

# **Annual financial statements**

for

**JORD AB**

559113-3672

Financial year

2023

The Board of Directors and the Managing Director of JORD AB hereby submit the following annual financial statements for the 2023 financial year.

The annual financial statements have been prepared in Swedish kronor (SEK). Unless otherwise specifically indicated, all amounts are presented in whole kronor. Information in brackets refers to the previous year.

## **Management report**

### **Nature and focus of the business**

Jord works to ensure that humanity interacts with the natural landscape in such a way that we have a healthy and sustainable planet to live on. Jord offers the most natural and most effective way of reducing carbon dioxide from the atmosphere, with the aim of balancing the Earth's carbon cycles. The business model encompasses capturing carbon dioxide from the air and storing it in the ground through fast-growing crops, while at the same time creating profitable products such as sustainable, non-fossil fuels, fibres and food. The captured carbon dioxide can also be refined to make stable carbon, which in turn can lock the carbon in the Earth's biosphere for an extended period. The natural ecosystem, which is beneficial for the atmosphere, can be scaled up to restore marginalised land and increase biodiversity. Unlike the classic economic model, which often depletes the planet's resources in a destructive fashion, Jord's business model is constructive and healing for the planet and its inhabitants.

Jord draws down CO<sub>2</sub> from the atmosphere by establishing fast-growing C<sub>4</sub> grass in impoverished, damaged or inactive soil. The harvest can subsequently be refined to produce energy-dense, sustainable and cost-effective alternatives to fossil fuels. The impoverished soil is also restored during this process, as 17% of the carbon is stored in the ground via the grass's root system. Jord's products are CO<sub>2</sub>-negative, which means that they draw down more CO<sub>2</sub> than they release through their lifecycle. By conducting its operations, Jord is therefore reducing the concentration of CO<sub>2</sub> in the atmosphere over time.

Jord provides private individuals, companies, institutions and partners with the opportunity to invest in cultivations, thereby helping to reduce the impact on the climate as well as regenerate ecosystems. If the company or person consumes, produces or sells and, through their operations, thereby releases more CO<sub>2</sub> than they draw down, they can help to reduce CO<sub>2</sub> in the atmosphere through our offers.

Jord should not be viewed as an excuse for failing to reduce emissions, but instead should be used in combination with other measures in order, over time, to adapt people, companies and society at large to a circular economy. Jord makes it possible for all of us to reduce our climate impact, buying time so that we can understand and resolve how to eliminate our climate footprint.

The company has its registered office in Stockholm.

**Significant events during the financial year**

In 2023, Jord has continued to establish its operation in the Dominican Republic. The upscaling of cultivated land will continue on an ongoing basis. This plan is to launch this process in other countries, and additional preparation have been made during the year. The work on our internal IT systems, management systems, cultivation models, land acquisition, partnerships and the launch of Carbon Credits means that we are now ready for external audits and certification.

**Jord's establishments**

During 2023, we have continued to keep operations going so that upscaling can take place in Senegal. Contacts with the authorities in relation to land acquisition have been protracted, but areas of land are expected to be made available in 2024.

Our establishment in the Dominican Republic has progressed, with planting continuing throughout the year.

**Carbon Credits**

A new collaboration involving an additional platform for Carbon Credits has been initiated, which is expected to lead to the sale of these credits in future years.

**Organisation**

One full-time employee has been taken on during 2023, and the remainder of the organisation has comprised consultants. Additional potential key persons will be located when major upscaling and market launches are to take place in the future.

**Financing**

The company's financial sustainability has been kept intact during 2023. The capitalisation has been carried out through new share issues. A new collaboration with a crowd-lending platform was launched at the end of the year.

**Ownership structure**

Shareholders with more than ten per cent of the shares or votes in the company are Alexis Kniazeff and Borga Holding AB. During the year, Carl Pendragon has sold his shareholding, which amounted to 21 per cent, to Alexis Kniazeff.

**Multi-year overview**

In 2023, Jord has continued to strengthen its future position as an efficient and trusted global player that is helping the planet to heal its atmosphere. We are well equipped to carry out a successful expansion in the extensive areas that have been agreed and that will be agreed in future. The international focus that exists, both within the bio-energy sector and the Carbon Credit market, means that Jord is well positioned for the future.

(SEK thousand)	2023	2022	2021	2020	2019
Net sales	139	1,074	1,026	497	1,586
Profit/loss after financial items	-5,303	-4,787	-3,037	-3,117	-3,804
Equity ratio (%)	72	67	46	76	42

**Changes in equity (SEK thousand)**

	Share capital	Ongoing new share issue	Fund for development expenditure	Free premium reserve	Profit/loss brought forward	Profit/loss for the year	Total
Amount at start of year	61	8,000	737	36,012	-21,979	-4,787	18,045
New share issue	10	-8,000		17,979			9,989
Allocation as decided at annual general meeting:					-4,787	4,787	0
Dissolution as a result of amortisation/depreciation for the year			-737		737		0
Provision as a result of capitalisation			735		-735		0
Profit/loss for the year						-5,303	-5,303
<b>Amount at end of year</b>	<b>71</b>	<b>0</b>	<b>735</b>	<b>53,991</b>	<b>-26,764</b>	<b>-5,303</b>	<b>22,730</b>

**Proposal for the appropriation of profits**

The board of directors proposes that the available profits (SEK) consisting of the following:

retained loss	-26,763,547
premium reserve	53,991,306
loss for the year	-5,303,476
	<b>21,924,283</b>

be allocated so that the following amount is carried forward: 21,924,283

The performance and status of the company are shown by the profit and loss account and balance sheet set out below, including notes.

<b>Profit and loss account</b>	<b>Note</b>	<b>01/01/2023 -31/12/2023</b>	<b>01/01/2022 -31/12/2022</b>
<b>Operating income, etc.</b>			
Net sales		139,211	1,073,849
Other operating income		287,264	0
		<b>426,475</b>	<b>1,073,849</b>
<b>Operating expenses</b>			
Other external costs		-4,133,415	-4,674,916
Personnel costs	2	-546,734	-150,683
Amortisation/depreciation and impairment of tangible and intangible assets		-847,853	-869,520
Other operating expenses		-64,826	-31,354
		<b>-5,592,828</b>	<b>-5,726,473</b>
<b>Operating profit</b>		<b>-5,166,353</b>	<b>-4,652,624</b>
<b>Profit/loss from financial items</b>			
Other interest income and similar profit/loss items		-2,486	283
Interest expenses and similar profit/loss items		-134,637	-134,160
		<b>-137,123</b>	<b>-133,877</b>
<b>Profit/loss after financial items</b>		<b>-5,303,476</b>	<b>-4,786,501</b>
<b>Profit/loss before tax</b>		<b>-5,303,476</b>	<b>-4,786,501</b>
<b>Profit/loss for the year</b>		<b>-5,303,476</b>	<b>-4,786,501</b>

<b>Balance sheet</b>	<b>Note</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Expenses brought forward for development work and similar work	3	734,607	736,754
Ongoing development work	4	301,734	212,590
		<b>1,036,341</b>	<b>949,344</b>
<i>Tangible assets</i>			
Equipment, tools and installations	5	56,467	167,566
		<b>56,467</b>	<b>167,566</b>
<i>Financial fixed assets</i>			
Shares in Group companies	6	3,725,174	3,725,174
Loans to Group companies	7	26,084,836	16,851,415
Other long-term receivables	8	85,544	24,294
		<b>29,895,554</b>	<b>20,600,883</b>
<b>Total fixed assets</b>		<b>30,988,362</b>	<b>21,717,793</b>
<b>Current assets</b>			
<i>Short-term receivables</i>			
Loans to Group companies		363,105	363,105
Other receivables		57,521	70,746
Deferred expenses and accrued income		42,950	103,476
		<b>463,576</b>	<b>537,327</b>
<i>Cash and bank balances</i>			
<b>Total current assets</b>		<b>294,103</b>	<b>4,687,251</b>
		<b>757,679</b>	<b>5,224,578</b>
<b>TOTAL ASSETS</b>		<b>31,746,041</b>	<b>26,942,371</b>

<b>Balance sheet</b>	<b>Note</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		71,606	61,238
Ongoing new share issue		0	8,000,000
Fund for development expenditure		734,607	736,754
		<b>806,213</b>	<b>8,797,992</b>
<i>Non-restricted equity</i>			
Premium reserve		53,991,306	36,012,329
Retained profit or loss		-26,763,547	-21,979,194
Profit/loss for the year		-5,303,476	-4,786,501
		<b>21,924,283</b>	<b>9,246,634</b>
<b>Total equity</b>		<b>22,730,496</b>	<b>18,044,626</b>
<b>Long-term liabilities</b>			
Other liabilities		7,485,000	7,485,000
<b>Total long-term liabilities</b>		<b>7,485,000</b>	<b>7,485,000</b>
<b>Short-term liabilities</b>			
Trade creditors		402,475	490,377
Current tax liabilities		5,304	970
Other liabilities		22,348	9,899
Accrued expenses and deferred income		1,100,418	911,499
<b>Total short-term liabilities</b>		<b>1,530,545</b>	<b>1,412,745</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,746,041</b>	<b>26,942,371</b>

# Notes

## Note 1 Accounting and valuation principles

### General information

The annual financial statements are drawn up in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's BFNAR 2012:1 standard for annual financial statements and consolidated financial statements (K3).

Receivables and liabilities in foreign currencies have been valued at the closing date rate. Exchange rate gains and losses on operating receivables and operating liabilities are recognised in the profit and loss account, while exchange rate gains and losses on financial receivables and liabilities are recognised as financial items.

### Revenue recognition

Revenue has been recognised at the fair value of what has been received or will be received, and is reported to the extent it is probable that the financial benefits will accrue to the company and the revenue can be calculated reliably.

The company recognises internally generated intangible assets according to the capitalisation model. This means that all expenditure relating to the production of internally generated intangible assets is capitalised and amortised over the estimated useful life of the asset, provided the criteria in BFNAR 2012:1 are satisfied.

### Fixed assets

Intangible and tangible assets are accounted for at acquisition value less accumulated amortisation/depreciation according to plan and any impairment.

Amortisation/depreciation is performed on a straight-line basis over the estimated useful life, bearing in mind the considerable residual value. The following amortisation/depreciation percentages apply:

Expenses brought forward for development work	20%
Equipment, tools and installations	20%

Financial instruments are valued according to the acquisition value. The instruments are included in the balance sheet when the company becomes party to their contractual terms and conditions. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the company has largely transferred all risks and benefits associated with the property rights. Financial liabilities are removed from the balance sheet when the obligations have been settled or terminated in any other way.

### *Shareholdings in subsidiaries*

Shareholdings in subsidiaries are recognised at acquisition value after deducting any impairment losses. The acquisition value includes the purchase price paid for the shares and acquisition costs. Any capital injections are added to the acquisition value as they arise.

### *Trade debtors/short-term receivables*

Trade debtors and short-term receivables are recognised as current assets at the amount that is expected to be paid in after deductions for receivables individually judged to be bad debts.



### ***Trade creditors***

Trade creditors are initially recognised at acquisition value after deducting any transaction costs. If the carrying amount differs from the amount to be repaid on the due date, the difference is recognised as an interest expense over the term of the loan using the instrument's effective interest rate. This means that the carrying amount and the amount to be repaid will coincide on the due date.

### ***Impairment tests for financial fixed assets***

On every balance sheet date, an assessment is carried out as to whether there are any indications of impairment of any of the financial fixed assets. An asset is deemed to be impaired if its decrease in value is considered permanent, and is assessed individually.

The company recognises all leases, both financial and operational, as operational leases. Operational leases are recognised as expenses on a straight-line basis over the term of the lease.

Total tax is made up of current tax and deferred tax. Taxes are recognised in the profit and loss account, except when the underlying transaction is recognised directly against equity, whereupon associated tax effects are recognised in equity.

### ***Current tax***

Current tax refers to income tax for the current financial year, as well as that portion of previous financial years' income tax that has not yet been recognised. Current tax is calculated on the basis of the tax rate that applies on the balance sheet date.

### ***Deferred tax***

Deferred tax is income tax that refers to future tax years as a result of previous events. Deferred tax is recognised in accordance with the balance sheet method. According to this method, deferred tax liabilities and deferred tax receivables are recognised on temporary differences that arise between book and taxable values for assets and liabilities, as well as for other taxable deductions or deficits.

Deferred tax receivables are only recognised net against deferred tax liabilities if they can be paid with a net amount. Deferred tax is calculated on the basis of the applicable tax rate on the balance sheet date. Effects of changes in applicable tax rates are recognised in the profit and loss account in the period when the change has been enshrined in law. Deferred tax assets are recognised as financial fixed assets and deferred tax liabilities as a provision.

Deferred tax assets relating to unused tax losses or unused tax credits are recognised to the extent that it is probable that the unused tax losses or unused tax credits can be offset against future taxable profit. As a precautionary measure, no tax assets are recognised in respect of current tax deficits.

Due to the link between accounting and taxation, the deferred tax liability attributable to untaxed reserves is not recognised separately.

The company is a parent company, but with reference to the exemption rules in Chapter 7 Section 3 of the Swedish Annual Accounts Act, no consolidated accounts are prepared.

## Definition of key indicators

Net sales

The operation's core revenues, invoiced expenses, secondary revenue and revenue adjustments.

Profit/loss after financial items

Profit/loss after financial income and expenses but before appropriations and tax.

Equity ratio (%)

Adjusted equity (equity and untaxed reserves after deducting deferred tax) as a percentage of the balance sheet total.

## Note 2 Employees and personnel costs

	2023	2022
<b>Average number of employees</b>		
Women	1	1
	<b>1</b>	<b>1</b>
<b>Salaries and other remuneration</b>		
Other employees	403,343	110,800
	<b>403,343</b>	<b>110,800</b>
<b>Social security costs</b>		
Pension costs for other employees	17,863	4,000
Other social security contributions in accordance with statutory and contractual requirements	122,805	35,783
	<b>140,668</b>	<b>39,783</b>
<b>Total salaries, remuneration, social security costs and pension costs</b>	<b>544,011</b>	<b>150,583</b>

## Note 3 Expenses brought forward for development work and similar work

	31/12/2023	31/12/2022
Opening acquisition values	3,683,570	3,683,570
Reclassifications from ongoing development work	734,607	
<b>Closing accumulated acquisition values</b>	<b>4,418,177</b>	<b>3,683,570</b>
Opening amortisation/depreciation	-2,946,816	-2,210,112
Amortisation/depreciation for the year	-736,754	-736,704
<b>Closing accumulated amortisation/depreciation</b>	<b>-3,683,570</b>	<b>-2,946,816</b>
<b>Closing recognised value</b>	<b>734,607</b>	<b>736,754</b>

**Note 4 Development work in progress**

	<b>31/12/2023</b>	<b>31/12/2022</b>
Opening balance	212,590	
Expenses accrued during the year	823,751	212,590
Reclassifications to expenses brought forward	-734,607	
	<b>301,734</b>	<b>212,590</b>

**Note 5 Equipment, tools and installations**

	<b>31/12/2023</b>	<b>31/12/2022</b>
Opening acquisition values	646,534	646,534
<b>Closing accumulated acquisition values</b>	<b>646,534</b>	<b>646,534</b>
Opening amortisation/depreciation	-478,968	-346,152
Amortisation/depreciation for the year	-111,099	-132,816
<b>Closing accumulated amortisation/depreciation</b>	<b>-590,067</b>	<b>-478,968</b>
<b>Closing recognised value</b>	<b>56,467</b>	<b>167,566</b>

**Note 6 Shares in Group companies**

	<b>31/12/2023</b>	<b>31/12/2022</b>
Opening acquisition values	4,668,637	4,668,637
<b>Closing accumulated acquisition values</b>	<b>4,668,637</b>	<b>4,668,637</b>
Opening impairment losses	-943,463	-943,463
<b>Closing accumulated impairment losses</b>	<b>-943,463</b>	<b>-943,463</b>
<b>Closing recognised value</b>	<b>3,725,174</b>	<b>3,725,174</b>

**Note 7 Loans to Group companies**

	<b>31/12/2023</b>	<b>31/12/2022</b>
Opening acquisition values	16,851,415	5,605,530
Additional receivables	9,233,421	11,245,885
<b>Closing accumulated acquisition values</b>	<b>26,084,836</b>	<b>16,851,415</b>
<b>Closing recognised value</b>	<b>26,084,836</b>	<b>16,851,415</b>

**Note 8 Other long-term receivables**

	<b>31/12/2023</b>	<b>31/12/2022</b>
Opening acquisition values	24,294	24,294
Additional receivables	61,250	
<b>Closing accumulated acquisition values</b>	<b>85,544</b>	<b>24,294</b>
<b>Closing recognised value</b>	<b>85,544</b>	<b>24,294</b>

**Note 9 Contingent liabilities**

	<b>31/12/2023</b>	<b>31/12/2022</b>
Guarantee commitment	5,000,000	5,000,000
	<b>5,000,000</b>	<b>5,000,000</b>

**Note 10 Significant events after the end of the financial year**

In the early part of 2024, the company has raised capital corresponding to SEK 9,989,345 through a share issue, through which the share capital has increased by SEK 7,405 and the remainder has been added to the unrestricted premium reserve. The share issue has been finalised and registered with the Swedish Companies Registration Office.

Other than this, there have been no further significant events.

Stockholm, on the date indicated by the electronic signature of the executive in question

Peder Dagsanth  
Managing Director

Jörgen Ringman

Malin Åhman

Our audit report has been submitted on the date indicated by our electronic signature

Deloitte

Robert Viklund  
Authorised public accountant