



Voluntary Carbon Credits

March 2022

Executive Summary

Base Carbon is a provider of carbon project finance, development and operational expertise, and technology infrastructure tools to the global voluntary carbon markets

Our Business Model

What we do

Develop and Commercialize Projects

Finance, develop and commercialize carbon projects generating high-quality voluntary carbon credits

Risk Manage our Projects and Portfolio

Mitigate project and portfolio risk through key strategic relationships with carbon credit purchasers

Carbon Advisory

Advise key strategic partners on the use of carbon credit portfolios to achieve their net-zero ambitions

How we do it

Carbon projects



Capital investments,
operational &
development expertise

Carbon credits

basecarbon

Co-investments &
purchase of carbon credits

Carbon credits & strategic
advice



Carbon credit purchasers

How We Add Value

Experience

Deep competencies in carbon, risk management and technology

- Specialized multi-decade experience in the carbon industry and markets
- Extensive portfolio risk management expertise
- Success scaling capital and governing businesses in public markets
- History managing and scaling portfolios of risk assets

Sourcing

Global scope and industry relationships

- Current pipeline of attractive carbon investment opportunities
- Multiple sourcing channels of carbon projects
- Relationships with carbon credit purchasers to offtake carbon credits

Technology to Monetize

Tools for the commercialization of the carbon economy

- Right to use Abaxx Technologies infrastructure and tools within the emission reduction field of use
- Equity investment in AirCarbon Exchange, who is working to securitize carbon credits into fungible and tradable securities with transparent pricing and real-time settlement



40+ years

Dedicated Carbon Experience

\$15 Billion +
Managed

80+ years

Investment & Portfolio Management

40+

Unique Carbon Projects Developed

13+

C-Suite Roles

15+

Board of Directors & Governance Roles

Our Leadership

We are environmental, finance and technology professionals with decades of operating experience across the carbon upstream and downstream segments of the industry

Executive Team

Michael Costa



Chief Executive Officer & Director

Philip Hardwick



Chief Operating Officer

Wes Fulford, CFA



Chief Financial Officer

Andrew Fedak



Chief Strategy Officer & Director

David Greely



Senior Economic Advisor

Sam Warburton



Managing Director, HCBL

Adam Humphreys



Managing Director, HCBL

Ryan Hornby



Chief Legal Officer

Independent Directors

Catherine Flax



Lead Independent Director

Margot Naudie



Independent Director

Maryam Ayati



Independent Director

Bruce Tozer



Independent Director

Carbon Experience

Base Carbon currently owns 49.9% of Hardwick Climate Business Limited (“HCBL”)¹


HCBL has been active in carbon markets since the beginning of the EU Emissions Trading Scheme (“EU ETS”). Client representation and advisory engagements have been core components of HCBL’s business

Historically, HCBL has also worked with major international corporations to identify and develop large scale carbon reduction projects, drawing from a wide portfolio of investable opportunities around the world

The development of investable carbon reduction projects will be pursued jointly by Base and HCBL going forward

Key Project Experience:

Small-scale energy

 **Cookstoves:** first Clean Development Mechanism registered cookstoves project

 **High efficiency lighting:** Programme of Activites

Large-scale energy

Invested directly in projects generating > 100 Mt of CO2 equivalent avoided emissions

 **Fuel switching:** coal to gas power (> 1 GW)

Carbon-structured deals

EUA – CER/ERU Swaps²: lowest cost to deliver offsets for clients

Barrier options: allowing project development to commence above a predetermined price level

Key Advisory Experience:

- **Advisors to sovereigns on energy transition and carbon markets:** HCBL recently advised Korea, Kazakhstan and Chile on energy transition policy
- **HCBL was also part of the UK Delegation of COP25 in Madrid**, representing UK Commercial clients as part of the UK Pavilion

How We Leverage Our Experience

1
Sourcing

Curate multiple channels to source carbon investment opportunities

2
Deployment

Allocate capital to projects that fulfill due diligence and risk-reward criteria

**Initial capital
deployment in
Q1-2022**

3
**Active Asset
Management**

Continuously monitor and actively re-underwrite our project portfolio on a regular basis

4
**Risk
Management**

Key strategic relationships with high credit quality carbon credit purchasers

5
**Scaling
Capital**

Success as entrepreneurs in raising and deploying capital accretively in public markets, and building investing businesses

Base's Project Pipeline

Sourcing

Over 50 discreet carbon project opportunities in various stages of evaluation

Quantum

Representing **> 1 Gt of CO2 equivalent** (1 billion tonnes) of avoided emissions at full scale

Capital

At full scale **> \$400 million** potential commitments

Quality

Project pipeline curated for **high quality** carbon credits and peripheral impacts on UN Social Development Goals ("SDGs")

Executability

Six projects in advanced negotiations and/or development with potential for near-term capital deployment

Actionable Opportunities Across 40+ Countries

Global pipeline of multiple project types at various stages of assessment

Pipeline represents > \$400 million of potential capital



Project Overview: Rwanda Cookstoves

Project Description:

- **Base's investment will fund the distribution of 250,000 fuel-efficient cookstoves, as part of the Tubeho Neza project, to rural families in Rwanda, reducing consumption of wood by at least 71%¹**
- Distribution planned to begin in mid-2022 and be complete within six months
- The Tubeho Neza project is the largest of its kind in the world, delivering a total of ~2.3 million cookstoves to rural Rwandan households



Developer Credentials:

- DelAgua (the “Developer”) has been active in Rwanda since 2012, deploying fuel-efficient cookstoves to over 600,000 households
- The Developer has a demonstrated organizational and regulatory capacity to successfully deliver projects
- DelAgua also provides continuous education and support to families to which cookstoves are distributed to maximize stove usage – **after two years, over 99% of the stoves are still in use²**
- The Developer also has technological capabilities, enabling the collection and analysis of data to ensure maximum verification of carbon credits generated by the project

PROJECT-LEVEL FINANCIAL HIGHLIGHTS

Base's investment amount	US\$8.75 million
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Region	Rwanda
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Estimated project life	10 years
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Size	250,000 fuel-efficient cookstoves
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Registry	Verra
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Total credits	7.5 million*
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* Carbon credits generated by this project are anticipated to be sold into the voluntary carbon market. Sale proceeds will be allocated between the parties based on several project and market variables (e.g., sale price per carbon credit, timing of generation within the life of the project, etc.).

Impact Overview: Cookstoves

The need in Rwanda:

- Rwanda's Intended Nationally Determined Contribution ("INDC") states that the country wants to **increase the adoption and usage of improved cookstoves**
- Most of the country is still using poor-performing cookstoves or open fires
- Households in Rwanda **rely nearly entirely on biomass** for cooking and related purposes, resulting in **inefficiencies in fuel use** and **negative health impacts**

DelAgua's solution:



Since 2012, DelAgua has been partnering with the Rwandan government to distribute free innovative fuel-efficient cookstoves under the Tubeho Neza ("Live Well") brand

DelAgua's project is expected to benefit two million rural Rwandan homes¹

DELAGUA'S IMPACT²



640,000
stoves distributed to date

27.7%
reduction in emission
exposure among children

3 million
lives transformed

73%
reduction in household air
pollution when using the
stove outdoors

8.9 million
tonnes of CO2 avoided

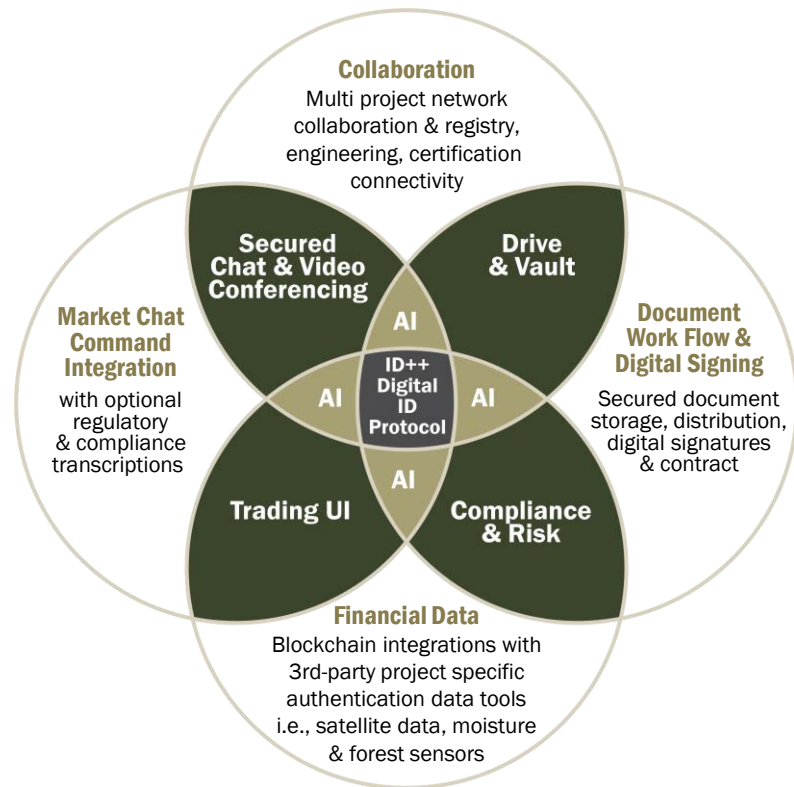
46%
reduction in diarrhea in
children under 5 when
using boiled water



Technology to Monetize

Infrastructure enabling the commercialization of the carbon economy

- 2.5% gross revenue royalty payable to Abaxx for technology license
- Abaxx's technology connects multiple disparate data sources for attestation and multi-party document management
- Utilizing Abaxx's technology, Base will develop a complete integration of carbon supply chain from first mile data capture to exchange traded digital assets



Capitalization Structure

Shareholder Category	Shares	%
Founders, Insiders & Advisors:		
• Management, Directors & Founders¹	14,851,876	11.6%
• Advisors	1,750,000	1.4%
Key Shareholders:		
• Abaxx Technologies Inc.²	19,339,593	15.2%
• Others³	9,235,000	7.2%
Institutional Shareholders	38,385,000	30.1%
Minority Shareholders	44,102,211	34.5%
Total – March 1, 2022	127,663,680	100.0%
Options⁴	8,940,000	
Warrants	Nil	
Fully Diluted – March 1, 2022	136,603,680	

- 1) Including shares issued to Phil Hardwick in conjunction with HCBL Phase 2 transaction closing
- 2) Following the distribution of 5,091,864 shares as per Abaxx announcement on February 17, 2022
- 3) Including Robert Friedland @ ~5.5% current ownership
- 4) Company Options ranging from \$0.25 to \$1.00 strike with standard vesting terms

Maturation of the Voluntary Market

Key Demand Drivers:

Supply deficit in voluntary carbon markets continues to grow as demand shifts towards nature-based solutions and projects with high co-benefits and SDGs such as cookstoves

The market is adapting to these new demand dynamics

1. Corporate Net-Zero Pledges

Carbon credits are a key component to helping corporates achieve their net-zero pledges

2. Global Policy Developments

Eventual resolution of Paris Agreement Article 6 and role of Internationally Transferred Mitigation Outcomes, 2021 United Nations Climate Change Conference (COP26)

3. New Carbon Exchange Trading Markets

Carbon-neutral Liquefied Natural Gas cargoes

Voluntary Carbon Market: 1.0

- High administration costs
- Nascent methodologies
- Focus on credits that avoided rather than removed carbon
- Predominantly retail scale offtake until EU ETS fungibility

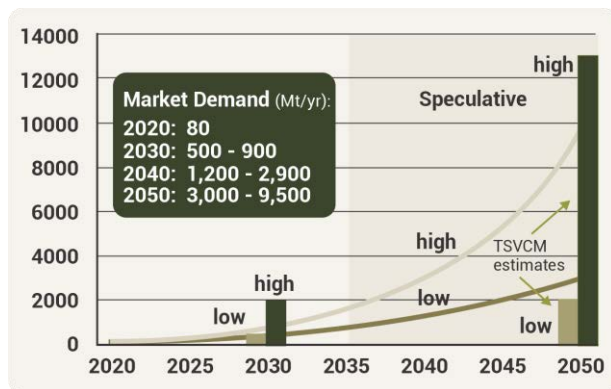
Voluntary Carbon Market: 2.0

- Technological advances in administration
- More robust methodologies and greater quantification of co-benefits
- Greater focus on nature-based projects such as forestry that sequester carbon from the atmosphere
- Major corporate buyers investing directly in project development to ensure access to high quality, competitively priced credits
- Exchange contracts for Voluntary Emission Reductions

Projected Growth of Voluntary Carbon Markets

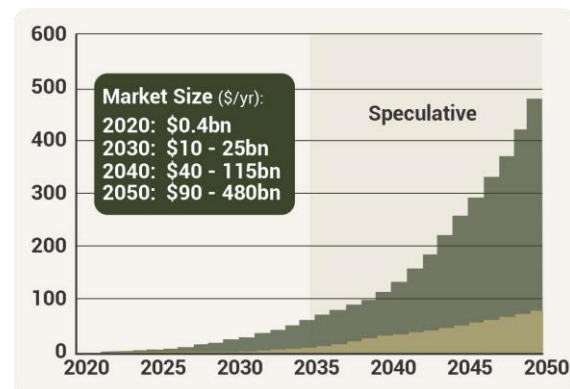
Voluntary Carbon Offset Demand

(Mt CO2 equivalent/year)



Voluntary Carbon Market Value

(US\$ billion/year, 2000 prices)



The value of the primary Voluntary Carbon Market grew by 190% in 2021 to just under US\$1 billion

Voluntary carbon markets are projected to increase from US\$ 0.4 billion in 2020 to US\$ 10-25 billion per year in 2030

Clear Path for Scale and Growth

Growth Strategies	Selected Examples
Social Development Goals / Biodiversity	<ul style="list-style-type: none"> • Cookstoves • Afforestation • Mangroves
Leveraging current & expected pipelines	<ul style="list-style-type: none"> • Proven bi digesters, bio-fuels
New products verticals / methodologies	<ul style="list-style-type: none"> • Biochar • Capture and sequestration technologies
Distribution expansion channels	<ul style="list-style-type: none"> • Focus on strategic & additional sourcing & production partners
Strategic acquisitions & alliances	<ul style="list-style-type: none"> • AirCarbon • Abaxx Technologies • HCBL

- Investment flows are skewing toward Environmental, Social and Governance opportunities
- Voluntary carbon is growing into an exchange traded commodity
- The carbon market is in a structural deficit with no balance in sight
- There are very few teams with the carbon industry, financial and technological expertise to compete with Base
- Base assigns additional value to projects with adjacent social development benefits

