



# FROM INNOVATION TO IMPLEMENTATION ANNUAL REPORT 2023

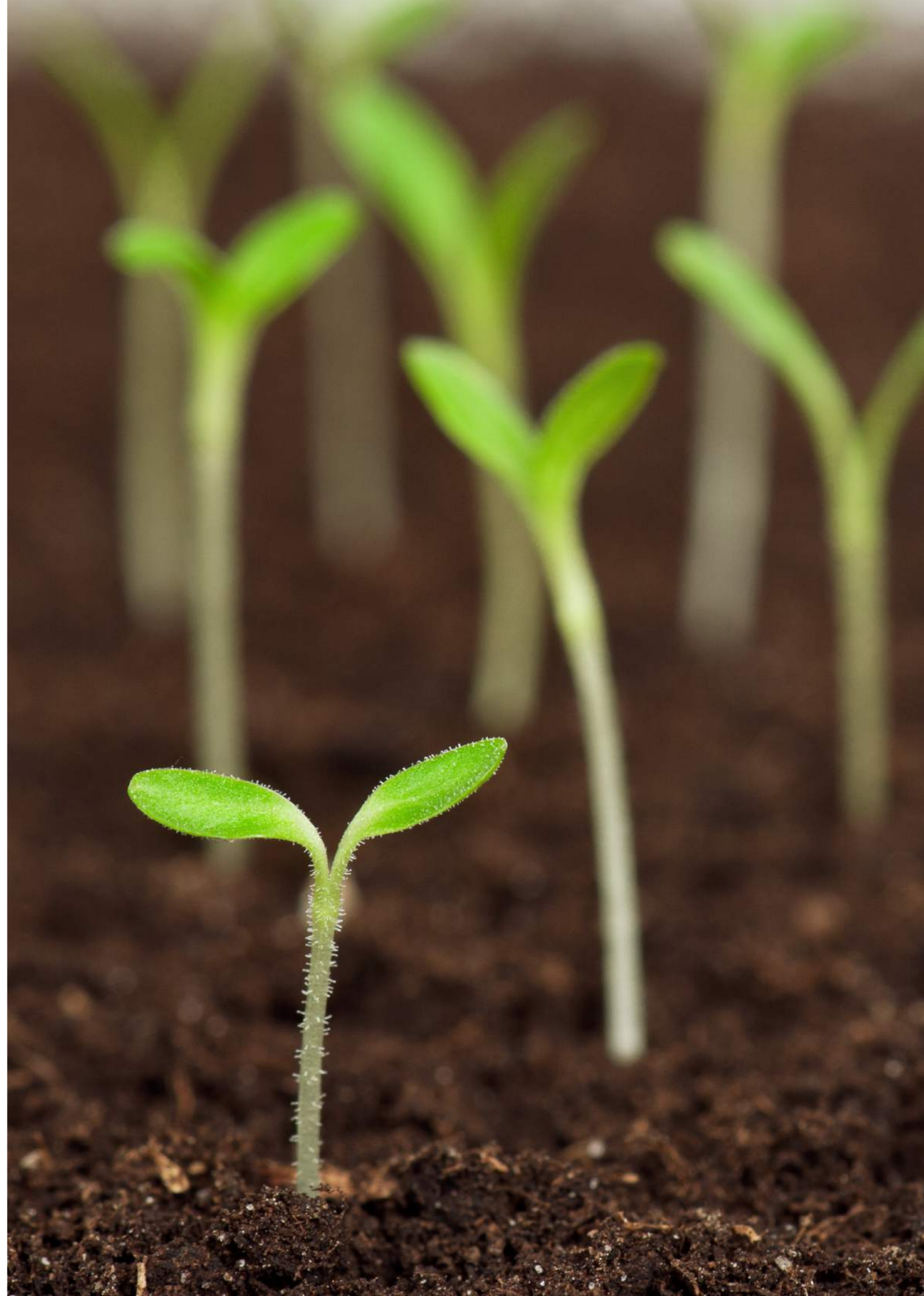


Østersøvej 28A  
2150 Nordhavn, Copenhagen  
CVR-number: 37 10 20 59

Adopted at the annual general meeting on 27 June 2024  
Mogens Slot Knudsen, Chairman of the general meeting

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# MESSAGE FROM THE CEO

In 2023, we took one of our biggest steps yet with the launch of our first fully-featured, commercial site. The site includes four parallel processing lines within a consistently modular and easily deployable factory infrastructure, which can be replicated on a large scale.

As we close our ninth year at MASH Makes, I'm reflecting on what we achieved and how each step aligns with global efforts to combat climate change.

We're proud to help drive global efforts to combat climate change with our commitment to eliminate gigatonnes of carbon from the atmosphere within decades. In doing so, we are happy to see that we are helping increase the pace at which these essential platforms are brought to market.

Still, our journey toward achieving that gigatonne milestone has its challenges – and this year was no exception.

In May, we launched SPV01, our first commercial site in Karnataka, India. This marked a significant step toward scaling our impact. Commissioning challenges and logistical hurdles tested our resolve, but perseverance turned these challenges into opportunities to improve our operational processes – not in the least because of a wonderful effort by our Indian team at the SPV01 site. This resulted in more robust and efficient systems that can be replicated and scaled worldwide. As the year progressed, one production line became four, and in December we were finally ready with four parallel production lines.

Admittedly, this achievement arrives later than originally intended, but we still find ourselves leading the pack in commercialising high-quality thermochemical platforms.

Beyond operations, our research team has been working to strengthen and verify our technology platform. This year, our work with biochar application and carbon sequestration research revealed results extending beyond expectations with immense implications for stabilising food systems, improving agriculture and combating desertification. Overall, we have proven that biochar can enhance crop yields and double as a reliable source of carbon credits – a truly amazing feat! On the biofuel side, significant strides were made towards achieving our long-term goal of providing the shipping industry with a new ready-to-use, “drop-in” fuel for blending with existing fossil fuels.

We ended the year at COP28 in Dubai, where the push for collective action to lower greenhouse gas emissions resonated deeply with our mission. We went to COP with a mission to push for wider sector uptake of biochar, and we were happy to see that commercial and governmental interest is growing.



As we head into 2024, we have well-defined objectives and a foundation reinforced by the learning and achievements we made in the past year. This report also outlines the milestones we aim to reach in the upcoming year, including enhancing capacity ramp-up, expanding market presence, realising higher commodity price targets, and substantially scaling our impact. Each of these ambitious goals is supported by realistic strategies and detailed analytics to ensure transparency and maintain investor confidence.

Thanks for your support and commitment to our mission. Together, we can strive for a sustainable, profitable, and impactful future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jakob Bejbro Andersen', written in a cursive style.

Jakob Bejbro Andersen  
CEO, MASH Makes

# OUR GIGATON MISSION

## WHAT WE DO

Our mission is to revolutionise climate action within hard-to-abate industries through thermochemical technology that transforms global biomass into valuable, sustainable commodities. By deploying scalable, impactful solutions, we can significantly reduce greenhouse gas emissions, enhance biodiversity, and achieve gigaton impact.



## WHY WE DO IT

Through our innovative thermochemical technology and strategic business practices, we envision a world where any industry can substantially reduce its climate footprint while contributing positive to local economies and ecosystems. Our vision is to make sustainability a core element of industrial operations where improvement and impact is self-sustaining.



## HOW WE WILL SUCCEED

The decisions we make today about our business, platform, and operations will allow us to scale to the gigatone range in time to impact the worst climate change scenarios. Our “Gigatone Thinking” approach ensures that every decision we make is guided by these pillars:



### Scalability

Our platform is designed to scale efficiently regarding labour, performance, and financial structure. Overheads should reduce with scale.



### Replicability

We replicate successful models as much as possible. That means evaluating each project’s local suitability and its potential to be multiplied.



### Global Perspective

We think globally and act locally. We must consider how to use all the planet’s resources to avoid the worst climate change scenarios.



### Commoditisation

Our strategies and solutions are designed to be universally applicable.



### Quantification

We’re serious about quantifying our impact on greenhouse gas emissions, environmental impact, biodiversity, and social issues and use this to choose our path forward.



### Virality

Our model is a self-sustaining system where each project acts as a stepping stone for future developments. The model advocates for itself, enacting generational change in local communities worldwide.



### Waste-not

We seize opportunities to make the most of energy while using waste as resources.

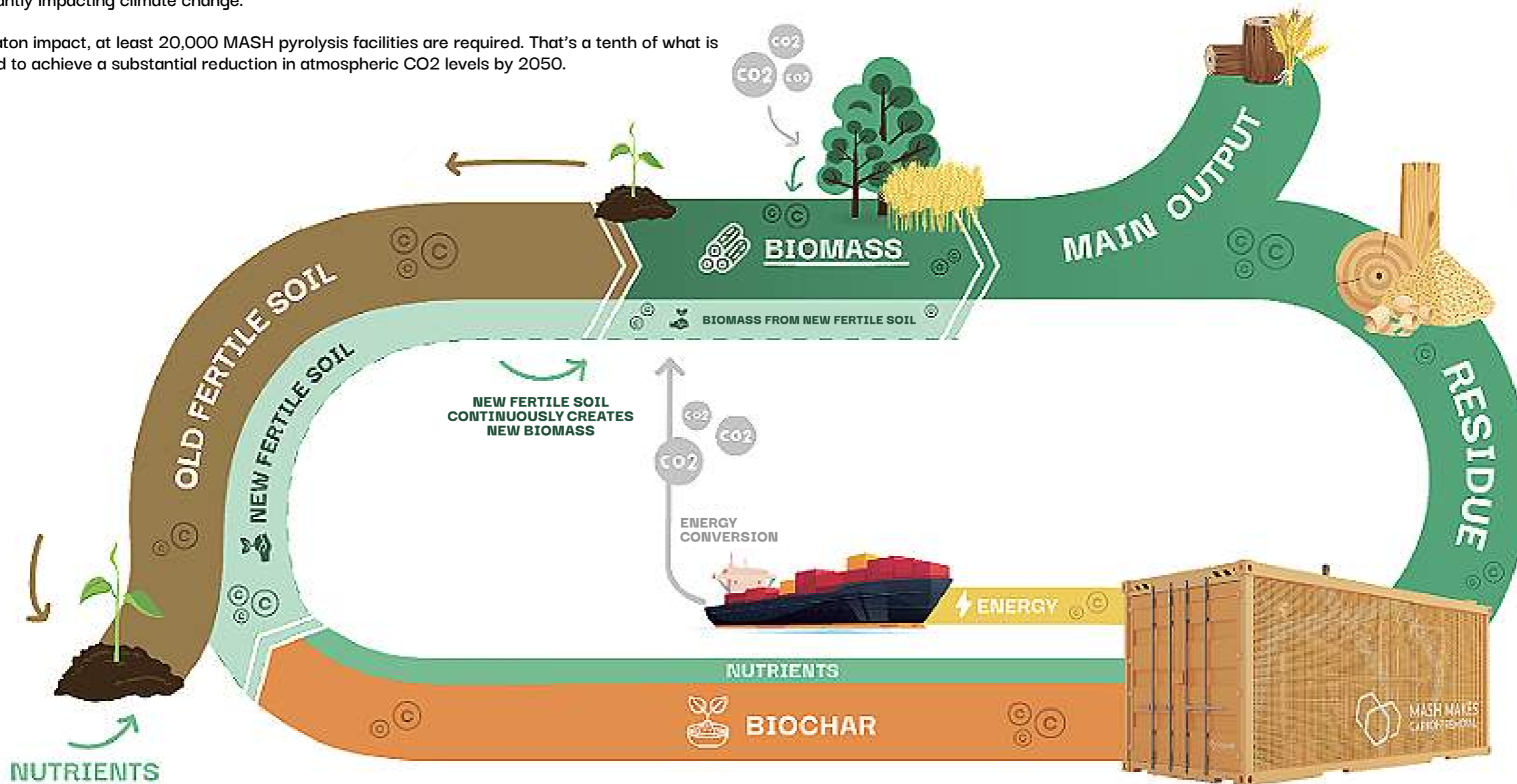
# PATH TO IMPACT

Carbon dioxide removal plays an important role in reducing greenhouse gases and avoiding the worst-case scenarios of climate change.

Our carbon removal technology has dual benefits: it converts agricultural residues into both biochar and clean energy. While our biochar sequesters CO<sub>2</sub> for centuries, enriches soils, and creates conditions for new biomass systems in low-value land, our biofuel displaces fossil fuel emissions. This dual approach removes carbon from the atmosphere and prevents new emissions, significantly impacting climate change.

For gigaton impact, at least 20,000 MASH pyrolysis facilities are required. That's a tenth of what is required to achieve a substantial reduction in atmospheric CO<sub>2</sub> levels by 2050.

## SCALING THE BIOMASS RESOURCE TO REACH GIGATONNE LEVELS



1: <https://www.wri.org/initiatives/carbon-removal#:~:text=Globally%2C%20scientists%20estimate%20that%20up,GtCO2%20per%20year%20by%202100.>

2: <https://www.cdr.fyi/>

# YEAR IN HIGHLIGHTS



## January to June

Production of first commercial units and quality assurance work for SPV01

## March

SPV01 ready for arrival of first machine

## April

- Horizon Europe Project 'RePower' selected for funding. MASH Makes received €1.17 million in grant funding
- First machine arrived and terminal connection begins

## May

First of four production lines arrive at the plant in Karnataka, India

## June

Attended the Biochar Summit in Helsingborg, Sweden

## August

**\$12.5 million Series A closed with strategic investor D/S NORDEN**

## December

- Horizon Europe Project 'AfricaEnergyParks' selected for funding. MASH Makes receives €0.79M in grant funding
- Enhancements in production line units delivered in Karnataka
- Started delivering carbon credits to Microsoft
- Lease signed for Indian headquarters in Navi Mumbai
- MASH attends COP28 in Dubai
- Launched white paper on durable carbon dioxide removal with Carbon Removal India Alliance

## November

- Second-season soybean trials show MASH biochar reduced drought-induced losses by over 60%
- Lease signed for Danish HQ in Copenhagen
- Started delivering carbon credits to CarbonFuture
- MASH presents biochar in Kissan Exhibition in Pune, India

## October

- Presented at Fortes Media Group's Future of Biofuels 2023 conference
- Established Farmers for Forest pilot plantation
- SPV01 receives the European Biochar Certificate

## September

Delivered enhancements in production line units in Karnataka

## January '24

- **All production lines run simultaneously**
- **MASH biofuel receives ISO 8217:2017 - Table 2 compliance**

## February '24

- Received new EUR 2 million loan from Nefco
- **Production in Karnataka peaks at 125% of its design capacity**
- Became founding member of Green Fuels Alliance India

## March '24

- Featured on Carbon Removal Show season finale
- Successful engine test on land single cylinder engine test with FVTR
- Pilot Scale oil upgradation begins for commercial engine operation

## April '24

- Featured in XPRIZE Carbon Removals Top 100 Team Book
- 1000 tons of CO2 removed/carbon credits sold

## May '24

- **Named Top 20 finalist for XPRIZE Carbon Removals**
- **1,000 tonnes of biochar delivered to date**

# OPERATIONAL ACHIEVEMENTS AND INSIGHTS

In 2023, MASH Makes' main milestone was to commission and increase uptime at our first commercial site in Karnataka, India. The first of four production lines arrived in May, allowing us to run the first of our newest generation of pyrolysis machines before finalising the other three machines. This approach let us implement several enhancements in the units that arrived in September and late December, including improved manufacturing, assembly, and service.

We confronted several common challenges while commissioning, ranging from faulty sensors to minor quality issues. Despite this, we have seen steady progress and a dramatic drop in installation time for the new production lines.

On the organisational level, the past year has given us valuable insights into the requirements for operating a deep-tech production site in the Indian market. Facing operational realities has given us many learnings on how to recruit, retain, and develop the SPV staff while at the same time qualifying staff to manage and train their peers in future sites.

This bodes well for our ongoing 2024 scaling plans, which include expansion on the adjacent SPV02 and negotiations for additional sites. We are confident that the produced pyrolysis units are of the standard required to roll out new production sites worldwide.



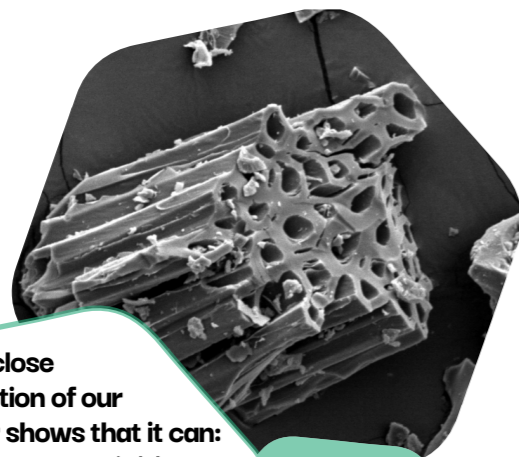
# INNOVATION AND TECHNOLOGY

## BIOCHAR

Over the past year, our sustained and rigorous R&D efforts have yielded valuable results in biochar. Through our validation studies, we have seen solid results that show the multi-seasonal impact of MASH biochar on crop production. The implications are significant for farmers, particularly those that depend on fine margins for sustaining their livelihoods.

Our second-season soybean trials showed that our biochar reduced drought-induced losses by over 60% and effectively doubled the crop yield. Combined with plants passing the European Biochar Certificate biochar certification process, this finding supports the validity of the quality of our carbon credits and proves that our biochar can have value beyond carbon sequestration.

Overall, our goal is to use biochar to enhance livelihoods while combating climate change. In the next year, we will continue to investigate its impact on soil and crops that are typical and valuable in India.



A close inspection of our biochar shows that it can:

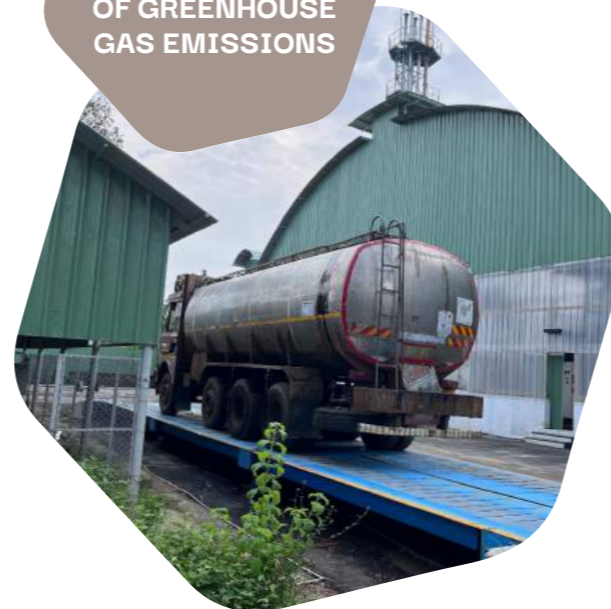
- Increase crop yield
- Boost water retention
- Increase microbial respiration rates
- Decrease bulk density
- Provide revenue for farmers

BIOCHAR UNDER THE MICROSCOPE

## BIO OIL

We also invested heavily in biofuel research and development, which yielded promising lab results. These results are consistent with our goal to produce biofuel products that align with the existing biofuel market and adhere to its standards. After the conclusion of the fiscal year, the positive in-house results were validated by a prominent third party in a highly successful engine test run at the FVTR lab in Rostock, Germany. This groundbreaking result means that - by our estimation - we have successfully validated the first new biofuel contender to enter the shipping market for at least a decade.

OUR BIO OIL CAN HELP AVOID 90% OF GREENHOUSE GAS EMISSIONS



## CARBON REMOVAL

As a founding member of the Carbon Removal India Alliance, we were proud to support the Alliance's first white paper on durable carbon dioxide removal in India and its launch at COP28.

According to a recent study in GCB Bioenergy, biochar's potential for carbon sequestration is significant, estimated at 0.3-1.3 Pg C per year, as it enhances soil by substituting organic matter and increasing residue retention without compromising soil health, ultimately contributing to broader climate change mitigation efforts.

India's combination of natural resources, technological innovation, and policy momentum positions it to provide 10-30% of the world's durable carbon dioxide removal, potentially becoming a global leader in sustainable carbon management while enhancing its economy and agricultural system.

This makes India one of a handful of countries with a big role in rapidly scaling carbon removals into the gigatonne range. We hope to play a significant role in helping the CDR market evolve in India in 2024 and beyond.

1,640 CARBON CREDITS ISSUED





## OUR TEAM



**DENMARK**  
**11 EMPLOYEES**

**INDIA**  
**59 EMPLOYEES**

**+26 NEW FULL-TIME  
EMPLOYEES IN 2023**

## OUR NEW HEADQUARTERS



**COPENHAGEN,  
DENMARK**

Our Copenhagen headquarters is primarily for administration, communication, impact assessment, and finance roles. The site also serves as the test centre for tech innovation, including developing our second-generation pyrolysis and gasification reactor.



**NAVI MUMBAI,  
INDIA**

We recently outgrew our headquarters and moved to a new space in Navi Mumbai. This headquarters acts as our Indian corporate office with admin, finance, commercial, engineering as well as R&D support.

# OUR YEAR IN FUNDING

Some of our biggest 2023 news came when we welcomed NORDEN, a key player in the global shipping industry, as a strategic partner and investor. In July, we completed a Series A funding round, where NORDEN acquired a minority stake in MASH Makes for USD 12.5 million.

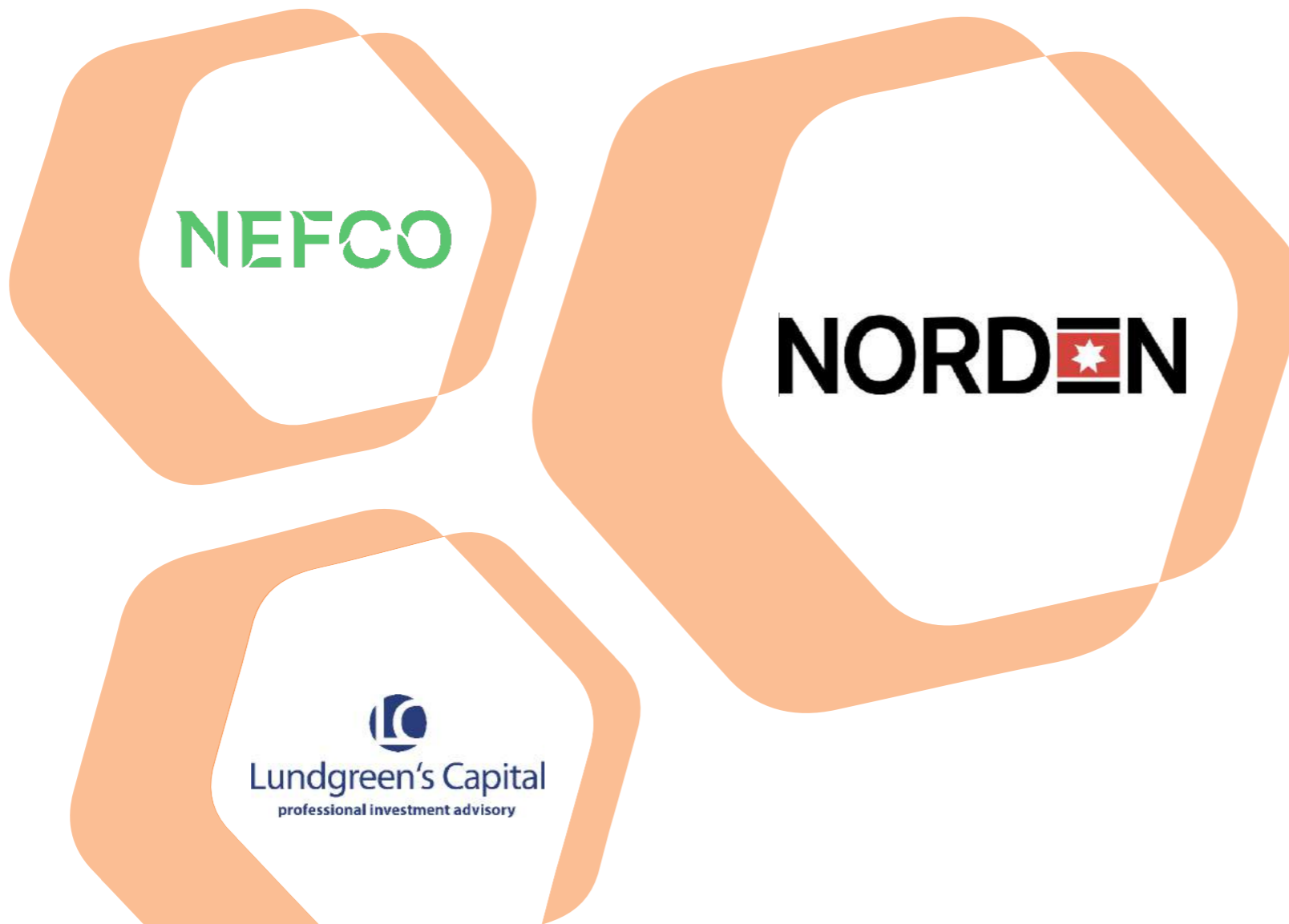
This strategic investment and partnership give NORDEN secure access to renewable fuels, specifically bio-oil, at favourable pricing. Our relationship with NORDEN didn't start with this investment. We have been collaborating on the use of biofuels since 2021. Their decision was informed by an in-depth review of our platform and business model, showcasing the viability and scalability of our biofuel solutions.

NORDEN's ambition to incorporate MASH bio-oil into its 500+ vessel fleet is a testament to our mutual commitment to a sustainable future and the tangible benefits of our partnership.

In addition to NORDEN's investment, MASH Makes was part of consortiums that won Horizon EU projects worth €12.7M and €6.5M. MASH Makes' share of these funds is €2.2M. These funds will help us further develop and demonstrate our TwoStage gasifier across various African microgrid projects.

During the year, we also completed the funding of our second production site, SPV02. Over the year, we have also been building relationships with several international investors interested in funding future sites.

On the debt side, our relationship with NEFCO, the Nordic Green Bank, has also been instrumental in our early scale-up, providing us with essential debt capital for two production sites and solidifying our partnership. For upcoming sites, we will be looking to diversify on the debt funder side, while maintaining our strong collaboration with NEFCO.



# FINANCIAL OVERVIEW

## Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of MASH Makes A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend the Annual Report to be adopted at the Annual General Meeting.

Nordhavn, 27 June 2024

### Executive board

Jakob Axel Bejbro Andersen  
CEO

### Supervisory board

Mogens Slot Knudsen  
Chairman

Morten Lindblad

Tom Elert Christensen

Martin Badsted

Thomas James Howard

Krishna Hara Chakravarty

Jon Skovgaard-Petersen

## Independent Auditor's Report

### To the shareholders of MASH Makes A/S Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of MASH Makes A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (financial statements).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Independent Auditor's Report

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 internal control relevant to the 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 Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Company to cease to continue as a going concern.

## Independent Auditor's Report

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 June 2024

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Kristian Pedersen  
State Authorised Public Accountant  
mne35412

Oliver Svane  
State Authorised Public Accountant  
mne49837

## Company details

### The company

MASH Makes A/S  
Østersøvej 28A  
2150 Nordhavn  
CVR no.: 37 10 20 59

Reporting period: 1 January - 31 December 2023  
Incorporated: 17 September 2015  
Financial year: 8th financial year

Municipality of reg. office: Copenhagen

### Supervisory board

Mogens Slot Knudsen, Chairman  
Morten Lindblad  
Tom Elert Christensen  
Martin Badsted  
Thomas James Howard  
Krishna Hara Chakravarty  
Jon Skovgaard-Petersen

### Executive board

Jakob Axel Bejbro Andersen, CEO

### Auditors

PricewaterhouseCoopers  
Statsautoriseret revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## Accounting Policies

The annual report of MASH Makes A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as as selected provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

With regard to the true and fair view of the Annual Report, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly.

### Correction of material misstatements

During the financial year 2023, the Management identified that received grants in 2022 was not undergoing correct periodization and previous years' figures have been incorrect. In 2019, the Company entered a project agreement where the Company receives grants to cover expenses and investments in property, plant, and equipment. The grants have not been recognized in the income statement at the same time as costs incurred, but instead recognized upon payment, which is not in accordance with the matching principle. In 2022, the incorrect periodization of the grants results in the Company's gross profit being understated by DKK 1,277k and result after tax being understated by DKK 1,277k. The Company's equity on 1 January 2022 is overstated by DKK 504k, while the equity is understated with DKK 773k on 31 December 2022. On 31 December 2022, other receivables are understated by DKK 773k.

The misstatements have been corrected in the comparative figures in the Annual Report for 2023.

### Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

## Accounting Policies

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

### Translation policies

DKK is used as presentation currency. All other currencies are regarded as foreign currencies. Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

## Income statement

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, direct expenses, other operating income and other external expenses.

### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

## Accounting Policies

### Direct expenses

Direct expenses primarily include operating expenses for the year.

### Other operating income

The item Other operating income includes items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment, operating losses, indemnities relating to operating losses and conflicts. Indemnities are recognised when it is more probable than not that the company is going to be indemnified.

### Other external costs

Other external expenses comprise expenses for office, advertising, administration, payments under operating leases, etc.

### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

### Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and property, plant and equipment.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Balance sheet

### Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

## Accounting Policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3 years	0 %

### Investment in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

### Impairment of fixed assets

The carrying amounts of tangible assets and investments in subsidiaries and associates are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

### Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

### Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Income Statement 1 January - 31 December

	Note	2023 DKK	2022 DKK
<b>Gross profit</b>		<b>-12,902,546</b>	<b>9,758,576</b>
Staff costs	1	<u>-6,287,730</u>	<u>-3,851,704</u>
<b>Profit/loss before depreciation and impairment losses</b>		<b>-19,190,276</b>	<b>5,906,872</b>
Depreciation and impairment of property, plant and equipment		-3.173	-3.652.207
Other operating costs		<u>-14.073</u>	<u>-42.220</u>
<b>Profit/loss before net financials</b>		<b>-19,207,522</b>	<b>2,212,445</b>
Financial income	2	983,271	46
Financial costs		<u>-352,030</u>	<u>-262,122</u>
<b>Profit/loss before tax</b>		<b>-18,576,281</b>	<b>1,950,369</b>
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Profit/loss for the year</b>		<b><u>-18,576,281</u></b>	<b><u>1,950,369</u></b>
<b>Recommended appropriation of profit/loss</b>			
Retained earnings		<u>-18,576,281</u>	<u>1,950,369</u>
		<b><u>-18,576,281</u></b>	<b><u>1,950,369</u></b>

## Balance 31 December

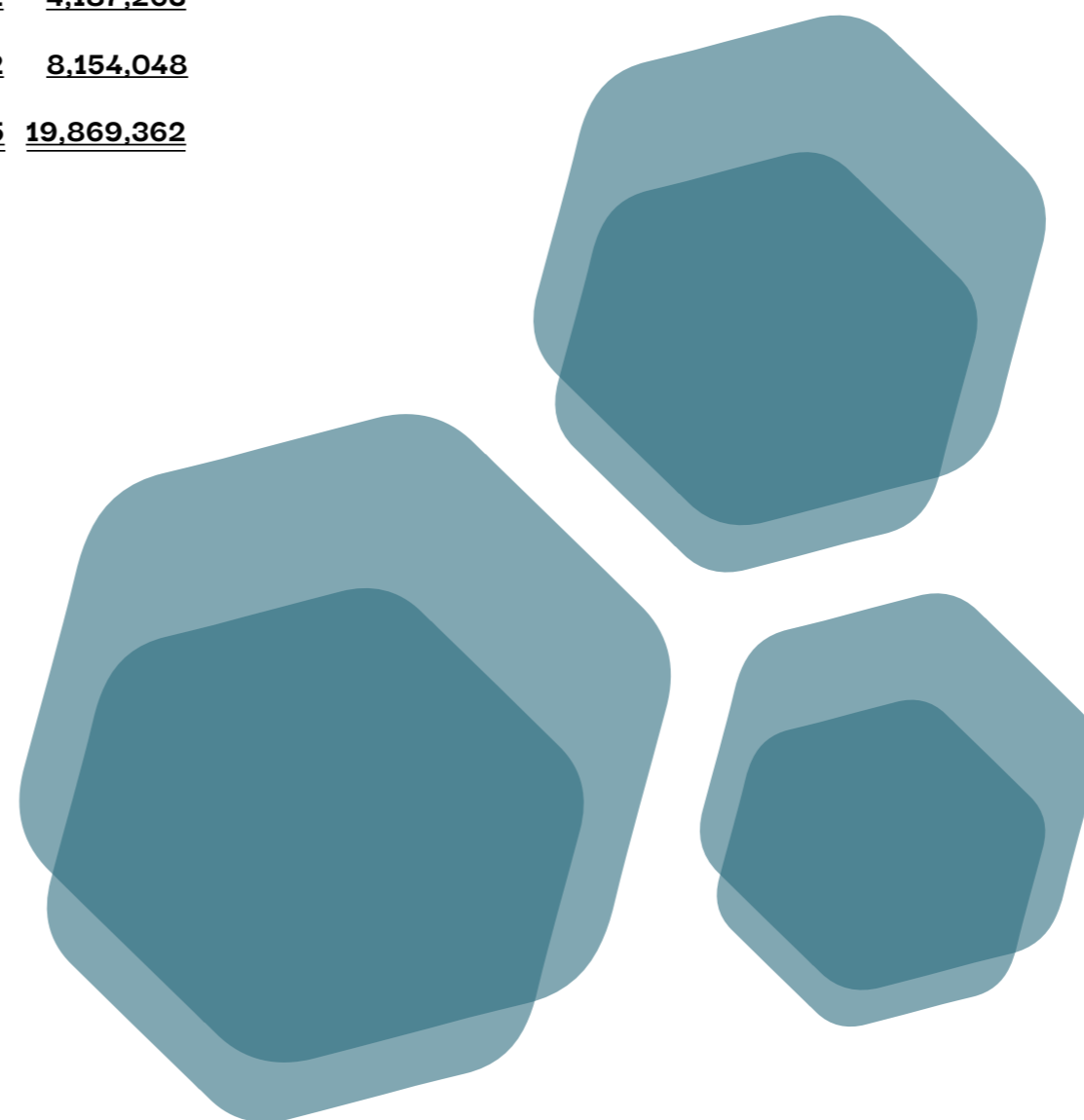
	Note	2023 DKK	2022 DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment	3	3.173	6.346
Property, plant and equipment in progress	3	<u>3,019,846</u>	<u>1,506,209</u>
<b>Tangible assets</b>		<b><u>3,023,019</u></b>	<b><u>1,512,555</u></b>
Investments in subsidiaries		4,789,552	1,172,653
Investments in associates		0	80.000
Receivables from subsidiaries		8,412,244	4,184,401
Deposits		<u>255.150</u>	<u>0</u>
<b>Fixed asset investments</b>		<b><u>13,456,946</u></b>	<b><u>5,437,054</u></b>
<b>Total non-current assets</b>		<b><u>16,479,965</u></b>	<b><u>6,949,609</u></b>
Trade receivables		0	3,725,000
Receivables from subsidiaries		187,500	0
Other receivables		977,090	773,131
Prepayments		<u>70,758</u>	<u>25,077</u>
<b>Receivables</b>		<b><u>1,235,348</u></b>	<b><u>4,523,208</u></b>
<b>Cash at bank and in hand</b>		<b><u>70,412,492</u></b>	<b><u>8,396,545</u></b>
<b>Total current assets</b>		<b><u>71,647,840</u></b>	<b><u>12,919,753</u></b>
<b>Total assets</b>		<b><u>88,127,805</u></b>	<b><u>19,869,362</u></b>

## Balance 31 December

	Note	2023 DKK	2022 DKK
<b>Equity and liabilities</b>			
Share capital		513.406	454.364
Retained earnings		<u>78,060,627</u>	<u>11,260,950</u>
<b>Equity</b>		<b><u>78,574,033</u></b>	<b><u>11,715,314</u></b>
Other payables		<u>0</u>	<u>3.966.785</u>
<b>Total non-current liabilities</b>	4	<b><u>0</u></b>	<b><u>3.966.785</u></b>
Prepayments received from customers		667,007	17.880
Trade payables		547.038	325.287
Payables to subsidiaries		0	58.510
Payables to associates		0	41.693
Other payables		4,447,263	3,743,893
Deferred income		<u>3,892,464</u>	<u>0</u>
<b>Total current liabilities</b>		<b><u>9,553,772</u></b>	<b><u>4,187,263</u></b>
<b>Total liabilities</b>		<b><u>9,553,772</u></b>	<b><u>8,154,048</u></b>
<b>Total equity and liabilities</b>		<b><u>88,127,805</u></b>	<b><u>19,869,362</u></b>
Rent and lease liabilities	5		
Contingent assets	6		
Contingent liabilities	7		

## Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2023	454,364	0	10,487,820	10,942,184
Net effect from adjustment of error	<u>0</u>	<u>0</u>	<u>773,130</u>	<u>773,130</u>
Adjusted equity at 1 January 2023	454,364	0	11,260,950	11,715,314
Cash capital increase	59.042	85,375,958	0	85,435,000
Net profit/loss for the year	0	0	-18,576,281	-18,576,281
Transfer from share premium account	<u>0</u>	<u>-85,375,958</u>	<u>85,375,958</u>	<u>0</u>
<b>Equity at 31 December 2023</b>	<b><u>513,406</u></b>	<b><u>0</u></b>	<b><u>78,060,627</u></b>	<b><u>78,574,033</u></b>





## Notes

	<u>2023</u> DKK	<u>2022</u> DKK
<b>1 Staff costs</b>		
Wages and salaries	6,033,970	3,792,628
Other social security costs	256,760	59,076
	<u>6,287,730</u>	<u>3,851,704</u>
Number of fulltime employees on average	<u>9</u>	<u>7</u>
<b>2 Financial income</b>		
Interest received from subsidiaries	264,783	0
Other financial income	<u>718,488</u>	<u>46</u>
	<u>983,271</u>	<u>46</u>
<b>3 Tangible assets</b>		
	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 January 2023	12,868	5,153,010
Additions for the year	0	1,513,637
Disposals for the year	0	<u>-3,646,801</u>
Cost at 31 December 2023	<u>12,868</u>	<u>3,019,846</u>
Impairment losses and depreciation at 1 January 2023	6,522	3,646,801
Depreciation for the year	3,173	0
Reversal of impairment and depreciation of sold assets	0	<u>-3,646,801</u>
Impairment losses and depreciation at 31 December 2023	<u>9,695</u>	<u>0</u>
<b>Carrying amount at 31 December 2023</b>	<u>3,173</u>	<u>3,019,846</u>

## Notes

	<u>2023</u> DKK	<u>2022</u> DKK
<b>4 Long term debt</b>		
<b>Other payables</b>		
Between 1 and 5 years	0	3,966,785
Non-current portion	0	3,966,785
Other short-term other debt	4,447,263	3,743,893
Current portion	<u>4,447,263</u>	<u>3,743,893</u>
	<u>4,447,263</u>	<u>7,710,678</u>
<b>5 Rent and lease liabilities</b>		
Operating lease liabilities.		
Total future lease payments:		
Within 1 year	111,328	6,000
Between 1 and 5 years	<u>98,958</u>	<u>0</u>
	<u>210,286</u>	<u>6,000</u>
<b>6 Contingent assets</b>		
The Company has a deferred tax asset of TDKK 3,746 primarily from carry forward losses, which has not been capitalized, as there is uncertainty as to when the company will be able to utilize this.		
<b>7 Contingent liabilities</b>		
The Company has made a guarantee on demand for any and all present and future obligations and liabilities regarding certain loan agreements in the subsidiary, Mash Makes SPV01 ApS, which at 31 December 2023 amounts to TDKK 13,111.		
The Company has pledged shares in investments in subsidiaries as security for the investments in subsidiaries' other payables. The recognized value in the balance sheet of pledged shares amounts to TDKK 40 at the 31 December 2023.		
The Company has issued a letter of support towards the subsidiary MASH Makes SPV01 ApS. The letter of support is valid until 1 January 2025.		
The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Group's liability.		

# LOOKING AHEAD

MASH Makes is working faster, better, and smarter in 2024. We continue our work to boost revenue from our SPV model by reaching ever-higher commodity standards for our fuel products and by building the business case for biochar as a key input into land management for a climate-stressed planet.

Building our biochar business means developing new partnerships with farmers and land managers in India and beyond to understand the relationship between biochar, overfarmed soils, and diverse crops. We hope to establish new partnerships with like-minded commercial, non-government, and government stakeholders focused on a just green transition.

We will also continue to explore innovative applications, like the role of biochar in construction materials. This will allow us to identify ways to use biochar's unique properties for sustainable development.

On the impact side, our team plans to analyse and price the full lifecycle footprint of our current business model. Our goal is to understand how we can best leverage our technology to positively impact the climate and environment, support the local communities where we operate, and ensure that we address potential negative impacts. This comprehensive analysis will guide us in rolling out more impactful solutions.

We also have ambitious plans to scale our production sites and diversify debt- and equity funders. This includes establishing more operational plants and securing additional funding sources to support growth.

## ANTICIPATED CHALLENGES AND SOLUTIONS

- **Scaling impact:** We recognize the challenge of scaling our impact while maintaining quality and efficiency. Our solution involves rigorous planning, continuous improvement of our processes, and leveraging strategic partnerships.
- **Developing the impact model:** Creating a robust impact model requires detailed analysis and collaboration. We will invest in research and partnerships to ensure our model accurately reflects desired environmental and social impacts.
- **Establishing more operational plants:** Setting up new operational plants involves logistical, financial, and regulatory challenges. Our strategy includes thorough site assessments, securing necessary permits, and building strong local relationships to facilitate smooth operations. Pushing for output commoditisation across product lines: Our products are largely new to the market, which is challenging for reaching volume uptake. We seek to accelerate adoption by providing customers with strong, commercially-relevant product validations.

By addressing these challenges head-on, we aim to make 2024 a year of significant commercial progress and impact, furthering our mission to drive sustainable change through innovative energy and biochar solutions.