
Agreena Carbon Markets ApS

Langebrogade 3F, 3., DK-1411 København K

Annual Report for 22 December 2022 - 31 December 2023

CVR No 43 73 10 17

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/5 2024

Flemming Pristed
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Agreena Carbon Markets ApS for the financial year 22 December 2022 - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2022/23.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 6 May 2024

Executive Board

Simon Haldrup

Independent Auditor's Report

To the Shareholder of Agreena Carbon Markets ApS

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 22 December 2022 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Agreena Carbon Markets ApS for the financial year 22 December 2022 - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 judgement and maintain professional scepticism 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

Independent Auditor's Report

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.

- 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, 6 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
state authorized public accountant
mne30221

Peter Nissen
state authorized public accountant
mne33260

Company Information

The Company

Agreena Carbon Markets ApS
Langebrogade 3F, 3.
DK-1411 København K

CVR No: 43 73 10 17

Financial period: 22 December 2022 - 31 December 2023

Municipality of reg. office: København

Executive Board

Simon Haldrup

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The company's purpose is to operate a business with the purchase and sale of climate-related activities, including carbon certificates and similar assets, as well as other related business.

Development in the year

The income statement of the Company for 2022/23 shows a loss of TDKK 12,278, and at 31 December 2023 the balance sheet of the Company shows negative equity of TDKK 12,238.

Capital resources

We refer to note 1 in the Financial Statements, where the Company's capital resources are further elaborated.

Market development

The voluntary carbon market (VCM) has seen rapid growth in recent years as more companies and organizations seek to address their carbon footprint and meet sustainability goals. The market continues to evolve and innovate, with increased requirements and new standards emerging to address issues on transparency and credibility. Soil based carbon credits are a high-quality type of carbon credit that represent the reduction or removal of CO₂ from the atmosphere using agricultural practices that increase soil carbon sequestration. The market for these credits is in the early stages with turn-over being low and market pricing not being fully developed. Agreea's financials does to a certain degree depend on and correlate to the overall development of the VCM (see note 2). During the last few years, the market has developed rapidly and gradually increasing trade of certificates is seen, which is expected to reduce uncertainty about pricing.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 22 December - 31 December

	<u>Note</u>	<u>2022/23</u> TDKK
Gross profit/loss		-11.138
Financial income	3	301
Financial expenses	4	<u>-1.441</u>
Profit/loss before tax		-12.278
Tax on profit/loss for the year		<u>0</u>
Net profit/loss for the year		<u>-12.278</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-12.278</u>
		<u>-12.278</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2022/23</u> TDKK
Inventories		<u>79.135</u>
Other receivables		<u>12.585</u>
Receivables		<u>12.585</u>
Cash at bank and in hand		<u>3.086</u>
Currents assets		<u>94.806</u>
Assets		<u>94.806</u>

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2022/23</u> TDKK
Share capital		40
Retained earnings		-12.278
Equity		-12.238
Payables to group enterprises		97.701
Long-term debt		97.701
Trade payables		375
Other payables		8.968
Short-term debt		9.343
Debt		107.044
Liabilities and equity		94.806
Going concern	1	
Uncertainty related to inventories	2	
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 22 December	0	0	0
Cash payment concerning formation of entity	40	0	40
Net profit/loss for the year	0	-12.278	-12.278
Equity at 31 December	40	-12.278	-12.238

Notes to the Financial Statements

1 Going concern

The Company has at 31 December 2023 lost more than 50% of the nominal share capital, wherefore the Company is subject to the rules of capital loss in the Danish Companies Act.

Management has complied with section 119 of the Danish Companies Act and expects to reestablish the nominal share capital due to expected profit in the coming years.

Furthermore in order to strengthen the company's capital resources, the company has received a letter of support from the parent company. The letter of support is valid until and including 31 December 2024.

Based on the above, it is the management's assessment that the company's capital resources are sufficient and, accordingly, present the financial statements according to the principles of going concern.

2 Uncertainty related to inventories

As mentioned in "Managements Review" (page 6) the Voluntary Carbon Market (VCM) is developing and uncertainties remain in terms of standards, turnover and pricing.

According to management and the board of Directors, the Company has in their estimation of sales price taken following factors into consideration:

- Current sales agreements (binding and non-binding)
- Acquisition prices for unissued certificates
- Publicly available pricing data from competitors
- Other public available market data

Due to the above-mentioned factors, there are some uncertainties related to the valuation of inventory. Inventory consist of unissued certificates (rights to certificates). Inventories are measured at cost price or net realisable value if this is lower. However, Management assesses that the assumptions applied provide "best estimate" for the recognition of the inventory in relation to the financial statements for 2023.

3 Financial income

	2022/23 TDKK
Other financial income	100
Exchange gains	201
	<hr/> 301 <hr/>

Notes to the Financial Statements

	2022/23
	TDKK
4 Financial expenses	
Interest paid to group enterprises	1.306
Other financial expenses	3
Exchange adjustments, expenses	132
	1.441

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish 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 is disclosed in the Annual Report of Agreena ApS, which is the management company of the joint taxation purposes. Moreover, the Danish 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 Company's liability.

6 Related parties

Basis

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated financial statements for the parent company

<u>Name</u>	<u>Place of registered office</u>
Agreena ApS	Langebrogade 3F, 3. DK-1411 København K

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Agreena Carbon Markets ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied as specified below.

The Financial Statements for 2022/23 are presented in TDKK.

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.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

7 Accounting Policies (continued)

Income Statement

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

The Company is jointly taxed with Agreena ApS. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Inventories

Inventory consist of unissued certificates (rights to certificates).

Inventories are measured at cost price, at the point of time, the benefits and risks of owning the asset is transferred to the company and the cost price can be measured reliably or net realisable value if this is lower.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

7 Accounting Policies (continued)

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.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.