Press Release

DGB Group releases Q1 2023 update

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DGB Group N.V. ("DGB" or "the Group") (Euronext: DGB: NL0009169515), a leading carbon project developer and ecosystem restoration company, provides an update on its performance during Q1 2023. The Group made significant strides in strengthening its financial position and advancing its project pipeline.

DGB is a project developer of nature-based projects to originate high-integrity carbon credits known as Verified Emission Reduction Carbon Credits ("Carbon Credits"). Carbon credits are also commonly known as carbon offsets, and each Carbon Credit equals one tonne of verified emissions reduction. Carbon reduction markets are rapidly expanding, and there is universal consensus from governments and corporations that the market needs to grow to match global net-zero needs.

Project Highlights

DGB continues to demonstrate its commitment to collaborating with governments and organisations across the globe to develop Carbon Credit projects that benefit local communities and conserve biodiversity. Key milestones for Q1 2023 are:

- Significant progress on DGB's flagship large-scale 44,000 hectare AR carbon project in Cameroon, is currently listed with Verra and undergoing validation. DGB is actively negotiating with potential corporate buyers to expand the project.
- Further advancement of DGB's flagship large-scale 40,000 hectare AR carbon project in Kenya, also listed with Verra and under validation. DGB is engaging in discussions with potential corporate buyers to expand the project.
- The successful creation and submission of the Hongera Energy Efficient Cookstoves Project Design Document (PDD) to Gold Standard for validation and scaling manufacturing towards the 150,000 cookstoves distribution goal;
- The commencement of an additional cookstoves project in Kenya, targeting schools and other educational institutions;
- The execution of a Memorandum of Understanding (MOU) with AGRO-MAP and the Republic of Côte d'Ivoire to conduct a feasibility study for large-scale forest restoration projects; and
- The initiation of pre-feasibility studies for Carbon Credit projects in the Democratic Republic of Congo (DRC), Kazakhstan, and Mozambique.

DGB now has seven large-scale projects under development and management. The operational team is conducting feasibility studies on ten more projects. Projects need two to six years of financing before they start to originate Carbon Credits.

Thomas Donia, Director of Operations, emphasises the Group's commitment to large-scale ecosystem restoration: '*We firmly believe in the commercial basis of nature-based solutions as one of the most effective means to contribute to global ecosystem restoration and decarbonisation whilst providing long-term benefits to all project stakeholders to ensure the projects' operational permanence.*'

Financial

Throughout 2022, DGB achieved Carbon Credit sales totalling €2.9 million, and the Board of Directors anticipates further growth in (forward) Carbon Credits sales for 2023. The Group projects gross Carbon Credit sales for the next decade to range between €79.8 million and €160.8 million, with anticipated lifetime sales surpassing €327 million across its project pipeline.

To finance project development, DGB successfully raised additional capital in Q1 2023 by issuing (convertible) green bonds, strengthening its financial position. Additionally, the Group extended its convertible debt financing agreement with Kennie Capital—resulting in €0.4 million loan notes that can convert into DGB shares on or before 1 June 2023.

In Q1, DGB's leadership team demonstrated their commitment to the company's growth potential by increasing their share ownership. Finance Director, Niels van Houdt, emphasises the Group's robust balance sheet and cash flow position.

Outlook

DGB's financial outlook is based on current project documentation, Carbon Credit generation projections, and market transactions. In 2023, the Group aims to:

- Further expand its project pipeline;
- Increase forward sales of Carbon Credits. The Group expects to close financing for minimally 10 million Carbon Credits on its flagship projects;
- Launch its platform for biodiversity credits and sell the first tailor-made biodiversity credits.

Selwyn Duijvestijn, CEO of DGB, expressed optimism for 2023, citing Q1 achievements in financial performance, project pipeline, and partnerships: 'DGB remains dedicated to addressing the demand for voluntary Carbon Credits. DGB expects increased pricing and a continued shift towards high-quality removal credits from nature-based solutions.;The Group issued its quarterly outlook today on the rapidly evolving carbon markets and pricing trends on voluntary carbon markets.

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About DGB:

DGB is a project developer of high-quality, large-scale carbon and biodiversity projects accredited by third parties. The Group is focused on nature conservation and helping biodiversity flourish by assisting governments and corporations in achieving net zero. Global megatrends drive the demand for carbon credits and underpin growth opportunities. DGB GROUP NV is a public company traded on the main Dutch stock exchange Euronext Amsterdam under the ticker symbol AEX:DGB and ISIN-code NL0009169515.. www.green.earth

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