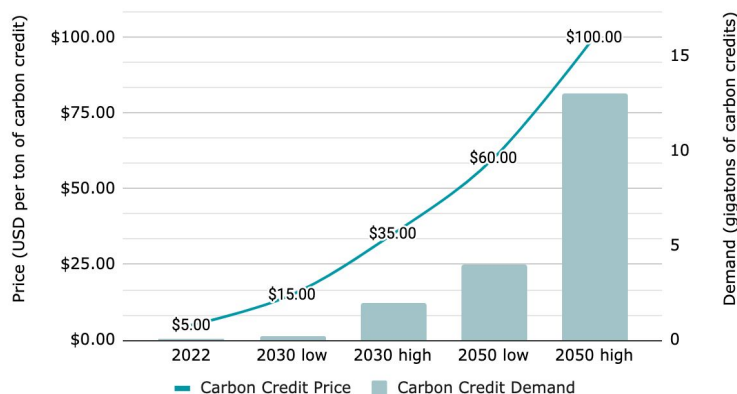


Investment Proposal

Series CO₂ Fund offers funding to growth-stage, carbon negative startups in return for a portion of future carbon credits generated. Funding is provided upfront for startup scaling and development while carbon credits are guaranteed at the current market price minus a discount. The fund takes a zero equity position in the startup, instead achieving a return on investment through the appreciation in value of the agreed upon carbon credits. Environmentally conscious strategic investors can capitalize on the expected appreciation values of carbon credits driven by Net Zero emissions targets while promising, green-tech startups have a path to funding and scaling with zero equity dilution.

Price and Demand Projections for Carbon Credits



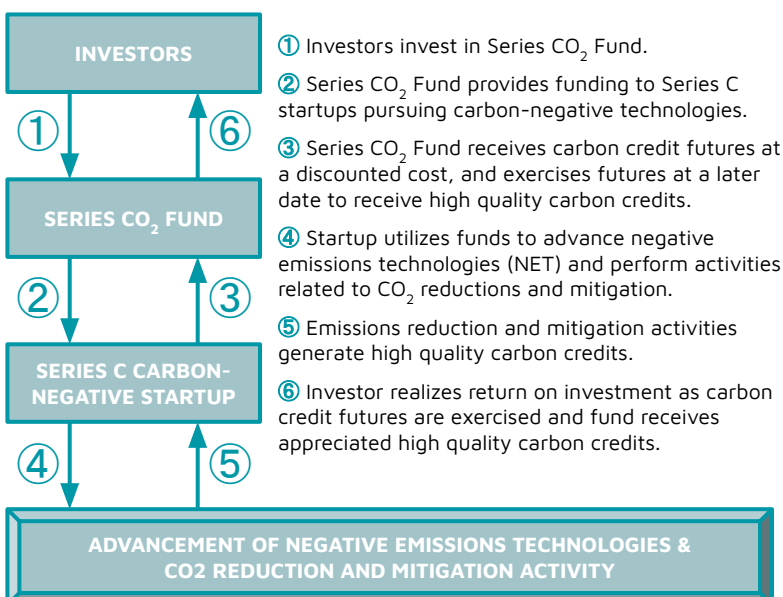
Attribute of High Quality Carbon Credit	Criteria
Determination of GHG Emissions Impact	<ul style="list-style-type: none"> • Additionality of emissions reductions • Low vulnerability of mitigation activities • Quantification of reductions and removals
Avoidance of Double Counting	<ul style="list-style-type: none"> • Avoiding Double Issuance • Avoiding Double Use • Avoiding Double Claiming
Permanence of Emissions Reductions	<ul style="list-style-type: none"> • Significance of non-permanence risks • Robustness of non-permanence risk mitigation
Facilitation of net zero emissions transition	<ul style="list-style-type: none"> • Enhances adoption of negative emissions technologies

Opportunity

Carbon credits are tradable certificates that represent the holders' right to emit the equivalent of one tonne of carbon dioxide. High quality carbon credits meet several quality requirements and are valued at a premium in the voluntary carbon credit market. Given efforts to reduce emissions through domestic policy and achieve 2°C global temperature limits compared to pre-industrial levels as agreed upon in the Paris Climate Agreement^[1], we expect the global demand for carbon credits to significantly outpace supply in the voluntary market over the next 20-30 years^[2] and the value of carbon credits to appreciate over 10x by 2050.^[3] Should standards become more stringent we expect the value of high quality carbon credits to appreciate even further.

Carbon Capture and Storage (CCS) is an essential climate mitigation technology with a market size projected to grow from \$2B in 2021 to \$7B by 2028, a CAGR of 19.5%.^[4] CCS is especially capital intensive with an identified funding gap. Limiting global warming to 2°C requires installed CCS capacity to increase from around 40 Mtpa today to over 5,600 Mtpa by 2050. Between \$655B and \$1,280B in capital investment is needed by 2050.^[5]

Fund Structure



Fund Details

Fund Type	Specialized Fund focusing on High Quality Carbon Credit Derivatives
Fund Size	\$100M (Phase I)
Target Investors	Environmentally conscious strategic investors that are aligned with the goal for Net Zero emissions
Investment Criteria	Series C, Carbon Negative, Green-Tech Startups
Target Geography	United States (initial)
Time Horizon	Perpetual (Phased in 15 year terms, where additional capital is added after each Phase)
Target Returns	68% ROIC for Phase I
Management Fee	1.00% of AUM
Performance Fee	20.00% carry on profits (after Year 5)

Innovative Elements

➤ Mission Driven Return on Investment

By supporting carbon negative startups the fund advances essential technology for achieving net zero emissions, supports the nascent carbon credit market, and provides investors with an above market return on their investment.

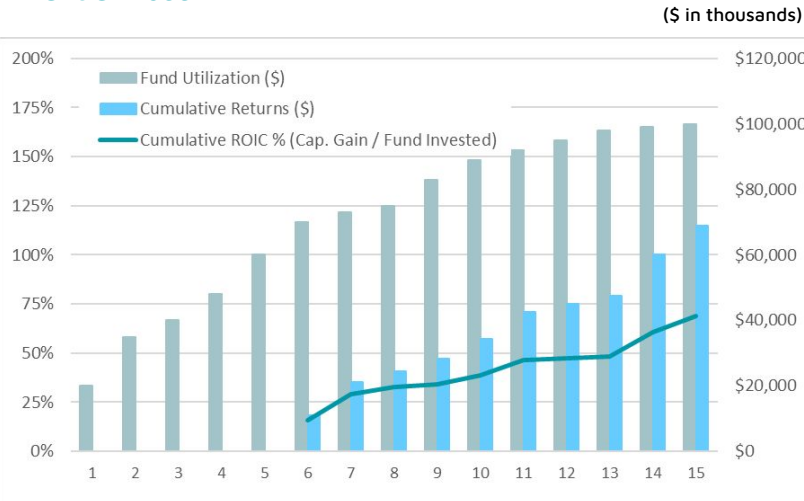
➤ Preferential Funding Source for Startups

Our firm will not take equity, so startups with preferentially partner with us in order to grow and provide impact at scale without diluting their shareholder equity.

➤ High Quality Carbon Credit as an Asset Class

The high quality carbon credits generated by the startup will result in a premium value for the asset as well as greater expected appreciation over the time horizon of our fund compared to average carbon credits.

Financial Model



Assumptions

- 12% CAGR for value of carbon credits over the lifetime of fund.
- Full fund utilization over the course of 15 years.

Target Returns

- The performance of the fund is largely dependent on the projected value appreciation of high-quality carbon credits.
- The fund's projections are based on a conservative estimate for the value appreciation of carbon credits and does not apply a premium for the expected benefit of possessing high quality carbon credits.
- Fund estimates 68% Phase I ROIC and higher ROIC as Phases progress.

Additional Fund Information

- Fund to acquire Fixed 5 Year Futures and exercise all purchased futures upon maturity of the contract.
- Fund will utilize the initial investment of \$100M over Phase I, and consider obtaining additional capital near the end of each Phase while operating on a perpetual basis.
- The strike price of the futures are discounted from the market price at the point of contract based on the (i) time value of money (risk-free interest rate), and the (ii) risk premium for the potential failure of startups.

Impact Metrics

1 Social Impact

Million tonnes per annum (mtpa) of CO₂ captured, saved, or removed, contributing to net zero emission by mid-century.

2 Startup Impact

Extend runway for CCS startups focusing on negative emission technologies (NETs) without equity dilution.

3 Financial Impact

Quantity of carbon credits generated, resulting in returns that are expected to exponentially grow with the value of carbon credits.

Feasibility and Pilot

- The Series CO₂ Fund will start by investing in CCS startups that focus on NET. One of the first industries is cement. Manufacturing industries account for one-third of global energy use and generate 25% of total worldwide emissions. Cement is the 3rd largest cause of manmade CO₂ emissions so energy savings during cement production would lead to significant environmental impact.^[6]

- We will invest in startups like CarbonCure^[7], which manufactures a technology for the concrete industry that introduces recycled CO₂ into fresh concrete to reduce its carbon footprint without compromising its performance. The technology injects a precise dosage of captured carbon dioxide into concrete during mixing, where it mineralizes. Their carbon removal technology is permanent, scalable, and verifiable. To date, their solutions have already saved 140,376 tonnes of CO₂ emissions and 2 million truckloads delivered with CarbonCure concrete.

- For example, our fund will provide \$12M in funding in Year 1 and receive 2.4M carbon credit futures with an anticipated value of \$18M in 5 years.

Scalability

- **Market Expansion:** The Series CO₂ Fund will initially focus on funding North American based startups tackling CCS, a market currently sized at \$1B with a projected CAGR of nearly 20%.^[4]

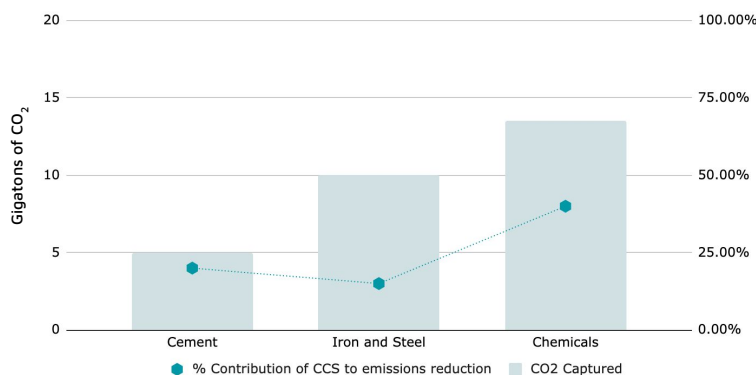
- **Geographical Expansion^[8]:** China and Australia appear to be attractive countries for expansion because they ① generate large amounts of CO₂, ② are two of the top 10 countries that have already invested in carbon credits, and ③ have national policy that supports CCS as a primary emissions reduction strategy.

- **Venture Capital Expansion^[13]:** Venture capital in climate-tech startups has been rapidly accelerating, seeing 35% CAGR in number of deals over the last 7 years in addition to 85% CAGR in total capital deployed (5x the rate of the average VC industry).

- **Subsector Expansion^{[9][10]}:** Cement, iron, steel, and chemicals may provide significant opportunity for scalability as they make up a large part of the global economy and have the potential to be further aligned with corporate climate pledges.

Due Diligence & Risk Mitigation

Risk	Mitigation/Assumption
Carbon Credit Value Fails to Appreciate	International agreements such as the Paris Climate Agreement will drive supply and demand of carbon credits via commitments to net zero emissions by 2050. Additionally, the fund's selection of companies and utilization of third party auditors will result in the generation of high quality carbon credits as measured by empirical standards.
Startup Fails to Generate Carbon Credit	Selectivity towards series C startups will result in the highest probability of success for the company and, in turn, the highest probability of carbon credit returns.
Climate Risks & Policy Barriers in CCS	Mitigate climate transition risk by divesting from essential industries that are not yet aligned with the Paris Climate Agreement and prioritize technology-based CO ₂ removal startups based in voluntary carbon markets in countries that have national policy supporting CCS as a primary emissions reduction strategy.



Potential Partners

We will first partner with potential construction partners who have signed the Climate Pledge to commit to net zero carbon by 2050. Then we will expand into partners in other sub sectors and countries.

CUNDALL

keltbray

MIGHTY BUILDINGS

MORGAN SINDALL GROUP

SNC-LAVALIN

Mohawk Group

imi.

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[1] Paris Climate Agreement
[2] Univ. Col. LDN. ScienceDaily, 2021
[3] C. Blaufelder et al. McKinsey, 2021
[4] M Cavcic, Offshore Energy, 2021

[5] Global CCS Institute, 2021
[6] UN Climate Tech Centre & Network
[7] CarbonCure Technologies Inc. corp
[8] CO2nsensus LTD, website

[9] Global CCS Inst., 2021 Report
[10] IEA 2022, Website
[11] Ibid Footnote 9
[12] Amazon.com, Inc., The Climate Pledge website

[13] PwC, The State of Climate Change 2020