CrossBoundary Advisory

Project Finance for Carbon Activities

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Agenda

1) Introduction	**15 minutes**
2) Determining financial investibility	20 minutes
3) Financing mechanisms for carbon projects	20 minutes
4) Excel tutorial: putting it into practice	25 minutes
5) Pricing and trading risk in financial markets	15 minutes
6) The investor landscape	25 minutes
7) Negotiating investment terms	20 minutes
8) Carbon project case studies	15 minutes
9) Final Q&A and Reflections	15 minutes

CrossBoundary unlocks capital for sustainable growth and strong returns in underserved markets through our advisory and investment platforms

CrossBoundary Group

Advisory

CrossBoundary Advisory

We provide transaction and investment advisory services to buy side (capital providers) and sell side (capital raisers) firms to unlock private capital in underserved markets

- Market Assessment
- Fund Design and Strategy
- Due Diligence
- Financial Analysis
- Capital Raising
- Deal Structuring
- Post-Investment Planning

Investment Platforms

CrossBoundary Energy

CrossBoundary Access

CrossBoundary Real Estate

CrossBoundary DhowVentures

CrossBoundary Fund for Nature

CrossBoundary's Natural Capital team unlocks private capital for sustainable ecosystem restoration and conservation

Capital raise for nature-based enterprises and carbon projects
Facilitate investments into nature-based solutions by providing end-to-end transaction advisory – from development of investor materials through deal close

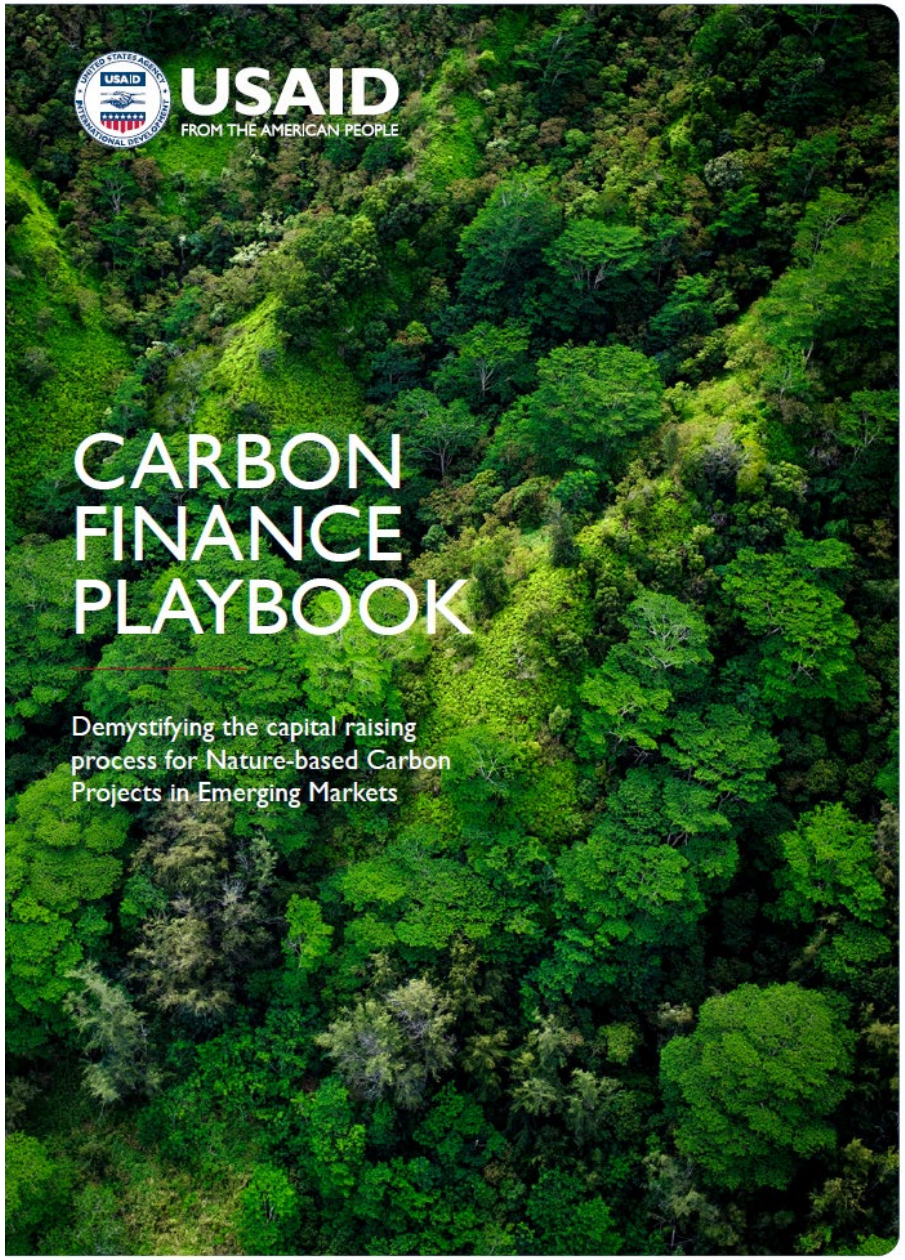
Capital deployment support for sustainability and nature focused investors, corporations, and foundations
Source high-potential nature-based enterprises/projects, conduct operational and financial due diligence, support on deal structuring and post investment strategy

Fund design & capital raise and structuring of financing mechanisms targeting conservation and ecosystem restoration outcomes
Source high potential nature-based enterprises/projects, conduct operational and financial due diligence, design funds and financing mechanisms

Sovereign advisory for climate, nature, and carbon finance
Develop government strategies for climate and nature finance, support design of sovereign financing mechanisms, and enhance capacity of government agencies

The Carbon Finance Playbook

Authored by CrossBoundary



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The first step in determining financial viability is forecasting revenues and costs

Accurate forecasts depend on **realistic assumptions about revenue potential and the full lifecycle costs** to best inform financial expectations

Forecasting revenues

Revenue Channels – Credit Sales (Voluntary/Compliance), Environmental Services

Quantity – Production estimates (e.g. tonnes avoided/removed)

Prices – Market price trends

Tools – Historical data, scenario analysis, sensitivity testing

Forecasting costs

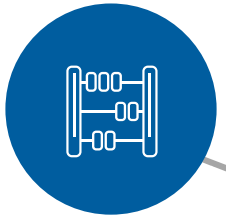
CAPEX – Upfront costs (infrastructure, installations, etc.)

OPEX – Ongoing costs (maintenance, monitoring, compliance, etc.)

Various sources of information can be used to help set forward price curves for carbon credits

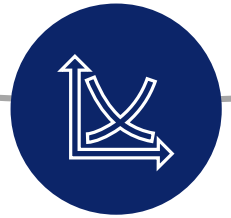
A **forward price curve projects expected carbon credit prices over time**

A well-constructed forward curve provides a realistic basis for future revenue projections and strengthens financial decision-making



Model Assumptions
Trends analysis and market forecasts

Historical Prices
Influence the market pricing of carbon credits



Forward Price Curve

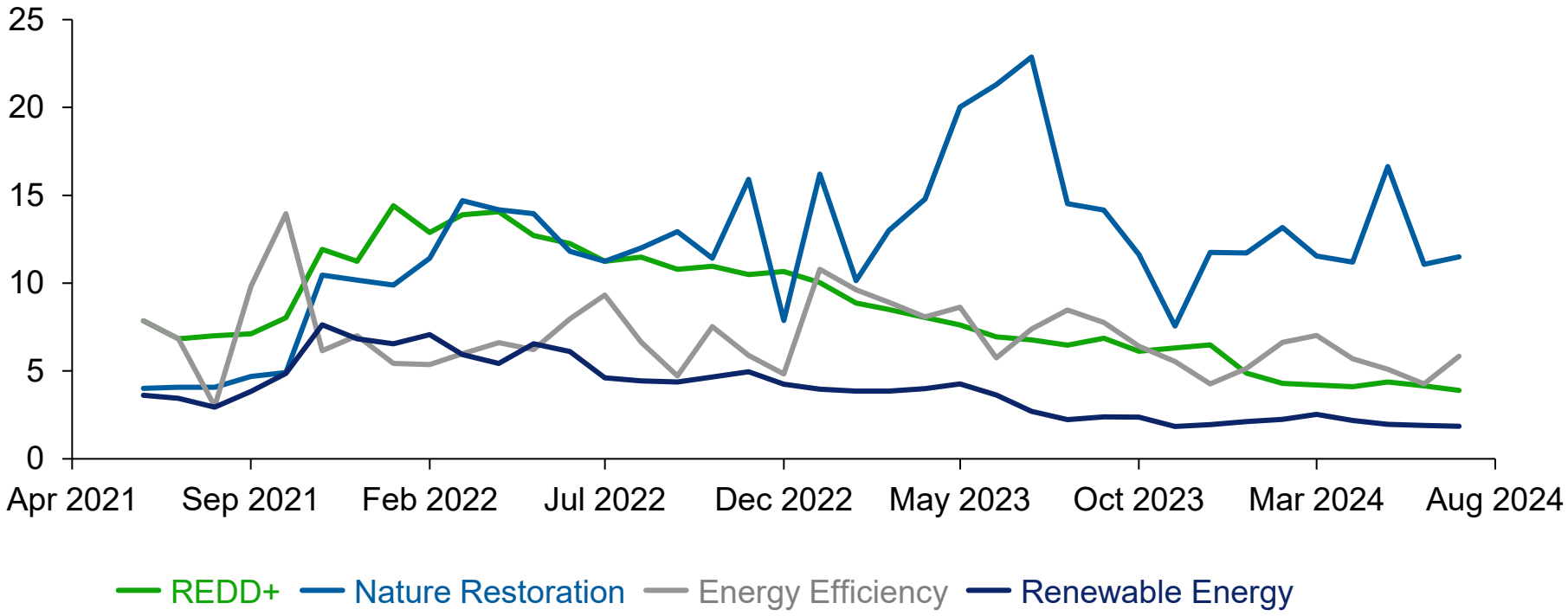
Market Outlook
Economic conditions and market sentiment impact prices

Policy Shifts
Changing legislation can have outsized effects

Key Components & Drivers

Historical prices can be the best predictor of near-term future prices

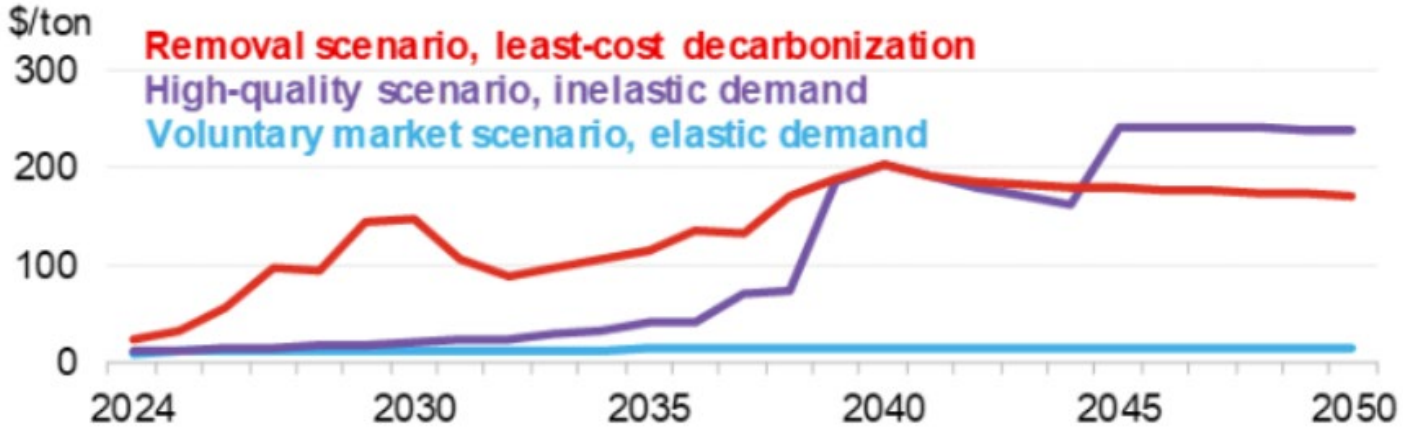
Weighted average price per credit by methodology type (USD/tCO2e)



- Nature restoration and REDD+ credits have historically traded at similar prices, however the past two years have seen a significant divergence in price
- Some high-quality nature restoration credits currently sell for $50+

Source: MSCI, Trove

Forward curves can help in identifying pricing trends and risk



BNEF's Future Carbon Offset Price Scenarios	
High-quality scenario	Integrity issues in the offset market are resolved and offset demand is inelastic
Voluntary market scenario	Integrity issues are not resolved and company demand is elastic
Removal scenario	Companies can only buy carbon removals and credits are interchangeable with other forms of abatement, meaning companies take a least-cost decarbonization approach

Source: BNEF Long-Term Carbon Offsets Outlook 2024

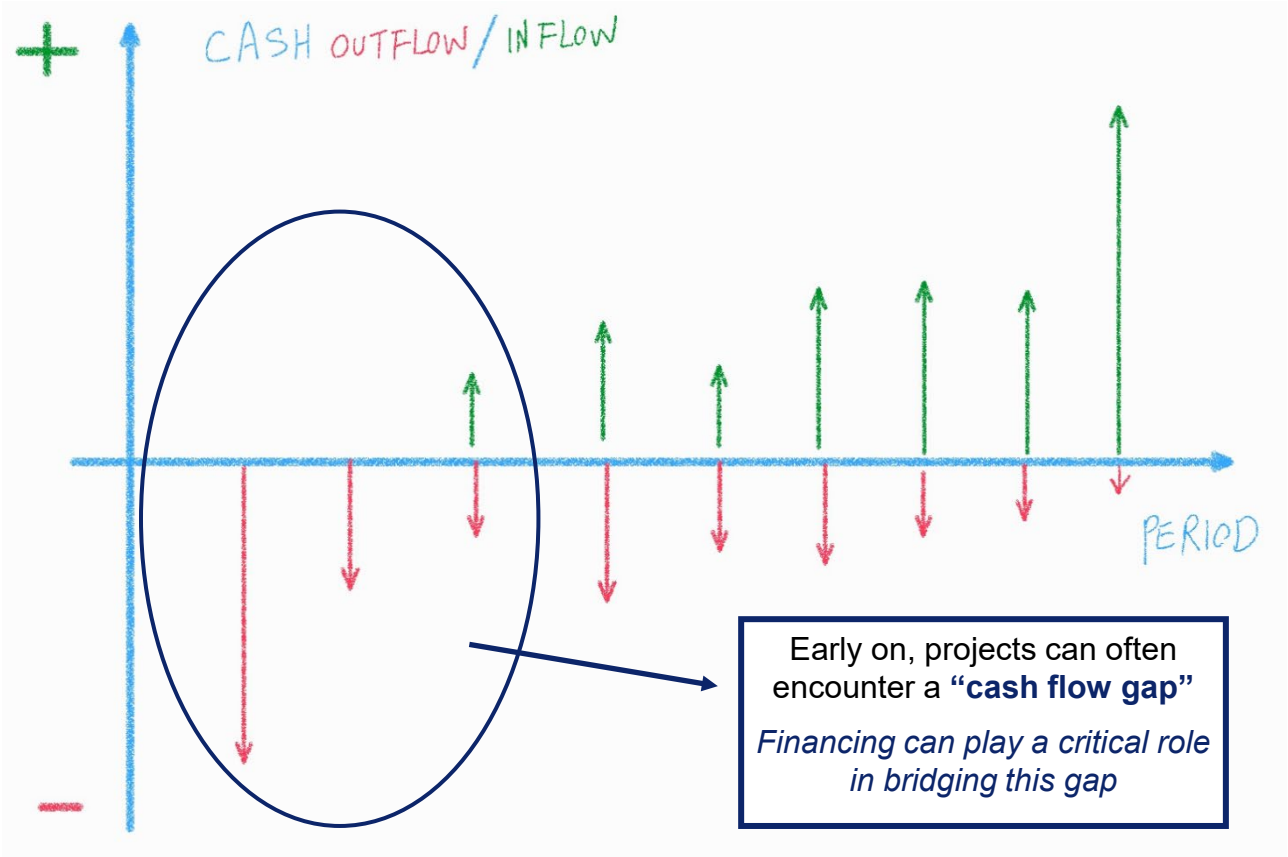
The first step in the capital raising process is determining your financing need

Up-front financing covers capital expenditures and operating costs before revenues begin

Early financing is critical, even when projected long-term revenue looks strong

Careful **planning can minimize the need** for high-cost capital

Accurate **alignment of timing between costs and revenues is crucial** to reduce financing risk



The time value of money: a dollar today is worth more than a dollar tomorrow

Understanding the time value of money

Common Adage

One dollar today is worth more than one dollar tomorrow

Why?

A dollar can be put to work today and earn a rate of return (e.g. invested at some interest rate)

Key Term
Present Value (PV)

The current value of future payments

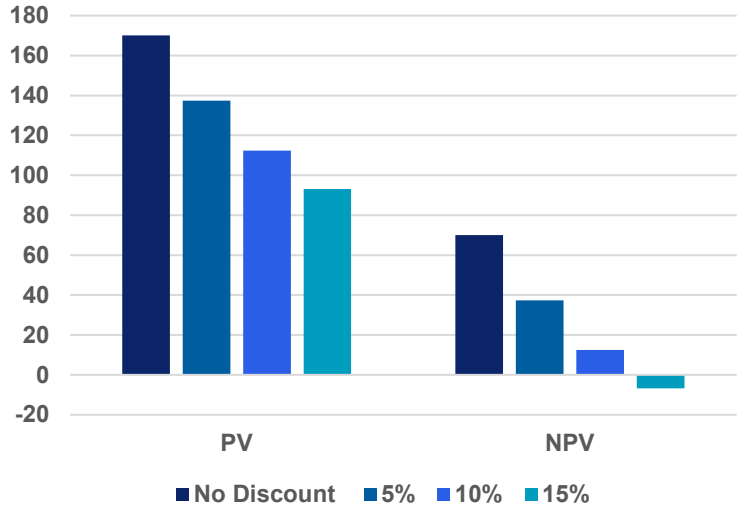
Calculated by discounting future cash flows by a specified rate to reflect risk and the time value of money

$$PV = FV / (1 + r)^n$$

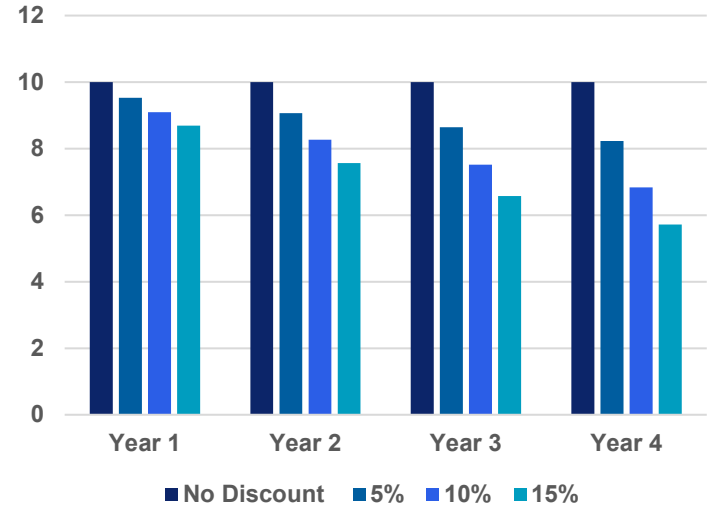
Example: A $100 investment that returns $10/year with an additional payback of $120 at Year 5

Discount Rate (r)	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5	PV	NPV
No Discount	(100.00)	10.00	10.00	10.00	10.00	130.00	170.00	70.00
5%	(100.00)	9.52	9.07	8.64	8.23	101.86	137.32	37.32
10%	(100.00)	9.09	8.26	7.51	6.83	80.72	112.42	12.42
15%	(100.00)	8.70	7.56	6.58	5.72	64.63	93.18	(6.82)

Present Value of Investment



Discounted Values of $10 Yearly Returns



Source: Adapted from The Conservation Finance Network's Principles of Finance: The Investors Perspective (Boot Camp 2023)

Free Cash Flow is key for evaluating projects

Income Statement

Purpose
To calculate company earnings and taxes owned

Dependencies
The income statement pulls any gains or losses from the sale of assets from the balance sheet

Cashflow statement

Purpose
To track the movement of cash through the business

Dependencies
The cashflow statement pulls net income and non-cash items from the income statement

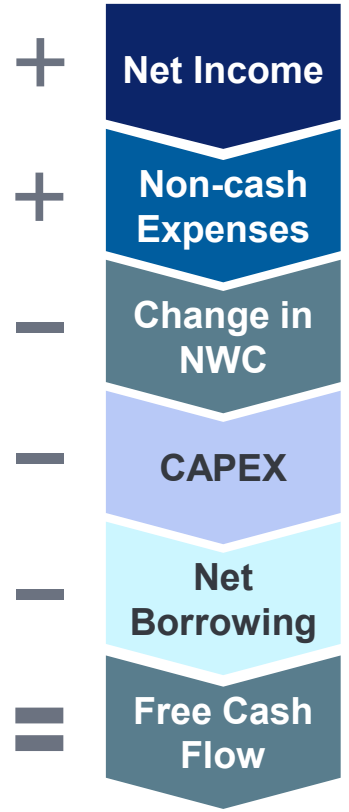
Balance Sheet

Purpose
To track the balance, or value, of assets, liabilities, and equity

Dependencies
The balance sheet pulls the cash balance from the cashflow statement and net income from the income statement

Free Cash Flow (FCF) is not directly visible on the cashflow statement and is calculated as follows

- Inputs from different financial statements help with the calculation of FCFs
- Free cash flows represent the money that the company has available to pay investors



Free cash flows can be used to calculate the value of the project and the return on investment

Net Present Value (NPV) is the sum of discounted FCFs

Key Insight
Positive NPV indicates a viable project

Discount Rate (r)	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5	PV	NPV
No Discount	(100.00)	10.00	10.00	10.00	10.00	130.00	170.00	**70.00**
5%	(100.00)	9.52	9.07	8.64	8.23	101.86	137.32	**37.32**
10%	(100.00)	9.09	8.26	7.51	6.83	80.72	112.42	**12.42**
15%	(100.00)	8.70	7.56	6.58	5.72	64.63	93.18	**(6.82)**

Internal Rate of Return (IRR) is the discount rate where NPV equals zero

Example: NPV = 0 from prior 'Time Value of Money' example

Discount Rate (r)	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5	PV	NPV
13%	(100.00)	8.84	7.82	6.92	6.12	70.31	100.00	(0.00)

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Capital can be raised at different levels of the organization

TopCo

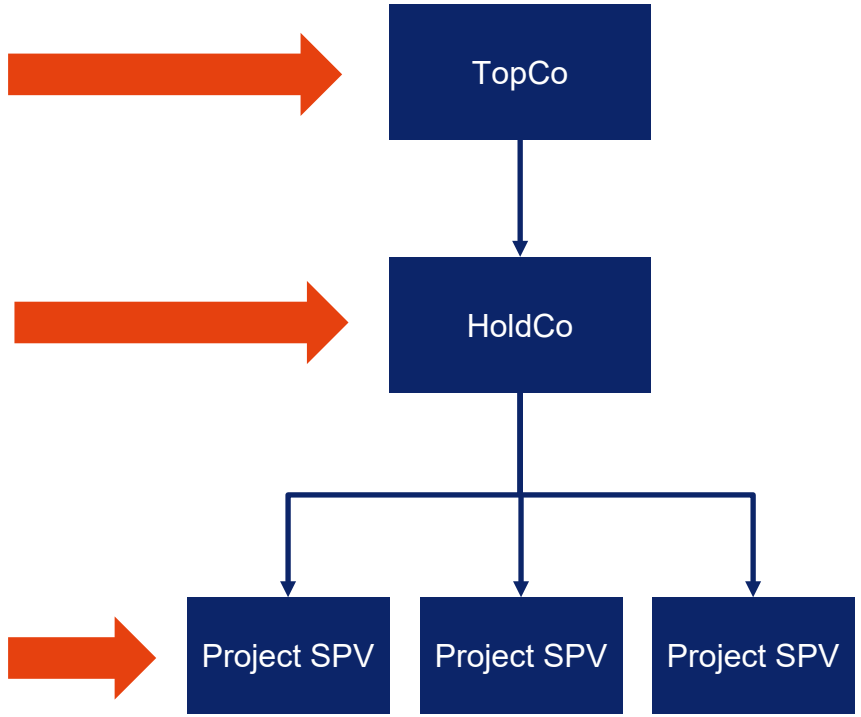
- Risk capital from venture capital, private equity, or strategic partners who want exposure to the developer's entire business
- Strategic investors may seek additional rights such as ROFR

HoldCo

- Project financing with exposure to a portfolio of underlying projects
- Useful for platform-building, acquisitions, or rolling up small projects; can provide exit flexibility and tax optimization

Project SPV

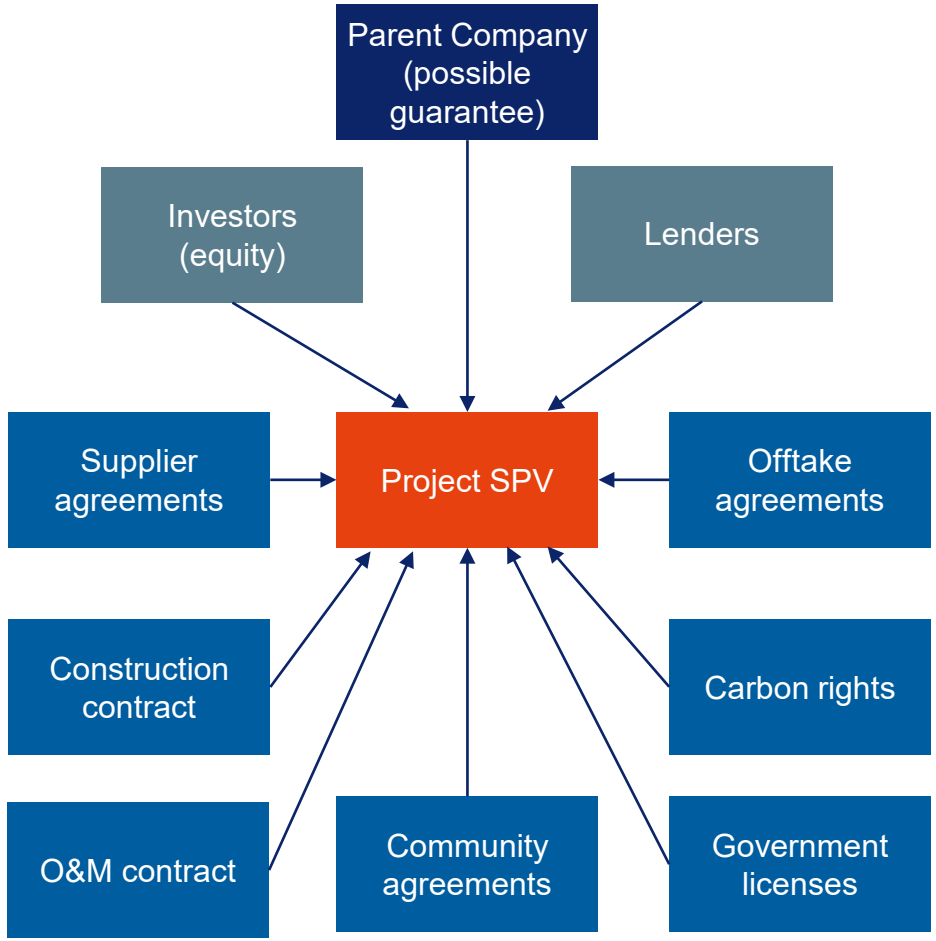
- Project-specific financing with exposure only to a single project



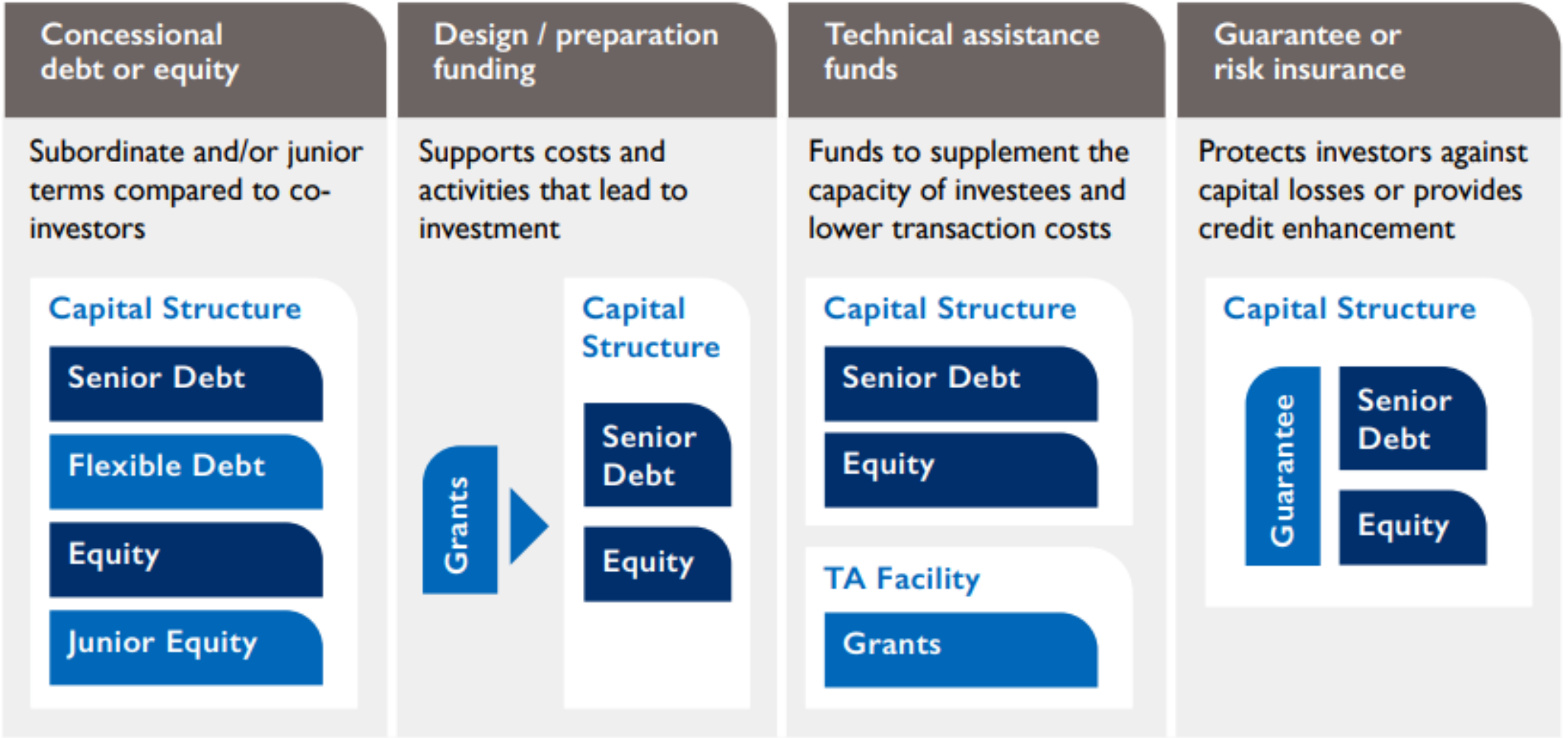
There are several advantages to using a project finance approach

There are many ways to structure the ownership of a carbon project, but project finance often offers some advantages:

- **Ringfencing:** Project-specific cashflows and assets are ring-fenced within the SPV, giving the investor exposure only to the project rather than the full set of activities undertaken by the developer.
- **Nonrecourse:** Investors that fund the SPV typically have no or limited recourse to the general assets of the developer unless the developer provides a guarantee. In the case of project failure, investors only have access to the project SPV's assets and rights.
- **Tax optimization:** For developers operating in multiple jurisdictions, project-specific SPVs and HoldCos allow for better tax optimization and investor protections, while adhering to local laws.
- **Access to local capital:** A local entity can, in some jurisdictions, help unlock funding from local capital providers such as commercial banks, pension funds, and governments.



Project developers can employ a variety of blended finance structures to reduce overall cost of capital



Source: Convergence Blended Finance

There are various traditional financing instruments available to carbon projects, but each has its benefits and drawbacks

Low → Cost of capital → High

Catalytic financing	Debt	Mezzanine	Equity
✓ Non-dilutive capital ✓ Very low to zero cost of capital ✓ Reduces risk and increases return for commercial investors ✓ Can be highly risk tolerant and willing to fund early-stage work	✓ Non-dilutive capital ✓ Lowest cost of capital of commercial instruments ✓ Increases potential return for equity investors through leverage ✓ Interest payments on debt are typically tax-deductible	✓ Combines characteristics of both debt and equity ✓ Can provide non-dilutive capital without a strict repayment schedule and harsh loan covenants ✓ Can provide flexibility on valuation and collateral requirements	✓ Provides upfront cash to develop the project without a risk of default liability ✓ This at-risk capital reduces the amount of debt required to fund a project and reduces the risk to the lenders
✗ Limited availability ✗ Can require significant time to write grant proposals ✗ Typically very slow approval and disbursement timelines ✗ May come with restrictions and requirements on how the money must be spent	✗ Interest expenses impact profitability and cashflow ✗ Interest rates may be high depending on country and carbon markets risks ✗ Strict covenants and lender rights in event of default ✗ Typically requires collateral and/or guarantee	✗ More expensive than senior secured debt ✗ Often includes equity kicker or conversion rights which impact ownership ✗ Often includes interest or similar structures	✗ Lose ownership and potentially governance rights ✗ Highest cost of capital

Source: CrossBoundary Carbon Finance Playbook (2023)

Several additional financing instruments are specific to carbon projects

Pre-Purchase Agreement

Buyer provides **upfront capital to support project** development in return for delivery of carbon credits

Streaming Agreement

Buyer provides upfront capital (the “streaming deposit”) to **fund project development in return for a percentage of future credits** issued over a specified period, known as a “stream.”

These are **financing instruments that provide project capital** up-front

Offtake Agreement

Buyer commits to **purchasing a predetermined volume** of carbon credits in the future

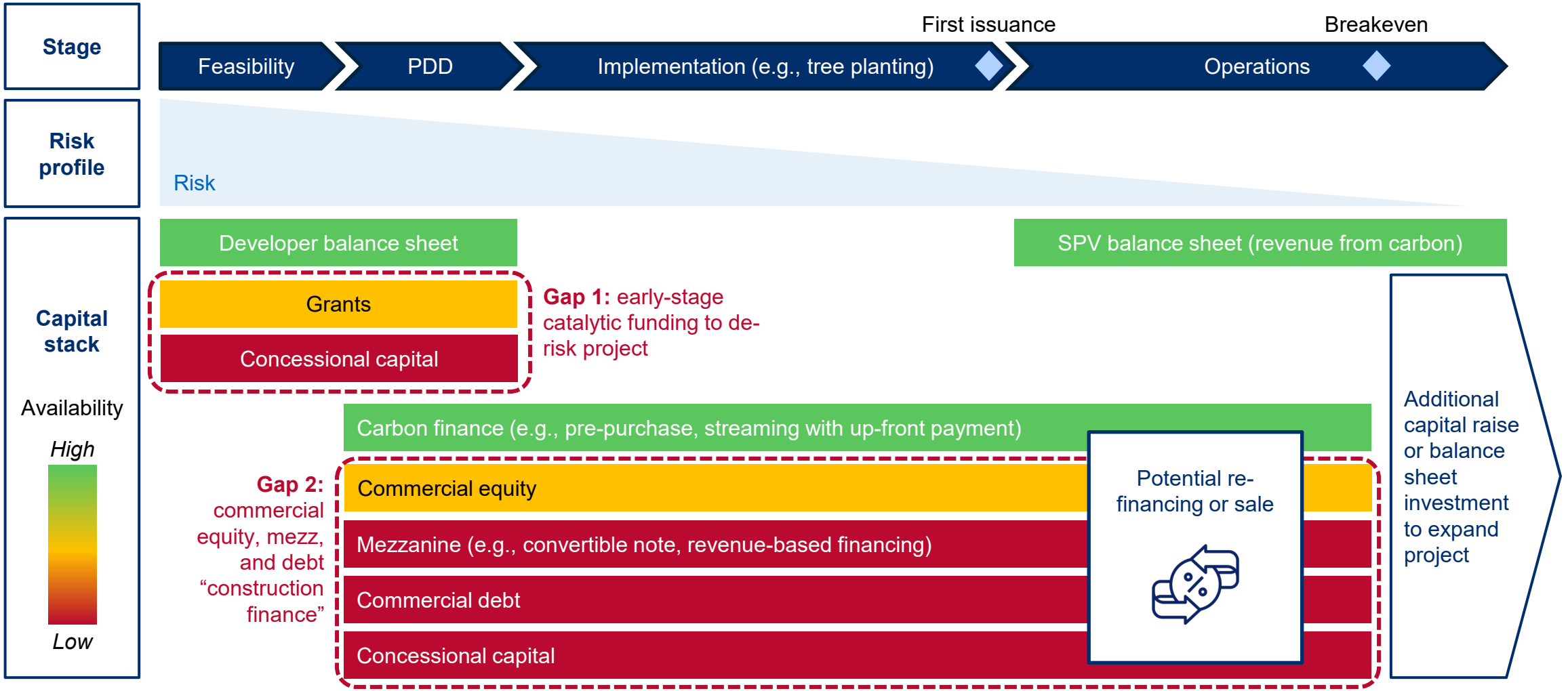
Brokerage Agreement

A contract through which a carbon **broker agrees to sell all or a portion of the carbon credits generated** by a project in exchange for a percentage commission on the value of the credits sold

These are **tools increasing certainty around future revenues**, which can support access to other forms of financing, such as debt or equity

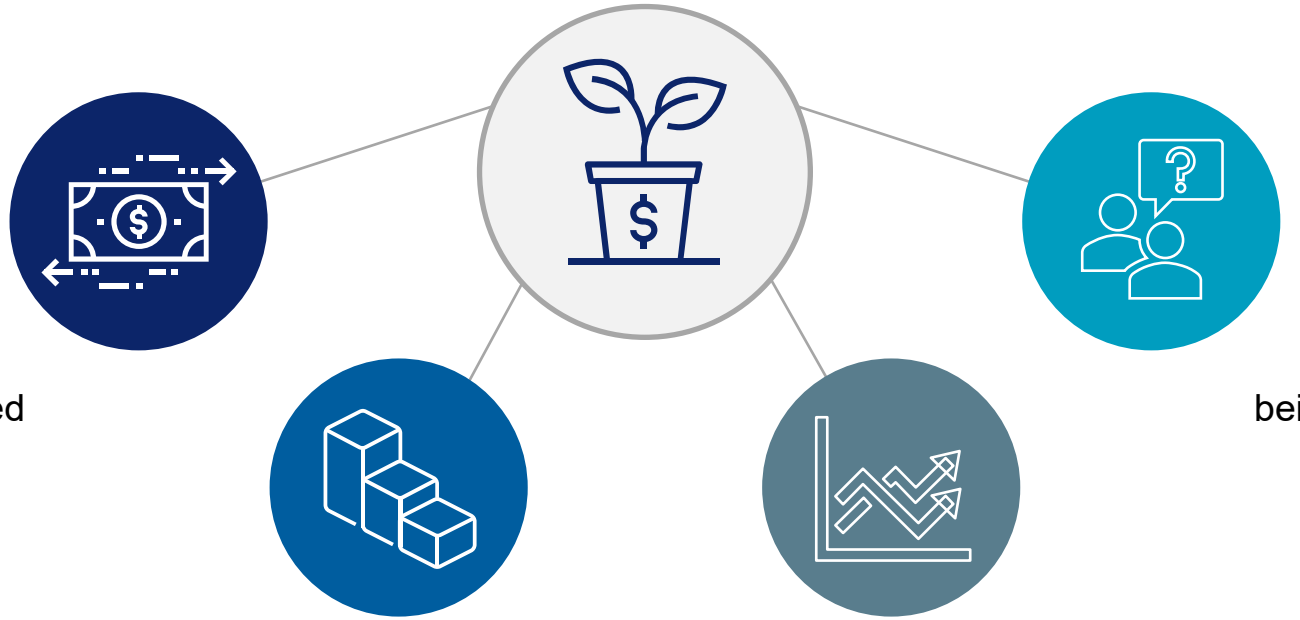
Source: CrossBoundary Carbon Finance Playbook (2023)

Financing needs and sources of capital vary throughout the project development life cycle



Various financing challenges exist for carbon projects

Addressing these gaps will lead to greater financial innovation and unlock increasing investment for carbon projects



Cashflow Timing Challenges

Demand for up-front capital but revenues take time to be realized

Limited Investor Familiarity

Standard financing models still being developed for what remains a relatively nascent market

Transaction Costs and Structuring Complexity

Projects face unique requirements around environmental verification and performance monitoring

Perceived Risks

Projects in emerging markets or tied to innovative technologies or approaches face challenges in de-risking

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Putting it into practice

Excel-based tutorial

- Calculating free cash flow
- Determining financing need
- Calculating valuations and returns

CrossBoundary Group

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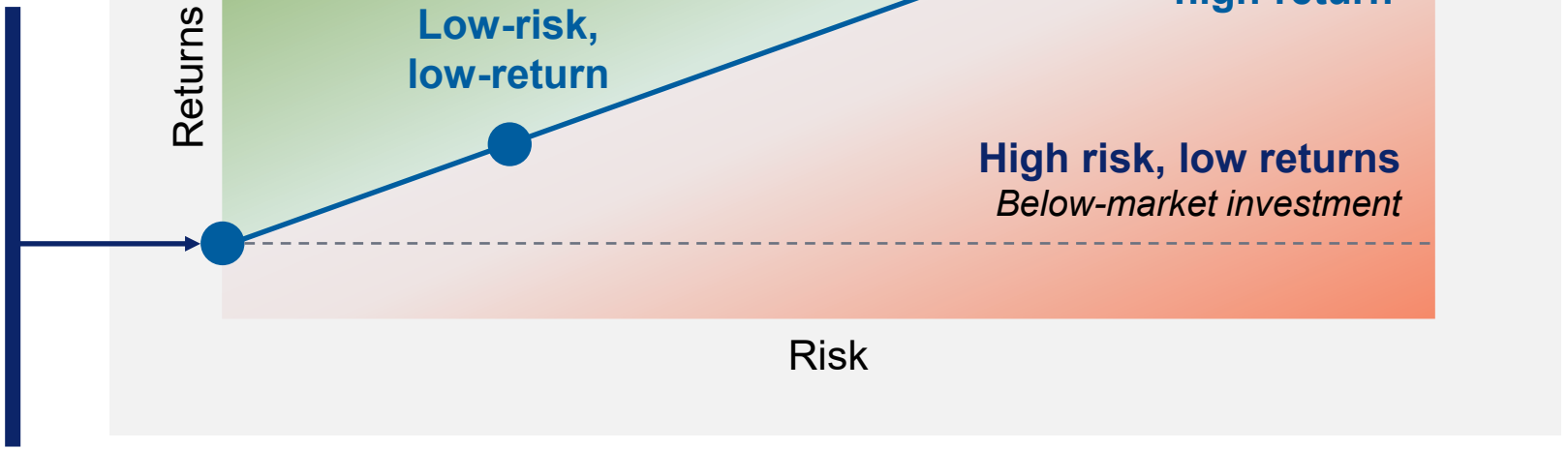
Financial markets are a mechanism for pricing and trading risk, and higher risk requires a higher return

For each additional unit of risk taken on, the required rate of return must increase to compensate for that additional risk

Risk-Free Rate

The risk-free rate represents the theoretical **return on an investment with no risk of financial loss** (typically equal to yield on short-term government debt)

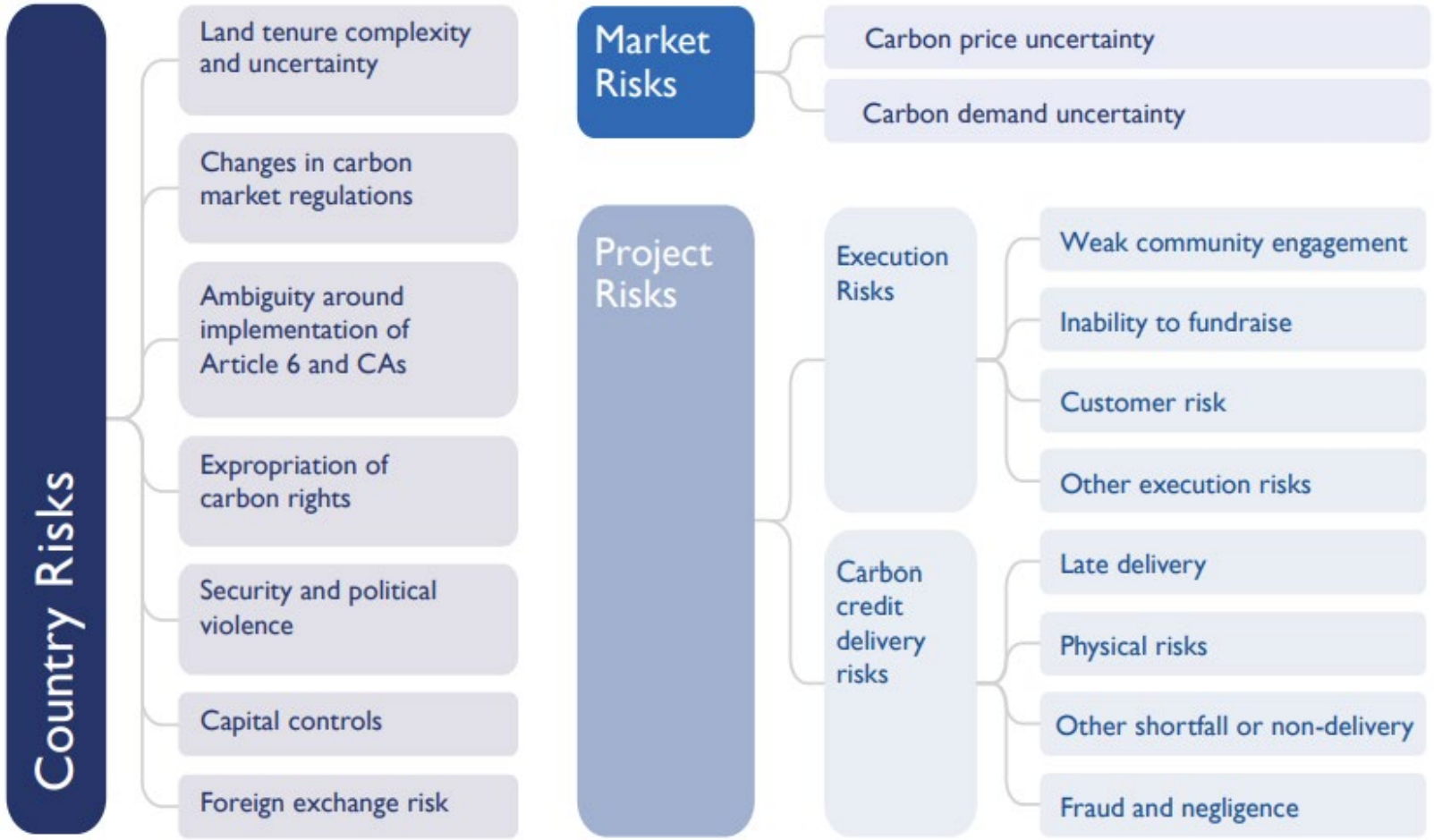
Often used as the baseline to evaluate additional risk taken by a project



There are a number of common risks that are priced into any investment

- ✓ Country risk
- ✓ Currency risk (especially for local currency revenues)
- ✓ Counterparty or credit risk
- ✓ Early-stage risk (especially pre-revenue)
- ✓ Unproven technology or business model risk
- ✓ Regulatory risk (sector- and/or project-specific)
- ✓ Illiquidity / exit risk uncertainty
- ✓ Time horizon (longer time = greater uncertainty

Carbon projects, especially in emerging markets, also come with their own unique risks that investors must assess and price



Source: CrossBoundary Carbon Finance Playbook (2023)

Risks can be mitigated, allocated, or transferred

	Goal	*Examples*
Mitigation	Reduce likelihood and/or impact of the risk	• **Project piloting and phasing** can reduce risk by demonstrating success at a smaller scale • **Contracted offtake agreements** reduce market risk by securing a price and/or volume for credit delivery in the future • **Government engagement and strong FPIC processes** can reduce the risk of disruption due to misalignment with stakeholders
Allocation	For any residual risk, determine who within the deal will bear the risk, and the economic compensation **Tip:** Allocate risk to the party best able to manage it	• **Enhanced collateral/security** reduces investor risk and can make sense for asset-heavy projects • **HoldCo/TopCo guarantees** reduce investor risk, but also diminish the non-recourse advantage of project finance • **Milestone-based payouts** to the developer help address performance risk
Transfer	Offload risk to a third party, for a cost	• **Physical & Political Risk Insurance** can cover unexpected losses due to issues such as political violence, expropriation, breach of government contract, and extreme events such as drought or fire

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There are two broad categories of investors for carbon projects

Carbon Specialist Investors

- Specialists with deep expertise in carbon markets
- Often have established portfolio of relevant investments
- Knowledgeable in project specific metrics
- Often want to invest as a way to procure carbon credits (carbon finance) rather than for a direct financial return from the project

Vs

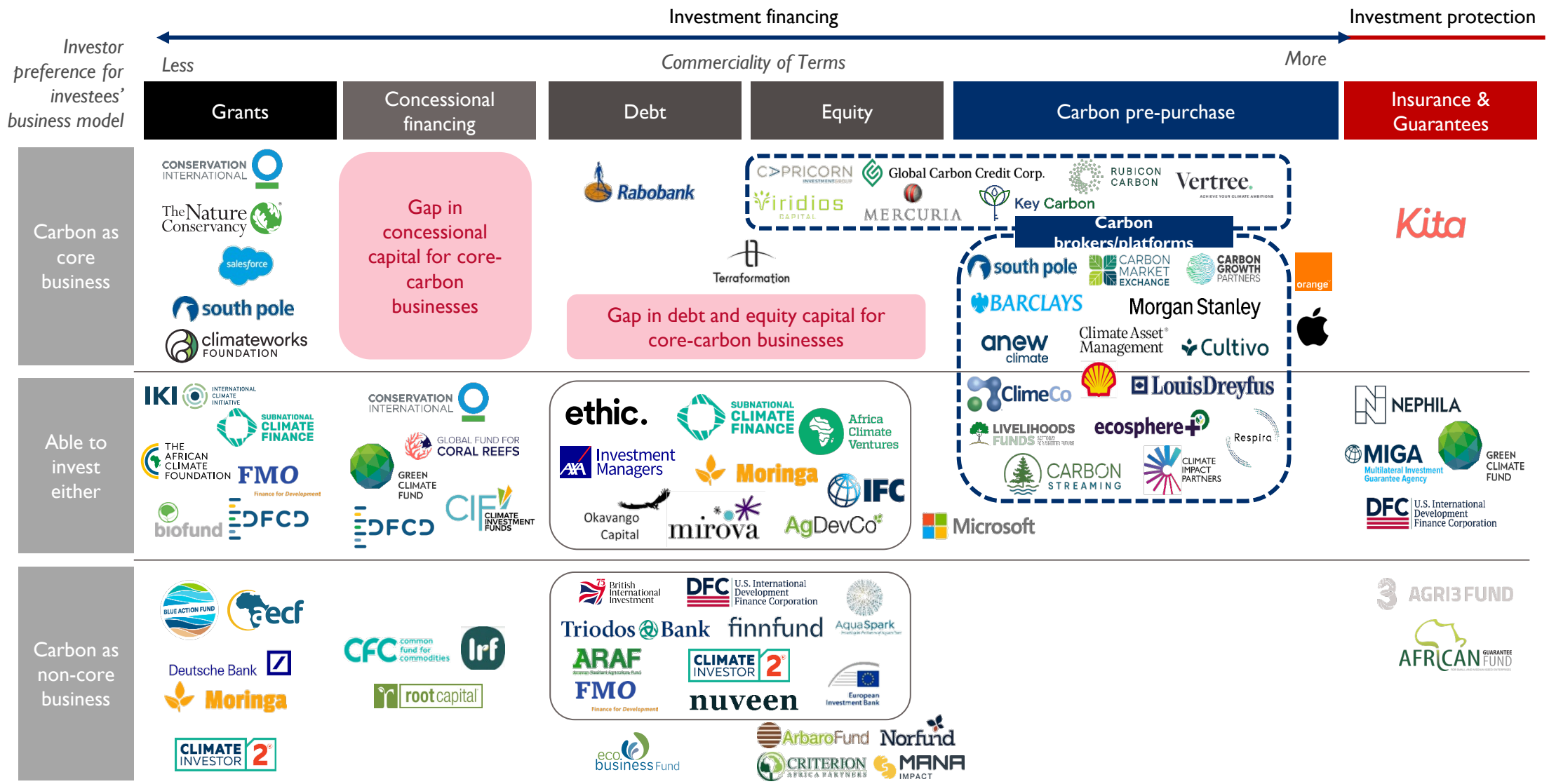
Generalist Investors

- Broader institutional or strategic investors seeking green asset diversification
- Less specialized, may focus more on broader impacts
- May prioritize financial returns over carbon-specific metrics
- Typically only invest into projects that have traditional revenue streams alongside carbon revenues (view carbon as an upside rather than a standalone business)

It is possible to raise funding from a wide range of investor types

Investor Type	Structure	Investment Time Horizon	Funding Source	Risk-Return Profile
Private Equity (PE)	GP/LP structure, fund-based	**7-10 years**	Institutional investors (pension funds, endowments, etc.)	**Medium to high risk, high return potential** Focus on mature projects or growth-stage firms
Venture Capital (VC)	GP/LP structure, fund-based	**5-7 years**	High-net-worth individuals, family offices, institutional investors	**High risk, high return** Typically targets early-stage startups or emerging technologies
Development Finance Institutions (DFIs)	Government or multilateral-backed entity	**10+ years**	National governments, multilateral organizations	**Medium to high risk, moderate return** Prioritize development impact over financial returns but often also require market-rate returns
Commercial Banks	Corporations	**3-5 years (project finance loans)**	Depositors, financial markets	**Low risk, low to moderate return** Prefer well-structured, low-risk projects with stable cash flows
Carbon Funds	GP/LP structure, fund-based	**7-12 years**	Family offices, institutional investors, corporate sponsors	**High risk, high return** Focus on acquiring carbon credits for sale or retirement
Family Offices	Private entities	**Flexible (short to long term)**	Wealth of high-net-worth individuals or families	**Medium risk, flexible return expectations** May fund innovative or niche carbon projects
Corporates	Public or private companies	**5-10 years**	Corporate budgets, balance sheet capital	**Medium risk, moderate return** Typically seek carbon credits for compliance or ESG goals
Foundations	Nonprofit entities	**Long-term or perpetual**	Endowments, donations	**High risk, low or no financial return** Focus on maximizing environmental and social impact
Government Donors	Government	**Long-term or perpetual**	National governments	**High risk, low or no return** Prioritize development impact over financial returns

There are several critical gaps in the carbon project funding landscape



Investors use various methods for calculating and evaluating returns

Internal Rate of Return (IRR)

Measures the annualized rate of return expected from the project

Common benchmark for comparing competing investments

$$IRR = \frac{\text{Cash Flows}}{(1 + r)^n} - \text{Investment}$$

Multiple on Invested Capital (MOIC)

Tracks how many times over the initial investment is returned at exit

$$MOIC = \frac{\text{Total Cash Inflows}}{\text{Total Cash Outflows}}$$

Cash on Cash Returns (CoCR)

Focuses on the annual return on invested cash, providing insight into yield and liquidity

$$CoCR = \frac{\text{Annual Cash Inflows}}{\text{Total Cash Invested}}$$

Illustrative Example[1]

	Year 0	Year 1	Year 2	Year 3	Year 4
Investment A	(1,000)	800	800	0	0
Investment B	(1,000)	300	300	500	500

	A	B
IRR	38%	19%
MOIC	1.60	1.60

The MOIC for Investment A is the same as Investment B because… the total cash inflows and total cash outflows for both investments are the same

The IRR for Investment A is higher than Investment B because… the cash inflows are being received sooner in years 1 and 2 in comparison to the later cash inflows for Investment B in years 3 and 4

1 – Adapted from Career Principles: Accounting & Finance: Multiple on Invested Capital (MOIC)

Building relationships and trust with investors is key to successfully raising funding

Network Utilization
Maintain a network of investors and leverage references from prior financing rounds

Transparency
Clear, consistent communication and knowledge-sharing

Promote Partnership
Establish long-term communications channels and involve investors in planning, where applicable

Due Diligence
Maintain data rooms with key project information and respond promptly to additional diligence requests

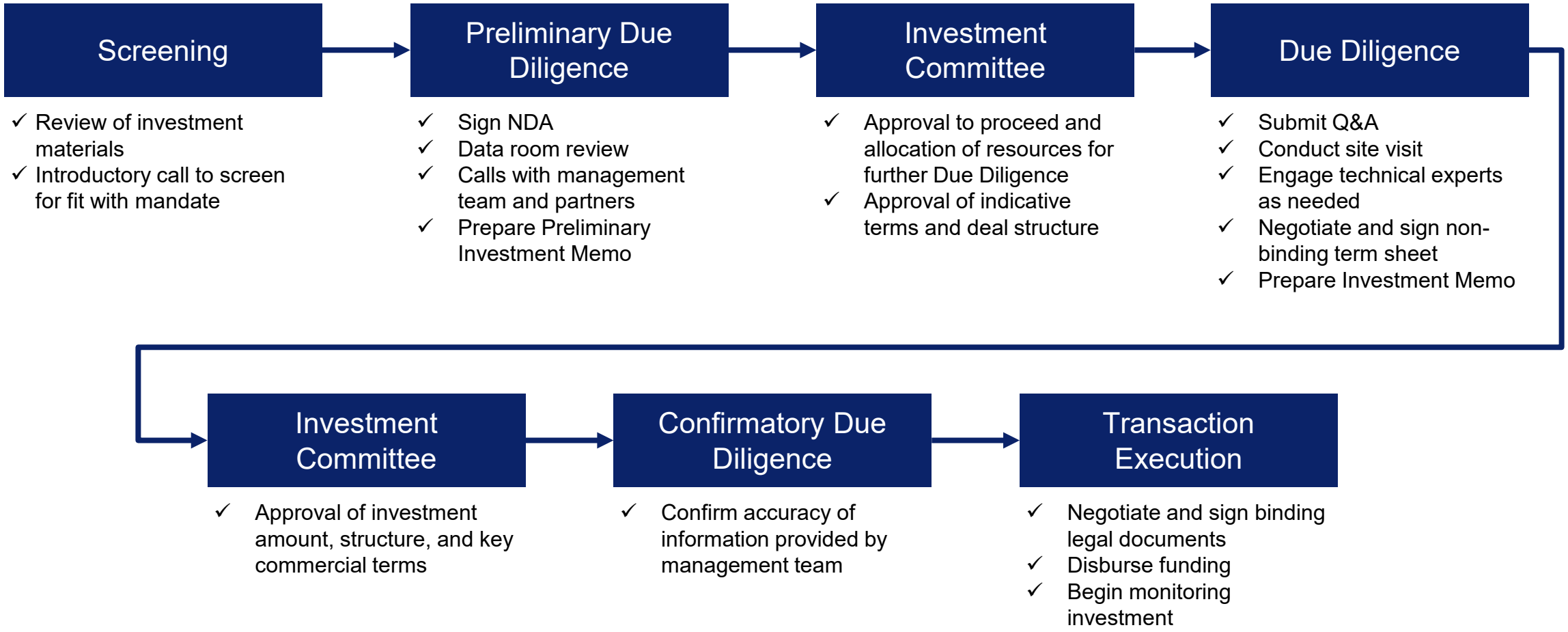
Continuous Engagement
Regular updates, open channels for feedback, responsiveness

Track Record Credibility
Having a demonstrated performance track record and experience

Questions to consider…

- What can you do to build long-term trust with investors?
- How can you make investors' jobs easier?
- How can you ensure that you and your project stay top of mind for investors?
- How can you help investors better understand your project?

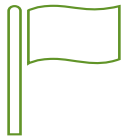
Investors typically follow a structured due diligence process to evaluate investment opportunities



A comprehensive data room provides extensive information about the company and project and preempts investor requests

Marketing materials	Legal	Financial	Carbon/ environmental	ESG	Commercial	Human Resources
Project Teaser	Documents of incorporation	Audited historical financials	Land area in hectares	Status of FPIC processes	List of top customers including revenue for each	Organizational chart showing key employees, titles, and salaries
Project pitch deck	Corporate structure	Cap table	Project type, certifying body, and methodology	Meeting minutes from community consultations	Existing customer contracts	Resumes or profiles for key employees
	Summary of any past or ongoing litigation	Financial projections/financial model	Carbon credit production curve	Social baselines and impact assessments	Market studies or competitive analyses	Copies of employment agreements for key employees
	Prior investor term sheets or agreements	List of assets	Shapefiles for the project area	Benefit sharing plan design	Risks and risk mitigants	
	Land tenure documentation	Financing need	Environmental baselines and impact assessments			

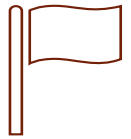
There are certain green and red flags that investors look out for when evaluating carbon projects



Green Flags

- ❑ Responsiveness
- ❑ Transparency
- ❑ Proof of concept (e.g., from a pilot)
- ❑ Robust MRV frameworks and processes
- ❑ Scalability
- ❑ Strong project partners
- ❑ Established risk-mitigation strategies
- ❑ Strong management team and track record
- ❑ Secure land tenure
- ❑ Government approval/licenses

Vs



Red Flags

- ❑ Lack of a clearly articulated business case and project development roadmap
- ❑ Disorganization and lack of coordination
- ❑ Low-fidelity projections of carbon impact
- ❑ Regulatory uncertainties
- ❑ Lack of clear buy-in from local stakeholders
- ❑ Unproven technologies
- ❑ Lack of commercial and technical expertise
- ❑ Weak risk management
- ❑ Very small projects

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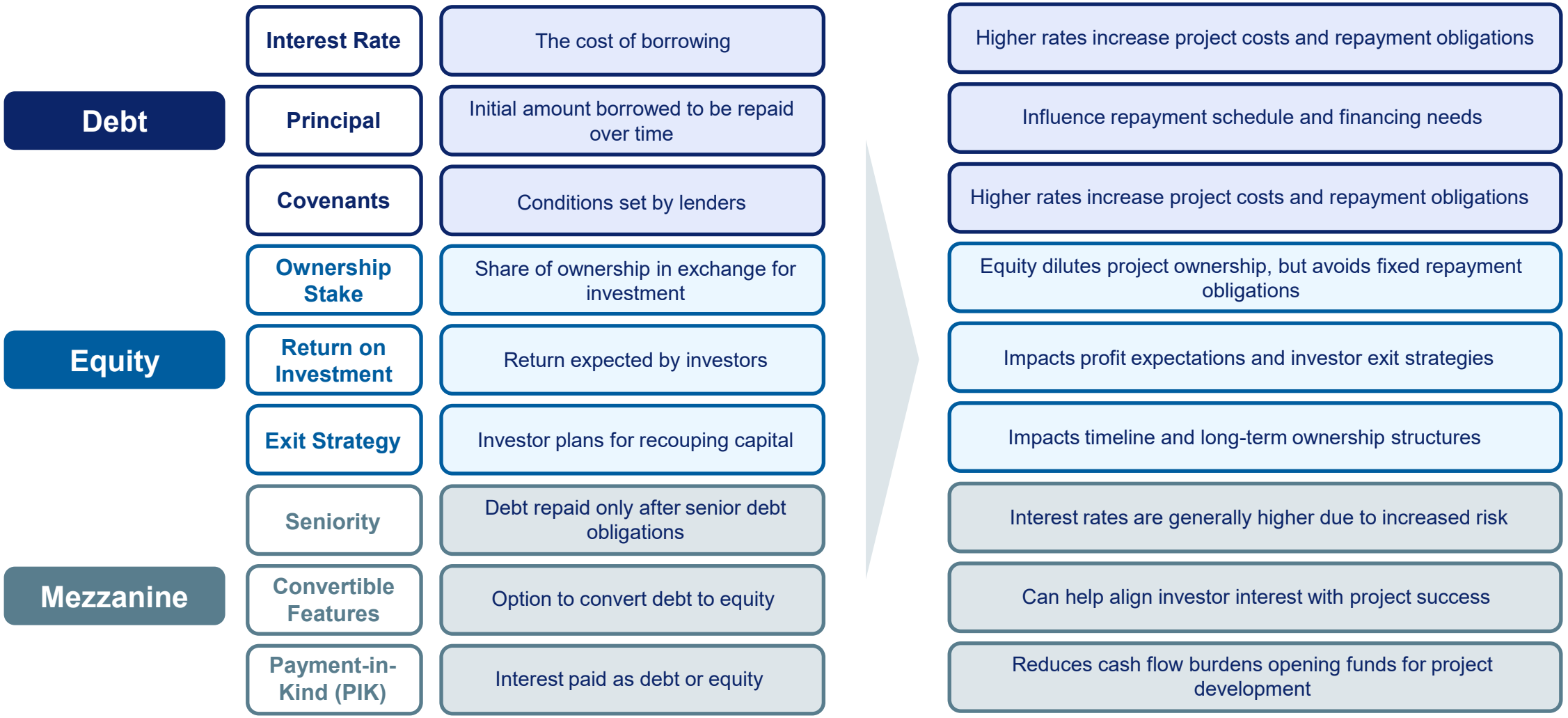
Traditional financing instruments typically include a standard set of terms, which will be negotiated during the investment process



Several additional financing instruments are specific to carbon projects

Pre-Purchase Agreement	**Price**	The price the investor will pay today for credits delivered in the future	Higher price increases the amount of money a developer can raise for a given number of credits
	Volume	The number of credits to be delivered in the future	Higher volume increases the amount of money raised but reduces the number of credits available to sell on the spot market
	Repayment rate	The schedule by which credits will be delivered	Higher rates reduce the amount of cash flow available in the future and increase investor IRR
Streaming Agreement	**Up-front payment**	The total up-front payment/investment	Higher amount means more cash up-front
	Stream percentage	The percentage of credits that the investor receives	Higher amount means more credits delivered to the investor
	Contract duration	The length of time that the investor receives credits	Longer duration means more credits delivered to the investor
Offtake Agreement	**Price**	The future price the buyer will pay for credits delivered in the future	Higher amount means higher revenues
	Volume	The number of credits the buyer agrees to buy	Larger volumes means less risk but also fewer credits to sell on the spot market at potentially higher prices
Brokerage agreement	**Commission**	The percentage of revenue the broker will earn on credits sold	Lower commission means more revenue retained

Carbon financing agreements typically also contain terms and covenants to protect investors in the event of non-delivery

Non-delivery term	Implications for developer
Termination The buyer terminates the agreement if the seller fails to deliver the specified carbon credits.	This is typically the minimum consequence for non-delivery. Termination would be included alongside other terms.
Replacement of credits The buyer may stipulate that compensation should be in the form of carbon credits. This requires the developer to provide credits from its other projects or purchase credits from third party projects, often with specifications matching those of the non-delivered credits, such as carbon credit type, quality, vintage, etc.	If the project has failed, the developer may not have sufficient cash to purchase credits from third party projects, and supply constraints may make it difficult and costly to purchase matching credits. Meanwhile, cross-project delivery guarantees mean that the developer cannot ringfence risk, and so a single project failure could put the entire company including its other, unrelated projects at risk
Cash penalties The developer may face an obligation to pay the buyer the cash value of the non-delivered carbon credits, or other financial penalty for non-delivery. The pricing of these credits can be tied either to the offtake price or spot market price. The obligation can sit at the project level, or it can be backed by the parent company.	If the project has failed, the developer may not have sufficient cash to repay its obligations. If there is recourse to the parent company, this can be a significant risk to the developer. If the project has not failed but is under-delivering, payment will substantially reduce the developer's returns
Conversion to equity The buyer has the option to convert the value of non-delivered credits into equity in the project or developer at pre-defined conversion terms. This provision can be linked to specific project milestones. For instance, if the project is not validated by a specified deadline, the buyer has the right to convert its investment into equity.	Although this entails the developer relinquishing some ownership, it may be favorable to default or cash repayment.
Step-in rights The buyer "steps in" to replace the developer to execute the project (either themselves or a third party depending on the entity's capabilities).	Developer loses control over the project and carbon rights which sit with the SPV. The developer may exit the project altogether through sale of equity stakes.

Source: CrossBoundary Carbon Finance Playbook (2023)

Regardless of the instrument, investment agreements are likely to include several standard requirements and clauses

Governance	
Voting Rights	Specifies how much power each shareholder gets when voting on key project decisions
Information Rights	Specifies the frequency with which the company is required to share information with investors
Board Rights	Specifies which investors sit on the board and what rights they have

Security	
Collateral	Specifies the assets that the lender can seize and sell in case of non-repayment
Parent Company Guarantee	Specifies the term under which parent company legally guarantees project will meet contractual obligations

Other Rights	
Drag-along	If company or project is sold, minority shareholders must exit at same terms as majority shareholders
Tag-along	Minority shareholders have right, but not obligation, to join in any action with majority shareholders
Redemption	Investors have a right to demand redemption of their shares within specific timeframe

Source: Investopedia: Financial Term Dictionary

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Example project: Mangrove restoration

Project overview

50M
Trees to be planted

5,000
Acres will be restored

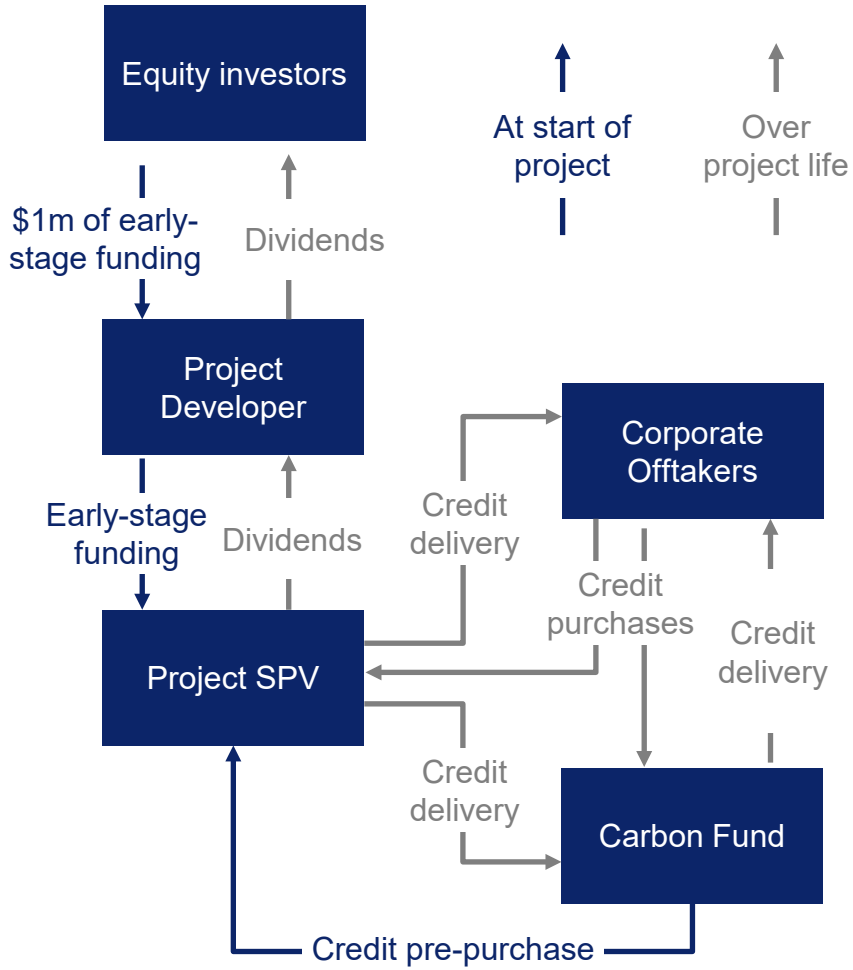
3m
Tons of CO_2 removed

- The project will restore degraded mangrove forests by planting native mangrove species.
- Planting will take 3 years to complete and the project will run for 60 years

- The project developer funded the pre-feasibility and feasibility phases with $1m of equity contributed by the founders and by a venture capital fund
- To fund the PDD and the planting, the developer decided to raise $5m from a carbon find in the form of a carbon credit pre-sale

Pre-purchase amount	$5m
Pre-purchase price	$10
Credits pre-purchased	500,000
Repayment rate	40%
Repayment start	Year 4
Repayment end	Year 18
Investor IRR	12%

Deal structure



Example project: Biochar from agricultural residues

Project overview

6,000
Tons of shells pyrolized per year

1,700
Tons of biochar produced

4,000
Tons of CO_2 removed per year

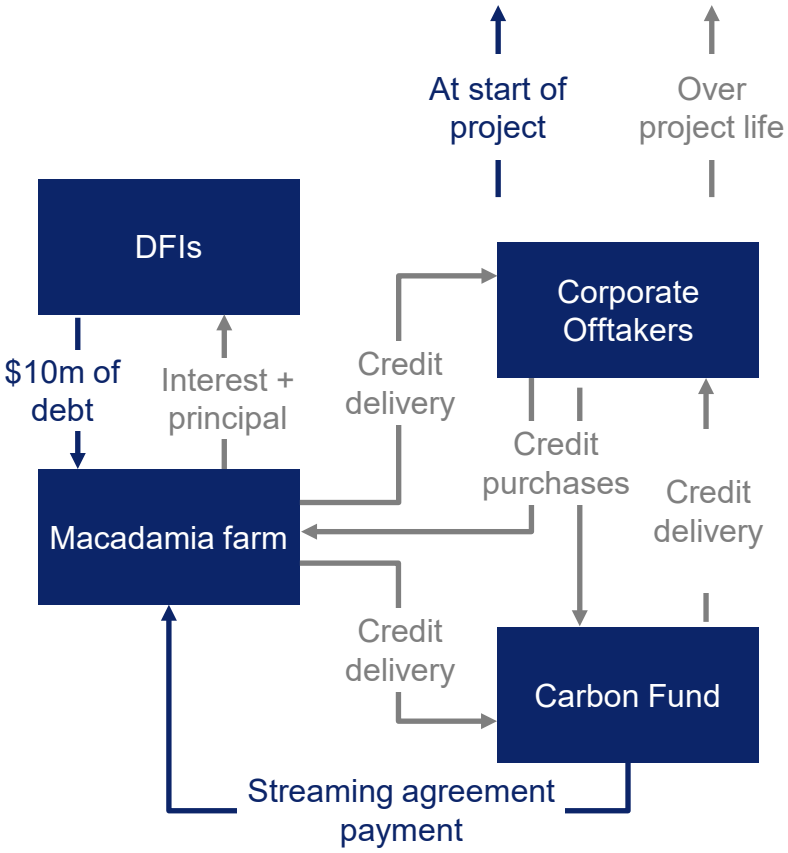
- The project will convert waste macadamia shells into biochar, thereby permanently sequestering carbon.
- The biochar will be used as a soil amendment on the farms to improve water retention and productivity

Deal structure

- The macadamia farm funded all of the planting through equity capital contributed by the founders
- Six years later the macadamia trees are reaching productive age and the founders are borrowing $10m from DFI's and raising $1m through a streaming agreement to fund the construction of the processing and pyrolysis facilities

Debt raise	$10m
Interest rate	10%
Streaming agreement value	$1m
Percentage of credits purchased	30%
Streaming agreement duration	10 years
Implied pre-purchase price	$55
Investor IRR*	16%

*Assuming $130 spot market price



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CrossBoundary Group

Thank you!

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