
**World's first publicly traded purpose
company focused on ecosystem restoration.**



Dutch Green Business Group N.V.

Semi-annual report 2021

Ticker: AEX:DGB | ISIN-code: NL0009169515





**The Euronext-listed DutchGreen
specialises in generating carbon
offsets from its sustainably managed
nature-based projects which are sold to
businesses and consumers.**



46%

of the world's
forests are already
destroyed

80,000 acres

of forest are lost
each day because of
deforestation

1.6 billion

people worldwide
rely on forests for
their livelihoods

DGB announces interim results 2021

PRESS RELEASE | 31 August 2021, 19:00h CET | HEERENVEEN - Dutch Green Business Group N.V. (Euronext: DGB, "DutchGreen" or "the Company"), a leading reforestation and carbon offsetting company, announces its interim results for the six month period to 30 June 2021.

Euronext-listed DutchGreen specialises in generating carbon offsets from its sustainably managed nature-based projects which are sold to businesses and consumers. the Company has a clear business model and it benefits from three sources of value accretion:

- the inherent asset value of the underlying land in which it is investing
- recurring revenue generated from its nature-based projects
- the rising price of the carbon offsets which it sells to customers

As a listed entity DutchGreen provides shareholders competitive real investment returns. DutchGreen plans to reforest the world's land at scale and bring back nature where it cannot return unaided. DutchGreen's strategy is focused on the following:

- Locate and secure land
- Protect and plant trees
- Generate, verify and certify carbon offsets
- Sell the carbon offsets
- Land management

DutchGreen holds approximately 157,000 tons of carbon offsets and has a pipeline of 9 projects in 10 countries with over 250,000 hectares of sourced land under review. The Company forecasts to expand its carbon offsets project pipeline with the generation of over 6 million tons of carbon offsets in H2 2021.

DutchGreen has a 5 phase approach to project development:

1. Feasibility analysis (site assessment; legal, financial and risk evaluation)
2. Technical review and preliminary project modelling
3. Project development (hiring staff, secure tree seedlings and other inputs)
4. Third-party validation (accountant review)
5. Production & Monitoring (in operation, growing and carbon captured)

Delivery against strategic objectives - highlights for the period include:

- Carbon finance investment in Paraguay REDD+ project (Reducing Emissions from Deforestation and Forest Degradation) securing 28,572 tons of carbon offsets
- Closing of €6 million private placement
- Acquisition of a strategic 50% stake in Green Fuel Investments B.V. to drive the expansion of its groundbreaking reforestation and carbon offsetting retail platform, Corekees
- Acquisition of a 75% controlling stake in specialist blockchain and software development tech company, Statix Artificial Intelligence B.V. to enable DutchGreen to deliver smart reforestation and ecosystem restoration projects. Closing of the transaction is expected in the second half of 2021.
- Appointment of Nigel Farage to DutchGreen's Advisory Board. This is the first independent commercial role he has taken since stepping back from front line politics at the end of 2020
- Project with South Pole, a leading advisor and provider of global climate services, to invest in the Miro Sustainable Plantation project in northern Sierra Leone, West-Africa's largest sustainable forestry company
- Partnership with Quadriz, the trading and carbon project arm of forestry and agro-research company Investancia Group in Paraguay, to source large-scale native forestland plots in excess of 50,000 hectares as potential land acquisition targets for DutchGreen

Financial highlights:

In the first half of 2021, the Company was focused on establishing the systems, processes and platform to enable it to effectively launch its repurposed offering to the market in the second half of the year. As such it did not generate any revenue during the first half period and incurred an EBITDA loss of €360,000.

Outlook:

The outlook for the Company is positive given its expectation of generating over 6 million tons of carbon offsets in the second half of the year from its project pipeline combined with the continued strong demand for offsets which saw the carbon price on the EU ETS (Emissions Trading System) hit an all-time high on 30 August 2021 of €61. In addition, in the next four months, DGB will launch its habitat banking exchange platform which will start to generate the Company revenue as businesses and individuals are able to efficiently purchase offsets.

Besides developing its landbank of projects in the medium to long-term which will see DGB accumulate significantly more than the 250,000 hectares of sourced land it currently has under review, the Company is also having ongoing dialogue with policy makers and other political stakeholders in the Netherlands to ensure that it remains at the forefront of industry developments.

Statement of the board

This document comprises DutchGreen's 2021 interim report and the condensed interim financial statements. This interim report has been prepared in accordance with DAS 394 / IAS 34, 'Interim Financial Reporting'. This interim report does not contain all the information required for financial statements. It should therefore be read in conjunction with the consolidated financial statements for the full year 2020. These interim financial statements have not been audited.

The Management Board hereby declares, in accordance with Section 5:25d (2) (c) of the Dutch Financial Supervision Act, that to the best of their knowledge:

- the interim financial statements give a true and fair view of the assets and liabilities, and the financial position as at 30 June 2021 and the results for the first six months of 2021
- the Management Board's interim report incorporated in this 2021 interim report gives a true and fair view of the information required pursuant to Sections 5:25d (8) and, insofar as applicable, 5:25d (9) of the Dutch Financial Supervision Act, subject to the disclaimer regarding forward-looking statements included on page 71.

Heerenveen, 31 August 2021



S.A.M. Duijvestijn

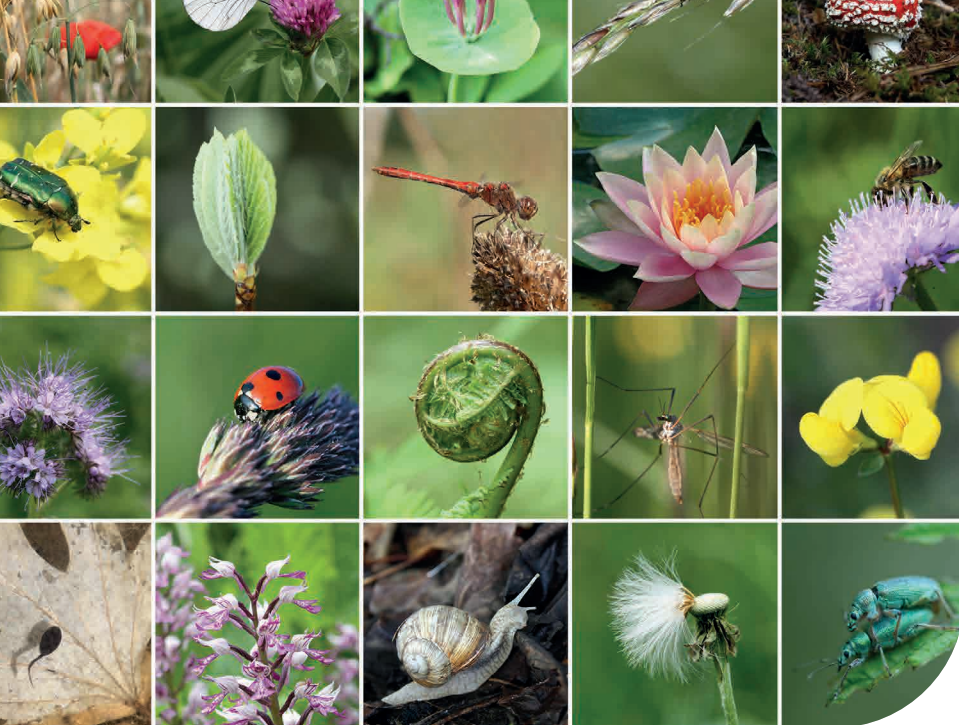


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DutchGreen
business

About DutchGreen

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Company profile

DutchGreen plans to reforest the world's land at scale and bring back nature where it cannot return unaided.

DutchGreen is the world's first publicly purpose company focused on restoring ecosystems biodiversity and nature conservation through carbon offsetting.

The scale of global ecosystem restoration that needs to be undertaken in the coming years is almost unimaginable but it represents an exciting opportunity for the capital markets and for private individuals.

There is a need in the world to improve and scale up both mandatory and voluntary nature compensation, especially for offsetting carbon emissions.

DutchGreen focuses on three areas:

1. nature-based projects on land
2. carbon offsets
3. biodiversity offsets

DutchGreen is underpinned by:

- the value of the carbon offsets generated from its nature-based projects which it sells to customers
- recurring revenue generated from its nature-based projects
- the inherent asset value of the underlying land in which it is investing.



There are various locations in the world where there are plans to realize new nature. There are also landowners who have land positions that they want to do something with. Due to decentralization and the course of shared responsibility with society, (the implementation of) nature policy in the world has changed in recent years. The new situation makes it possible to make nature-based solutions feasible through carbon offsetting projects that generate carbon offsets.

Nature compensation

Companies and private individuals are interested in contributing to their living environment. In order to translate this willingness into implementation, nature offsets and especially carbon offsets make nature compensation easy and provide an appropriate, flexible system of compensation. Although there is an interest in contributing to nature conservation from the point of view of corporate social responsibility (CSR), this interest has seen an enormous rise in the last year due to the need to reduce and offset carbon emissions.

Carbon offsetting provides companies and private individuals the clear countervalue they are looking for in nature compensation. DGB develops, buys and sells carbon offsets and other forms of nature compensation. DGB is therefore operating as a habitat bank for companies and individuals.

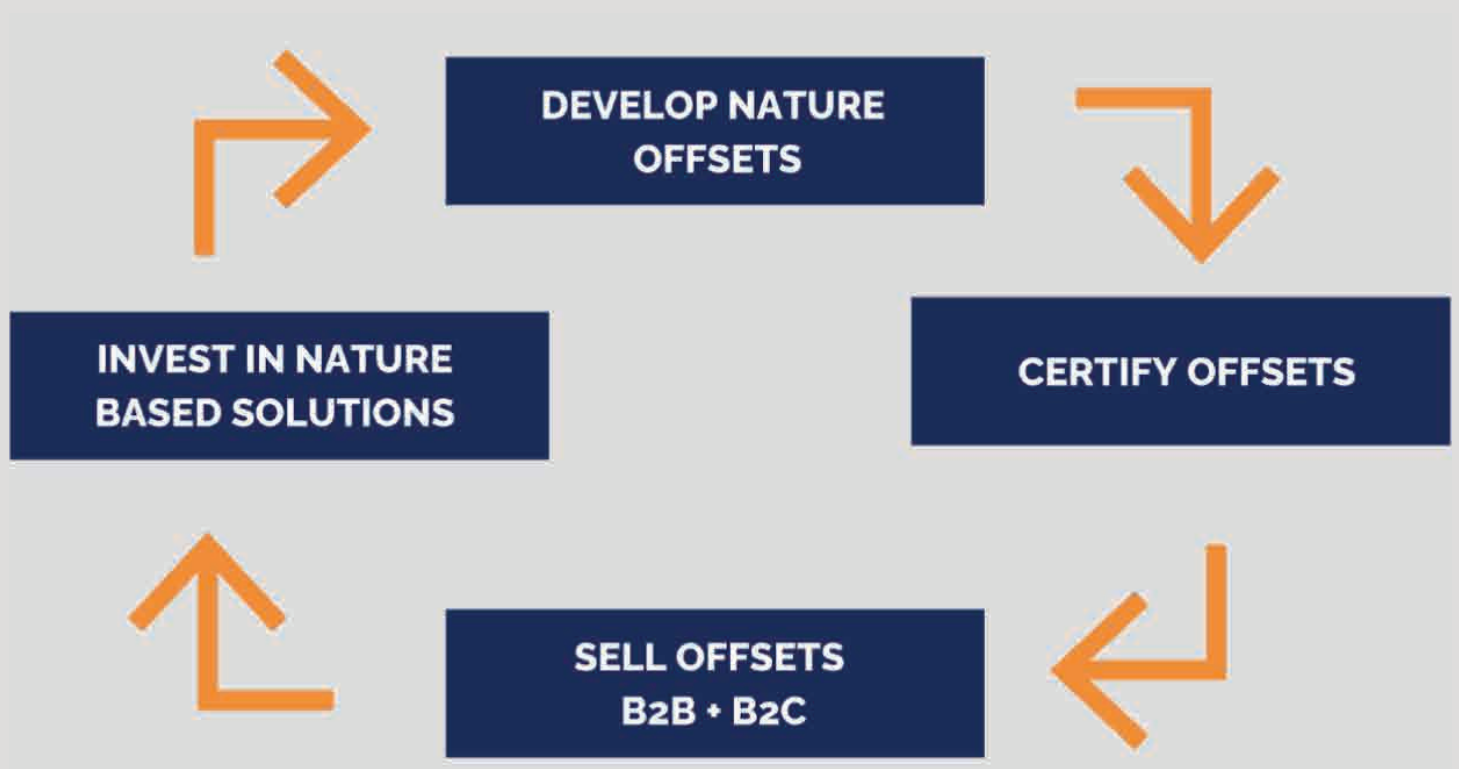
Habitat banking is designed to make compensation for nature damage easier. For example, a party that causes damage to nature as a result of an expansion and that has to or wants to compensate it, can buy 'compensation' from a habitat bank. The habitat bank already has a stock of nature suitable for compensation, and through the sale of the compensation, part of that nature-in-stock is in fact regarded as a replacement for the nature that has disappeared. The habitat bank uses the compensation - after deduction of costs - to replenish the 'stock' compensation nature. The largest markets for habitat bankers are projects that reduce carbon emissions and prevent biodiversity loss.

Currently the largest market for DGB is the carbon offsetting market because companies want, and need, to offset their carbon emissions.

Habitat banking offers the initiator, who causes damage to nature, the concrete possibility to pay for the efforts that another party has made to develop nature and in this way compensate for the damage. Worldwide corporations are offsetting their carbon emissions to make up for the damage.

Business model

DutchGreen invests, manages and develops projects to generate nature compensation in the form of biodiversity offsets and carbon offsets



Demand for biodiversity and carbon offsets is expected to grow rapidly over the next few years as countries and companies strive to meet climate targets.



Nature as capital

Habitat bank

Compensating damage to nature or biodiversity is a way by which the harmful impact that an activity or intervention has upon it can be mitigated. Carbon emissions cause harm to the environment and therefore need to be compensated. Compensation is often a last resort: compensation can only be provided if damage really cannot be avoided or reduced. Companies offsetting their carbon emissions are most likely already reducing their emissions and use carbon offsetting to reach net zero. Reducing emissions never leads to zero. Dutch-Green is operating as a habitat bank and nature is the capital. The assets, therefore, consist of projects where nature is being protected, restored, or created. In addition, land that has been purchased and can be taken into development is regarded as part of the equity. All resulting in nature compensation.

Mandatory compensation

Damage to nature and biodiversity occurs when there is a decline in the quality and/or surface area of nature, or a decline in the population size of species. The deterioration of services that biodiversity provides to humans is regarded as damage. Carbon emissions are seen to be harmful and causing damage too. Compensation of unavoidable damage to protected nature is usually mandatory. In Europe, this is the case with Natura 2000, nature in the National Nature Network and forest that falls under the Forest Act. We all class this under (statutory or administrative) compulsory compensation. The general basis for compensation is that there must be at least No Net Loss of ecological value. To guarantee this, strict regulations often apply to mandatory compensations ensuring that the damage is compensated in terms of quantity, quality and function.

Voluntary compensation

Compensation for damage to nature (which is not legally protected), also takes place voluntarily, as part of a CSR policy. The intention here is that damage is fully compensated too, but this compensation is done on a voluntary basis. Voluntary compensation is, however, much more flexible than mandatory, because the way in which results can be achieved is much less tied to guarantees and verifiability rules may still be in place, but they can now be determined much more in mutual consultation on the basis of what is feasible and desirable. Voluntary carbon markets are growing at a fast pace, now companies worldwide are committing to net zero emissions. There are no mandatory rules (yet) for companies to become net zero, but they voluntarily choose to. Therefore large corporations buy voluntary compensation to offset their carbon emissions and become net zero.

DutchGreen projects create voluntary offsets

The creation of compensation nature is the key to easier handling of (mandatory) compensation, because a pre-investment in nature on the one hand provides room for manoeuvre and, on the other hand, it excludes the risk that planned compensation will not have the desired result. The starting point when looking for alternatives to arrive at a voluntary No Net Loss is generally that it is not strictly necessary to compensate for damage to nature in almost the same place and in the same type of nature, as long as what is returned has at least the same ecological value.

DutchGreen operates worldwide and its projects to protect, restore and create nature generate nature compensation in the form of carbon offsets and biodiversity offsets in the voluntary markets.





Purpose, mission and vision

The world's ancient and endangered forests are being logged at an alarming rate, putting species and communities at risk. DGB works with companies and their suppliers to develop business solutions that protect these endangered forests through carbon offsetting and biodiversity offsetting projects.

Purpose

Our purpose is to strengthen, extrapolate and connect organizations with the aim of restoring the world's regional ecosystems through conservation, nature restoration and nature development.

Mission

Our mission is to build a future in which people live in harmony with nature. The well-being of people, wildlife and the environment are inextricably linked. That's why we take an integrated approach to our work.

Vision

DGB envisages a world where our natural ecosystems are healthy and vibrant, supporting a flourishing diversity of life on Earth. In the near future, resilient forests and oceans and a stable climate will enable us to live healthy and fruitful lives. Our societies are just and diverse, our economies operate within the bounds of our planet's natural capital, and leaders of industry and government appreciate the inherent value of nature, and account for biological diversity as naturally as any other factor of economic and social health. We're striving to safeguard the natural world, helping people live more sustainably and take action against deforestation and desertification. We spend a lot of time working with communities, with politicians and with businesses to find solutions so people and nature can thrive

Values

The values that underpin our engagement with the world and with each other are clear, compelling and compassionate, yet uncompromising. The sense of urgency we feel, prompted by the recognition that nature needs us to set our sights even higher, to rise in meeting the challenges of our time – the dual crises of biodiversity loss and runaway deforestation and desertification.

- **Restless Leadership** – We are driven to secure changes that are proportional to the ecological crises we collectively face. We understand that this will require us to stretch, to take risks and to redefine what is possible. We are focused on our mission yet scan the horizon constantly in search of more effective ways to achieve our goals. When confronted with obstacles, we stay optimistic, curious and solutions-focused in our efforts to protect and celebrate our planet's natural systems.
- **Tenacious Ambition** – We match the urgency of the biodiversity/climate crises with the scale of our ambition, the strength of our determination, and our love for the planet. We seek transformative change throughout industry and society. Our solutions are big, bold, and innovative, and we seek powerful partners who are equally motivated to use their influence to make these solutions the new norm.
- **Integrity** – We hold ourselves to a high standard of moral integrity and quality of work. We care deeply and challenge ourselves directly for environmental change. We are known for producing creative and compelling work that is grounded in science and rigorous research. We are radically candid and fair, trustworthy and respectful in our interactions with each other and external partners. We focus on generating value in all our relationships, because we consider it a privilege to be able to work for the health of our forests and planet.
- **Creative Collaboration** – Given that saving the planet is not for the faint-hearted, we resolve to bring joy and a spirit of playfulness to the struggle. Today's realities call upon us to muster our wildest dreams, our powers of imagination and creative solutions to resolve them. We recognize that our work is built upon relationships with a focus on securing behavioural change and a shift in the way our societal values interact with our natural world. We bring noteworthy flair, spark, creativity, and a spirit of play to inspire and energize our work and those with whom we work. We share the Earth with many other life forms that have intrinsic value and warrant our respect, whether or not they are of benefit to us.

We operate based on the following underlying principles:

1. Nature is best conserved by protecting existing natural habitats.
2. Effective conservation of nature operates at the landscape and seascape scale across public and private tenures.
3. Natural ecosystems are dynamic but have a finite capacity to recover from external threats, impacts and pressures.
4. Building resilience recognises the critical links between ecological and social systems.
5. All humans benefit from nature; all humans can and should therefore contribute to its well-being.
6. Our efforts to conserve nature must acknowledge and respect the culture, values, innovations, practices and knowledge of indigenous peoples.
7. There is a need for a high-tech approach to nature restoration, harnessing the latest smart technologies to secure the best outcomes for the business, its customers and, ultimately, the planet.
8. Knowing that our knowledge is limited, we should apply the precautionary principle while employing adaptive management approaches using new science and practical experience. The precautionary principle is that the lack of full scientific certainty should not be used as a reason for postponing a measure to prevent degradation of the environment where there are threats of serious or irreversible environmental damage.



Activities

DutchGreen has a clear business model and it benefits from three sources of value accretion:

- 1. The inherent asset value of the underlying land.**
- 2. Recurring revenue generated from nature-based projects.**
- 3. The rising price of the carbon offsets which we sell to customers.**

Operating as habitat bank DutchGreen regulates both the sale and the production of nature compensation. Our activities consist of a number of related tasks that can be performed by different parties, whether or not under central management.

These activities include:

- selection, purchase and management of land on which compensation nature is developed
- the expertise required for this (can also be purchased)
- maintenance of the nature created for compensation (can also be externally involved)
- calculation of the value in nature compensation of both damage and compensation nature (can also be involved externally)
- control managing the purchase and development of land for the correct regulation of compensation within the rules set by governments (can be carried out by the government)
- control function; in particular, managing the purchase and development of land in such a way that a maximum nature effect is achieved. Also contributing to overarching nature objectives (coordination on spatial pattern and type of nature), ultimately linked to other developments while ensuring optimal use is made of functional combinations (more clarification needed here)
- cost calculation: determining the price of nature compensation
- legal settlement (drawing up contracts).

DutchGreen's strategy:

- 01 Locate and secure land**
- 02 Protect and plant trees**
- 03 Generate and certify carbon offsets**
- 04 Sell the carbon offsets**
- 05 Manage the land sustainably**

DutchGreen's strategy

DutchGreen has been designed as a carbon farming company, creating, producing and developing carbon offsets and a listed conservative land bank that will accumulate land assets that retain long term balance sheet value. Part of our value to the public is to protect and act as guardians to the rainforests and to conserve nature.

At this time Carbon Offsets are undervalued, or not valued at all, in relation to some land prices. The goal of DGB, however, is not to speculate on future carbon offset prices. By using our main market listing we believe that we have a significant edge over other carbon offset projects.

Investors in DutchGreen will have liquidity of their assets which trade daily and are valued by each trade of the stock on Euronext. DutchGreen can acquire forest land and preserve nature through this liquid vehicle that would otherwise not be worthwhile to purchase, as a 20+ year project, for a private individual or company. In time this will be a persuasive argument for conservative, but mobile institutional capital.

01

Focus 1.

Acquire land and work together with land owners to prevent deforestation and/or (further) damage to existing ecosystems.



02

Focus 2.

Restore ecosystems and natural habitats through reforestation and afforestation, with a main focus to prevent (further) desertification.



03

Focus 3.

Create new fertile habitats in locations where biodiversity is extremely low, with a main focus to reforest the deserts of the world.



By the public, for the public

As the first listed reforestation company worldwide we grow larger and accelerate to achieve planetary goals faster. These are the benefits of our Euronext Amsterdam main market listing:

- ✓ **Accelerate economic growth**
With the virtually constant need for money to fuel economic growth and planetary health, individual shareholders are able to participate in our activities.
- ✓ **Investors from around the world**
The universe of investors is very broad, enabling the public markets to attract truly massive flows of capital.
- ✓ **Absolute transparency and strict regulations**
As a public company, there is an increment transparency, greater level of disclosure, clarity, and accuracy into communications with stakeholders.
- ✓ **By the public, for the public**
The shareholders benefit from a healthy green world on a large scale without delay. Therefore the incentive of the public is benefitting from the results of our operations, as well as financial gain.
- ✓ **High valuation and leveraged effect**
Public assets have historically commanded higher average valuations for a number of reasons, including the fact that investors are willing to pay a premium for more liquidity and transparency.
- ✓ **Creates liquidity to an illiquid market**
The listing creates a market for the shares that gives our shareholders the ability to easily sell their holdings or buy more.
- ✓ **Global publicity**
As a publicly traded purpose company we reach a worldwide audience.



Use of advanced technology

We are committed to a high-tech approach to nature restoration, harnessing the latest smart technologies to secure the best outcomes for the business, its customers and, ultimately, the planet. Every stage of our nature restoration projects will benefit from this approach; from detailed analysis at the start, to using specialised machines to mechanically speed up the planting of biodiverse species, to monitoring plant growth with drones and satellite imagery.

We can develop technologies that allow us to reforest thousands of hectares in a single planting session, including a GPS enabled automated-planting system to drive speed and efficiency in the field.

Biodiversity monitoring is critically important for forewarning of impending species declines and/or extinctions, creating triggers for management intervention, quantifying the effectiveness of management practices designed to conserve biodiversity, and accumulating the data to underpin metrics reflecting the status of biodiversity. These roles of biodiversity monitoring are, in turn, essential for sustaining ecosystems and ultimately underpinning the well-being of humanity. Biodiversity monitoring is a data-intensive science, drawing on data from a large number of disciplines in order to build up a coherent picture of the extent and trajectory of life on earth.

While almost everyone thinks biodiversity monitoring is a good idea, many conservation activities are not accompanied by any biodiversity monitoring because it is overlooked in the programme design and/or funds are not allocated for it to take place, or where monitoring is done, it is of poor quality and cannot inform management or policy. In addition, the design documents for many programmes typically do not include clear, unambiguous statements of relevant, measurable and appropriately sensitive attributes that provide feedback on the programme objectives. This leads to little or no sound reporting of trends in biodiversity, no clear indication of return on investment, and ultimately a limited basis for improving conservation interventions and decisions. A consequence of these deficiencies is that it has often been impossible to determine the effectiveness of many biodiversity conservation programmes.

It is everyone's responsibility to conserve biodiversity. Governments will play a critical role, but unless the whole community works together to take up the challenge, then we are unlikely to stop the decline in biodiversity. This strategy is a call to action as well as a strategic document. It should be used to convey the urgency of the task and to secure a future for our planet that maintains our quality of life and the long term health of our environment.



High tech disruptive

We employ a high-tech disruptive approach to making biodiversity flourish and prosper. We translate ecosystem restoration and nature conservation into ecological assets.

Track, verify, reward

The scale of global ecosystem restoration that needs to be undertaken in the coming years is almost unimaginable but it represents an exciting opportunity for the capital markets and for private individuals. By providing a smart way to track, verify, and reward regeneration at scale, we accelerate a new multi-billion dollar market that realigns economic health with ecological well being.

Remote sensing

We combine the data from a dense sensor network, on ground drone sensors, geostationary and orbital satellites, along with machine learning/ neural network models trained on historical data to perform extremely high resolution data collection.

DutchGreen works on remote sensing solutions for monitoring biodiversity to predict biodiversity increase and depletion. Remote viewing monitors native species of plants, insects, mammals and birds, seasonal migrations, and analyses spot critical changes over the years, showing the vegetation, species, condition and erosion characteristics of every square metre of land.

Artificial Intelligence ("AI")

Develop the core AI algorithms that create a high-fidelity representation of the world based on geo-spatial data in order to train the neural networks to predict such representations, algorithmically create accurate and large-scale ground truth data by combining information from the remote sensors across space and time. Use state-of-the-art techniques to build a robust planning and decision-making system that operates in complicated real-world situations under uncertainty. The AI can recognize and count trees and label man made objects and other anomalies. The AI uses machine learning to constantly improve itself for even more accurate and advanced biodiversity analysis.

Neural networks

We apply cutting-edge research to train deep neural networks on problems ranging from perception to control. Our per-camera networks analyze raw images to perform semantic segmentation, object detection and monocular depth estimation. Our birds-eye-view networks take video from all cameras to output the environmental layout, static ecological infrastructure and 3D objects directly in the top-down view. Our networks learn from the most complicated and diverse scenarios in the world, iteratively sourced from every square meter of land in real time.

Immutable Ledger Technology

Using a state of the art immutable ledger technology, which provides transparent, and cryptographically verifiable transaction logs and proprietary remote sensing technologies, our team is creating new tools for how humanity relates to its environment. We are using a completely new class of database which makes data's change history immutable – it cannot be altered or deleted.

Using cryptography, it verifies that there have been no modifications to our data. It uses an immutable transactional log, known as a journal, that tracks each application data change and maintains a complete and verifiable history of changes over time, so we can account for all activities relating to a conservation project and even more.

Blockchain

We are working on blockchain certification standards to use for the incubation, validation and maintenance of nature-based environmental projects. We have developed a blockchain-based ecological certification approach to ensure that initiatives that implement biodiversity credits and carbon offsetting are environmentally sound, truly benefiting the ecosystem restoration.

Our key strategy is to offer world leading verification, certification and trading of biodiversity credits – alongside an ability to offer customers a proven and highly transparent way of reforesting effectively at scale.

Marketplace

Utilising encrypted blockchain, we will facilitate a trading platform that functions as a habitat bank for biodiversity credits providing complete transparency and accountability. Our focus is on creating a marketplace for reforestation project developers to showcase their projects and as a tool to fund them, as well as for B2B and B2C customers to buy trees and accumulate credits or neutralise their offsets.

Planting drones

Build open- and closed-loop, hardware-in-the-loop evaluation tools and infrastructure at scale, to accelerate the pace of innovation, track performance improvements and prevent regressions. We use modern AI and machine learning, data science, blockchain, machine learning, satellite images, and aerial drones to aid in the regeneration of land and the regeneration of biodiverse habitats at large.

When planting trees, we aim for quality, scale, speed and high survival rates. We will develop (perhaps state what stage this is at) technologies that allow us to reforest thousands of hectares in a single planting session, including a GPS enabled automated-planting system to drive speed and efficiency in the field.

Every stage of our nature restoration projects will benefit from this approach from detailed analysis at the start, to using specialised machines to mechanically speed up the planting of biodiverse species, to monitoring plant growth with drones and satellite imagery. Through this robust procedure, we speed progress towards the Sustainable Development Goals. We can accomplish this by lowering entry barriers, improving capacities, and incentivizing more engagement in the environmental markets, developing corporate sustainability, and climate and development finance.

Senior team



Selwyn Duijvestijn
Chief Executive Officer



Dick den Hartog
Non-Executive Board Member^{*}



Hilda van der Meulen
Non-Executive Board Member^{*}



Nigel Farage
Advisory Board



Dr. Michael Galante
Technical Investment Board



Dr. Bernd Hahn-Schilling
Technical Investment Board



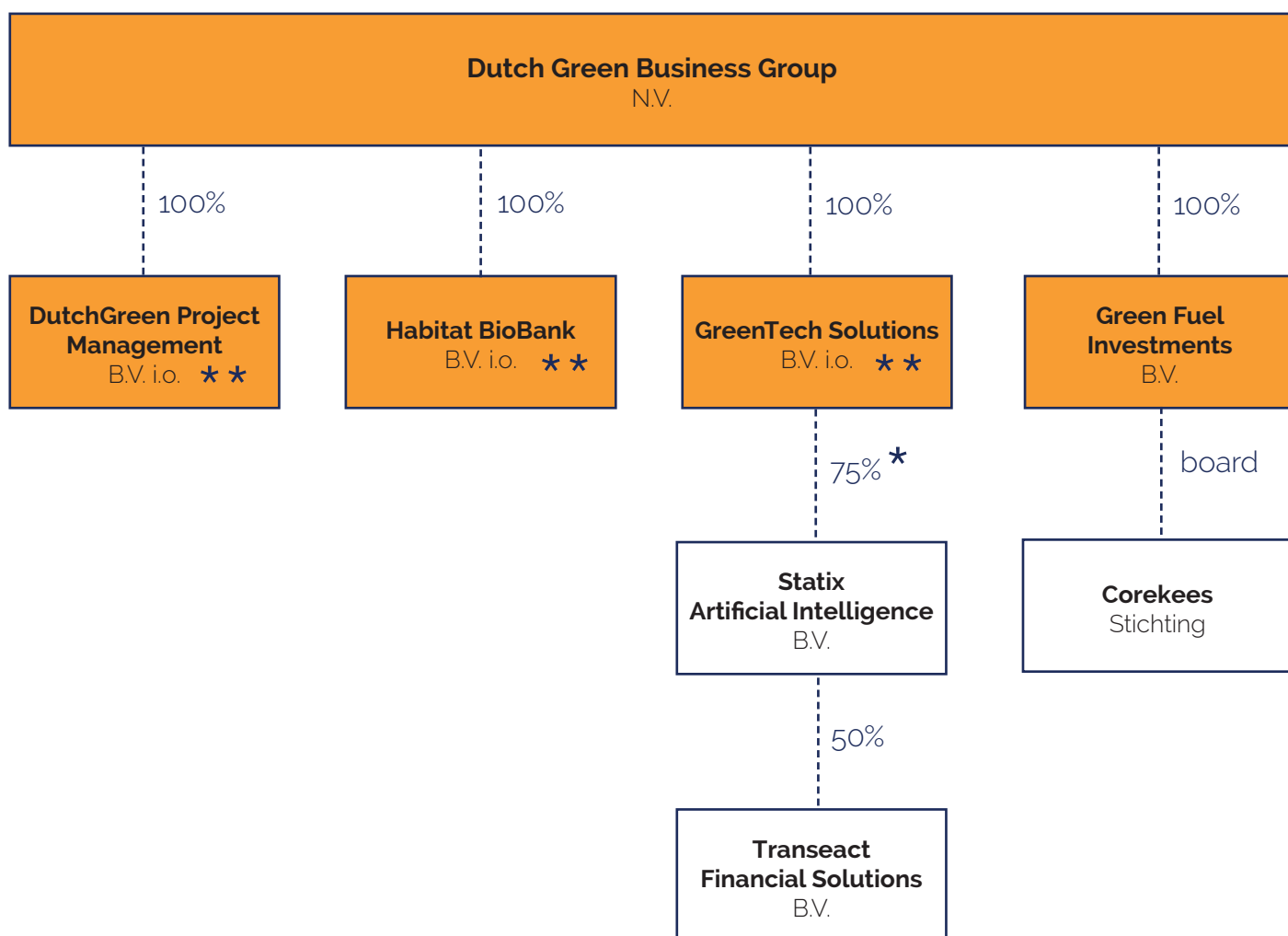
James Eaton
Technical Investment Board



Rieks Bosch
Technical Investment Board

^{*} Dick den Hartog and Hilda van der Meulen are to be appointment at the next AGM.

Organizational chart



- * The 75% controlling stake in Statix Artificial Intelligence B.V. is currently not notarized. The contracts have been concluded and that control is expected to be transferred in the 2nd half of 2021.
- ** DutchGreen Project Management B.V., Habitat BioBank B.V. and GreenTech Solutions B.V. are currently in formation.



Share capital

The authorized capital of DutchGreen amounts to EUR 750,000 and is divided into 18,750,000 ordinary shares, 18,749,900 preference shares and 100 priority shares, each with a nominal value of EUR 0.02.

The issued capital is 11,400,349 ordinary shares and 100 priority shares. 4,052,175 of the ordinary shares are listed on Euronext with ticker code AEX:DGB and ISIN-code NL0009169515.

Dividend policy

We intend to pay an annual dividend that represents sustainable long-term value for our shareholders. In accordance with the existing dividend policy, a substantial payout is maintained. The dividend payment depends on the financial results and the equity of DutchGreen.

In the event of disappointing results or investments, it is possible not to distribute a dividend for that year. If a loss has been incurred in any year, no dividend will be paid for that year. In a dividend proposal, various factors will be taken into account, such as the financial and operating result, the capital position, legislation and regulations and whether the available resources are required for repayment or investments.

History of the organization

Founded in 1957 and with a rich history, over the years DutchGreen has transformed from a printing business at its inception, to an energy company with a focus on renewable energy into an innovative environmental services company listed on the main market of Euronext Amsterdam, that specialises in developing and aggregating nature based solutions throughout the planet.

All renewable energy activities were split off on September 4, 2020, at the extraordinary meeting of shareholders (EGM), where approval was given to the asset-liability transaction whereby, among other things, that all shares held by DutchGreen in its subsidiaries were sold. This transaction took place on the same day. The 2020 annual report provides further information on the state of affairs of the companies that belonged to DutchGreen in 2020.

On February 4th, 2021, the Board of Directors, after careful consideration of the strategic, economic and financial aspects for all stakeholders involved, presented its shareholders with a large-scale high-quality emission reduction project development and reforestation program that provides customized carbon management and compensation solutions, from land acquisition and registration of the projects to selling the generated carbon offsets.



DutchGreen
business

Market & Trends

- Biodiversity and Carbon offsetting markets
- Biodiversity and Carbon offsetting trends
- Important highlights H1 2021



15-fold

growth is needed
before 2030

1.7 trillion

euro a year market

80%

of large corporations
have made net zero
pledges

- Under the 2015 Paris Agreement, 200 countries endorsed the global goal of limiting the rise in average temperatures to 2.0°C above preindustrial levels, and ideally 1.5°C
- Reaching the 1.5°C target requires global greenhouse-gas emissions to be cut by 50% of current levels by 2030 and reduced to net zero by 2050
- EU has pledged to cut carbon emissions by >55% by 2030 vs 1990 levels
- US has committed to reaching net zero emissions by 2050
- UK plans to cut carbon emissions by 78% by 2035
- McKinsey estimates that annual global demand for carbon offsets could reach 1.5-2.0 billion tons of CO₂ by 2030 and up to 7-13 billion tons by 2050
- Current global government spending on biodiversity conservation is EUR 110 billion per year (against a total estimated biodiversity protection need of between EUR 650 and EUR 850 billion per year).

Biodiversity & Carbon markets

The cost of air pollution is experiencing a meteoric rise worldwide, driven higher by ambitious climate policy and increased financial investment in the carbon markets. Last year the value of global carbon markets hit a record EUR 229 billion, a five-fold increase from 2017 and the fourth consecutive year of record growth.

The EU Emissions-Trading System (ETS) accounts for nearly nine-tenths of both that value and that growth. China has also pledged to deliver net-zero emissions by 2060 and the Government has drawn up plans for a similar emissions trading system. With President Biden also pledging to set a net-zero target, the US carbon market is braced for a massive overhaul.

In 2020 around EUR 1 billion-worth of carbon offsets changed hands a day, as well as lots of options and futures contracts. There are now clear signs that the market is joining the financial mainstream, with hundreds of investment firms trading in it. However, even greater levels of growth are on the horizon due to the impending net-zero commitments from both the US and China.

Analysts and traders believe this record-breaking rally still has plenty of room to run. It might seem counterintuitive that in a year when emissions dropped significantly due to the pandemic, carbon prices and global market value hit new records.

Major carbon markets saw prices and volumes rise on expected tightening of emission caps due to more ambitious climate goals in the future. An emissions trading system is the main tool for reducing greenhouse gas emissions and carbon offsets are the cornerstone of climate and energy policy.

People worldwide are waking up to the potential of nature based solutions such as reforestation and other ecological restoration to capture carbon and bring back nature where it cannot return unaided.

Biodiversity is under threat worldwide

We need oxygen to breathe, clean water to drink, fertile soil for food production and physical materials for shelter and fuel. These necessities can be described collectively as ecosystem services. Biodiversity is linked, via ecosystem functions and services, to our physical, social and economic well-being. If we continue to live unsustainably, we risk the degeneration of the ecological systems that support our life and our nation's productivity. We also risk eroding the legacy that we will leave to future generations. Collectively we have a civic responsibility to help sustain our living planet. Conserving biodiversity is central to living sustainably. Nature based solutions have proven an attractive alternative asset for long-term shareholders, as it provides the opportunity to benefit from the value of a naturally growing commodity and the security of ownership of the underlying land.

Conserving biodiversity is an essential part of safeguarding the biological life support systems on Earth. All living creatures, including humans, depend on these systems for the necessities of life.

Many scientists consider that the Earth has now entered a global biodiversity extinction crisis (UNEP 2007). That is, they believe that many of the species alive today are under threat of rapid extinction. In response to this crisis, we need to transform our management of biodiversity, by placing the conservation and sustainable use of biodiversity at the centre of our thoughts and actions. A commitment to ecological sustainability is long entrenched in international and national policy and has been articulated extensively through the development of most natural resource plans and legislation.

The choices we make now will determine what opportunities we have available in the future. We must act on the understanding that the impacts of biodiversity decline need to be addressed at all levels, and must be at the very core of our policy agendas and public debates. The actions we take now can help native species and ecosystems adapt to change, and position us to minimise the overall loss of diversity at the genetic, species and ecosystem levels. In the face of accelerating change, the efforts we invest now in ecological sustainability may be the key to our own survival as species.

We need to take decisive actions that are focused on tackling the highest and most pressing priorities for the environment we want to leave to coming generations. We need to continue building partnerships with the private and primary industries' sectors, in particular farmers and land managers, to strengthen our existing efforts, and to continually look for new evidence-based approaches that can better integrate the importance of biodiversity into the day-to-day functioning of all sectors of society.

Taskforce for scaling carbon markets

A business-led taskforce has this week unveiled a new blueprint on creating a large-scale carbon trading market. The Taskforce on Scaling Voluntary Carbon Markets was launched in September 2020 to take stock of existing voluntary offsetting schemes and identify key challenges to scaling them up while ensuring credibility and avoiding issues like double-counting. Spearheaded by former Bank of England Governor Mark Carney, and backed by a host of private corporations, the Taskforce noted that the current market for offsets will need to grow by at least 15-fold by 2030 if the private sector is to align with the Paris Agreement's 1.5C trajectory. By 2050, he warned, it may need to be up to 160 times bigger than in 2020, should corporates rely on offsetting rather than emissions reductions. Aside from helping businesses to meet their own commitments and to align with legally binding climate targets in the markets where they operate, it is hoped that the Taskforce will play a role in boosting carbon prices.

Nature-based solutions

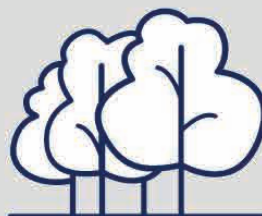
DutchGreen invests, manages and develops projects to generate nature compensation and carbon offsetting credits.

NATURE CONSERVATION



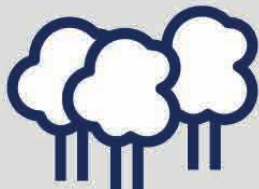
PROTECTION OF NATURE

AFFORESTATION



PLANTING TREES IN A
BRAND-NEW
ENVIRONMENT

REFORESTATION



REESTABLISHING
EXISTING FORESTS

AGROFORESTRY



INTEGRATING TREES INTO
AGRICULTURAL LAND

URBAN GREENING



INTEGRATING TREES AND
NATURE INTO CITIES

Nature-based solutions are the management and use of land for tackling social and environmental challenges



Three types of offsetting credits

DutchGreen's projects generate nature offsets which compensate individual's or company's damage to nature and impact on the environment by funding an equivalent elsewhere. DutchGreen currently produces the following nature offsets:

- Carbon offsetting credits
- Biodiversity offsetting credits
- Tailor-made wildlife protection credits

Companies and individuals buy and/or need these offsets for the following reasons:

- ✓ Helping the environment
- ✓ Marketing purposes
- ✓ Employee engagement
- ✓ For the next generation
- ✓ Quality of life
- ✓ Compliance/ transparency purposes
- ✓ Mandatory ESG reporting

Carbon offsetting prices

The European Union Emissions Trading System (EU ETS) is the leading mandatory carbon offsetting market and provides a benchmark for the cost of offsetting 1 ton of carbon emissions.



Price development for the cost of offsetting 1 ton of carbon emissions (1tCO₂).

DutchGreen's customers comprise of individuals, SME's and corporates interested in voluntary carbon offsets, which are trading at a discount from the EU ETS.

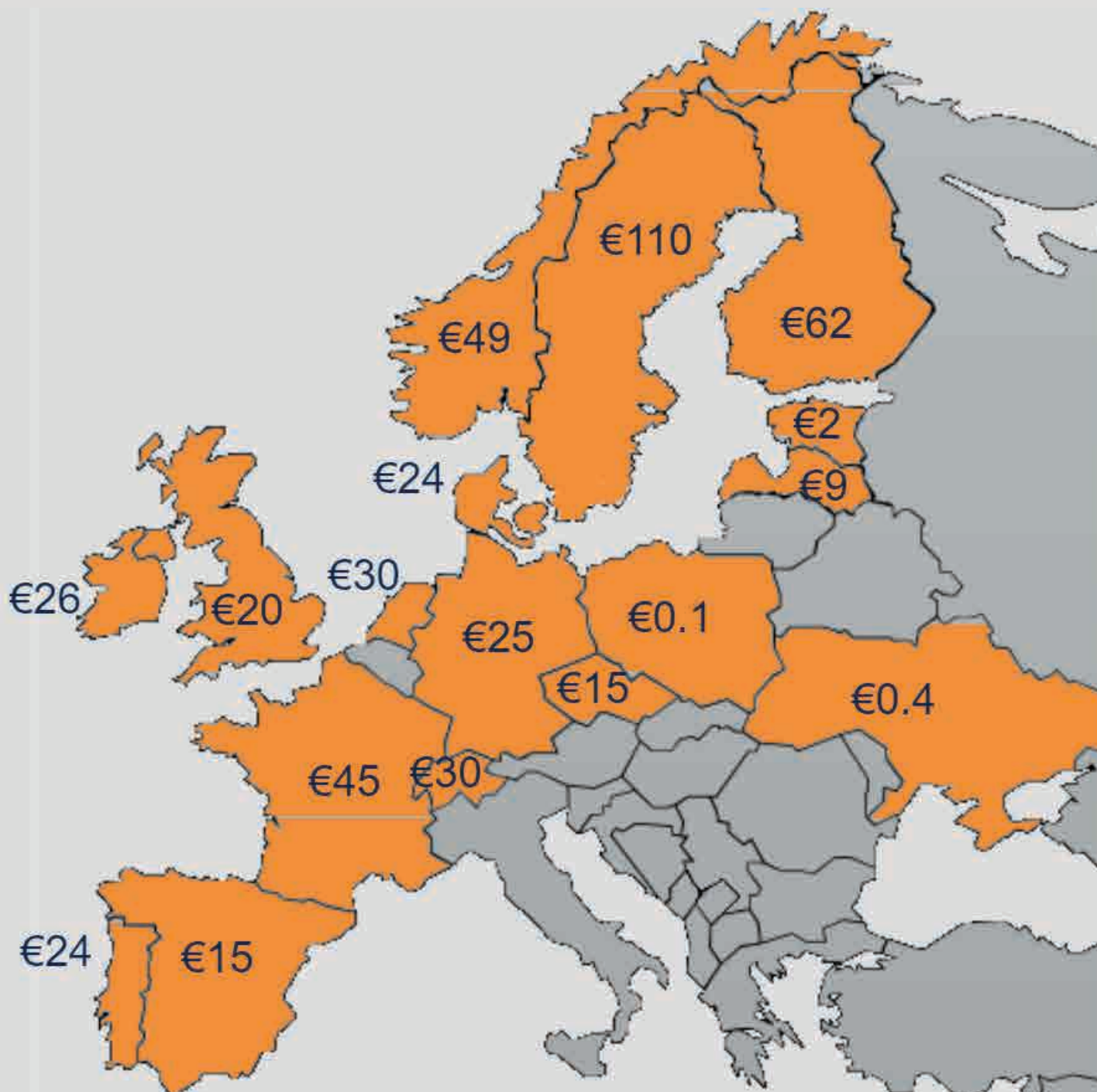
DutchGreen's also offers a volume discount as follows:

- Individuals: 1 - 100 tons per year at ca. EUR 40 - EUR 60 per ton
- SMEs: 100 - 50,000 tons per year at ca. EUR 20 - EUR 40 per ton
- Large corporations: 50,000+ tons per year at ca. EUR 6 - EUR 10 per ton

★ Prices are per 30 June 2021 and provide an indication for actual prices. Pricing differs per project.

Carbon taxes

Countries worldwide are implementing carbon taxes to tax carbon emissions, making the price of carbon offsets rise.



Important highlights H1 2021

This has been a period of significant progress for the Group as it pursues its strategic objective of becoming a leading high-impact investor in sustainably managed nature projects that generate carbon offsets. DutchGreen secured for its balance sheet by purchasing forward contracts representing a total quantity of 157,000 tons for its own use, making it the largest holder of tradable carbon offsets in The Netherlands.

Partnership with Quadriz, the trading and carbon project arm of forestry and agro-research company Investancia Group to:

- source large-scale native forestland plots in excess of 50,000 hectares in Paraguay as potential land acquisition targets for DutchGreen
- partner on "REDD+" projects which reduce emissions from deforestation and forest degradation in the Chaco region in Paraguay
- protect critical primary forest financed through the generation of high-integrity carbon offsets or 'Verified Carbon Units'

Project with South Pole, a leading advisor and provider of global climate services, to invest in the Miro Sustainable Plantation project in northern Sierra Leone, West-Africa's largest sustainable forestry company. The highlights of the investment include:

- DutchGreen secures 128,000 tons of verified sequestered carbon offsets with the possibility of future supply as more land is reforested
- The planting of 3.4 million trees on 2,800 hectares of land in the initial phase with a further 14.4 million trees planted across 12,000 hectares creating over 1.6 million tons of carbon offsets in the project's lifetime. The investment will help accelerate reforestation in Sierra Leone and will make the project and the local communities more sustainable





Acquisition of a strategic 50% stake in Green Fuel Investments to drive the expansion of its ground-breaking reforestation and carbon offsetting retail platform, Corekees

- Corekees turns reforestation projects into sustainable investments by allowing tree harvest proceeds to flow back to investors, allowing them to generate a profit
- Corekees currently manages the capital for over 700 investors and its first investment is a reforestation project in Paraguay involving the planting of 20,000 Pongamia trees in an area that has been deforested for at least 10 years.
- The Pongamia tree is ideal as it absorbs more CO₂ than it produces during the planting, growing, harvesting and crushing of its pods for biodiesel fuel
- Corekees has an offtake agreement for the total harvest of its pods which are sustainable from each tree when they are seven years old. The crushed pods are used as protein feed for cattle and the newly created reforested areas will form part of a sustainable silvopasture system, incorporating local cattle farmers.

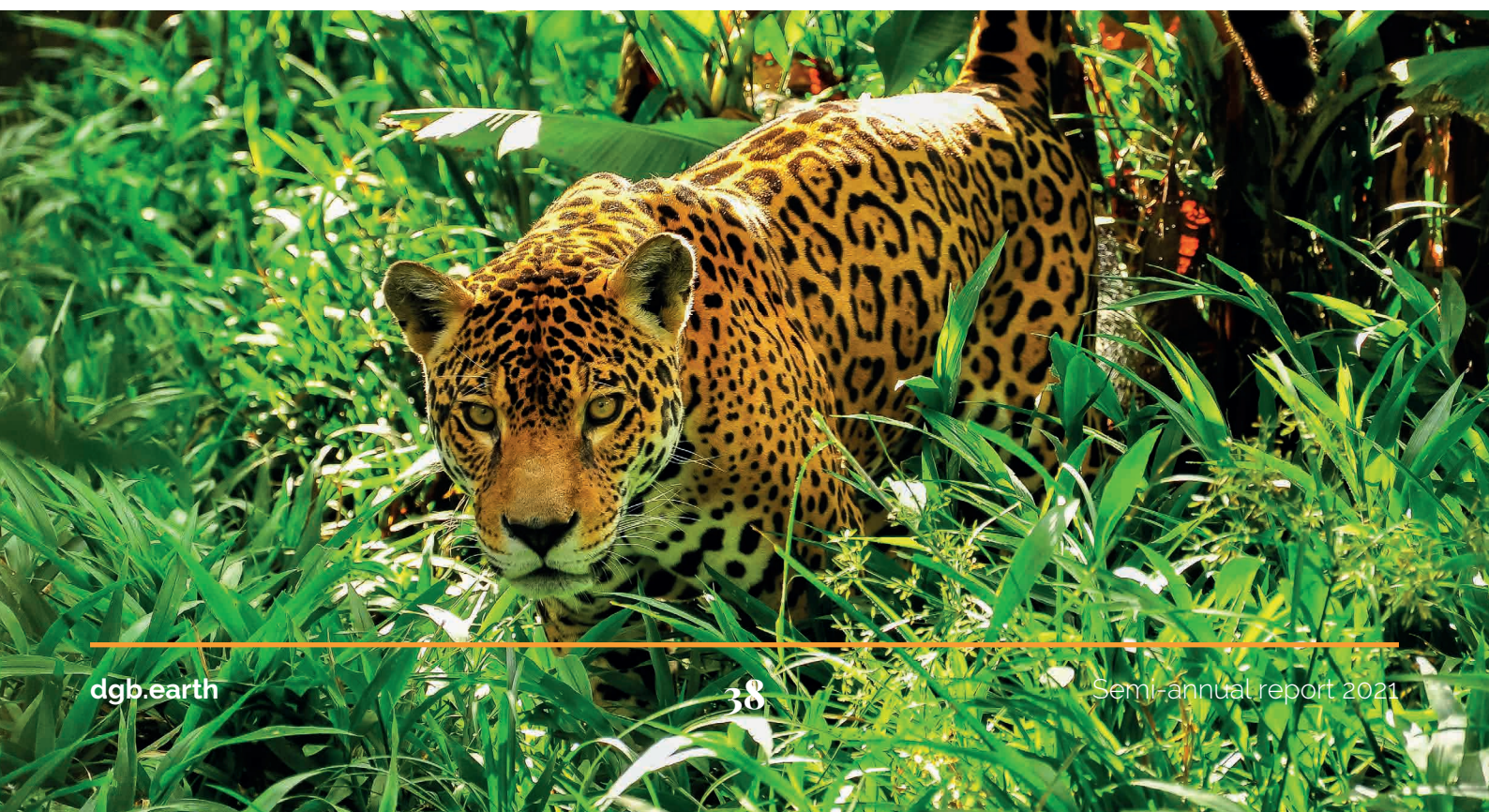
Appointment of Nigel Farage to DutchGreen's Advisory Board. This is the first independent commercial role he has taken since stepping back from front line politics at the end of 2020. In addition, DutchGreen announced the appointment of a technical investment committee composed of forest management and project development experts Dr. Hahn-Schilling, Dr. Galante and Mr. Bosch, who will provide advice and insight on new projects.

Acquisition of a 75% controlling stake in specialist blockchain and software development tech company, Statix Artificial Intelligence, to enable DutchGreen to deliver smart reforestation and ecosystem restoration projects

- Statix specialises in AI, machine learning, blockchain, big data, satellite imagery and drone technology to validate, measure and deliver ecological restoration projects
- Statix will focus on building the most advanced technological tools to assist DutchGreen and its clients in the rehabilitation of land and restore biodiverse ecosystems at scale
- Statix will also focus on creating a marketplace for reforestation project developers to showcase and gain funding for their projects, as well as for DutchGreen's B2B and B2C clients to buy trees and accumulate carbon offsets or neutralise their offsets
- The contracts have been concluded and that control is expected to be transferred in the second half of 2021

Closing of EUR 6 million private placement. Investors comprised of a consortium of high quality institutional and accredited high net worth individuals

- Funds will be used to finance carbon offset investment projects to underpin the further growth of DutchGreen and general corporate expenditure
- Carbon finance investment in Paraguay REDD+ project (Reducing Emissions from Deforestation and Forest Degradation) securing 28,572 tons of carbon offsets
- Following DutchGreen's carbon finance investment in Sierra Leone in March 2021, this investment marks the next step in DutchGreen's strategy to participate in large-scale carbon offset projects around the world that deliver commercial and environmental benefits





DutchGreen
business



Interim financial statements

- Condensed statement of profit or loss
- Condensed statement of financial position
- Condensed statement of changes in equity
- Condensed statement of cash flows

Key data



157,000+
tons of carbon
offsets realised



3.4+ million
trees planted
through our projects



250,000+
hectares
of sourced land



6,000,000+
tons of carbon offsets
in our project pipeline



+87%
YTD price increase
EU ETS carbon offsets



9
projects
in our pipeline

DutchGreen's mission is aligned with helping companies and individuals to meet the following sustainable development goals:

SUSTAINABLE
DEVELOPMENT
GOALS



NO
POVERTY



ZERO
HUNGER



GOOD HEALTH
AND WELL-BEING



RESPONSIBLE
CONSUMPTION
AND PRODUCTION



CLIMATE
ACTION



CLEAN WATER
AND SANITATION



AFFORDABLE AND
CLEAN ENERGY



DECENT WORK AND
ECONOMIC GROWTH



INDUSTRY, INNOVATION
AND INFRASTRUCTURE



LIFE
BELOW WATER



LIFE
ON LAND

Condensed statement of profit or loss and OCI

(x EUR 1,000)	1 January - 30 June 2021	1 January - 30 June 2020
Revenue	-	1.253
Cost of Sales	-	-
Gross profit	-	1.253
Selling and marketing expenses	89	4
General and Administrative expenses	271	771
EBITDA	-360	477
Amortization	-	-
Depreciation	10	54
Operating profit	-370	423
Finance income	86	4
Finance cost	-15	-118
Net finance result	71	-114
Share of profit of equity-accounted investees, net of tax	-18	-
Result non-consolidated subsidiaries	-	-64
Profit before tax	-317	245
Income tax	50	-122
Result for the period	-267	123
Other Comprehensive income	-	-
Total comprehensive income for the period	-267	123
Earnings per share		
Basis earnings per share (Euro)	-0.03	0,01
Diluted earnings per share (Euro)	-0.03	0,01

Condensed statement of financial position

(x EUR 1,000)	1 January - 30 June 2021	1 January - 30 June 2020
Property, plant and equipment	128	138
Equity-accounted investees	462	-
Other investments	95	-
Total non-current assets	685	138
Inventories	-	-
Prepayments on inventories	164	-
Receivable on participants	5.673	5.673
Trade and other receivables	275	-
Cash and cash equivalents	213	251
Total current assets	6.307	5.924
Total assets	6.992	6.062
Share capital	228	228
Share premium	11.152	11.152
Other reserves	-5.216	-5.716
Convertible bonds	395	-
Retained earnings	-279	-12
Total equity	6.280	5.652
Convertible bonds	153	-
Loans and borrowing	161	92
Total non-current liabilities	314	92
Current account participants	-	270
Payable to Board members	14	-
Loans and borrowing	284	-
Trade and other liabilities	102	48
Total current liabilities	398	318
Total liabilities	6.992	6.062

Condensed statement of changes in equity

(x EUR 1,000)	Share capital	Share premium	Legal reserves	Other reserves	Conv. bonds	Retained earnings	Total equity
1 January 2020	228	11.152	3	-2.328	-	-3.391	5.664
Allocation results	-	-	-	-3.391	-	3.391	-
Result for reporting period	-	-	-	-	-	123	123
30 June 2020	228	11.152	3	-5.719	-	123	5.787

	Share capital	Share premium	Legal reserves	Other reserves	Conv. bonds	Retained earnings	Total equity
1 January 2021	228	11.152	3	-2.328	-	-12	5.662
Issue of treasury shares	-	-	-	500	-	-	500
Mandatory convertible shares	-	-	-	-	395	-	395
Result for reporting period	-	-	-	-	-	-267	-267
Other Comprehensive income	-	-	-	-	-	-	-
30 June 2021	228	11.152	-	-5.216	395	-279	6.280

Condensed statement of cash flows

(x EUR 1,000)	1 January - 30 June 2021	1 January - 30 June 2020
EBITDA	-360	478
Changes in working capital	-153	-227
Cash generated from operating activities	-513	251
Interest paid	-16	-114
Tax paid	-	-14
Net cash from operating activities	-529	123
Net cash from investing activities	-222	-10
Net cash from financing activities	713	-105
Net increase (decrease) in cash and cash equivalents	-38	8
Cash and cash equivalents at 1 January	251	4
Cash and cash equivalents at 1 June	213	12
Net increase (decrease) in cash and cash equivalents	-38	8

Notes to the financial statements



General

DGB Group N.V. ("DutchGreen") has its registered office in Heerenveen, the Netherlands. These condensed interim financial statements for the six months ended 30 June 2021 comprise the financial information of DutchGreen. For the full company profile see page 9.

Statement of compliance

The condensed interim financial statements have been prepared in accordance with DAS 394 and IAS 34, 'Interim Financial Reporting', as adopted for use within the European Union. They do not contain all the information that is required for a full set of financial statements, and should therefore be read in conjunction with DutchGreen's financial statements for the full year 2020.

The 2020 Annual Report (including the financial statements for the 2020 financial year) is available online at: <https://www.dgb.earth/investors/financials-publications>

The condensed interim financial statements were prepared by the Management Board and approved for publication by the Supervisory Board on 31 August 2021. These condensed interim financial statements have not been audited.

Consolidation and comparative information

Last year DutchGreen consisted of a group of companies including subsidiaries, therefore consolidated interim financial statements were prepared in accordance with IAS 34. In the second half of 2020 DutchGreen lost control over all its subsidiaries. As a result DutchGreen does not provide consolidated financial statements.

To provide the users of these interim financial statements insight in DutchGreen as it is now, the comparative information for the corresponding period of last year has been adjusted accordingly.

Going concern

The semi-annual accounts have been prepared on the basis of the going concern assumption. The ability for DutchGreen to meet the financial obligations for the next twelve months is covered by a private investment in public equity (PIPE) in the Company. DutchGreen received a total net commitment of up to EUR 6,000,000.

The investment is made by a consortium of Dutch-based accredited investors with investment expertise in emerging leaders in rapidly expanding sectors. This private placement facility will be used to finance further growth of DutchGreen and development of its carbon offsetting marketplace. The Consortium is committed to invest up to a maximum of EUR 6,000,000 subject to certain conditions over a maximum period of 12 months. Pursuant to the terms of the investment agreement, DutchGreen may draw the investment at its discretion in tranches of EUR 500,000 subject to operational and corporate requirements.

Significant accounting policies

For an explanation of the accounting policies for the valuation, determination of results and statement of cash flows, we refer you to the financial statements for the full year 2020. The financial statements for the full year 2020 were drawn up in accordance with the provision of Part 9 of Book 2 of the Dutch Civil Code and the International

Financial Reporting Standards (IFRS), together with the interpretations of same as adopted by the International Accounting Standards Board (IASB), as accepted for use within the European Union, and the legal provisions of Section 9 of Book 2 of the Dutch Civil Code.

The same accounting policies have been applied to the interim report, with the exception of the new standards, amendments to standards and interpretations outlined below, which have been included and found relevant for DutchGreen. The accounting policies have been applied consistently by all subsidiaries and across all periods as presented in these condensed consolidated interim financial statements.

These condensed interim financial statements are presented in euro. Amounts are stated in thousands of euro unless otherwise stated, which may result in rounding off differences.

Standards, amendments and interpretations

Insofar as applicable, DutchGreen has applied all published IFRS standards, amendments and interpretations that came into effect on 1 January 2021. DutchGreen has not opted for the early application of any standards, amendments or interpretations that have been published but are not yet effective.

Various amendments and interpretations are required as from 2021, but these have no impact on DutchGreen's condensed interim financial statements.



Critical accounting estimates and assumptions

The preparation of the interim financial statements requires management to make estimates and assumptions that have an impact on the valuation of assets and liabilities, on the determination of results, as well as on the reporting of contingent assets and liabilities. Actual results may differ from these estimates and assumptions. The assumptions and estimates are based on historical experience and various other factors that can be deemed reasonable under the circumstances. DutchGreen continually evaluates stated assumptions and estimates. For a list of the most critical assumptions and estimates, we refer you to section 2D of the notes to the financial statements for 2020, as included in the 2020 annual report. In the first half of 2021, there were no significant changes in the critical assumptions and estimates as explained in the financial statements for 2020.

Financial risk management

DutchGreen describes in detail the critical risks identified and its risk management and control systems from page 52 onwards. DutchGreen has evaluated the risks identified and determined that the main risks identified will remain applicable in the second half of 2021.

Segment reporting

Due to the current configuration of DutchGreen, no segments are identified in accordance with the segment reporting guidelines.

Revenue

During the period under review there was no revenue realized. In the comparative period the revenue consisted of rental income and management fees charged to subsidiaries.

Selling and marketing expenses

Selling and marketing expenses mainly relate to employee benefits, advertising and other cost spent on social media exposure.

General and administrative cost

General and administrative cost includes the cost of ICT and advisory with respect to legal and finance. Furthermore the remuneration of the CEO is included in this amount and amounts to EUR 43K.

Net finance result

Net finance result compromise the interest received from the loan receivable with Stichting Dutch Green Foundation and the loan recorded as non-current investment. Furthermore the interest expenses relating to the interest bearing loans and attributed interest to the convertible loan are included as well.

Share of profit of equity-accounted investees, net of tax

The result presented here relates to the result in connection with the investment in Green Fuel Investments B.V. which have been acquired during the reporting period

Property, plant and equipment

The decrease in value of property, plant and equipment relates to depreciation charges during the reporting period.

Equity-accounted investees

In May 2021, 50% of the shares in Green Fuel Investments have been acquired. The consideration paid amounts to EUR 480K being the net present value of 8 payments of EUR 62.5K over a period of 2 years. As per balance sheet date, 6 payments are outstanding. The net present value of the amount due is included in the liabilities.



Other non-current investments

Other non-current investments consist of a loan. This loan is due in 2024 and bears an interest of 4% with a grace period of 12 months. A first mortgage has been established as security for this loan.

Prepayments on inventory

During the reporting period DutchGreen secured for its balance sheet by entering into non-financial forward purchase contracts with regard to voluntary carbon offsets to secure these for its balance sheet. The total numbers of voluntary carbon offsets under these forward contracts are estimated on 157.000 ton with a total estimated purchase value of EUR 868K.

On these contracts prepayments have been made amounting to EUR 164K. The forward contracts have not been considered as derivatives as the voluntary carbon offsets will be used by DutchGreen for its own use based on expected activities. Furthermore these contracts do not include a clause with the possibility to be settled on a net basis, hence the contracts do not meet the definition of a derivative financial instrument for accounting purposes. Upon the registration of the voluntary carbon offsets on the account of DutchGreen, the voluntary carbon offsets will be recognized as inventory.

Receivable on participants

DutchGreen has a receivable on Stichting Dutch Green Foundation. This loan is due in September 2021 and is bearing an interest amounting to 3%. Subsequent to the reporting period DutchGreen entered into negotiations with Stichting Dutch Green Foundation and agreed to extend the loan until 30 June 2022 with an interest of 3%. In addition DutchGreen intends to repurchase the shares held by the Foundation. The Company may at any time repurchase DutchGreen shares from the Stichting Dutch Green Foundation at a discount of 10% on the average share price of the last 30 days with a minimum price of EUR 1, as soon as DutchGreen has obtained a purchase authorization from shareholders at the AGM after publication and adoption of the annual results for 2021.

Cash and cash equivalents

Cash and cash equivalents are immediately accessible.

Equity

	Ordinary shares Issued	Treasury shares held by DutchGreen	Ordinary shares outstanding	Priority shares
1 January 2020	11,400,349	-2,249,999	9,150,350	100
Issued / purchased shares in 2020	-	-	-	-
31 December 2020	11,400,349	-2,249,999	9,150,350	100
Priority shares purchased	-	-	-	-100
Sold treasury shares under equity facility	-	373,999	-	-
30 June 2021	11,400,349	-1,876,000	9,524,349	-

Issued capital

During the reporting period and in accordance with the delegation provided by the Annual General Meeting on 4 February 2021 to the Board of Directors all 100 issued and outstanding 100 priority shares of DutchGreen have been acquired for a purchase price equal to their nominal value.

Other reserves

In the reporting period 373,999 number of treasury shares has been issued amounting to EUR 500K as first tranche of a private placement facility, resulting in an average price per share of EUR 1.34. The total commitment of the trading facility is EUR 6 million.

Convertible loan notes

DutchGreen issued a convertible loan note for an amount of EUR 525K qualifying under the exceptions to the obligation to publish a prospectus or

information document (addressed solely to qualified investors and offered to fewer than 150 natural or legal persons in the Netherlands). The loan note shall mandatory convert into DutchGreen shares as per 30 June 2025. The loan notes may convert early at the discretion of DutchGreen in case the share price of DutchGreen exceeds EUR 2.00 per share on 5 subsequent days. The loan note holders have no right to request for redemption in cash. The loan notes bear an interest rate of 6.25%. The interest is due every quarter and is payable in cash. In substance this transaction contains an equity component and a liability component. The liability component has been calculated by the net present value of the interest payments at a discount rate equal to market rates. The financial liability at inception amounts to EUR 130K. The balance, amounting to EUR 395K is recorded as separate component under equity.

Non-current liabilities

Convertible loan notes

- The convertible loan notes represent the financial liability due to the interest payable amounting to EUR 125K of which is EUR 27K due within 12 months. Furthermore an amount of EUR 55K is included as a preliminary subscription on a convertible loan notes facility which is expected to be suitable for issuing in the second half of 2021

Loans and borrowings

- Loans and borrowings include the consideration payable in connection with the acquisition of Green Fuel Investments B.V. being the net present value of the 6 outstanding payments of which is EUR 242K due within 12 months. Furthermore an amount of EUR 55K is included with regard to lease a liability of which is EUR 15K due within 12 months.

Current liabilities

- Current liabilities include an amount of EUR 14K which is due to the CEO.

Subsequent events

Subsequent to the reporting period and with reference to the disclosure relating to the receivable on participants, DutchGreen entered into negotiations with Stichting Dutch Green Foundation and agreed to extend the loan until 30 June 2022 with an interest of 3%. In addition DutchGreen intends to repurchase the shares held by the Foundation. The Company may at any time repurchase DGB Group N.V. shares from the Stichting Dutch Green Foundation at a discount of 10% on the average share price of the last 30 days with a minimum price of EUR 1, as soon as DutchGreen has obtained a purchase authorization from shareholders at the AGM after publication and adoption of the annual results for 2021



DutchGreen
business



Risks

- Operational risks
- Market risks
- Financial risks
- Other risks



Risks

CO₂ market

If DutchGreen is unable to increase its market share, diversify sufficiently and expand into other sectors, this could have a negative effect on the business results and the future prospects of DutchGreen in the long run. Efforts are being made to expand existing services to other sectors, products, such as specialized software, are applied in (sub) sectors, and a customer satisfaction and loyalty model is used that actively responds to the wishes and expectations of the customer.

Competition

Increasing competition can have a negative effect on both the competitive position and the operating results of DutchGreen. DutchGreen competes on the basis of price, quality, efficiency, innovation, customer service, support, technical knowledge and reputation, among other things.

If DutchGreen is unable to retain existing customers, introduce new products or concepts, attract new customers, respond to trends, improve operational efficiency and increase net margins, it is unable to succeed and compete. Increasing competition in the sectors in which DutchGreen operates or a consolidation of the markets in which it operates can have a negative effect on prices, margins, competitive position and market share. Loss of market share could adversely affect DutchGreen's strategic objectives, its operating results and its future prospects. Increasing competitive pressure has a negative effect on the sales prices, margins and market share of DutchGreen. Work is being done on the continuous development of new products and the improvement of existing products. Efforts are being made to train and develop employees in order to innovate faster and to be able to respond to changes in the market. A customer satisfaction model and a feedback mechanism are used that actively respond to customer needs and expectations

Innovation

If DutchGreen does not continue to innovate or otherwise meet technological developments and consumer or customer expectations, both the competitive position and the business results may suffer.

Innovation can be an important instrument for (long-term) value creation. Nevertheless, risks are inherent in pursuing new ideas and developments. If DutchGreen lags behind new developments, new ideas and products fail or DutchGreen is unable to realize their full potential, this could have a negative effect on DutchGreen's competitive position and operating results. Investments are made in new technologies, products and employees. Efforts are being made to train and develop employees in order to innovate faster and to be able to respond to changes in the market.

New products are subjected to stringent internal and external testing, for example by introducing a so-called 'pilot phase'

Acquisitions

The success of DutchGreen is partly dependent on acquisitions and restructuring. DutchGreen carries out acquisitions as part of its business strategy. DutchGreen is also considering making acquisitions in the future in order to expand, supplement or diversify its activities. Such acquisitions may expose DutchGreen to certain operational challenges and risks including integration and collaboration challenges, the ability to profitably manage the acquired businesses and retain key personnel. If DutchGreen fails to carry out acquisitions or to successfully integrate or operate the acquired company, this may negatively affect DutchGreen. In addition,



DutchGreen may not realize the full benefits of the acquisitions, including anticipated synergies, cost savings or growth opportunities. There is a careful and conscientious decision-making process in the acquisition phase. A due diligence investigation is carried out using external advisors. A standardized integration process is used, in which the risk management and business philosophy is personally introduced to the new employees. During the integration process, the potential risks of the acquisition object are identified and classified, and appropriate measures are taken where necessary. After integration, the acquisition process is subject to an evaluation

Intellectual property

The possibility exists that third parties will infringe or abuse the intellectual property rights of DutchGreen, for example by imitating products or claiming the intellectual property rights held by DutchGreen. DutchGreen owns software and related copyrights, licenses software and owns other intellectual property rights that are important to its business and competitive position. If DutchGreen is unable to protect its intellectual property rights against infringement, misuse or if others invoke rights to invalidate the intellectual property of DutchGreen, this could have a negative effect on the reputation, the results of the business and the financial position of DutchGreen. DutchGreen. Intellectual property rights are internally safeguarded by the presence of (intellectual property provisions in) agreements and codes of conduct.

Intellectual property rights are externally safeguarded by the presence of (intellectual property provisions in) agreements, such as non-disclosure agreements

Safety

Any accidents or incidents can lead to reputational damage. Incidents can result in human injury and the disruption of business activities. DutchGreen may therefore be subject to financial obligations, liabilities and reputational damage. The financial impact of accidents and incidents on the project sites is limited by insurance. A (pro)active safety policy is also pursued, so that early action is taken in the event of unsafe behaviour

Cyber security

Security breaches and advanced and targeted cyber attacks pose a risk to DutchGreen and its products, systems and networks. A material breach of the security of DutchGreen's IT systems or other security measures could result in the theft or disclosure of customer, employee or company data. This can lead to reputational damage, customer loss, loss of revenue or the imposition of sanctions. IT networks and systems are continuously monitored. Attention is paid to compliance with existing and future privacy legislation. Measures are taken to prevent, detect and mitigate security threats, such as, for example, identity and access controls and the design of product software that, in the opinion of DutchGreen, is less susceptible to cyber attacks

Purchase

The purchase of carbon offsets depends on supply and demand. The moment of purchase determines the price of carbon offsets, which price is partly determined by the economic climate and geopolitical developments. Poor purchasing results can have a negative effect on the operating results, financial position and future prospects of DutchGreen. The purchase of carbon offsets is the subject of structural attention. Risk analysis and evaluations are used. The existing purchasing strategy is continuously monitored and, where necessary, adapted.

Staff

DutchGreen may not be able to attract or retain qualified employees. DutchGreen's inability to attract, retain, train and motivate capable and qualified employees could have a negative effect on DutchGreen's business results and future prospects. By creating the right working conditions and employment conditions, employees are motivated to contribute to the success of the company in a motivated way

A management style is used, in which the qualities of the employee are central and there is a high degree of internal communication. The aim is to create involvement and loyalty through an open dialogue with employees. Also, the Board of Directors wishes to implement DutchGreen Share Option Scheme at the next AGM to attract and retain high-quality staff.

Compliance risks

Failure to comply with regulations or respond to regulatory changes can result in significant liabilities and adversely affect DutchGreen's business. Material changes in applicable laws and regulations, or in their interpretation or enforcement, as well as failure to comply with laws and regulations, could seriously damage the company, the results of operations, the financial condition and the prospects of DutchGreen. Compliance with laws and regulations is continuously monitored. Proactive internal compliance checks are performed. Continuous efforts are made to improve and maintain internal controls. There is a great deal of involvement of external legal advisers.

Credit

Counterparties may be unable to meet their financial and contractual obligations. If counterparties cannot meet their financial contractual obligations, this can have a negative effect on the financial position of DutchGreen. An active credit policy is in place.

Fraud and Corruption

Fraud, theft and corruption can result in reputational damage, customer loss or the imposition of sanctions and can have a negative effect on the business results and future prospects of DutchGreen. There are regular internal audits.

A code of conduct is used. Risk management is part of normal business operations and processes.

Legal proceedings

DutchGreen may be involved in legal disputes or legal proceedings. The impact of any future claims and legal proceedings cannot be predicted. Nevertheless, such proceedings can lead to considerable financial damage on the part of DutchGreen, for example if it is obliged to pay compensation. There is a great deal of involvement of external legal advisers. Management is actively involved in dispute resolution. Complaints procedures are used.

Changes to existing reporting requirements

Changes in existing reporting requirements and errors in (financial) reporting can negatively affect the fair presentation of the reporting and related disclosures, resulting in reputational damage and loss of trust among stakeholders. A system of budgeting, reporting and forecasting is used. A distinction is made between internal and external reporting. External reporting consists of an annual report and a semi-annual report. External reports are based on the internal financial reports and are in accordance with applicable financial reporting standards.

Liquidity risk

The risk that DutchGreen may not be able to meet its financial obligations. Failure to meet financial obligations may result in unacceptable losses and adversely affect the company's reputation. DutchGreen is exploring options to fund its pipeline of large-scale nature projects. The solvency and liquidity of DutchGreen is ensured by liquidity planning

Stock exchange listing

DutchGreen is listed on the official market of Euronext Amsterdam and must therefore comply with the applicable laws and regulations. This can lead to complications, especially in the field of the auditor's report. Changing laws and regulations may entail additional costs. Although a stock exchange listing offers great advantages, it can involve costs such that profitability is reduced. In addition, there are only six audit firms in the Netherlands that can issue an auditor's report to listed companies. Given the relatively small size of DutchGreen, it is difficult to find an audit firm that is willing to perform the statutory audit. There is a risk that Euronext Amsterdam will terminate its listing if DutchGreen has not found a PIE accountant before 13 April 2023. Compliance with laws and regulations is continuously monitored. Proactive internal compliance checks are performed. There is a strong involvement of the legal department and external legal advisers. Business processes are efficiently organized so that the audit can be optimally supported.

Impact of COVID-19

DutchGreen was impacted by the COVID-19 measures taken by governments worldwide. From the start of the outbreak, management has sought to obtain the best possible information and assess the risks, while responding with agility to implement the appropriate measures.

The travelling restrictions slowed down the capital raise tremendously, especially because of the United States closing its border for EU citizens.

The following is relevant to understand the results disclosed in these consolidated financial statements:

- DutchGreen has had no major restructuring as a result of COVID-19 and incurred no costs related to such a restructuring.
- The main impact on the earning capacity of DutchGreen as a result of this pandemic came from factors such as sourcing and market pricing volatility, freight costs and shifting demand (depending on the segments in which DutchGreen operates).
- DutchGreen has been able to mitigate the risk of the above developments on the basis of its extensive market knowledge and experience and its long-term client relationships with vendors.





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Outlook

- Project development phases
- Project pipeline
- Carbon market outlook
- Short term H2 outlook
- Long-term outlook
- Targets



5 phase approach to project development

1. Feasibility analysis (site assessment; legal, financial and risk evaluation)
2. Technical review and preliminary project modelling
3. Project development (hiring staff, secure tree seedlings and other inputs)
4. Third-party validation (audit review)
5. Production & Monitoring (in operation, growing and carbon captured)

Developing a project

The first phase entails finding land upon which nature conservation or regeneration can begin or having a project manager reach out to us with a proposal to reforest or conserve land.

Following the first phase, the second phase involves a feasibility study and analysis of the proposed project. The costs in land maintenance and infrastructure are analysed and an estimate is made on how much carbon per annum is set to be absorbed by the project. If the project is considered to be unfeasible, then it is stopped in its tracks.

Provided that the project is feasible, we then compile a project description document (PDD). This is a comprehensive and lengthy document which goes into the granular details of the project. This phase takes circa three to six months and gives us a precise estimate of the amount of biodiversity and/or carbon that is offset by the project.

The leading certification bodies are Verra and Gold Standard. Verra focuses mainly on nature projects and Gold Standard has its niche in upholding projects with a strong community involvement (e.g. projects that are of benefit to the local economy and produce lots of jobs in the process).

DutchGreen is developing its own method of certification which seeks to utilise drone footage and satellite imagery with updates to the areas of projects being made on a daily basis. Furthermore, machine learning and AI techniques are used in order to check for abnormalities in the areas in which the projects are being carried out, using geospatial data. An addition to this method is that the past 20 years of history of the restored areas are also stored (in satellite imagery) to be used as a reference point, showing the progress that has been made in the project locations.

We aim to be the pioneers in this field of combining the harnessed power of AI methods with the certification of carbon offsets.

Project development

- DutchGreen has 10 projects in 9 countries in its project pipeline, in various phases of project development.
- DutchGreen secured for its balance sheet by purchasing forward contracts representing a total quantity of 157,000 tons for its own use, making it the largest holder of tradable carbon offsets in The Netherlands.
- McKinsey estimates that annual global demand for carbon offsets could reach up to 1.5-2.0 billion tons of carbon dioxide by 2030 and up to 7-13 billion tons by 2050
- The Taskforce on Scaling Voluntary Carbon Markets published its blueprint on creating a large-scale, transparent carbon offset trading market which is critical to reaching the goals of the Paris Agreement.
- On 28 June 2021, the EU adopted a climate change law that legally obliges its 27 nations to collectively cut greenhouse emissions by 55% by 2030, from 1990 levels, and to become a net-zero emissions economy by 2050.





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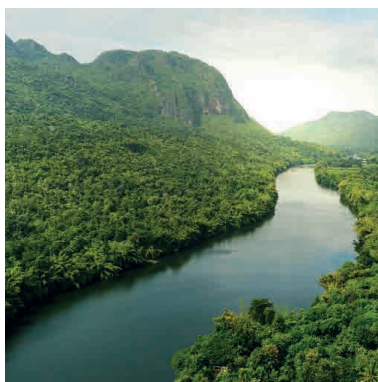
Project pipeline

DutchGreen has a pipeline of 9 projects in 10 different locations.



Sierra Leone

See: <https://dgb.group/sierra-leone>



Paraguay

See: <https://dgb.group/sierra-leone>



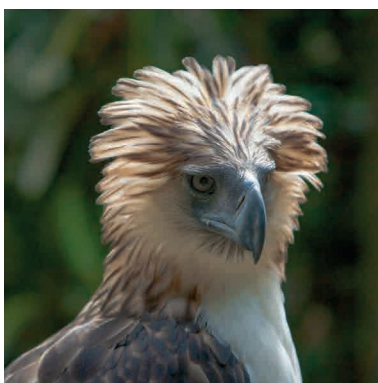
Tanzania

See: <https://dgb.group/tanzania>



Malaysia

See: <https://dgb.group/malaysia>



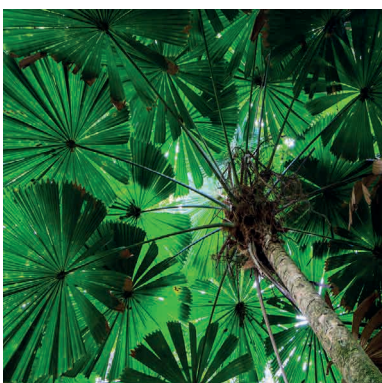
Philippines

See: <https://dgb.group/philippines>



Kenya / Cameroon

See: <https://dgb.group/kenya>



Australia

See: <https://dgb.group/australia>



Romania

See: <https://dgb.group/romania>



Uganda

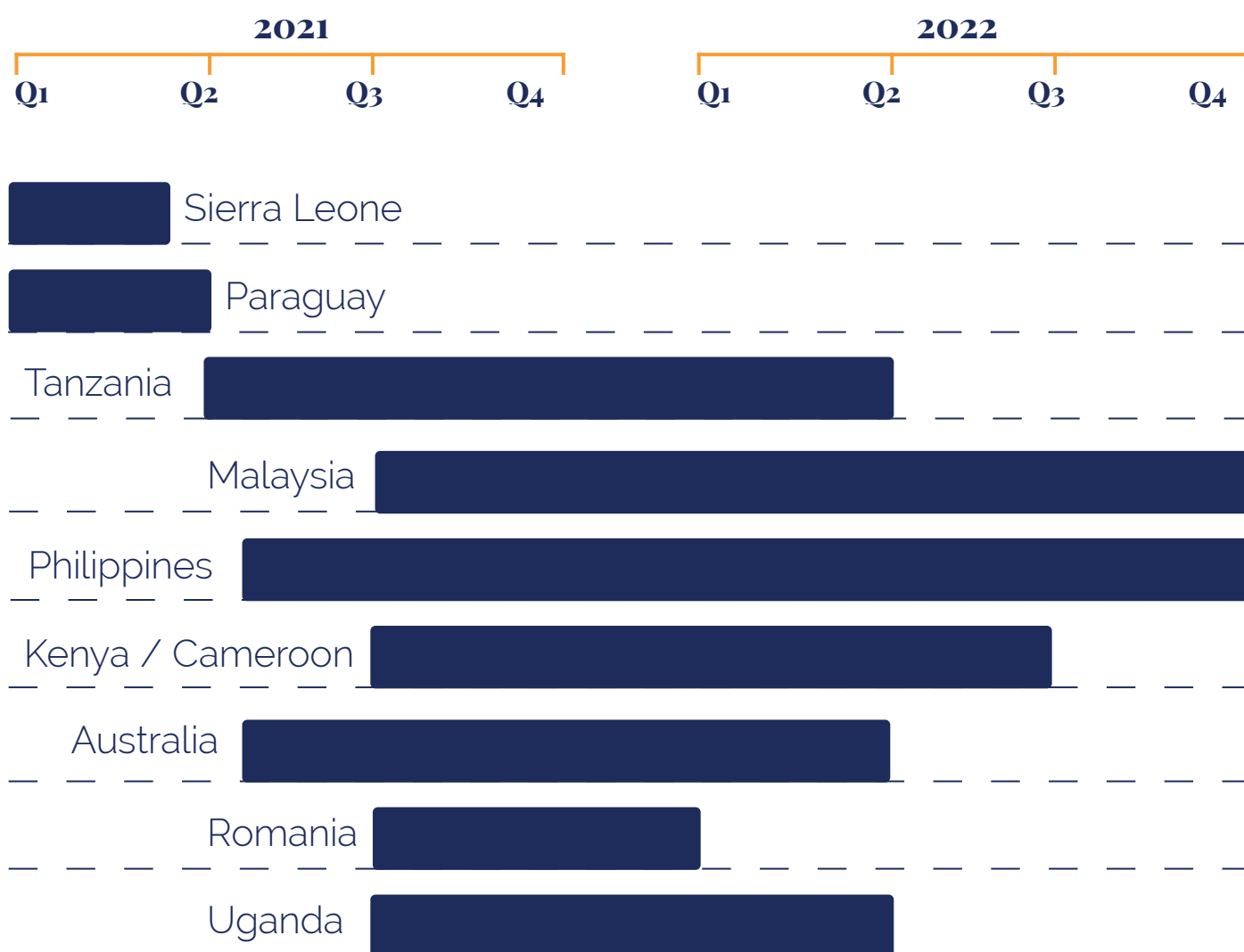
See: <https://dgb.group/uganda>



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Project timeline

The timeline for the project pipeline of DutchGreen from the date DutchGreen got involved to the certification of offsets:



All projects (will) generate certified carbon offsets or certified biodiversity offsets. Certifying our offsets validates the quality and authenticity of the underlying nature-based project.

Short-term outlook

Short-term H2 outlook:

- DutchGreen forecasts to expand its carbon offsets project pipeline with over 6 million tons of carbon offsets in H2 2021.
- DutchGreen expects to launch its cloud-based revolutionary carbon management tool in H2 2021.
- DutchGreen expects to launch its state-of-the-art cloud-based online habitat banking platform in H2 2021.



Long-term outlook

Long-term outlook:

- DutchGreen has over 250,000 hectares of sourced forest land under review and the Board of Directors is currently exploring several alternatives to fund one or more potential acquisitions of forest land.
- With the total value of global carbon markets up 20% last year to a record EUR 229 billion reflecting the forecast tightening of emissions caps, DutchGreen expects to play an active role in opening up this market to more investors with an offering that combines actual on the ground reforestation projects with an easy to understand carbon trading platform.
- DutchGreen's vision is to be a leading high-impact investor in sustainably managed forests by providing competitive real investment returns for shareholders combined with high social impact. DutchGreen is underpinned by the value of the carbon offsets it is generating and the inherent asset value of the underlying land in which it is investing. DutchGreen plans to reforest the world's land at scale and bring back nature where it cannot return unaided.
- Businesses and individuals are increasingly under pressure to improve their sustainability footprint and reduce their carbon emissions. On a local, regional and international level there is rising demand for innovative green products and a need for solutions in the areas of carbon capture, agriculture, nature conservation and biodiversity.
- DutchGreen has a strong project pipeline and is well placed to participate in all of these relevant areas and as such its outlook is extremely positive.
- DutchGreen secured for its balance sheet by purchasing forward contracts representing a total quantity of 157,000 tons for its own use, making it the largest holder of tradable carbon offsets in The Netherlands.



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International targets

DutchGreen wants to play a leading role in putting nature conservation and ecosystem restoration on the agenda of policy makers and elected officials worldwide. The following international targets will be promoted by DutchGreen:

1. By 2030, achieve a 25% increase in the number of public and private organisations who participate in nature and biodiversity conservation activities.
2. By 2030, achieve a 25% increase in employment and participation of regional communities in nature and biodiversity conservation.
3. By 2030, achieve a national increase of 600,000 km² of native habitat managed primarily for nature and biodiversity conservation across terrestrial, aquatic and marine environments.
4. By 2030, 1,000 km² of fragmented landscapes and aquatic systems are being restored to improve ecological connectivity.
5. By 2030, reduce by at least 10% the impacts of invasive species on threatened species and ecological communities in terrestrial, aquatic and marine environments.
6. By 2030, play a leading role in internationally agreed science and knowledge priorities for nature and biodiversity conservation are guiding research activities.
7. By 2030, review relevant legislation, policies and programs to maximise alignment
8. By 2030, establish a national long-term biodiversity monitoring and reporting system.



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List of acronyms and abbreviations

Acronyms / Abbreviation	Meaning
AFM	Dutch Authority for the Financial Markets
AGM	Annual general meeting
CAGR	Compound annual growth rate
CGU	Cash-generating unit
CSR	Corporate social responsibility
CTA	Currency translation adjustments
DCF	Discounted cash flow
EBIT	Earnings before interest and taxes (operating income)
EBITDA	Earnings before interest, taxes, depreciation and amortization
FTE	Full-time equivalent
FX rate	Foreign exchange rate
GAAP	Generally accepted accounting principles
GRI	Global Reporting Initiative
IAS	International accounting standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
NGO	Non-governmental organization
PPE	Property, plant and equipment
ROE	Return on equity
The Code	Dutch Corporate Governance Code
WACC	Weighted average cost of capital
Wta	Audit Firms Supervision Act

Explanation of several concepts and ratios

Concept	Explanation
Compound annual growth rate (CAGR)	This rate is calculated as the value at the end of the period divided by the value at the beginning of the period, compounded to the respective period.
Dividend pay-out ratio	The dividend pay-out ratio is calculated as the sum of the interim and (proposed) final dividend for the year as a percentage of the net profit for the year.
Earnings per share (EPS)	The earnings per share are calculated as the total net profit for the period divided by the (weighted) average number of ordinary shares outstanding.
Equity per share	The equity per share reflects the Company's equity allocated to each outstanding share of common stock and is calculated by dividing the total shareholders' equity by the total number of ordinary shares outstanding at year-end.
Market capitalization	Market capitalization reflects the total market value of all the Company's outstanding shares and is calculated by multiplying the total shares issued by the share price at period-end.
Return on equity	Return on equity is the amount of net profit returned as a percentage of the (weighted) average shareholders' equity.

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Operating companies

Green Fuel Investments

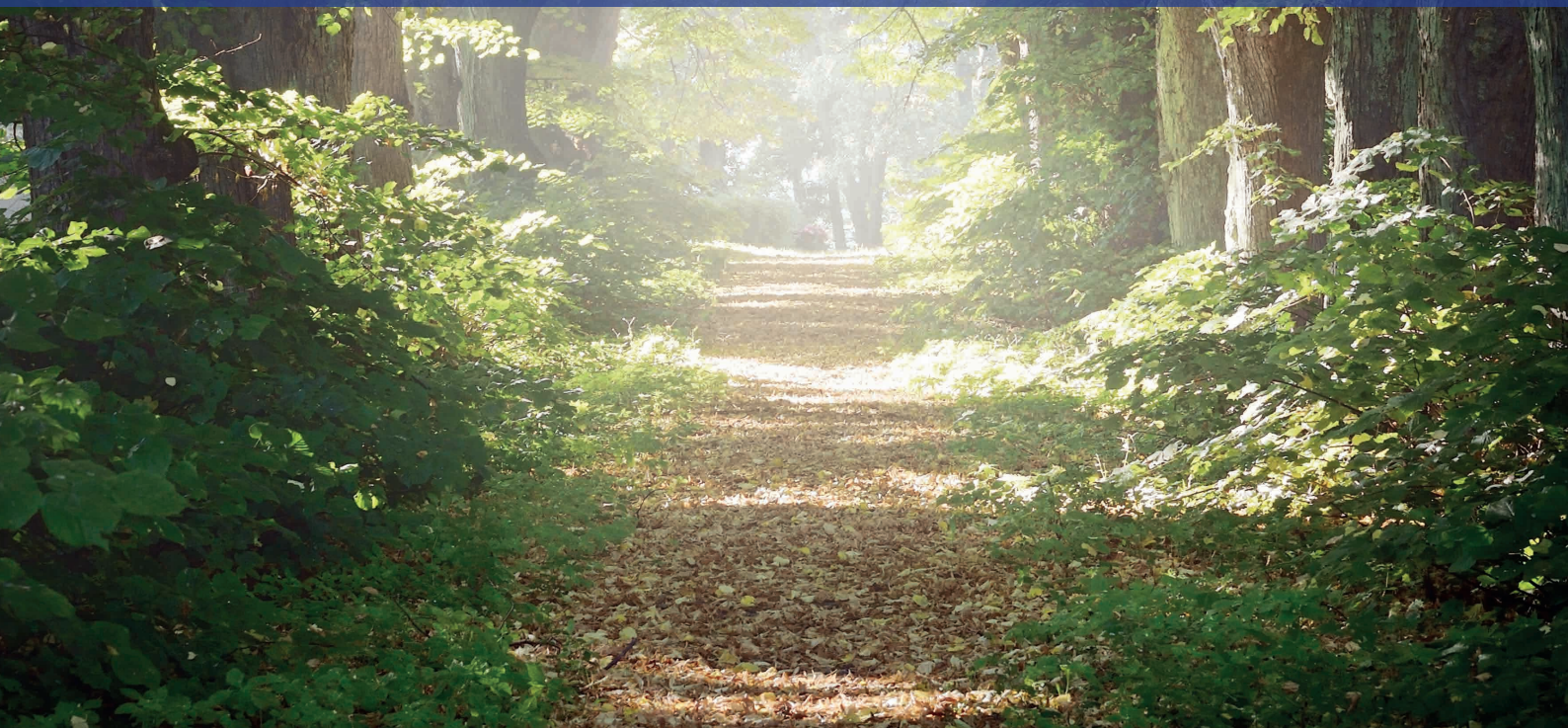
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DGB solves the very practical and real challenges of man's symbiosis and relationship with trees to harness free market forces to rapidly accelerate the reforestation of Earth.





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