Introducing Universal Carbon [UPCO2]

The world’s first tradable carbon credit token
Right Place, Right Time, Cubed

Crypto is what Carbon has been waiting for, and vice versa:

- Carbon is a non-deliverable, digital commodity trading anachronistically, OTC in Balkanized markets.
- Almost inconceivable that there is no Global Clearing price, as with gold & oil.
- First principles: Eventually all carbon will be fungible, and price ought to be multiples higher.
- Unleashing the speculative forces of Millenials and Gen Zers, into the one asset that’ll most influence their future – changes everything.
The UPCO2 token allows people worldwide to:

- Buy
- Hold
- Sell

First-time access for ordinary investors

- Democratizes access to the most important new asset class for generations.
- Gives everyone the chance to help solve the world’s greatest challenge.
- Gain exposure to highly compelling supply & demand dynamics.
Introducing the UPCO2 Token

Every Token is:

- Backed on a 1:1 basis by a certified carbon credit.
- Represents one tonne of CO2 or equivalent averted emission in a given year.
- Linked to audited REDD+ projects preserving the world’s rainforests.
What are carbon credits?

1 carbon credit is a digital certificate that proves that a company or an environmental project (forestry, clean energy, biomass) has avoided the emission (pollution) of 1 tonne of CO2 or equivalent greenhouse gas in a given year.

- **High credibility**: Carbon credits are audited by international agencies following rigorous global protocols.
- **Eternal**: Unlike Allocation or Compliance carbon credits, Voluntary credits, last forever, and therefore carry option value.
- **Digital and dollar based**: Carbon credits are intangible assets (similar to mileage points and cryptocurrencies).
**Crypto Saves the Rainforest**

**How REDD+ credits work**

UPCO2 Tokens are substantiated by certified credits from rainforest projects.

- **Investments in emission reduction projects in emerging markets**
- **Certificate obtained for payment of carbon offset**
- **Companies & governments buy credits to meet statutory and voluntary emissions targets**
- **Certified projects receive funding for sustainable forestry in Amazon, Congo Basin, Indonesia, etc.**

**Verified unit**

1 Verified unit (carbon credit) = 1 Tonne of CO₂

of CO₂ emissions averted
The economics of carbon credits

To avoid catastrophic climate change, we need to both

- Reduce or offset our current emissions, and
- Remove previous emissions from the atmosphere.

One without the other will not be enough to keep global warming to 2°C this century.
Climate change

A priority for almost every Government

174 countries plus the European Union signed Paris Climate Agreement:

- Committed to keeping global warming to 2°C in this century.
- All agreed that this is necessary to avoid catastrophic climate change.

We’ve already warmed the planet by 0.8°C causing far more damage than most scientists expected.

Below: A third of summer sea ice in the Arctic is gone; oceans are 30% acidic, and devastating floods and droughts have already become more common.
We’re not on track...

22%
Today, we only have the capacity to offset a fifth of our emissions through carbon credits.

12 bn tonnes
Only 12 billion tonnes were offset in 2019 out of 55 billion tonnes of pollution created.

<1%
Only 0.1 billion tonnes came from Voluntary Carbon Credits, the only path for most people/companies to offset carbon emissions.

Source: 'State and Trends of Carbon Pricing 2020', World Bank Group
70% of world GDP is now emission limited – just 40% in 2016
Carbon removal critical to meet targets

Forestry is one of the most effective and immediate ways of reducing carbon in the atmosphere.

Economics of Climate Change

Exponential demand growth possible for carbon credits

To keep global warming below 2°C, we need to remove greenhouse gases from the atmosphere:

- By 2050, we need to remove at least 100x the amount we do today.
- Supply of credits likely to lag demand, creating interesting price dynamics

Economics of Climate Change

Demand for credits is already skyrocketing

- 2020 may well be the inflection point for climate change with many big firms voluntarily pledging to become either carbon neutral, or to entirely offset the impact of certain activities.

- Motivated by corporate social responsibility and industry leadership, large, publicly-listed companies are set to invest hundreds of millions of dollars in voluntary offset projects.

Economics of Climate Change

But supply remains heavily constrained

- New REDD+ credits are only created after an offset project is certified.
- This typically costs ~$500K per project and can take 2–3 years.
The investment potential of carbon credits

To keep global warming within 2°C\(^1\), the price of carbon credits will need to rise substantially, according to new research by Morgan Stanley and the IMF.

![Graph showing the average price per carbon credit from 2020 to 2030. In 2020, the price was $12, and in 2030, it is projected to be $75.]

* According to research by the IMF and Morgan Stanley in 2020

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The compelling economics and scalability of REDD+ projects

42% of the voluntary carbon credit market over the past five years is linked to forestry.

The investment potential of climate change

$20 trillion in asset growth in ESG investing forecast over next 20 years:

Equal to the entire value of the S&P 500 today.

Source: ‘Climate change investing catches on with millennials who believe it’s pressing — and profitable’, CNBC, Dec 31, 2019.
Significance of the Token

Why UPCO2 matters

- Climate change is the defining challenge for our generation.
- Carbon credits are set to become the most important new asset class for anyone worried about climate change.
- 90% of millennials cite impact investing as their top strategy choice in Bank of America Securities Annual Survey.
- In 2019, climate change became the #1 investment theme within the Survey.

Source: ‘Climate change investing catches on with millennials who believe it’s pressing — and profitable’, CNBC, Dec 31, 2019.
Worldwide participation in solving a global problem

- Global warming is a challenge for everyone.
- Until now, only institutions and big companies have been able to participate fully.
- UPCO2 democratizes access to an era-defining new asset class.

By turning carbon credits into tradable tokens, UPCO2 will help to widen their appeal and direct greater financial resources into certified rainforest projects.
The most credible asset for anyone who’s not a climate change denier

- Unless one is irrational and partisan, the cost of greenhouse gas emissions to polluters has to go up to save the planet, making carbon credits an interesting play.

- UPCO2 gives everyone the chance to help solve the greatest challenge of our generation.

‘It’s not our kids’ and grandkids’ problem any more. People are beginning to understand that it’s our problem. It’s in this decade.’

Haim Israel
Head of Thematic Investing
Bank of America Securities
Democratizes an era-defining new asset class

- We need a global clearing price for carbon in the same way we already have for other commodities such as oil and gold.

- Providing global distribution via a public blockchain, UPCO2 makes this more likely by creating liquidity, transparency and accessibility for carbon credit investing.
Key features of UPCO2 Tokens:

1. UPCO2, the world’s first tradable, carbon token, is now available on Uphold.

2. Each Token is backed 1:1 by a certified carbon credit representing one tonne of CO2 or equivalent emissions averted in a given year.

3. All underlying carbon credits are held in the public registries of leading standards agencies, such as Verra.

4. Every token minted is audited by CertiK, a top blockchain security specialist.

5. UPCO2 is an ERC-20 token on the Ethereum network, issued by the Universal Protocol Alliance and distributed by Uphold and other exchanges.
Curating the best REDD+ carbon credits

- The carbon credits underlying every UPCO2 Token are derived from certified REDD+ projects.
- REDD+ projects finance developing countries’ efforts to reduce emissions from deforestation.
- UPCO2 REDD+ credits are certified by leading agencies such as Verra and derive from rainforest projects in the Congo Basin, Amazon, and Indonesia.
- Our Advisory Board consists of some of the most eminent names in the Voluntary Carbon sector and helps us to select credits from the best rainforest projects.
Universal Carbon Foundation

Our Advisory Board

Ricardo Bayon
Ricardo is CEO of Encourage Capital, an asset manager focused on environmental issues. He has co-authored *The State of Voluntary Carbon Markets 2007* and *Picking up Steam and Voluntary Carbon Markets: An International Business Guide to What They Are and How They Work.*

Mike Korchinsky
Mike is founder of Wildlife Works, a leading REDD+ program manager and developer has more than 20 years of experience working with developing countries, private sector and local communities on implementing REDD+ conservation projects.

Alexander Matthiessen
Alex is former CEO of Riverkeepers, which led the decades-long campaign to protect the Hudson River NYC Watershed. Previously, Alex served as a special assistant in the Office of U.S. Department of the Interior Secretary Bruce Babbitt and was the grassroots program director for the Rainforest Action Network in San Francisco.
Universal Carbon Foundation

Our Advisory Board

Matthew Le Merle
Matthew is the Co-Founder and Managing Partner of Fifth Era and of Keiretsu Capital – the most active early stage venture investors backing almost 200 companies a year. Matthew is a manager of Blockchain Coinvestors, the world’s leading blockchain venture fund of funds.

Ben Stuart
Ben is the Chief Commercial Officer at CBL Markets. Ben brings significant experience across financial services and environmental commodity markets, including Emissions, Voluntary Carbon, Renewable Energy Certificates and Water.

JP Thieriot
JP is the CEO of Uphold and previously founded and co-founded a number of companies in the real estate, agriculture and technology sectors. He also worked for nine years at the technology investment bank Hambrecht & Quist, where he was responsible for the formation and management of the firm’s Latin American activities.
Pricing and trading

- No single market sets global prices for carbon credits. Liquidity is limited and the pricing of individual credits may be volatile. Investors should note that an investment in UPCO2 Tokens carries special risks.

- Until robust liquidity is established, UPCO2 will be dynamically priced from multiple feeds drawn from exchanges, retail offset sites, and other sources.

- UPCO2 can initially be bought, held, sold or burnt on Uphold, with Bittrex and other exchanges set to follow.

- As with all cryptos, trading in UPCO2 Tokens is 24/7.

Target exchanges for listing:
‘By harnessing the animal spirits that have created $500 billion of crypto market cap and made Tesla more valuable than all other car companies combined, we can change the dynamics of a moribund carbon market, introduce an enormous new asset class and ensure the future of our planet.’

Greg Kidd
Hard Yaka

Animal spirits to save animal spirits
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