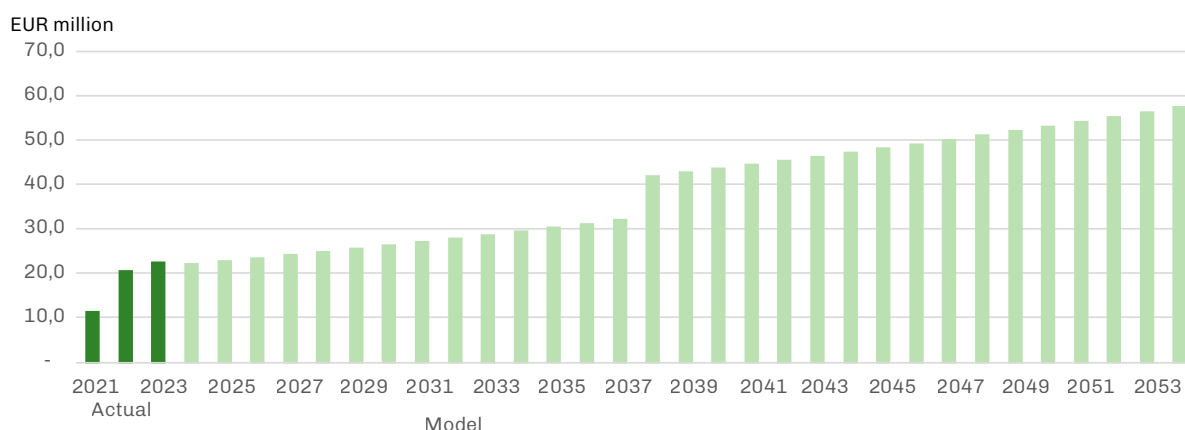
The following are important assumptions for the model

- a. Annual harvest volumes are based on annual growth and reflect the long-term management plans for timber on the Company's properties. An increase in harvest/growth ratio is assumed from 2038 to reflect GreenGold's improvements in management and planning on acquired properties by that time.
- b. Unit timber revenue is based on stumpage prices received by GreenGold over recent years, as well as reasonable long-term forecasts. A modest real price appreciation is assumed until 2038 to reflect the increase of quality of timber being realised in accordance with the Company's Forest management plans. After 2038 no further real price improvements are assumed. The forests are analysed regularly to ensure accurate estimations of the volumes of harvestable timber and the current growth rates.
- c. As GreenGold sells its timber on stumpage, specific assumptions of harvesting and delivery costs are not required. Timber revenue is reduced by maintenance-, silviculture and property management costs reflecting GreenGold's actual historical costs and estimated long term costs for managing a forest portfolio of this size.
- d. Cash flow estimates were made for a 100-year model, to reflect the long natural cycle in most of the countries where GreenGold has operations..
- e. A price and cost inflation of 2.0% (31 Dec 2022: 2.0% / 1 Jan 2022: 2.0%) per annum is included in the model.
- f. The terminal value based on residual resale value of the forest properties is in turn based on the current property values as estimated by the independent appraiser.

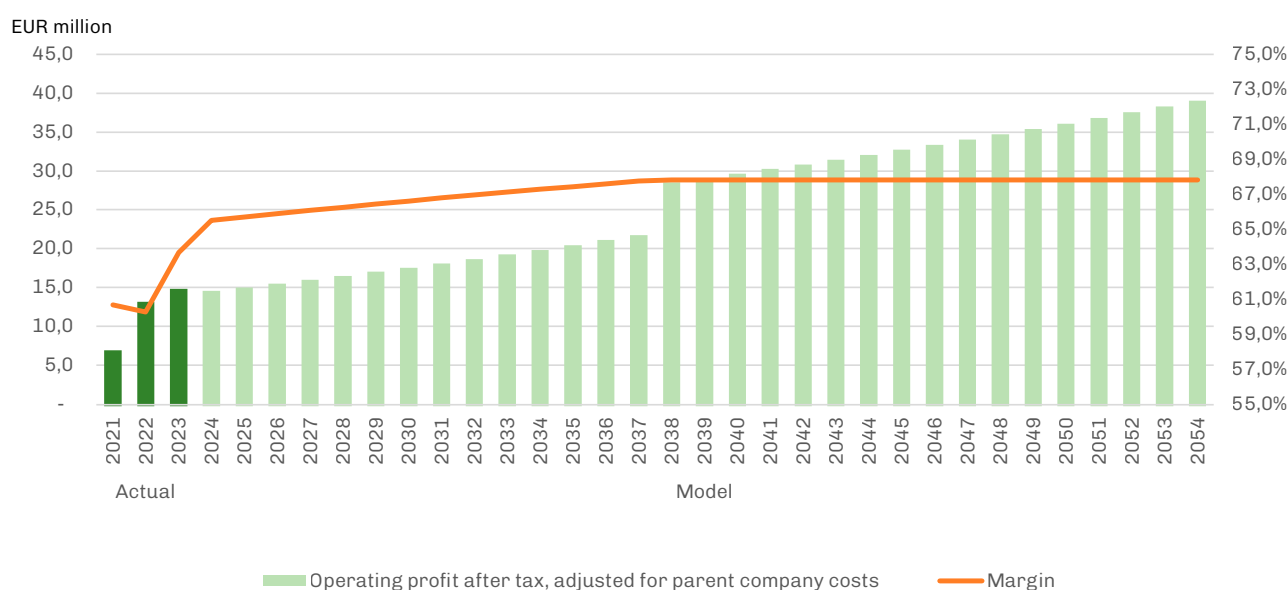
Notes to the financial statements

- g.** The discount rate after tax is determined using the Group's weighted average cost of capital (WACC), in which the return requirement of capital is based on the capital asset pricing model and industry and country-specific risk assessments performed. In 2023, the Group's WACC used as the basis for forest valuation was 4.87% (31 Dec 2022: 5.30% / 1 Jan 2022: 6.0%). A normalised long term risk-free interest rate is used, but if the spot rate is higher than the rolling average, the spot rate will be used.
- h.** In 2023, the risk-free interest applied was 3.0% (31 Dec 2022: 3.0% / 1 Jan 2022: 1.5%). In 2023, the Equity Risk Premium ("ERP") used, followed certain industry recommendations for Eurozone ERP of 5.5% (31 Dec 2022: 5.5% / 1 Jan 2022: 5.5%). The Company currently has no debt, but assumption of long-term capital structure based on average industry benchmarks is used with a weighting of 75/25 (31 Dec 2022: 75/25 / 1 Jan 2022: 90/10). The reason for a decreasing discount rate over the period 2021 – 2023 is connected with a reduced industry and risk premium, subsequent to increased diversification of the GreenGold portfolio, especially relative reduction of Romania's weight in sales and profits, as well as reduction of Romania specific country risk and a reduced volatility in timber/wood markets following the big movements in 2020 and 2021.

Modelled Nominal Revenue



Modelled Nominal operating profit after tax from forest assets



Notes to the financial statements

Comparable sales

This approach is performed by the external company Svefa. This approach compares the GreenGold portfolio and its properties with other forest property assets that have recently transacted in the areas where GreenGold's forests are located. The purpose is to deduce the probable price in the event of a sale of the assets on an open market, using observable actual transactions.

Market prices vary significantly by area, and defining the areas where market transactions are used for valuation involves judgement by Svefa. Matching the exact characteristics of properties under appraisals with available transaction data can also be difficult and might entail some adjustments which also involves judgement by Svefa. The valuation of forest assets is based on GreenGold's own forestland purchases and detailed transaction data and price statistics from external providers or public sources. The valuation takes into account the location, SFI, species and growing stock volume of the forest assets when making the comparison. A real observed transaction price will typically be recognized for the purposes of this assessment for twelve (12) months prior to valuation date. However, considering the sometimes-low frequency of transactions or lack of transparency in certain forest property markets, such as Romania, a longer-term average might be used to collect sufficient data points to derive a reasonable comparable sales benchmark.

Combination approach / weighting

As at December 31, 2023, the weighting between the two methods, in determined fair value of GreenGold's forest assets, used by the Company was 70% discounted cash flow approach and 30% sales comparison approach, the same applied to prior periods. The Discounted Cash Flow is given greater weight than the Sales Comparison approach because it is based on reasonable assumptions and explicitly reflects the highest and best use opinion under GreenGold's buy-and-hold forever strategy. The sales comparison approach carries weight because it represents actual transactions, but since every property is unique, and it is difficult to adjust the comparable transactions fully to the unique characteristics of the property under appraisal, and in some areas, there are not a large number of comparable sales available, it is given less weight.

Biological assets

Under IAS 41 Agriculture, all biological assets, such as growing stock, are recorded at fair value less selling expenses. The fair value of biological assets is calculated based on future net cash flows, based on estimations of the current age and growth rates of the forest and thereby current and future volumes of harvestable timber. The model utilises the same main assumptions for inflation and discount rates as the DCF to determine total value of forest assets. General level of assumed prices and expenses are also the same, with the difference that the valuation of Biological assets should only assess the value of currently standing trees, whereby silviculture and planting costs are excluded from the model which can be considered a simplified single rotation extractive model.

Additional value from wind power

GreenGold owns a property in UK where it holds contractual rights to rent from Wind power company for access and land utilisation, over a 25-year period, with a possibility to renew for another tenure. Additionally, GreenGold has sold rights to new, yet undeveloped wind power projects on its properties in UK and Finland, for which it expects to receive both rent payments and profit sharing from electricity generation in the future. However, these new projects are awaiting necessary regulatory approvals and final investment decisions. Therefore, there are significant uncertainties surrounding the realisation of the payments. Given the uncertainties, no values have been recognised related to new, yet undeveloped wind power projects. For the existing contractual rent payments in UK, a fair value has been determined as the present value of expected cash flows and added to property values in UK, to reflect the additional sale value of the contractual rent payments. The discount rate applied in 2023 is 5.25% (31 Dec 2022: 3.5% / 1 Jan 2022: 3.5%).

Notes to the financial statements

Summary model assumptions and valuation parameters – Forest assets – biological assets and forest land

	31/12/2023	31/12/2022	01/01/2022
Forest land (ha)	71,999	67,904	55,309
SFI (thousand m3fo)	19,895	19,520	16,542
Combination method weighting (DCF/Comparable sales)	70/30	70/30	70/30
Comparable sales			
Appraiser	Svefa	Svefa	Svefa
Comparable price per cubic metre of forest in EUR	Based on 3rd party assessment per balance sheet date	Based 3rd party assessment per balance sheet date	Based 3rd party assessment per balance sheet date
DCF			
WACC Discount rate after tax	4,87%	5,30%	6,00%
Prices	Based on actuals and projections	Based on actuals and projections	Based on actuals and projections
Nominal price increase	2.00% per year	2.00% per year	2.00% per year
Nominal cost increase	2.00% per year	2.00% per year	2.00% per year
Growth	Normal growth based on company analysis and national statistics. Improved annual growth is assumed after 2038.	Normal growth based on company analysis and national statistics. Improved annual growth is assumed after 2038.	Normal growth based on company analysis and national statistics. Improved annual growth is assumed after 2038.
Harvest/growth ratio	80% until 2038, whereafter 95% assumed	80% until 2038, whereafter 100% assumed	80% until 2038, whereafter 100% assumed
Revenue	Incremental real price incr. up to 2038 from quality and sortiment improvements	Incremental real price incr. up to 2038 from quality and sortiment improvements	Incremental real price incr. up to 2038 from quality and sortiment improvements
Costs	Normal cost¹	Normal cost¹	Normal cost¹

1) Normal cost = based on outcome for the current year and the previous year as well as forecasted forward cost levels

Notes to the financial statements

EUR thousand	Biological assets		Forest land		Forest assets	
	2023	2022	2023	2022	2023	2022
Opening Balance 1 January	452,286	275,699	164,476	135,743	616,762	411,442
Acquisitions & investments	19,541	67,184	1,843	866	21,385	68,050
Divestments & disposals	-114	-	-9	-	-123	-
Cutting	-18,756	-12,524	-	-	-18,756	-12,524
Growth and revisions	15,685	12,342	-	-	15,685	12,342
Other changes of fair value ¹	64,298	111,639	-36,069	29,186	28,229	140,825
Currency translation differences	-1,354	-2,055	89	-1,318	-1,266	-3,373
Closing Value 31 December	531,586	452,286	130,330	164,476	661,916	616,762

1) Other changes are primarily recognized as the increase in value due to market prices / valuation per m3 change

Sensitivity Analysis

EUR million	Change in assumption	Change in value		
		31/12/2023	31/12/2022	01/01/2022
Total forest assets				
Valuation per m3fo	Price change +/-1 EUR on a total volume of 19.9 / 19.5 / 16.5 million m3fo	+/- 19.9	+/- 19.5	+/- 16.5
Standing forest inventory	SFI change of +/- 500 thousand m3fo on a implied valuation/m3 of EUR 33.3 / EUR 31.9 / EUR 24.9	+/- 16.6	+/- 15.8	+/- 12.4
Discount rate ¹ after tax	+/- 0.1% percentage points	-17.0 / +18.1	-14.2 / +15.0	-8.1 / +8.5
Biological assets				
Discount rate ² after tax	+/- 0.1% percentage points	-17.1 / +18.0	-13.4 / +14.0	-7.3 / +7.6
Wood price	+/- 5%	+/- 31.5	+/- 26.8	+/- 16.6

1 Change to discount rate for DCF model, while comparable sales input assumed unchanged.

2.Change to discount rate for Biological asset DCF

Deferred taxes related to fair value of forest assets

Deferred tax is recognized on fair value gains of biological assets and land assets under the framework provided by IAS 12 Income Taxes. IAS 12 requires the recognition of deferred tax for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Accumulated historical acquisition costs is considered to be the tax base for Biological assets and forest land, and hence a deferred tax is recognised on the unrealised gain between tax base and carrying fair value. Deferred tax also depends on the local tax legislation in each of GreenGold's countries where the assets are located. Due to local tax rules there is no deferred tax recognized on unrealised gains on forest assets in Estonia and Latvia and no deferred tax recognised on unrealised gain on Biological assets in UK. The recognition of deferred tax varies between the two subcategories of forest assets. Biological Assets: Under IAS 41, gains from changes in fair value less costs to sell are recognized in the income statement. If there's an increase in fair value, a deferred tax liability is also recognized in the income statement.

Land Assets: Upon revaluation under IAS 16, if there's an increase in the fair value of land that creates a revaluation surplus, deferred tax on the same is recognized in other comprehensive income (OCI).

Notes to the financial statements

16. Agri land assets

Accounting principles

Land assets that are attributable to agricultural land are reported at fair value in accordance with IAS 16 p. 31 and are shown on a separate line in the balance sheet. The valuation is determined in EUR and is then recorded in the respective group company's financial reports in local currency.

Agricultural Land

Sometimes, agricultural land is included in the land packages acquired when purchasing forest properties. Agricultural land refers not to land that was originally registered or classified as agricultural land but is now covered with forest, such land is treated as forest land. Instead, it refers to land that is currently de facto agricultural land and is not planted or in the process of being planted with forest. It also includes all such land suited for agricultural purposes, whether it is cultivated at the time of reporting or not, which encompasses the two main groups: arable land and pasture.

The company's agricultural land is mainly located in the Baltics, where there is widespread agriculture and land properties traditionally include both agricultural land and forest land. There is also a larger agricultural property in Scotland that has been acquired for future reforestation within the framework of Scotland's reforestation initiative, where the company can receive both subsidies for planting and carbon credits for future carbon sequestration from the forest. This land has not yet been planted with forest and is until further reported as agricultural land. Before January 1, 2022, agricultural land was not reported separately but as part of forest assets.

The value of the land assets is determined using local price statistics per hectare for agricultural properties in each country and region, which is generally readily available. The company's independent valuer of forest assets – Svefa, also provides indications of market prices on agricultural land, although they do not perform a deeper analysis of the properties, as for forest properties. Instead of a detailed comparative analysis of the properties, GreenGold applies a conservative interpretation of the price statistics for valuing its agricultural land. The change in the value of the land is reported in other comprehensive income and does not affect the current year's results. The increase accumulates in equity under the heading for revaluation reserve. The provision for deferred tax is calculated on the difference between the recorded acquisition value and the fair value.

Ha	31/12/2023	31/12/2022
Scotland	212	212
Finland	7	7
Lithuania	64	64
Estonia	35	35
Latvia	514	514
Total	832	832

	Agricultural land	
EUR Thousand	2023	2022
Opening Balance 1 January	4,833	-
Reclassification	-	786
Acquisitions & investments	25	3,128
Divestments & disposals	-0	-
Other changes of fair value ¹	-126	920
Currency translation differences	64	-
Closing Value 31 December	4,797	4,833

1) Other changes are primarily recognized as the increase in value due to market prices / valuation per m3 change

Notes to the financial statements

17. Other tangible assets

Accounting principles

Other tangible assets consist of buildings, machinery and property equipment, other properties and ongoing constructions. These are recognised on the balance sheet as assets, and at cost less accumulated depreciation and any impairment.

The cost includes the purchase price and expenses directly attributable to the asset in order to put it in place and in order to be used in accordance with the purpose of the acquisition.

Accounting principles for impairment are set out in Note 1.

Ongoing new constructions include road constructions and other infrastructure investments that are under construction, as well as ongoing forest land investments that, when completed and registered, are classified as forest assets.

Depreciation principles

The cost is depreciated linearly over the useful period; other land and ongoing construction is not depreciated. For more info regarding useful-life periods for right-of use asset, see not 10.

Group												
EUR thousand	Roads		Other land		Buildings		Machinery and equipment		Ongoing new construction		Total other fixed assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening cost of acquisition	4,956	4,846	185	185	175	175	872	603	752	595	6,940	6,405
Investments	108	34	-	-	-	-	65	293	402	30,610	575	30,937
Sales/retirements	-	-	-	-	-	-	- 22	- 21	-	-	- 22	- 22
Reclassifications	156	77	-	-	17	-	-	-	- 196	- 30,452	- 22	- 30,375
Translation differences	- 24	- 1	- 1	-	- 1	-	- 3	- 3	- 5	- 1	- 34	- 4
Closing accumulated cost of acquisition	5,196	4,956	184	185	191	175	912	872	953	752	7,437	6,941
Opening accumulated depreciation	- 1,418	- 1,141	-	-	- 35	- 31	- 435	- 320	-	-	- 1,889	- 1,492
Sales/retirements	-	-	-	-	-	-	19	13	-	-	19	13
Reclassifications	56	-	-	-	-	-	-	-	-	-	56	-
Depreciation for the year	- 278	- 279	-	-	- 7	- 4	- 156	- 129	-	-	- 440	- 412
Translation difference	9	1	-	-	-	-	2	1	-	-	11	2
Closing accumulated depreciation	- 1,631	- 1,419	-	-	- 42	- 35	- 570	- 435	-	-	- 2,243	- 1,889
Closing planned residual value	3,565	3,537	184	185	149	140	342	437	953	752	5,194	5,052

Notes to the financial statements

18. Right-of-use assets

Accounting principles

GreenGold applies IFRS 16 Leasing, which includes the recognition of so-called right-of-use assets.

Right-of-use assets comprise the sum of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, and any initial direct costs. Subsequently, they are measured at cost minus accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease agreement transfers ownership of the underlying asset to the group, or if the cost of the right-of-use asset indicates that the group will exercise an option to purchase, the associated right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation begins at the start of the lease agreement.

The lease liability is initially measured at the present value of the unpaid lease payments at the commencement date, discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the group uses an appropriate local market borrowing rate, as the group has no established borrowing rate due to being unleveraged. The lease liability is recognized as short-term and long-term lease liabilities in the group's balance sheet. After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method), and by reducing the carrying amount to reflect the lease payments made.

Lease asset	Group					
	2023			2022		
	Offices	Vehicles	Total	Offices	Vehicles	Total
EUR Thousand						
Opening balances	33	22	55	33	22	55
New agreement	164	153	317	-	-	-
Concluded agreements	-	-22	-22	-	-	-
Closing balances	197	153	350	33	22	55
Opening balances, depreciation	-22	-22	-44	-11	-9	-20
Depreciation for the year	-	22	22	-	-	-
Concluded agreements	-61	-40	-102	-11	-13	-24
Closing balances, depreciation	-83	-40	-124	-22	-22	-44
Closing balance	114	112	226	11	-	11

Lease liability	Group	
	2023	2022
EUR Thousand		
Opening balances	11	33
New agreements	362	32
Repayment and closing	-147	-55
Upward interest adjustments	10	1
Closing balances	236	11
-of which current	108	11
-of which non-current	128	-

Notes to the financial statements

19. Shares and participations in group companies

Shares and participations in group companies

EUR Thousand	Group	
	2023	2022
Opening acquisition values	329,949	245,106
Investments in subsidiaries	7,510	84,843
Closing accumulated acquisition values	337,459	329,949

Parent company's shares in subsidiaries December 31, 2023

EUR Thousand	Corp ID no.	Capital	Voting rights	Book value
GreenGold Timberlands 1 AB	559034-8644	100%	100%	1,757
GreenGold Timberlands 1 OY	2958340-6	100%	100%	56,575
GreenGold Timberlands 1 LTD	SC643927	100%	100%	53,380
GreenGold Timberlands 1 OÜ	10340116	100%	100%	4,772
GreenGold Timberlands 1 SIA	LV41203034208	100%	100%	6,648
GreenGold Timberlands 1 UAB	304217043	100%	100%	17,585
GreenGold Timberlands 2 UAB	303461361	100%	100%	12,180
GreenGold Management SRL	RO29600496	100%	100%	700
GreenGold Timberlands 1 SRL	RO35487155	100%	100%	62,550
GreenGold Timberlands 2 SRL ⁽¹⁾	RO33742642	100%	100%	
GreenGold Timberlands 3 SRL	RO15051614	100%	100%	32,922
GreenGold Romwood SRL	RO25391672	100%	100%	88,390
				337,459

¹⁾ merged with Romwood 04/01/23

Notes to the financial statements

20. Non-current receivables

Accounting principles

Financial instruments that are recognized in the balance sheet as loan receivables are included in the balance sheet when the company becomes party to the contractual provisions of the instrument. Receivables that are held with the objective to collect contractual cash flows and where the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount are measured at amortized cost. Amortized cost is determined based on the effective interest rate calculated at the time of acquisition.

Non-current receivables

EUR Thousand	Group	
	2023	2022
Opening receivables	1,110	1
New issued	329	1,110
Reclassification	-	- 1
Closing receivables	1,439	1,110

Non-current receivables from group companies

EUR thousands	Parent company	
	2023	2022
Opening receivables from group companies	10,196	3,000
Lending during the year	3,000	9,132
Reclassification to current receivables	-10,196	-
Repayments during the year	-	-1,936
Closing receivables from group companies	3,000	10,196

Notes to the financial statements

21. Trade receivables

Accounting principles

Trade receivables are recognised in the balance sheet when an invoice has been sent. Trade receivables are valued at fair value, which means present value of contractual cash flows, reduced with potential reservation for losses. In GreenGold the expected maturity of trade receivables is short, and the value is recognised at the nominal amount without discounting.

According to IFRS 9, an assessment of expected credit losses must be made. The subsidiaries should carry out internal credit analysis of customers, which should be followed up on an ongoing basis. Due to the nature of the GreenGold sales, with often partial or full prepayments, and historically high creditworthiness and low credit losses, very short term analysis of overdue receivables is unnecessary, furthermore an impairment of overdue receivables by 50% is performed automatically after 6 months and 100% impairment after 12 months, in the absence of other data related to assessment of recoverable amounts. Impairment losses on trade receivables are recognised in operating expenses.

EUR Thousand	Group	
	2023	2022
Trade receivables, not yet due	740	802
Due 1-90 days	122	44
Due >90days	14	-
Total	876	846

Invoices due at the end of 2023 have been cleared during first quarter of 2024; no required write-down at the end of year 2023..

22. Other receivables

EUR thousand	Group		Parent company	
	2023	2022	2023	2022
VAT receivables	331	562	-	18
Other recivables	523	75	18	9
Total other receivables	854	637	18	27

23. Prepaid expenses and accrued income

EUR thousand	Group		Parent company	
	2023	2022	2023	2022
Prepaid insurance expenses	290	275	2	2
Prepaid rent expenses	27	17	14	13
Prepaid IT expenses	16	15	16	16
Prepaid expenses, other	4	31	-	-
Accrued interest income	56	14	-	-
Accrued grants	17	-	-	-
Accrued income, other	1	35	2	4
Accrued income from group companies	-	-	80	3
Total prepaid expenses and accrued income	411	387	114	38

Notes to the financial statements

24. Share capital and share premium reserve

	2023			
	Amount of shares	Nominal-value (EUR)	EUR Share capital	EUR Additional paid in capital
Issued and fully paid share capital				
Opening balance January 1	10,287,731	0,0365561	376,079	326,102,333
Share issues	+103,890	0,0365561	+3,798	+6,457,508
Balance as of December 31	10,391,621	0,0365561	379,878	332,559,841

	2022			
	Amount of shares	Nominal-value (EUR)	EUR Share capital	EUR Additional paid in capital
Issued and fully paid share capital				
Opening balance January 1	9,563,876	0,0365561	349,618	288,104,519
Share issues	+723,855	0,0365561	+26,461	+37,997,814
Balance as of December 31	10,287,731	0,0365561	376,079	326,102,333

Share Capital

As of December 31, 2023, the share capital consisted of 10,391,621 ordinary shares with a nominal value of 0.0365561 EUR each (2022: 10,287,731 ordinary shares with a nominal value of 0.0365561 EUR each). All issued redeemable shares are fully paid. The company holds no treasury shares.

The company has two categories of shares, A and B, with different voting rights.

A-shares - 1,084,129 pcs only for GreenGold's management team, 1 share = 10 voting rights

B-shares - 9,307,492 pcs ordinary shares. 1 share = 1 voting right

A and B shares have equal rights to GreenGold's assets and profits.

New share issues

During 2023, the Company conducted two new share issuances, targeted at both existing shareholders and new investors. In the second quarter of 2023, a share issuance of 80,869 shares at a price of 64 EUR per share was carried out. In the fourth quarter of 2023, a share issuance of 23,021 shares at a price of 65 EUR per share was carried out. In 2022, a total of three share issuances were carried out for a total of 723,855 shares, at a share price of 48, 50, and 60 EUR per share in each respective issuance. No more shares have been issued since fourth quarter of 2023.

Share premium reserve

Share premium reserve consists of share premiums for newly issued shares after deduction of issuance costs.

Notes to the financial statements

25. Financial instruments

Accounting principles

Financial instruments recognised on the balance sheet include cash and cash equivalents, trade receivables, shares, loan receivables, prepaid expenses and accrued income and derivative instruments on the asset side. Liabilities include trade payables, non-current and current other liabilities and non-current and current interest-bearing liabilities.

The recognition of a financial instrument depends on how they are classified as per below.

Classification and valuation

Financial assets valued at amortised cost

This category includes cash and cash equivalents, interest-bearing receivables, trade receivables and other receivables.

Financial liabilities valued at amortised cost

This category includes all financial liabilities.

Derivatives valued at fair value through profit or loss

Derivatives are valued at fair value with changes in value recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and short-term investments and are included in the general model for impairment. For cash and cash equivalents, the risk for credit losses is immaterial given high credit rating of counterparts and therefore not presented. Cash and bank balances consist of bank balances and investments that can easily be converted into cash, the latter having a maximum term at the acquisition date of three months.

Derivative

The Company has a purchase option agreement with the same external entity with whom it has a loan agreement in which GreenGold is the lender. During the validity of the purchase option agreement, GreenGold has the right to purchase real estate properties procured by the borrower using funds under the loan agreement. The exercise price for real estate properties purchased by the Company under the purchase option agreement is based on a pre-determined formula. The purchase option is treated as a derivative under IFRS 13. The value of the purchase option agreement as per 31 December 2023 is recognised as the difference between the exercise price of the properties for which GreenGold could exercise its purchase right, and the estimated fair value of those properties as per 31 December 2023, amounts to EUR 391 thousand. The purchase option agreement is classified as level 3 in IFRS 13.

Notes to the financial statements

Financial assets and liabilities valued at amortized cost

EUR Thousand	Group		
	31/12/2023	31/12/2022	01/01/2022
Financial assets			
Non-current receivables	1,439	1,110	1
Accounts receivable	876	846	326
Other current receivables	133	75	701
Deferred income	1	5	-
Cash and cash equivalents	9 967	22,470	54,795
Total	12,416	24 506	55,823
Financial liabilities			
Accounts payable	190	504	279
Accrued expenses	226	92	71
Total	416	596	350

Financial assets and liabilities valued at amortized cost

EUR Thousand	Group		
	31/12/2023	31/12/2022	01/01/2022
Financial assets			
Derivative	391	-	-
Total	391	-	-

Terms and maturity

EUR Thousand	Nom. interest rate	Due	Group					
			31/12/2023		31/12/2022		01/01/2022	
			Nom. amount	Booked amount	Nom. amount	Booked amount	Nom. amount	Booked amount
Non-current liabilities for leasing	3,0-4,0%	2024-2026	131	128	-	-	34	33
Current liabilities for leasing	3,0-4,0%	2024	114	107	13	11	-	-
Accounts payable		2024	190	190	504	504	279	279
Advances from customers		2024	887	887	499	499	440	440
Total			1,322	1,312	1,016	1,014	753	752

Cash and cash equivalents

EUR thousand	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Restricted capital for planting ¹⁾	2,362	382	-	-
Non-restricted bank balances	7,606	22,089	4,999	13,965
Total cash and cash equivalents	9,967	22,470	4,999	13,965

¹⁾ Mainly bank funds allocated for planting and replanting in Romania, in accordance with Romanian legislation.

Notes to the financial statements

26. Other current liabilities

EUR thousand	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Personnel related liabilities	1,064	889	79	101
Liability to shareholders for approved dividend	-	5,658	-	5,658
Liabilities for leasing	30	53	-	-
Other liabilities	7	2	-	-
Total other liabilities	1,101	6,602	79	5,759

27. Accrued expenses and prepaid income

EUR thousand	Group		Parent company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Accrued personnel-related expenses	276	149	207	113
Other accrued expenses	226	92	135	45
Other prepaid income	173	229	8	6
Total accrued expenses and deferred income	675	470	350	164

28. Pledged assets and contingent liabilities

The Company had no contingent liabilities or pledged assets as per 31 December 2023. As per 31 December 2022 the Company had no contingent liabilities or pledged assets.

Notes to the financial statements

29. Financial Risks

Policy Framework

The Board of GreenGold has adopted a number of policies such as Treasury Policy, FX Policy, Leverage Policy, Valuation Policy which regulate how the group should handle various financial risks. These policies are evaluated and revised once a year. The operational responsibility is delegated to the CEO and CFO who, in addition to operational responsibility, are responsible for ensuring that the finance function operates and reports to the board in a regular and satisfactory manner.

Financial risks refer to changes in the group's results and cash flows caused by changes in exchange rates, interest rates, financing needs, and credit risks. The responsibility for reducing financial risks and performing ongoing control of financial transactions is centralized to the parent company's finance function. The overarching goal for the finance function is to ensure cost-effective financing and to minimize negative effects on the Group's results that may arise through price changes in the interest and currency markets. Of the various financial risks that a company can be exposed to – financing risk, interest rate risk, credit risk/counterparty risk, and currency risk – financing risk and interest rate risk are the clearly dominant risks for GreenGold. Currency risk is primarily linked to holdings of liquid assets in currencies other than the company's reporting currency, and GreenGold has subsidiaries with a functional currency different from the company's reporting currency, EUR.

GreenGold, as a forest-owning and forest-managing company, finances its assets through share issues and internal cash flows, hence there is no actual credit risk, and the interest risk for borrowing does not occur. Furthermore, there is an emphasis on being restrictive in assessing counterparties when placing surplus liquidity.

Liquidity Risk

Liquidity risk refers to the risk that liquid funds will not be available to meet payments due to disruptions in sales. This risk is considered low as long as the Group maintains a significant liquidity balance.

Financing Risk

Financing risk is the risk of a significant capital requirement arising in a strained capital- and credit market situation. To ensure that the group does not find itself in a situation with a significant capital need other than for continued expansion, the finance department must ensure that the company has effective financial forecasting and maintains a financial buffer when assessing expansion and dividend decisions. The finance department should also maintain contacts with various financial institutions for potential loan financing discussions.

Interest Rate Risk

Since the group is currently unleveraged, the risk of cash flows being affected by changes in market interest rates is very small and primarily relates to the credit interest on existing bank deposits. As described later, changes in market interest rates also pose an indirect risk to the company as they can affect the required returns and discount rates used in estimating fair value according to Level 3.

Credit Risk/Counterparty Risk

Credit risk refers to the possibility that a counterparty in a financial transaction is unable to fulfill its obligations. Financial risk management involves exposure to credit risks. For GreenGold, such risks arise primarily in connection with the placement of liquid funds and to a much lesser extent in connection with counterparty risks related to banks in currency transactions.

Bank counterparty risks should have a rating of at least A- or A3 according to Standard & Poor's, Nordic Credit Rating, Fitch, Scope, or Moody's. The parent company also has credit risk in receivables from group companies. Neither the Group nor the parent company has reported any credit losses, and collectively, the credit risks are considered immaterial.

Notes to the financial statements

Currency Risk

The Group is exposed to currency risks to the extent that there is an imbalance between the currencies in which sales and purchases are denominated and the respective functional currency for group companies, as well as the Group's reporting currency. The functional currencies of the Group's companies are primarily Romanian leu (RON), Euro (EUR), British pound (GBP), and Swedish krona (SEK). However, sales and purchases are mainly conducted in the functional currencies of the group companies. The company does not engage in currency hedging other than to balance the composition of liquid assets approximately according to expected cost and investment flows. When converting the financial statements of foreign subsidiaries to EUR, a translation effect occurs. A five percent weakening of the following currencies against the EUR would have increased/(decreased) net sales, operating profit before value changes in biological assets and equity with the amounts indicated below. This analysis assumes that all other variables remain constant. The analysis is performed in the same way for 2022.

2022 Group	Currency	Net sales (thousand EUR)	Operating profit before change in value of Biological assets (thousand EUR)
	EUR	20 496	13 709
Of which	SEK	316	240
numbers in	GBP	969	591
foreign currency	RON	13,732	10,215

Sensitivity analysis

A 5% weakening of the currencies listed below against the EUR would have changed the results as follows.

Currency	Net sales (thousand EUR)	Operating profit before change in value of Biological assets (thousand EUR)
SEK	-15	-11
GBP	-46	-28
RON	-654	-486
Totalt	-715	-526

2023 Group	Currency	Net sales (thousand EUR)	Operating profit before change in value of Biological assets (thousand EUR)
	EUR	22 311	14 813
Of which	SEK	427	415
numbers in	GBP	1,142	977
foreign currency	RON	12,019	8,548

Sensitivity analysis

A 5% weakening of the currencies listed below against the EUR would have changed the results as follows.

Currency	Net sales (thousand EUR)	Operating profit before change in value of Biological assets (thousand EUR)
SEK	-20	-20
GBP	-54	-47
RON	-572	-407
Totalt	-647	-473

Notes to the financial statements

Foreign currency exchange rates	Group		
	GBP	RON	SEK
Average 2023	0.8698	4.9467	11.4788
Per balance sheet date 2023	0.8691	4.9756	11.0960
Average 2022	0.8528	4.9313	10.6296
Per balance sheet date 2022	0.8869	4.9495	11.1218

Calculation of Fair Value

The value of assets and liabilities that must be estimated and reported at fair value is exposed to interest and currency risks. The company must also make estimates and assessments when preparing the Group's financial reports. Uncertainties in the estimates and assessments can impact the reported value of assets and liabilities in the Group's results. The estimates and assessments in the evaluation of the fair value of private financial assets at fair value through profit or loss are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Level 1

Unadjusted, quoted prices in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as quoted prices) or indirectly (i.e., derived from quoted prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Fair value Group, TEUR	Level 1			Level 2			Level 3		
	31/12/2023	31/12/2022	01/01/2022	31/12/2023	31/12/2022	01/01/2022	31/12/2023	31/12/2022	01/01/2022
Assets									
Forest assets									
– Biological assets	-	-	-	-	-	-	531,586	452,286	275,699
– Forest land	-	-	-	-	-	-	130,330	164,476	135,743
Agricultural land	-	-	-	-	-	-	4,797	4,833	786
Interest bearing long term receivables	-	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	391	-	-
Sum assets	-	-	-	-	-	-	667,104	621,595	412,228

The table above shows the fair value of the group's forest assets and agricultural land, as well as financial assets and derivatives. Forest assets, agricultural land, financial assets, and derivatives are valued at fair value in the balance sheet.

Valuation Techniques Used to Calculate Fair Values in Level 1

For financial instruments where there are market quotations, current rates are used to value the fair value.

Valuation Techniques Used to Calculate Fair Values in Level 2

Short-term liabilities and receivables are valued at book value including accrued interest, which is considered a good approximation of their fair value.

Valuation Techniques Used to Calculate Fair Values in Level 3

The valuation technique for forest assets and agricultural land is detailed in notes 15 and 16. In addition, there is a call option on land assets recorded as a derivative, which is also estimated using a similar principle as the valuation of the value of forest assets.

Notes to the financial statements

30. Proposed appropriation of profits

Total available funds for distribution (EUR)	EUR
Share premium	332,559,841
Retained earnings incl profit for the year	22,102,323
Total non-restricted equity	354,662,164

Proposed to be allocated as follows: (EUR)	
An ordinary dividend of EUR 0.3 per share ¹	3,117,486
To be carried forward ²	351,544,678
Sum	354,662,164

1) EUR 0.3 per share, total amount based on 10,391,621 outstanding shares

2) Of which share premium 332,559,841 EUR

In conjunction with the proposal above, the Board of Directors submits the following statement as referred to in Ch. 18 § 4 of the Swedish Companies Act. In 2023 the company's shareholders approved an extraordinary dividend of 5.4 million EUR, or 0.52 EUR per share related to the financial result for Jan-Jun 2023. In accordance with the company's new dividend policy, dividends should primarily be decided at the annual general meeting. The proposal for the annual dividend should be decided by the board based on the year's free cash flow, defined as the company's cash flow from operating activities after taking into account capitalized costs, considered maintenance CAPEX. The board should also consider other relevant factors that balance the immediate transfer of value to shareholders with investment opportunities, strategic goals, and the current financial position. Given the extraordinary dividend already distributed in 2023, the board has proposed that the 2024 annual general meeting decide on a regular dividend to shareholders of EUR 0.3 per share to be paid in December 2024, corresponding to a of EUR 3.1 million to be distributed, based on the total number of registered shares as per 3 May 2024.

The proposed ordinary dividend corresponds to 25% of the Group's free cash flow for 2023, established at 12,236 thousand EUR. Together with the earlier extra dividend, it corresponds to 70% of the 2023 free cash flow.

The equity of GreenGold Group AB as of December 31, 2023, amounted to 355,042 thousand EUR, of which unrestricted equity was 354,662 million SEK. The Group's equity as of December 31, 2023, amounted to 626,925 million SEK. In accordance with IFRS, there is no division of the group's equity into restricted and unrestricted.

The board considers that the proposed dividend to shareholders is justifiable given the nature of the Company's and Group's operations, the scope and inherent risks and their motivation for a certain size of equity, while also taking into account investment opportunities, liquidity, and general financial condition. The financial position is deemed to remain strong after the proposed dividend and is deemed fully sufficient for the company to be able to meet its obligations in the short and long term, and have the flexibility to act on necessary as well as long-term value-creating investments. In addition to the above statements, the Board has considered other known conditions that may be significant to the company's and the group's financial position. No circumstances have thus arisen to make the proposal not appear justifiable.

31. Events after the balance sheet date

There were no significant events after the balance sheet date which have not been disclosed in the annual report.

Signatures

GreenGold Group AB (publ)

The board of directors and the CEO certify that the annual report has been prepared in accordance with good accounting practice in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards referred to in the European Parliament and Council Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards. The annual report and the consolidated accounts provide a fair view of the parent company's and the group's position and results. The Director's report for the parent company and the group provides a fair overview of the development of the parent company's and the group's operations, position, and results and describes significant risks and uncertainties facing the parent company and the companies within the group.

Stockholm, 3 May 2024

Göran Persson
Chairman of the Board

Martin Randel
Board member

Fredrik Persson
Board member

Johanna Ikäheimo
Board member

Gudmundur Jonsson
Board member

Malcolm Cockwell
Board member

Sorin Chiorescu
Chief executive officer

The annual report and the consolidated financial statements were approved for issuance by the board of directors and the CEO on 3 May 2024. The group's income statement and statement of comprehensive income, as well as the balance sheet and the parent company's income and balance sheet, will be subject to approval at the annual general meeting on 24 May 2024.

Our audit report was submitted on 3 May 2024

KPMG AB

Helena Arvidsson Älgne
Authorized auditor



Auditor's Report

To the general meeting of the shareholders of GreenGold Group AB (publ), corp. id 559168-7719

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of GreenGold Group AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 34-95 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-33 and 98-100. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the

assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, 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 opinions. 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 the company's internal control relevant to our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.



- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and 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 annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. 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 a company and a group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of GreenGold Group AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the

group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the

proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Stockholm 3 May 2024

KPMG AB

Helena Arvidsson Älgne
Authorized auditor

Glossary, definitions, and explanations

Forest Assets

In a financial and operational context, "forest assets" refer to owned forest properties and encompass both the trees and the land on which the trees grow. From an accounting perspective, forest assets are divided into Standing Forest Inventory (Biological Assets) and Forest Land (Land Assets).

Standing forest inventory ("SFI"), measured as m³fo (forest cubic meter)

Specifies the volume of timber, including tops and bark but excluding branches. It is used to describe the forest holding of standing timber. Measuring and following up on the volume of standing forest inventory is a crucial aspect of forest management and involves several methods and tools.

- **Field Sampling:** This traditional method involves physically measuring a representative sample of trees in the forest. It usually includes measuring tree diameters (DBH - Diameter at Breast Height) and heights, and then extrapolating these measurements to estimate the volume for the entire forest.
- **Remote Sensing:** Advanced technologies like satellite imagery are increasingly used. These technologies can cover large areas quickly and provide detailed data on forest structure and volume. Remote sensing technologies are in many cases combined with field sampling to anchor the estimates in "ground truth".
- **Growth Models:** Growth models use historical data and statistical models from reliable external sources, such as state forestry services, to predict forest growth and volume. These models take into account factors like species, age, climate, and management practices.

GreenGold performs regular inventory cycles for follow-up and monitoring, usually in connection with establishing a new or updated forest management plan. In addition, there are regular controls and assessments by local authorities in connection with various forest actions. All methods described above are associated with some level of margin of error due to factors such as 1) if the sample plots are not representative of the entire forest, 2) errors in measuring tree dimensions can lead to inaccuracies in volume estimations, and 3) in growth models and remote sensing, errors can arise from incorrect model assumptions or limitations in the technology. While GreenGold strives to have as high accuracy as possible, the widely accepted margin of error in assessing forest inventory is +/-10%. From an accounting point of view, Standing Forest Inventory is recognized as a biological asset in accordance with IAS 41 Agriculture.

Forest land

Land covered with forest or reserved for the growth of forests (including commercial forest land, and forest land which is under some form of protection, where certain restrictions on use can apply). Forest land is determined based on the actual measured area.

Productive forest land

Land with a production capacity that exceeds an average of one cubic meter of forest per hectare annually is considered to be the core producing assets. This includes forest land that is completely protected. Productive forest land is determined based on the actual measured area.

Protected Productive Forest Land

Productive Forest Land with legal or GreenGold internal restrictions on harvesting. The effect of these restrictions is considered explicitly in projections of future harvest levels.

Agricultural land

Arable land, meadows and pasture as well as fallow land, that is typically locally classified as agricultural land, and which is not forested or in the process to be afforested in the immediate term.

Total land

The total amount of surface area owned by GreenGold, including predominantly forest land but also agricultural land, roads, water, swamps, areas under electric lines, under buildings, and other. The total land number is derived from the recorded area in the respective jurisdictions' land registry or contract. Positive or negative deviations from the recorded area and the actual physically measured areas based on borders might occur.

SFI/ha

Specifies the amount of m³fo (forest cubic meter) per hectare by default considering only productive forest land.

Biological growth

Refers to the primary growth of trees from the root resulting in increases in height and thickness of the stem. Growth is also specified in forest cubic meters, either in total volume or forest cubic meter per hectare and year, and is based on growth models that rely on external verified data as well as internal assessments and calibrations. 1 m³fo equals about 0.833 m³sub. Biological growth is normally expressed as net growth equal to gross growth minus non-salvaged natural mortality.

Glossary, definitions, and explanations

FSC/PEFC Certified forest area

A forest area that is FSC or PEFC certified has been assessed by an independent certification body of one of the two major global certification systems for forests and forest products and found to comply with the respective standards for sustainable forest management. This certification also indicates that the forest is managed in a way that conserves the natural habitat, respects indigenous rights and worker rights, and ensures the forest is viable as a resource for future generations.

PEFC (Programme for the Endorsement of Forest Certification) is an international forest certification system focusing on ensuring sustainable forest management, balancing environmental, societal, and economic factors. PEFC standards are based on internationally recognized criteria for sustainable forest management and are adapted to local conditions and requirements.

FSC (Forest Stewardship Council) is an international organization promoting responsible forest management. The FSC has developed principles for responsible forestry that can be applied for certifying forest management and that facilitate FSC labeling of wood products from FSC-certified forests.

Stumpage price

This concept encompasses the entire tree attached to the stump, including the trunk and branches, and is the price paid to the forest owner by loggers, timber companies, or other entities for the right to harvest timber from a particular area of land. It represents the market value of the wood itself, minus the costs associated with harvesting, transporting, and processing it into finished products. Stumpage price should by default be expressed as price per m³ of wood, thus excluding volume of branches, but including volume of bark and top. If another metric is used, it is important to note this. Otherwise, this could generate gross errors in planning and reporting.

Productive forestland/Total land

Indicates core commercial forest land area, out of total surface area owned by GreenGold.

SFI/ha (m³)

Measures the stock level of trees on GreenGold owned land.

Harvesting/Productive Forestland (m³/ha)

Indication of activity/utilization level, by comparing harvesting volumes to total harvestable area.

Growth per ha

The estimated current average growth of timber (m³) per ha and year across the Group. Harvesting/Growth The level of annual harvesting relative to annual estimated growth.

Financial metrics

Operating profit before change in value of Biological assets

Definition: Operating profit before change in value of Biological assets.

Comment: This represents operating profit from the core operational activities which include management and stumpage sale of timber, without components linked to IAS 41, i.e., biological growth, the harvesting during the year, and estimated valuation of existing timber stock.

Margin operating profit before value change in Biological assets (%)

Definition: Operating profit before change in value of Biological assets as % of total income.

Adjusted EBITDA

Definition: Profit before depreciation, amortization and impairment, financial items and taxes, also with exclusion of change in value of Biological assets.

Thousand EUR	2023	2022
Operating profit before change of value in biological assets	14,813	13,709
Depreciation and amortization	553	451
Adjusted EBITDA	15,366	14,160

Adjusted EBITDA margin

Definition: Profit before depreciation, amortization and impairment, financial items and taxes, also with exclusion of change in value of Biological assets as % of total income.

Glossary, definitions, and explanations

Forest asset value/SFI (EUR/m3)

Definition: Total value of forest assets divided by SFI.

Capital employed

Definition: Total assets reduced by total current liabilities, and net deferred tax liabilities (deferred tax liabilities less deferred tax assets)

Return on capital employed (ROCE).

Definition: Defined as 12 month trailing operating profit before change in value of Biological assets divided by the capital employed per the balance sheet date. Measures how a company is generating profits from its capital.

Comment: GreenGold considers that the metric captures how it is generating profits from its net operating assets.

Thousand EUR	2023	2022
Operating profit before change of value in biological assets	14,813	13,709
Total assets	685,867	652,217
Total current liabilities	- 3,674	- 8,696
Deferred tax liabilities	- 54,816	- 51,318
Deferred tax assets	3	2
ROCE	2.4%	2.3%

Free cash flow

Definition: Net cash from operating activities reduced by capitalized forest management activities.

thousand EUR	2023	2022
Net cash from operating activities	14,635	13,547
The period's forest management activities	-2,399	-2,932
Free cash flow	12,236	10,615

Free cash flow per share (EUR)

Definition: Net cash from operating activities reduced by capitalized forest management activities divided by the amount of outstanding shares per the balance sheet date.

Earnings per share

Definition: Profit for the year after tax divided by the outstanding number of shares per the balance sheet date.

Net asset value (NAV)

Definition: Total assets less total liabilities.

NAV /share (EUR)

Definition: Total assets less total liabilities divided by the amount of outstanding shares per the balance sheet date.

NAV excluding deferred tax attributable to forest assets

Definition: Total assets less total liabilities excluding deferred tax related to forest assets.

NAV excluding deferred tax attributable to forest assets/share (EUR)

Definition: Total assets less total liabilities excluding deferred tax related to forest assets divided by the amount of outstanding share as per balance sheet date.

Net climate benefit

Definition: Gross CO2 sequestration is calculated according to Peter Holmgren's methodology 'forest industry's climate contribution 2019', where 1.001 tons of CO2 are absorbed for each cubic meter of increasing standing timber stock, 0.079 tons of CO2 are absorbed for each cubic meter that is harvested and converted into products, and 0.447 tons of CO2 are kept underground through substitution for each cubic meter harvested. Net sequestration is obtained by calculating and subtracting the Group's approximate CO2 footprint, which is based on the World Bank's per capita CO2 emissions for Europe before the COVID-19 pandemic, applied to the Group's average number of employees multiplied by a factor of 3 to account for the Group's employees driving a lot in service.



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