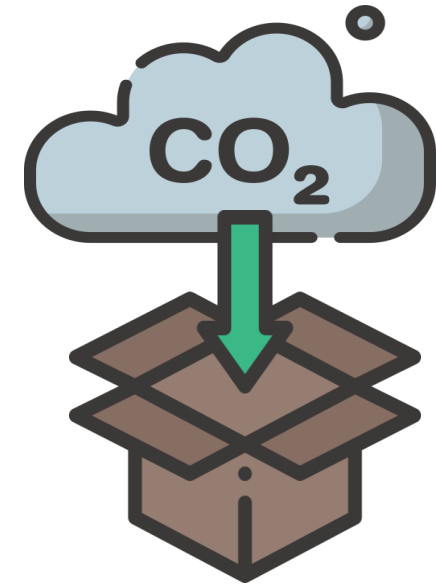


September 2020



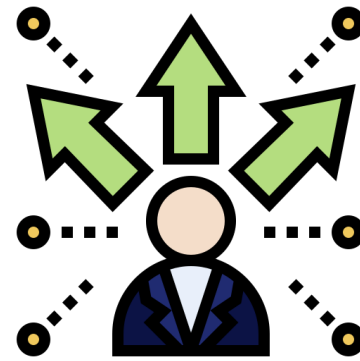
APERC Presentation

William Pazos, COO - wap@aircarbon.co





AIRCARBON'S VISION & MISSION



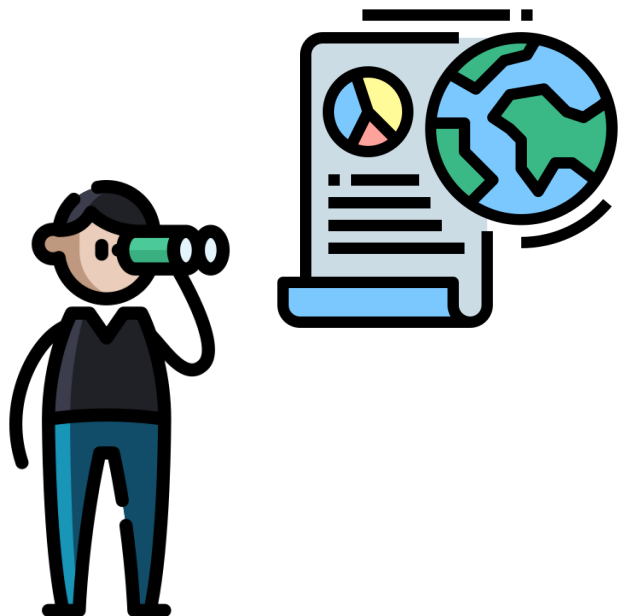
Market-based mechanisms are the most efficient solutions to mitigate the effects of climate change.

To make **carbon trading frictionless** by offering the most efficient, transparent, fungible, digital trading platform.

To build a **socially conscious company focused** on the **well being** of its employees, shareholders and extended community.

To **accelerate** the **adoption of market-based mechanisms** by providing technologically robust solutions that streamline complexities.

MARKET REALITY



Governments are imposing regulatory carbon constraints and constituents are demanding concrete mitigation efforts from companies.

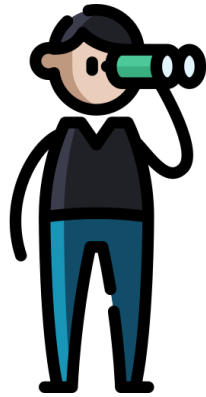
Industries are incapable of curtailing carbon emissions internally without disrupting profitability.

Industries are turning to carbon markets to identify the most efficient carbon reductions.

Carbon markets are fragmented and inefficient.

Carbon Credits are segmented based on their individual characteristics and not the market they serve.

IN THE NEWS... the race is on.



BA to offset domestic flight emissions from next year.

Source:

<https://www.theguardian.com/business/2019/oct/10/british-airways-offset-domestic-flight-emissions-from-next-year>

“JetBlue’s plan to offset 7-8 million tonnes of GHGs annually will make the New York-based airline the first major US carrier to achieve carbon neutrality..”

source: <https://carbon-pulse.com/89532/>

Microsoft Is Going Carbon Negative. What Does That Mean?

source:

<https://www.forbes.com/sites/davidrvetter/2020/01/20/microsoft-is-going-carbon-negative-what-does-that-mean/#60422b84b130>

EasyJet to offset carbon emissions from all its flights.

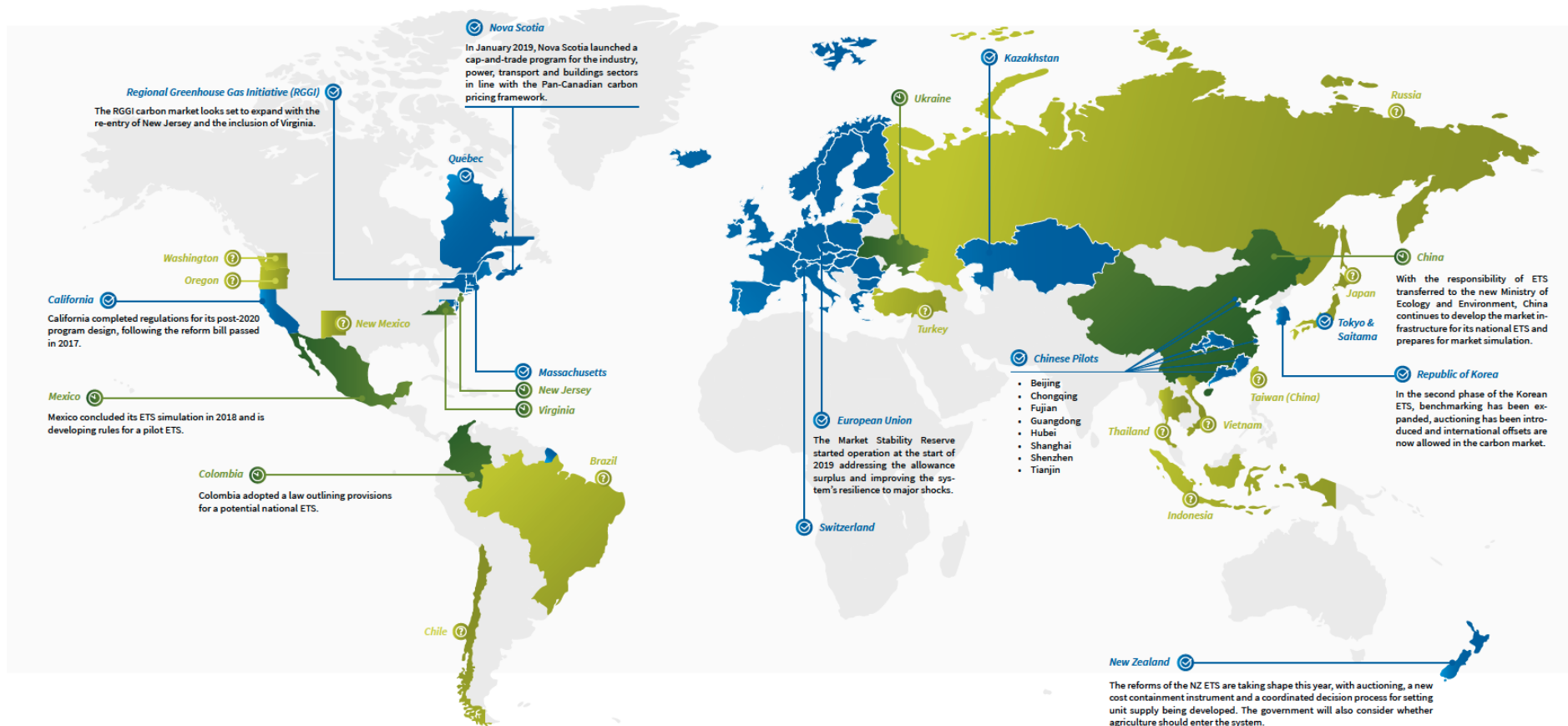
Source:

<https://www.theguardian.com/business/2019/nov/19/easyjet-offset-carbon-emissions-flights-thomas-cook-collapse>

.....we estimate the number of global emissions under emissions trading to increase by almost 70% in 2020 compared to 2019.

https://icapcarbonaction.com/en/?option=com_attach&task=download&id=625

CARBON TRADING MARKETS EXPANDING



There are now 20 systems covering 27 jurisdictions with an ETS in force.

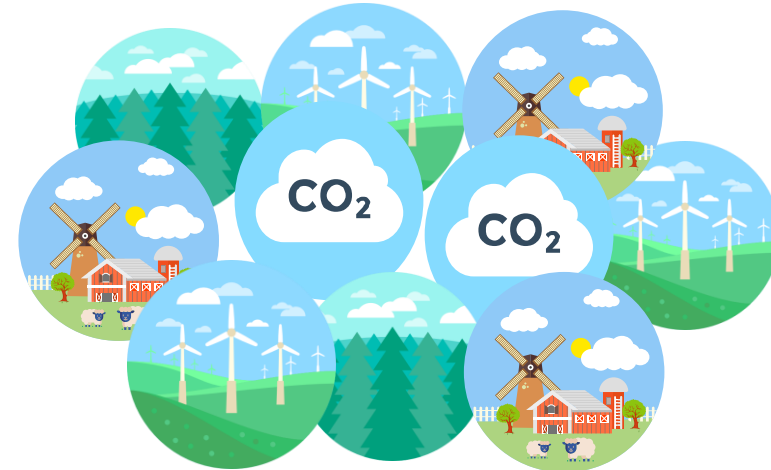
Another six jurisdictions are putting in place their systems that could be operating in the next few years, including China and Mexico.

12 jurisdictions are also considering the role an ETS can play in their climate change policy mix, including Chile, Thailand and Vietnam.

The AirCarbon offers all these markets a liquid hedging instrument linked to a global basket of carbon credits.

CARBON MARKET NON-FUNGIBILITY

Unique Non-Fungible CO₂ Capture projects



The market is organized to cater to **low volume buyers**.
Emphasis is placed on **Unique Projects** and **not** on
liquidity.

Problem: When order volumes increase the **market breaks down**.

CARBON MARKET ILLIQUIDITY

TRADITIONAL COMMODITIES ARCHITECTURE

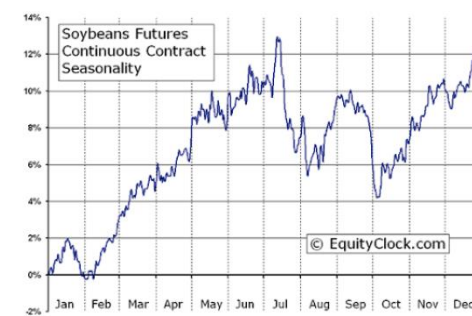


Soybean futures
(ZS)

5,000
bushels

Mini Soybean
futures (XK)

1,000
bushels



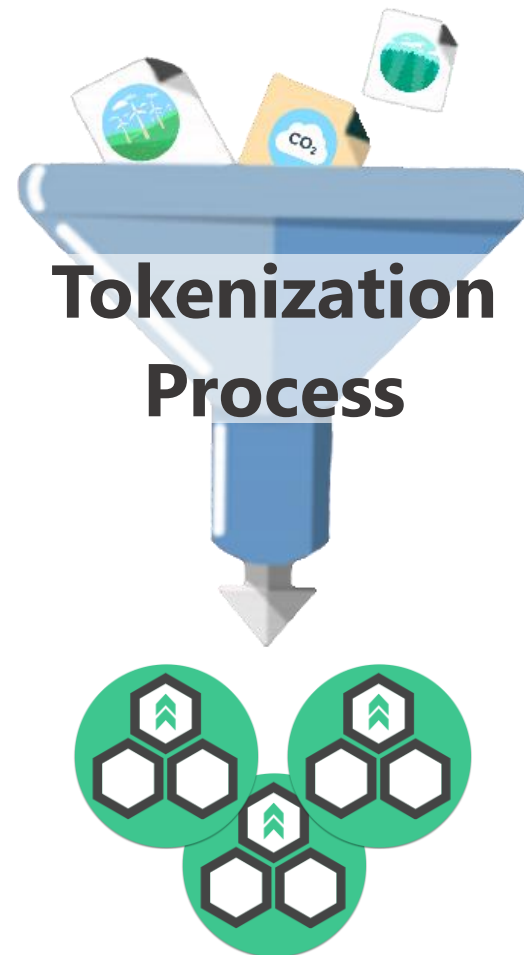
Today Carbon trades on a bespoke
basis.

"One truck at a time".

Like trying to sell a sailboat.

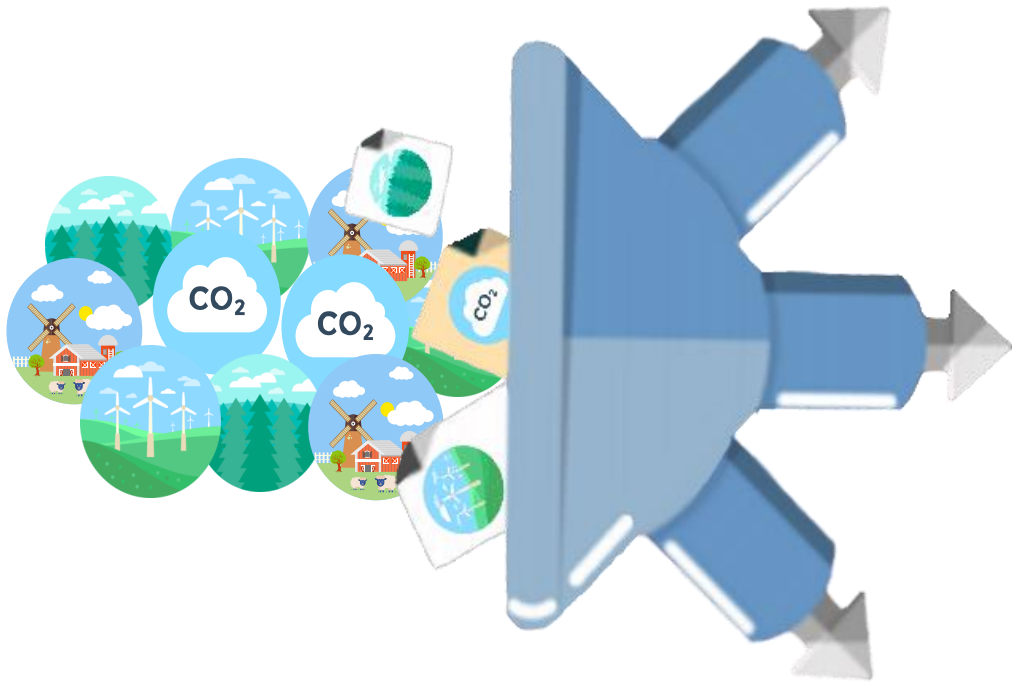
AIRCARBON TOKEN FUNGIBILITY

Solution:
Fungible
AirCarbon
Tokens



The **AirCarbon**
Tokens Securitize
fragmented credits
into a single
tradeable security.

TOKENS BY MARKETS



AirCarbon CORSIA Token - ACCT

Definition: A **CORSIA eligible** Carbon Credit backed Token. Likely to become the largest carbon market in the world from 2021 (see below).

Buyers: Airlines, Financial Institutions, Brokers, Fuel Companies, Speculators

Market Size: Projected to be U\$6bn p.a.



AirCarbon Premium Token - ACPT

Definition: Carbon credits backed tokens with **UN SDG enhancements**.

Buyers: Voluntary (CSR) buyers, Financial Institutions, CSR Speculators.

Market Size: For 2018, transactions equivalent to 98.4 million metric tons of carbon dioxide (MtCO₂e) for a total market value of \$295.7 million.



AirCarbon Nature Token - ACNT

Definition: A token backed by carbon credits created by project(s) generating **nature-based solutions (e.g.: REDD/ REDD+)**

Buyers: Voluntary (CSR) buyers, Financial Institutions, CSR Speculators.

Market Size: Volume in the Forestry and Land Use sector grew 264%, from 13.9 MtCO₂e in 2016 to 50.7 MtCO₂e in 2018.



WHY **BLOCKCHAIN?**

Blockchain smart contracts allows AirCarbon to provide economic incentive to **all** project owners in the form of a payment **every time** their credit is traded, not just at the initial sale.

The Ethereum-based digital platform (ERC20 & ERC721) allows for the efficient establishment of an exchange ecosystem capable of **securely managing complex relationships** between all stakeholders **without intermediaries**.

World Bank is testing a DLT registry for global carbon credits through its Climate Warehouse initiative.



THANK YOU

TEAM OVERVIEW

The AirCarbon team brings together subject matter experts **seasoned** in Exchange Architecture, Carbon Trading, and Startups



Thomas McMahon, our **CEO**, has 30 years experience building commodities exchanges under US and Asian Exchange and Regulatory frameworks including building and running NYMEX Asia and the Honk Kong Mercantile Exchange. Thom is also the chairman of the Digital Exchange Association.



William Pazos, our COO, has over 30 years experience in the financial markets with an emphasis on environmental markets for the past 20 years. He built the one of the world's largest carbon aggregators under the Kyoto Protocol regime. In fact, in 2007, 20% of all the carbon credits issued under the protocol (excluding HFCs) were done by his company.



Er. Edwin T. F. Khew PBM, **Chairman & co-founder**, over 40 years managing environmental companies in AsiaPac, Chairman of SEAS, with deep contacts at ADB.

TEAM OVERVIEW



Dom Morris, CTO, was the founder of the TradeHero the Singapore, mobile stock market trading app and Scoop, a provider of cryptocurrency mining solutions. Dom brings deep experience with FinTech and Blockchain as well as building highly regulated software products.



Tom Herman, VP Business Development, brings 20 years of startup experience to AirCarbon having lead product development, sales, marketing and operational teams. Previously Tom served as CEO for the high-volume video ad trading exchange, DashBid. Tom is also a technical advisor to the New York based, SEC Regulated, Resolute Real Estate Fund.



Dorjee Sun, Senior Advisor, co-Founder is a social entrepreneur based in Singapore. His work for Carbon Conservation was the subject of the international feature documentary 'The Burning Season' in 2008. He currently serves as Director of Who Gives, Carbon Agro, and Carbon Conservation. Dorjee complements the team, bringing unrivaled knowledge in carbon markets with a particular focus on nature-based mitigation projects. He is also a successful entrepreneur in his own right with an enviable track record.