

2023

ANNUAL REPORT



puro·earth

Milestones & Endorsements

ICROA Endorsement

In 2023 Puro.earth significantly expanded its role in the carbon removal sector by achieving endorsement from the **International Carbon Reduction and Offset Alliance (ICROA)**. This endorsement given to Puro.earth as a Carbon Crediting Program marked a substantial milestone in increasing buyer confidence and therefore helping corporations meet stringent sustainability targets.

Expansion of Supplier Network

In terms of growth, **81 new carbon removal suppliers** located in **37 countries** joined Puro.earth, selecting the Puro Standard to certify their carbon removal production into CO2 Removal Certificates, CORCs. This represented a 20% increase from 2022.

Team Growth

Our team also grew from 28 (12/2022) to 39 (12/ 2023) across Europe, North America, Asia and Australia, a **39% increase**.

Market Expansion

New Suppliers by Region

Our suppliers cover **new areas in Asia-Pacific, Latin America and Africa**, with agreements signed with leading Global South suppliers such as **Exomad** (Biochar) in Bolivia and **Octavia Carbon** (DAC) in Kenya.

Climeworks, the leading global producer of Direct Air Capture (DAC) removals chose Puro.earth to be the Carbon Crediting Program that certifies their production in the Orca and Mammoth facilities.

Strategic Partnerships & Growing Reseller Network

Throughout the year Puro.earth forged strategic partnerships with several industry leaders. Corporate buyers can now purchase CORCs through a growing sales channel partner ecosystem with companies like **Patch**, **Supercritical**, **Cloverly**, and **Watershed**, to name a few. Our reseller network consists of **43 channel partners**, up from 37 the previous year.

With **Carbonfuture** a partnership was created that integrates Puro Standard-certified projects into Carbonfuture's Marketplace, providing suppliers access to a broader range of verified buyers and ensuring market transparency. Together, these partnerships aim to scale durable carbon removal solutions and support net-zero initiatives globally.

Technological Innovations

Puro Supplier Portal & Puro Connect API

In 2023, Puro.earth introduced several innovative technologies designed to streamline the carbon removal certification process. The **Puro Supplier Portal**, launched in Q1, enables suppliers to manage CORC inventory, track audits, and ensure compliance with Puro Standards. This self-service portal is a key tool in empowering suppliers to maintain transparent records.

Another major development was the **Puro Connect API**. This API allows third-party marketplaces to connect seamlessly with the Puro Registry, facilitating efficient CORC transactions.

CORC Offtake Allocation Service

Puro.earth also announced the **CORC Offtake Allocation Service**, introduced this year to support advance market commitments, reinforcing buyer confidence in CORCs through improved transaction management. The CORC Offtake Allocation Service caters to Offtake transactions, whether they involve pre-payments or not. That is why as part of this update, Puro.earth will no longer offer the tradable digital assets called "Pre-CORCs", enhancing the Puro Accelerate Program with greater flexibility.

Standards, Policy, & Governance

CORC Requirements and Best Practices Alignment

In a commitment to policy-relevant climate solutions and as demand for durable carbon removal credits grows, Puro.earth has proactively responded by raising CORC quality standards. Starting in 2023, CORCs must represent a **minimum of 100 years of guaranteed carbon storage**.

This move aligns with best practices advocated by institutions like **Oxford Net Zero** and **IPCC**, positioning Puro.earth as a leader in long-term carbon removal reliability.

Standard and Governance Updates

- In January, the Scientific Advisory Board of the Puro Standard approved a **minor update of the Biochar methodology**. The latest version is now Edition 2022 Version 2.
- In February, the Platform Agreement was updated to enhance clarity on definitions, eligibility requirements for **Pre-Corc issuances and Service Fee changes**.
- In May, the **Carbonated Materials methodology** was updated to its second version.
- On June 21st 2023 Appendix 01 of the Platform Agreement updated with **new language regarding Exclusivity, Liability and related matters**, and on June 29th language around Exclusivity was clarified.
- In August, the Advisory Board approved a change to the General Rules **removing the expiry date on CORCs**.
- In November, the **Terrestrial Storage of Biomass methodology version 1.0** was published after the public consultation period and Advisory Board approval.
- In December, the Puro Standard launched a public consultation process to align its carbon-crediting rules to the **IC-VCM and CORSIA frameworks**.
- In December the Puro Standard launched the **Ocean Storage of Biomass methodology** working group, with a focus on the Ocean Storage of Biomass pathway.

New Partner Programs

Project Developer Partnership Program

Relevant for companies who support suppliers with developing and measuring their projects (such as consulting on the production of CORCs and the compliance with the Puro Standard). **Project developers** can also help buyers secure their supply of CORCs through long-term commitments and offtake agreements.

Technology Provider Endorsement Program

Relevant for technology providers manufacturing equipment aimed at carbon removal processes such as biochar and direct air capture that are interested in selling their equipment to potential buyers seeking to be certified as Puro.earth's carbon removal suppliers. Puro.earth will conduct technical consultations to assess technical alignment with the methodologies of the Puro Standard. Successful evaluation will result in an **endorsement for the Technology Provider**.

Life Cycle Assessment Consultancy Program

Relevant for project developers looking to add **Life Cycle Assessment (LCA)** to their services. Puro.earth will provide partners with training on using the LCA for the calculation of CORCs within the Puro Standard and the use of the LCA templates provided by Puro.earth.

Events & Industry Engagement

2023 Hosted Events

- On February 23rd, Puro.earth hosted a **CDR Symposium in London** with the key participants of the industry in the UK.
- On March 8th Nasdaq and Puro.earth hosted a **webinar on “The Role of Carbon Removal in Achieving Net Zero”**.
- On March 20th Puro.earth hosted a **Supplier Town Hall Meeting** where changes to the Platform Agreement were presented and discussed.
- On April 18th Puro.earth hosted a **CDR Summit during San Francisco’s Climate Week**.
- On June Puro.earth published the **e-book “Carbon Removals: Achieving a Net-Negative Economy”** with insights from key market participants and industry leaders.
- On September 18th Puro.earth hosted a **CDR Summit during New York City Climate Week**.

Financial Statements

Puro.earth OY

Business ID: 3114416-2

01.01.2023 – 31.12.2023

These financial statements must be archived until 31.12.2033

Financial statements for the financial period 01.01.2023 – 31.12.2023

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The financial statements must be archived for a minimum of 10 years after the financial period has ended.

Receipts belonging to the financial period must be archived for at least 6 years after the end of the year during which the financial period has ended.

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Balance sheet

	31.12.2023	31.12.2022
ASSETS		
Non-current assets		
Intangible assets		
Development expenses	2 366 872,40	1 191 715,47
Intangible rights	1 466 964,71	1 677 473,27
Intangible assets in total	3 833 837,11	2 869 188,74
Tangible assets		
Machinery and equipment	15 033,42	20 044,55
Tangible assets in total	15 033,42	20 044,55
Non-current assets in total	3 848 870,53	2 889 233,29
Current assets		
Receivables		
Short term		
Trade debtors	724 851,61	299 499,81
Amounts owed by group undertakings	2 522 816,08	0,00
Other debtors	43 967,68	155 634,33
Prepayments and accrued income	75 599,89	75 011,84
Short-term debtors in total	3 367 235,26	530 145,98
Total receivables	3 367 235,26	530 145,98
Cash in hand and at banks	515 023,44	8 195 581,24
Current assets in total	3 882 258,70	8 725 727,22
ASSETS IN TOTAL	7 731 129,23	11 614 960,51

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	31.12.2023	31.12.2022
LIABILITIES		
Capital and reserves		
Shares or other comparable assets	5 000,00	5 000,00
Other reserves	15 429 957,25	15 429 957,25
Reserve for invested non-restricted capital	15 429 957,25	15 429 957,25
Retained earnings gain or (loss)	-4 843 116,67	-1 885 026,76
Profit (loss) for the financial year	-3 886 848,14	-2 958 089,91
Capital and reserves in total	6 704 992,44	10 591 840,58
Creditors		
Long-term liabilities		
Advances received	16 677,05	16 677,05
Total long-term liabilities	16 677,05	16 677,05
Creditors, short term		
Advances received	4 183,98	3 245,20
Trade creditors	224 120,00	520 471,46
Amounts owed to group undertakings	151 400,46	0,00
Other creditors	73 455,39	54 878,32
Accruals and deferred income	556 299,91	427 847,90
Total current liabilities	1 009 459,74	1 006 442,88
Creditors in total	1 026 136,79	1 023 119,93
LIABILITIES IN TOTAL	7 731 129,23	11 614 960,51

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Income statement

	01.01.2023 – 31.12.2023	01.01.2022 – 31.12.2022
Net revenue	1 202 033,45	895 668,47
Manufacturing for enterprise's own use	1 413 499,85	854 192,18
Other operating income	0,00	27 123,72
Raw materials and services		
Raw materials and consumables		
Purchases during the financial year	4 274,84	-3 613,92
External services	-1 766 143,49	-740 505,85
Raw materials and services in total	-1 761 868,65	-744 119,77
Personnel expenses		
Wages and salaries	-1 726 359,58	-1 126 140,84
Social security expenses	-352 304,88	-227 094,92
Pension expenses	-312 946,05	-205 586,68
Other social security expenses	-39 358,83	-21 508,24
Personnel expenses in total	-2 078 664,46	-1 353 235,76
Depreciation and reduction in value		
Depreciation according to plan	-453 862,61	-217 190,06
Total depreciation and reduction in value	-453 862,61	-217 190,06
Other operating charges	-2 322 356,38	-2 417 435,59
Operating profit (-loss)	-4 001 218,80	-2 954 996,81
Financial income and expenses		
Other interest and financial income		
From group companies	22 816,08	0,00
From others	92 278,22	156,12
Interest and other financial expenses		
For others	-723,64	-3 249,22
Total financial income and expenses	114 370,66	-3 093,10
Outcome before financial statement transfers and taxes	-3 886 848,14	-2 958 089,91
Fiscal period profit (loss)	-3 886 848,14	-2 958 089,91

Notes to the financial statements

The company is a small company as defined in the Accounting Act and the financial statements have been prepared in compliance with the rules pertaining to small enterprises laid down in Chapters 2–3 of the Government Decree on the information presented in the financial statements of small and micro enterprises.

Information on the parent company

The company belongs, as a subsidiary, to the group whose parent company is Nasdaq, Inc and domicile New York, United States of America.

Material events during the financial period

The company has given a short-term loan of 2 522 816,08 euros to its parent company.

Capitalized development expenditures

Capitalized development costs for the financial year are 1 413 499,85 EUR. These capitalized expenses consist of personnel expenses and other costs, which directly relate to development. Accounting cost centers have been used to track expenses. The development expenses will be depreciated during their profitable life cycle of five years by the straight-line depreciation method. The capitalizations of these expenses are dependent of their expected profits and if the expected profits will not materialize, a need for a write-off may occur.

Personnel

Average number of personnel

	31.12.2023	31.12.2022
Employees	21	12

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Changes in capital and reserves

	31.12.2023	31.12.2022
Subscribed capital 01.01	5 000,00	5 000,00
Subscribed capital 31.12	5 000,00	5 000,00
Restricted capital in total	5 000,00	5 000,00
Reserve for invested unrestricted equity 01.01	15 429 957,25	7 429 957,25
Increase in invested unrestricted equity	0,00	8 000 000,00
Reserve for invested unrestricted equity 31.12	15 429 957,25	15 429 957,25
Retained earnings (loss) 01.01	-4 843 116,67	-1 885 026,76
Retained earnings (loss) 31.12	-4 843 116,67	-1 885 026,76
Profit (loss) for the period	-3 886 848,14	-2 958 089,91
Unrestricted equity in total	6 699 992,44	10 586 840,58
CAPITAL AND RESERVES IN TOTAL	6 704 992,44	10 591 840,58

Calculation of distributable unrestricted equity in accordance with Chapter 13, Section 5 of the Limited Liability Companies Act

Reserve for invested unrestricted equity	15 429 957,25
Retained earnings	-4 843 116,67
Result for the period	-3 886 848,14
Unrestricted equity in total	6 699 992,44
Capitalized development expenditures	-2 366 872,40
Distributable equity in total	4 333 120,04

Proposal of the Board of Directors for the use of distributable equity

The Board of Directors proposes that the EUR 4 333 120,04 distributable equity, as indicated by the company's unrestricted equity, shall be used as follows:

- The Board of Directors proposes that no dividend be distributed and that the loss for the financial year -3 886 848,14 euros be recorded in the company's unrestricted equity.

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Signatures of the financial statements

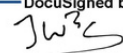
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DocuSigned by:

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Fredrik Ekström

Chairman of the Board

DocuSigned by:

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Jan-Willem Bode

Member of the Board of Directors

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Linda Olsson

Member of the Board of Directors

DocuSigned by:

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Mats Persson

Member of the Board of Directors

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Roland Chai

Member of the Board of Directors

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Eve Tamme

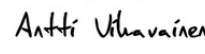
Member of the Board of Directors

DocuSigned by:

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Randall Zuccalmaglio

Member of the Board of Directors

DocuSigned by:

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Antti Vihavainen

Managing Director

Puro.earth Oy

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Auditor's Note

The auditor's report has been issued today.

Helsinki ____.____.2024

Ernst & Young Oy

Harri Kauttonen
KHT

List of accounting records and materials

General journal	Electronically archived
General ledger	Electronically archived
Financial statements	Electronically archived
Balance breakdown	Electronically archived

Receipt types and storage methods

Sales invoices	Electronically archived
Purchase invoices	Electronically archived
E-invoices (purchase invoices)	Electronically archived
Travel and expense invoices, memos	Electronically archived
Salaries	Electronically archived
Bank statements, payment receipts	Electronically archived
VAT summaries	Electronically archived
Seasonal tax reports	Electronically archived

Original purchase invoices received on paper are stored on paper by the entity with an accounting obligation. If a paper invoice has been scanned, the invoice is only stored electronically.

The original receipts attached to the receipt and related travel and expense invoices are stored on paper by the entity with an accounting obligation. If a paper invoice or its attachments are scanned, they are only stored electronically.