

DGB announces Q2 trading update and outlook

Dutch Green Business Group, a leading reforestation and carbon offsetting company, announces a trading update for the second quarter 2021 and a market outlook.

HEERENVEEN, FRIESLAND, THE NETHERLANDS, July 5, 2021

/EINPresswire.com/ -- 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](#). DGB now holds over 155,000 tonnes of carbon offsets on its balance sheet making it the largest holder of tradeable carbon offsets in The Netherlands.



Pristine Lush Forests



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Selwyn Duijvestijn

The Group has a clear business model - 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 DGB provides shareholders competitive real investment returns. DGB plans to reforest the world's

land at scale and bring back nature where it cannot return unaided. DGB'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

Selwyn Duijvestijn, Chief Executive of DGB Group, said: "5 billion trees are still being destroyed every year and without sufficient [reforestation](#) this results in ongoing habitat damage, biodiversity loss, aridity, wildlife extinction and desertification. We are now in a position to start transforming the pace of global reforestation and the way in which people are able to trade and participate in the rapidly expanding carbon offsetting market. This quarter has been a pivotal period for the group as we have established the building blocks that will enable us to grow and deliver shareholder value."

Outlook:

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. DGB 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:

- DGB now holds over 155,000 tonnes of carbon offsets on its balance sheet
- DGB has a pipeline of 8 projects with over 250,000 hectares of sourced land under review and is exploring funding options for potential additional acquisitions of land. DGB will update the market on the equity fundraise process and associated transaction as and when required
- DGB forecasts to expand its carbon offsets project pipeline with over 6 million tonnes of carbon offsets in H2 2021
- McKinsey estimates that annual global demand for carbon credits could reach up to 1.5-2.0 billion tonnes of carbon dioxide by 2030 and up to 7-13 billion tonnes by 2050
- The Taskforce on Scaling Voluntary Carbon Markets published its blueprint on creating a large-scale, transparent carbon credit 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
- DGB 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. DGB is one of the few players with carbon offsets available in a high demand market where current pricing has a wide range

Delivery against strategic objectives - highlights for Q2 include:

Acquisition of a 75% controlling stake in specialist blockchain and software development tech company, Statix Artificial Intelligence B.V. ("Statix"), to enable DGB 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 DGB 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 DGB's B2B and B2C clients to buy trees and accumulate carbon credits or neutralise their offsets

Acquisition of a strategic 50% stake in Green Fuel Investments B.V. ("GFI") to drive the expansion of its groundbreaking 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 nature reserves are also ideal grazing areas for local cattle farmers

Closing of €6 million private placement

- Investors comprised 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 DGB and general corporate expenditure

Carbon finance investment in Paraguay REDD+ project (Reducing Emissions from Deforestation and Forest Degradation) securing 28,572 tonnes of carbon offsets

- Following DGB's carbon finance investment in Sierra Leone in March 2021, this investment marks the next step in DGB's strategy to participate in large-scale carbon offset projects around the world that deliver commercial and environmental benefits

Appointment of Nigel Farage to DGB'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
- As advisor and general council to the Board of Directors, Nigel's role is to facilitate introductions to politicians and business leaders in the UK and around the world

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