

Climate Center

Annual Report 2024

CarbonCuts A/S

CarbonCuts 

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"Transforming from a small start-up to an established company has involved building a strong organisational culture and positioning CarbonCuts as a key player in the evolving Danish CCS industry."

Ken Wesnæs, CEO, CarbonCuts



CarbonCuts 

Letter from the Chair

2024 has been a year of significant importance for the development of CarbonCuts.

In the three years since its founding in 2022, the Company's focus has been on developing Project Ruby. In January 2024, CarbonCuts submitted its application for the Rødby Exploration License (Project Ruby) in Denmark's first-ever onshore CCS tender round.

Also in January, after funding CarbonCuts in its first years, BlueNord Energy Denmark A/S, a subsidiary in the BlueNord ASA Group (BlueNord), fully acquired CarbonCuts A/S, designating CarbonCuts an important role in BlueNord's strategy towards the energy transition.

In June 2024, CarbonCuts was awarded the license by the Danish Minister of Climate, Energy and Supply after participating in the competitive tender. Being one of three companies/joint ventures awarded such a license marked a proud and defining milestone for CarbonCuts, positioning the Company as a leading CCS start-up. This award triggered the approval and implementation of the exploration programme for Project Ruby, supported by a well-prepared plan to develop the Company's organisation to deliver its ambitious work programme.

Working in an emerging industry demands energy, agility, high standards as well as engagement and collaborative learning. Throughout 2024, CarbonCuts has demonstrated its ability to deliver significant progress in relation to Project Ruby and in its engagement with a range of diverse stakeholders in the industry and locally at Lolland.

Implementing the committed work programme has also meant that the Company has been increasingly visible in the Rødby area with heavy equipment and preparation of a drill site. As the exploration work programme is only in its early stages, close interaction with the local community remains a priority to facilitate future activities.

On the development and commercial dimensions, the Company has intensified its dialogue with emitters, industry players, and the regulatory stakeholders to progress towards an investment decision, and ultimately to become an economically sustainable business.

Building on the assets combined by the license, the organisation, strong owners, and partners, CarbonCuts has demonstrated that the Company stands as a competent and pioneering company in the CCS industry.



Jacqueline Lindmark Boye (Chair)



Maj Wendorff



Erling Halfdan Stenby



Ken Wesnæs

Members of the Board

Management Review

2024 at a glance

CarbonCuts had an eventful and successful year. Early January, the Company submitted its competitive bid for an exploration license in Rødby. In continuation the Company prepared for a successful outcome of the tender process, which was eventually rewarded after a three months' delay, when the Company was finally granted the license and operatorship in June 2024. Receiving the license was a pivotal moment for the Company, marking our full operatorship role of Project Ruby.

The license award triggered the implementation of the exploration programme, and the organisational expansion was initiated. The first field activities in Rødby took place only a few months later. Further, during the second half of 2024, the detailed planning of the 2025 exploration activities,

including a comprehensive 3D seismic survey and the reopening of a historic oil exploration well were intensified. As part of our activities, we dedicated a lot of effort to engaging and communicating with the local citizens and community through various channels including citizens meetings and dedicated newsletters.

Obtaining the license and the operatorship also meant that we entered into a close cooperation with a number of stakeholders, notably our partner Nordsøfonden, as well as a range of authorities including Lolland Municipality and The Danish Energy Agency, as regulatory compliance and permits are essential to our operations and development. We also engaged with a number of consultancies to expand and deepen our resource base.

In addition to the committed exploration programme, we are also working on planning the storage and related facilities, as well as the commercial agreements with emitters. For the facilities, we have laid the foundation for the project organisation as well as developed different concepts for CO₂ reception and processing equipment. On the commercial side, we have experienced that the industry is maturing, and emitters are getting closer to investing in carbon capture facilities.

We are excited and proud to participate in establishing an entirely new sector with a complex value chain that presents many unknowns, both commercial and regulatory. That calls for strong collaboration across the chain with many different actors who may have different interests but also a shared willingness to learn and share both ideas and challenges. Our involvement spans both direct and indirect partnerships across most of the value chain, fostering cooperation and communication with a wide variety of stakeholders.

Principal activity

CarbonCuts A/S principal activity and service is currently the provision of permanent storage for CO₂ and related activities.

Financial position

As projected, the development of CarbonCuts A/S's principal activities requires significant investments in exploration and development before revenue streams can be materialised.

This is reflected in the financial figures for 2024.

In 2024, significant resources were allocated primarily to development and implementation of the exploration work programme for Project Ruby, including preparation for the 3D seismic survey, locating the legacy well Rødby-2, infrastructure planning, permitting processes, and community engagement activities.

The income statement of the Company for 2024 shows a loss of DKK 32.6 million (2023: loss of DKK 12.3 million), and on 31 December 2024, the balance sheet of the Company shows negative equity of DKK 45.8 million (2023: negative DKK 13.1 million). Total assets on 31 December 2024 amounted to DKK 30.7 million (2023: DKK 13.3 million). The result for the year and equity at year-end is as expected.

The Company has lost more than half of the contributed capital. In accordance with the Danish Companies Act § 119, management has assessed that the equity will be re-established through continued operations

As of 31 December 2024, the Company's parent Company, BlueNord Energy Denmark A/S, issued a letter of support, which enables CarbonCuts A/S to meet its obligations as they fall due. The letter of support expires at the end of May 2026.



Management Review

Project Ruby

The Ruby license in Rødby at Lolland is the current focal point for CarbonCuts' activities of which we would like to highlight the following.

License award and initial preparations

In June 2024, CarbonCuts was awarded the exploration license for the Rødby site, marking a significant milestone for the Company. This license, identified as C2024/02, was a vital prerequisite for continuing the development of Project Ruby. Project Ruby is a joint arrangement with Nordsøfonden holding a 20 percent interest in the license.

The preparation for examining an old legacy well at Næsbæk, Rødby-2, and conducting a work programme for a large 220 km² 3D seismic survey were key components of our initial exploration activities for Project Ruby.

These efforts were essential for understanding the geological characteristics of the license area and for planning the subsequent phases of the project. They were also essential for building valuable experience from procurement and contract management processes with sub-suppliers and expert contractors and managing those in core project activities.

Infrastructure planning

In 2024, we also began the scoping of Project Ruby's different infrastructure scenarios, including refining the scoping of the various CO₂ import options, facilities, technology

requirements, permits, and HSE requirements. This work encompasses technology and design scoping options, end-to-end solutions and cost calculations - from import to CO₂ injection, and storage.

Permitting and environmental impact assessment

A significant amount of time was dedicated to engaging with Lolland landowners and handling consent and permitting processes related to work, land, and environmental permits. We initiated the planning of a comprehensive environmental impact assessment, with early nature study activities starting in the first quarter of 2025.

Ongoing relationship building and collaboration with both national and local authorities, and other business entities and actors within the CCS value chain remain key to progress Project Ruby.

We also invested in establishing legal agreements, administrative routines, and project governance systems to ensure smooth operations and compliance with regulatory requirements.

Communication, networking, and community engagement

To foster community engagement and build trust around CarbonCuts, Project Ruby, and CO₂ storage overall, we successfully hosted several citizen meetings locally at Lolland in the second half of 2024, with more



than 300 people attending the meetings. These meetings included dialogue and Q&A sessions to address all questions and possible concerns. We also initiated other communication and stakeholder activities to raise awareness and information levels around CCS and Project Ruby overall, such as local press activities, development of two new websites, www.carboncuts.dk and www.project-ruby.dk, and a new email-based local citizen newsletter, Ruby Nyt.

To improve public awareness of CCS, we participated in a CCS industry initiative, the creation of the public information portal CO2idynet.dk.

Our partnership with Nordsøfonden was also instrumental in advancing the project.

Challenges and ongoing learning

The work to date has followed the original time plan, reflecting both the political ambitions and an ambitious timeline. However, navigating the challenges of a new industry with evolving standards and regulations requires a steep learning process for all stakeholders involved and we continue to build those learnings into our processes going forward.

Management Review

Our commitment to Project Ruby remains steadfast, and we continue to focus on finding and hiring the right people to drive our mission forward. The next phases of the project will involve continued exploration, data clarification from geological and environmental surveys, project development and budgeting, and ultimately arriving at a final investment decision.

Organisational development

As a CCS pioneer, we are part of an emerging new sector that needs to be navigated differently than conventional energy or infrastructure sectors. As planned, our work

programme commitment demanded a rapid and professional organisational development – a key priority throughout 2024 and into 2025. Transforming from a small start-up to an established company has involved building a strong organisational culture and positioning CarbonCuts as a key player in the evolving Danish CCS industry. This transformation has enabled us to attract and retain top talent, foster innovation, and establish ourselves as a competent and pioneering contributor to the development of onshore CO₂ storage.

In line with our plans, CarbonCuts expanded the organisation significantly in 2024. At the

beginning of the year, the Company had four full time employees, and by the end of the year, this number had increased to 10 including secondments from our parent company. This expansion was part of a broader programme that included not only full-time employees but also several consultants and suppliers engaged in both short-term and long-term projects. The organisation has continued its growth with several new employees and specialists who have joined the Company in early 2025 – all contributing to fulfilling our mission.

In late 2024, it was decided that CarbonCuts should move its head office in Lyngby to joint facilities with its parent company, BlueNord, at Vibenshuset in Copenhagen. This move aims to strengthen strategic bonds and create operational synergies between the two companies whilst still retaining CarbonCuts' individual strengths and brand.

Outlook 2025

In 2025, CarbonCuts A/S will further strengthen and expand the team by adding resources to our committed work programme of the licence application, building the project organisation, and developing our reception and project facilities, and commercial initiatives.

While our main focus currently is progressing Project Ruby, CarbonCuts is continuously looking to engage in further activities with the fast-evolving CCS industry, including – but not limited to – further storage licenses.

In March 2025, it was announced that CarbonCuts had submitted an application in the tender for a near-shore exploration license – off the northwest coast of Denmark.

Subsequent events

There are no events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.



Company Information

The Company

CarbonCuts A/S
Lyngbyvej 2
Vibenshuset
2100 Copenhagen Ø
CVR-no. 43 46 13 70

Executive board

Ken Wesnæs

Board of directors

Jacqueline Lindmark Boye (Chair)
Erling Halfdan Stenby / Ken Wesnæs / Maj Wendorff

Auditors

KPMG
Statsautoriseret Revisionsanpartsselskab
Dampfærgevej 28
2100 København Ø
CVR-no. 25 57 81 98

Financial year

1 January – 31 December



Financial Statements

1 January – 31 December

Financial Statements

1 January – 31 December

Income Statement

1 January – 31 December 2024

NOTE	DKK	2024	2023
	GROSS PROFIT	-27,836,366	-7,555,207
2	Staff costs	-11,392,062	-4,462,545
	Loss before financial income and expenses	-39,228,427	-12,017,753
	Other financial income	82,658	3,106
3	Other financial expenses	-2,695,946	-166,219
	Profit or loss before tax	-41,841,715	-12,180,866
4	Tax on loss for the year	9,205,177	-72,067
	LOSS FOR THE YEAR	-32,636,538	-12,252,933
	Proposal for distribution		
	Retained earnings	-32,636,538	-12,252,933
		-32,636,538	-12,252,933

Financial Statements

1 January – 31 December

Balance Sheet Assets at 31 December 2024

NOTE	DKK	2024	2023
FIXED ASSETS			
5	Fixtures and fittings, tools and equipment	97,110	0
	Property, plant and equipment	97,110	0
	TOTAL FIXED ASSETS	97,110	0
CURRENT ASSETS			
4	Corporate income tax	9,205,177	0
	Other receivables	5,366,599	559,144
	Prepayments	605,659	149,532
	Receivables	15,177,435	708,677
	Cash at bank and in hand	15,464,127	12,610,128
	TOTAL CURRENT ASSETS	30,641,562	13,318,805
	TOTAL ASSETS	30,738,672	13,318,805

Financial Statements

1 January – 31 December

Balance Sheet Equity and Liabilities at 31 December 2024

NOTE	DKK	2024	2023
SHAREHOLDERS' EQUITY			
	Share capital	400,000	400,000
	Retained earnings	-46,221,007	-13,584,469
	TOTAL SHAREHOLDERS' EQUITY	-45,821,007	-13,184,469
LIABILITIES			
	Convertible loan	0	7,401,669
	Loan	0	17,270,560
	Long-term liabilities other than provisions	0	24,672,228
	Debts to group entities	62,707,076	0
	Trade payables	5,360,297	1,155,711
	Other debts	8,492,306	675,334
	Short-term liabilities	76,559,679	1,831,045
	TOTAL LIABILITIES OTHER THAN PROVISIONS	76,559,679	26,503,274
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,738,672	13,318,805

- 1 Accounting Policies
- 6 Capital loss
- 7 Contractual obligations, contingencies, etc.
- 8 Mortgages and collateral
- 9 Related parties

Financial Statements

1 January – 31 December

Statement of changes in Equity

DKK	Share capital	Retained earnings	Total equity
2024			
Equity at 1 January	400,000	-13,584,469	-13,184,469
Net loss for the year	0	-32,636,538	-32,636,538
Equity at 31 December	400,000	-46,221,007	-45,821,007
2023			
Equity at 1 January	400,000	-1,331,536	-931,536
Net loss for the year	0	-12,252,933	-12,252,933
Equity at 31 December	400,000	-13,584,469	-13,184,469

Notes

1 Accounting Policies

GENERAL INFORMATION

The annual report of CarbonCuts A/S for 2024 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Joint arrangements

CarbonCuts' has interests in one onshore CCS license in Denmark. A joint arrangement is defined as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control. CarbonCuts' recognises

investments in joint operations (carbon capture storage licence) by reporting its share of related, expenses, assets, liabilities and cash flows, under the respective items in the Company's financial statements.

Recognition and measurement

All expenses incurred for the year are recognised in the income statement, including depreciation.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as

described for each item below.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date.

The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Notes

1 Accounting Policies

INCOME STATEMENT

Other external expenses

Other external costs comprise costs of advertising, administrative expenses, costs of premises, etc.

In June 2024, CarbonCuts and Nordsøfonden was awarded the exploration license for the Rødbby site license C2024/02. From the award of the license, all cost associated to Licence C2024/02 has been distributed proportionately between CarbonCuts and Nordsøfonden.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on

securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on net profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the loss for the year and directly in equity at the amount attributable to entries directly in equity.

CarbonCuts A/S is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they

are excluded from the consolidation.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

BALANCE SHEET

Property, plant, and equipment

Property, plant, and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset. Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life.

Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows: Fixtures and fittings, tools and equipment 3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the

effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Notes

1 Accounting Policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In

subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate.

Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.



Notes

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Notes to the accounts

NOTE	DKK	2024	2023
2 Personnel costs and employees			
Personnel costs			
Salaries etc.		10,828,583	4,075,807
Pension contributions		519,559	374,800
Other social security costs		43,918	11,938
Total		11,392,062	4,462,546
Number of employees			
Average for the year		6	5
3 Other financial expenses			
Interest expenses		7,555	165,293
Interest to group entities		2,556,438	0
Foreign exchange losses		131,953	926
Total		2,695,946	166,219
4 Tax on the result for the year			
Current tax		9,205,177	0
Adjustment deferred tax		0	-72,067
Total		9,205,177	-72,067
5 Property, plant and equipment	Fixtures and fittings, tools and equipment		
Acquisition cost as at 1 January		0	
Additions during the year		97,110	
Acquisition cost as at 31 December		97,110	
Depreciation as at 1 January		0	
Depreciation during the year		0	
Depreciation as at 31 December		0	
Book value as at 31 December		97,110	

6 Capital loss

The Company's has lost more than half of the contributed capital.

In accordance with the Danish Companies Act § 119, management has assessed that the equity will be re-established through continued operations.

As at 31/12 2024 the Company's parent company, BlueNord Energy Denmark A/S, has issued a letter of support, which enables CarbonCuts A/S to meet its obligations as they fall due. The letter of support expires at the end of May 2026.

7 Contractual obligations, contingencies, etc.

The Company is jointly taxed with the other Danish companies in the group. Therefore the Company is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The total amount appears in the annual report for BlueNord Denmark A/S which is the administrative Company for the Danish tax consolidation group.

The Company has entered into rental leases at the following amounts: The remaining term of the leases period is between 1 to 10 months with a total leases comitment of DKK 728 thousand.

8 Mortgages and collateral

As security for the Company's loans a floating charge in the amount of DKK 25.4 million has been established.

9 Related parties

BlueNord Energy Denmark A/S owns 100% of the share capital of the Company.

CarbonCuts A/S is part of the consolidated financial statements of BlueNord ASA, Nedre Vollgate 1, 0158 Oslo, Norway, which is the smallest and largest group in which the Company is included as a subsidiary. The consolidated financial statements of BlueNord ASA can be obtained by contacting the company at the above address.

Notes

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CarbonCuts A/S for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities, and financial position at 31 December 2024 and of the results of the Company's

operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management Review gives a fair review of the matters discussed in the Management Review.

We recommend that the Annual Report is approved at the annual general meeting.

København, 23 May 2025.



EXECUTIVE BOARD

Ken Wesnæs

BOARD OF DIRECTORS

Jacqueline Lindmark Boye

Erling Halfdan Stenby

Ken Wesnæs

Maj Wendorff

Approved at the annual general meeting of the Company, 23 May 2025

Erik Østergaard-Nielsen
Chair of the meeting

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of CarbonCuts A/S

Opinion

We have audited the financial statements of CarbonCuts A/S for the financial year 1 January – 31 December 2024, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial

statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional

Independent Auditor's Report

To the shareholders of CarbonCuts A/S

requirements in Denmark will always detect a material misstatement when it exists.

Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive

to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of

Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial

statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review
Management is responsible for the Management's review. Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 23 May 2025

KPMG
Statsautoriseret
Revisionspartnerselskab
CVR no. 25 57 81 98

Jon Beck
State Authorised
Public Accountant
mne32169

Building on the assets combined by the license, the organisation, strong owners and partners, CarbonCuts has demonstrated that the Company stands as a competent and pioneering company in the CCS industry.

Annual Report 2024

CarbonCuts A/S

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