

# GREENGOLD

## Q3/2024 Update

### HIGHLIGHTS OF THE QUARTER

- Acquired 248 ha of forest properties in Q3/2024, in Finland and Baltic countries, bringing the total area to 77.1 thousand ha as at September 30, 2024.
- Total standing forest inventory (SFI) at the end of Q3/2024 was 20.1 million m<sup>3</sup>.
- Harvested volume of 90 thousand m<sup>3</sup> - significantly lower harvesting volumes, compared with same period last year (158 thousand m<sup>3</sup> last year), which were high in historic perspective. Stumpage prices also somewhat lower.
- Adjusted EBITDA amounted to EUR 2.5 million (EUR 4.8 million), mainly driven by the lower volumes.
- Free cash flow was also lower because maintenance CAPEX was relatively higher in Q3/2024 compared with same period last year.
- Fair value of Forest Assets increased by about 1.1% compared with December 31, 2023 purely driven by change in SFI volumes.
- Cash and cash equivalents balance as at September 30, 2024, of EUR 10.9 million, and no debt.
- The number of outstanding shares as at September 30, 2024, amounted to 10,391,621.

### KEY FINANCIAL METRICS

EUR Thousand	Q3			9M		
	2024	2023	Δ	2024	2023	Δ
<b>Net sales</b>	<b>3,968</b>	<b>6,388</b>	<b>-37.9%</b>	<b>15,173</b>	<b>16,621</b>	<b>-8.7%</b>
<b>Adj EBITDA*</b>	<b>2,516</b>	<b>4,833</b>	<b>-47.9%</b>	<b>10,553</b>	<b>12,084</b>	<b>-12.7%</b>
<i>Adj EBITDA Margin</i>	61.0%	74.3%	-17.9%	67.5%	70.4%	-4.2%
<b>Operating profit before change in value of Biological Assets</b>	<b>2,376</b>	<b>4,694</b>	<b>-49.4%</b>	<b>10,114</b>	<b>11,680</b>	<b>-13.4%</b>
<b>Profit/loss for the period</b>	<b>2,019</b>	<b>3,098</b>	<b>-34.8%</b>	<b>6,785</b>	<b>5,379</b>	<b>26.1%</b>
<i>Earnings per share</i>	0.2	0.3	-35.0%	0.7	0.5	25.9%
<b>Free Cash Flow</b>	<b>477</b>	<b>4,335</b>	<b>-89.0%</b>	<b>6,460</b>	<b>9,573</b>	<b>-32.5%</b>
<i>Free Cash Flow per share</i>	0.0	0.4	-89.0%	0.6	0.9	-32.7%

EUR Thousand	30/09/2024	31/12/2023	Δ
<b>Forest assets</b>	<b>669,054</b>	<b>661,916</b>	<b>1.1%</b>
Deferred tax attributable to forest assets	54,784	54,436	0.8%
<b>NAV</b>	<b>636,007</b>	<b>626,925</b>	<b>1.4%</b>
<b>NAV excluding deferred tax attributable to forest assets</b>	<b>690,791</b>	<b>681,361</b>	<b>1.4%</b>
<i>NAV excluding deferred tax attributable to forest assets/share (EUR)</i>	66.5	65.6	1.4%

\*EBITDA excluding revaluation of biological assets

# 2%

Year-on-year increase in owned land area

Forest land / Total land  
**95%**  
 (Dec 31, 2023  
 93%)

SFI/ha  
**274**  
 m<sup>3</sup> per ha forest land

## FOREST ASSETS

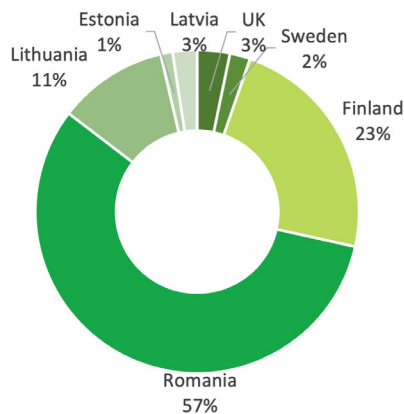
A total of 248 hectares of new properties were acquired in Q3/2024, as part of the continuous aggregation activities in key markets. The Company has several potential larger deals in the pipeline. New forest properties were acquired in Finland and the Baltic countries. The total area as at September 30, 2024, stood at 77.1 thousand hectares. The ratio of Forest land to Total land remains at 95%, and the average m<sup>3</sup> per forest land hectare stands at 274 m<sup>3</sup>. The Company also has a small portfolio of agricultural land, mainly in the Baltics.

EUR Thousand	30/09/2024	30/09/2023	Δ	31/12/2023
Total land (thousand ha)	77.1	75.8	1.7%	76.4
Forest land (thousand ha)	73.4	71.4	2.8%	72.0
Agricultural land (thousand ha)	0.7	0.8	-10.3%	0.8
SFI (m <sup>3</sup> thousand)	20,085	19,793	1.5%	19,895

EUR Thousand	Q3			Full year
	2024	2023	Δ	2023
Acquisitions land (ha)	248	545	-54.5%	3,266
Acquisitions SFI (m <sup>3</sup> thousand)	33	58	-43.1%	424

In accordance with the Company's current strategy of having a balanced East West asset portfolio, the acquisitions in Q3/2024 were located in Finland and Baltics.

Geographic land distribution



Land acquisitions in Q3 2024



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

Value forest assets

**669**

MEUR  
(Dec 31, 2023  
662 MEUR)

Weighted average SFI valuation (EUR/m<sup>3</sup>)

**33.3**

(Dec 31, 2023  
33.3 EUR/m<sup>3</sup>)

## FOREST VALUATION

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

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

The estimated change in value of forest assets and biological assets stemming from Biological growth and felling is accrued over the course of the year and based on annualized expected growth and GreenGold's annual felling plan. Growth in the forest varies naturally with weather and season but can be more reliably measured and projected annually and over the long term. As at September 30, 2024, approximately 75% of the expected annual change in value stemming from change in standing timber volume was recognized. The value of forest assets as at September 30, 2024 reflects the value of 73.4 thousand ha of forest land and an estimated SFI of 20,085 thousand m<sup>3</sup>. Given GreenGold's geographically diversified portfolio with different valuation levels for different regional forest assets, total annual value change will also depend on the specific regional structure of growth and felling in a given year. Acquisitions and disposals of forest properties will also lead to intra-year changes in the value of forest assets.

EUR thousand	End of period	
	30/09/2024	31/12/2023
Fair value of forest assets	669,054	661,916
Biological assets	537,242	531,586
Forest land	131,812	130,330
Deferred tax attributable to forest assets	54,784	54,436

EUR	30/09/2024	31/12/2023
Value per SFI (m <sup>3</sup> )	33.3	33.3

# -43%

Decrease in harvested volumes in Q3

# -49%

Year-on-year change in quarterly Operating profit before change in value of Biological assets

# -13%

Year-on-year change in 9M Operating profit before change in value of Biological assets

## OPERATIONS

During Q3/2024, a total of 90 thousand m<sup>3</sup> were harvested and sold as stumpage. The harvesting numbers, include both final cut and thinning, as well as broad-leaves and coniferous species. In Q3/2024, the harvesting volumes decreased by 43% compared with same period last year, while the average price was somewhat lower, also influenced by the specific sales mix in the quarter. Harvesting volumes were strong in Finland but Romania decreased substantially year-on-year because of large areas being under formal forest management plan renewal, and cannot be harvested until approval of new plans. Completion of the new plans are expected to boost harvesting in 2025 instead. Net Sales therefore decreased by 38% in the quarter compared with previous year. Net sales mainly constitute timber sales but also ancillary amounts of income from forest management services.

Other operating income include income from renewable energy, grants, customer penalties and some right of use income, which was slightly higher in Q3 / 2024 compared with same period last year. Much lower net sales and slightly higher other income led to a decrease in total revenue of 37% in Q3/2024 compared with Q3/2023.

Costs were almost unchanged in Q3/2024, compared with Q3/2023 which meant that Operating profit before change in value of Biological assets decreased by 49%. Free cash flow in the quarter decrease by 89% compared with same period last year, also driven by maintenance capex in Q3/2024 being relatively higher than in Q3/2023.

### KEY FIGURES

EUR Thousand	Q3			9M		
	2024	2023	Δ	2024	2023	Δ
Harvesting (thousand m3)	90	158	-42.9%	327	363	-10.0%
Net sales	3,968	6,388	-37.9%	15,173	16,621	-8.7%
Other operating income	159	119	33.6%	461	532	-13.3%
Total revenue	4,127	6,507	-36.6%	15,634	17,153	-8.9%
Operating profit before change in value of Bio. assets	2,376	4,694	-49.4%	10,114	11,680	-13.4%
Free Cash Flow	477	4,335	-89.0%	6,460	9,573	-32.5%

Harvested volumes (m<sup>3</sup>)

