CARBOSUELO

MAKING SPANISH AGRICULTURE
CLIMATE RESILIENT

www.carbosuelo.eu

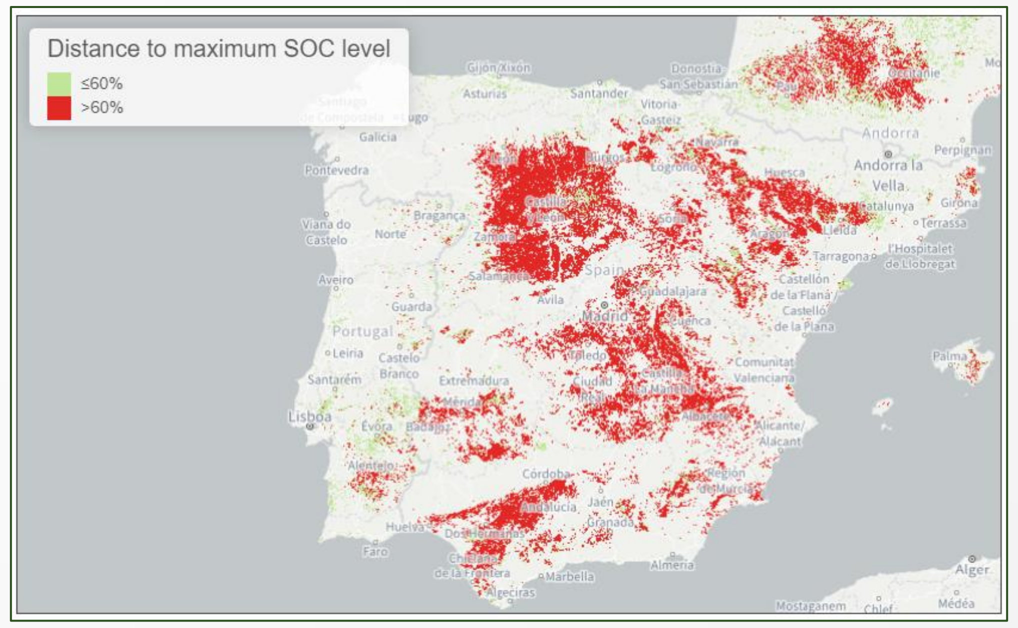
CLIMATE IMPACT ON SPANISH FARMING IS REAL

Crop yields in 2022 and forecast for 2023
Tonnes per hectare

		5-year average	2022	2023 forecast	2023 forecast vs. 5-year average
WHEAT	Spain	3.5	2.8	2.2	-38.4%
	EU-27	5.6	5.6	5.6	0.0%
BARLEY	Spain	3.3	2.8	2.2	-34.2%
	EU-27	4.9	5.0	4.7	-3.1%
RYE	Spain	2.4	1.9	1.4	-40.5%
	EU-27	4.0	4.3	4.1	3.5%
SWEET CORN	Spain	12.1	11.7	12.5	3.3%
	EU-27	7.5	5.9	7.5	-0.4%
RICE	Spain	7.4	6.8	6.7	-9.7%
	EU-27	6.5	5.4	6.5	-0.6%
POTATO	Spain	31.7	30.5	29.1	-8.2%
	EU-27	34.1	35.3	34.4	0.9%
SUGAR BEET	Spain	85.8	84.1	87.1	1.5%
	EU-27	72.0	-	73.7	2.4%

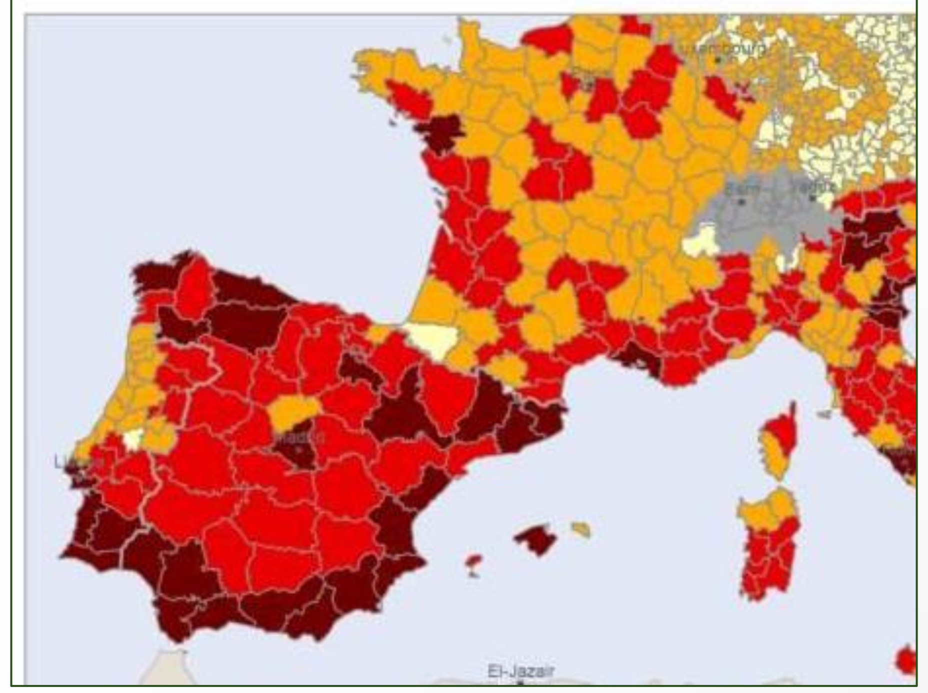
Source: CaixaBank Research, based on Crop Monitoring in Europe (21 August 2023).

In 2023
- Main crop yields down 40%
- Olive production down 55%
- Commodity prices down 20-30%
- CAP farmer subsidy income down 15-30%

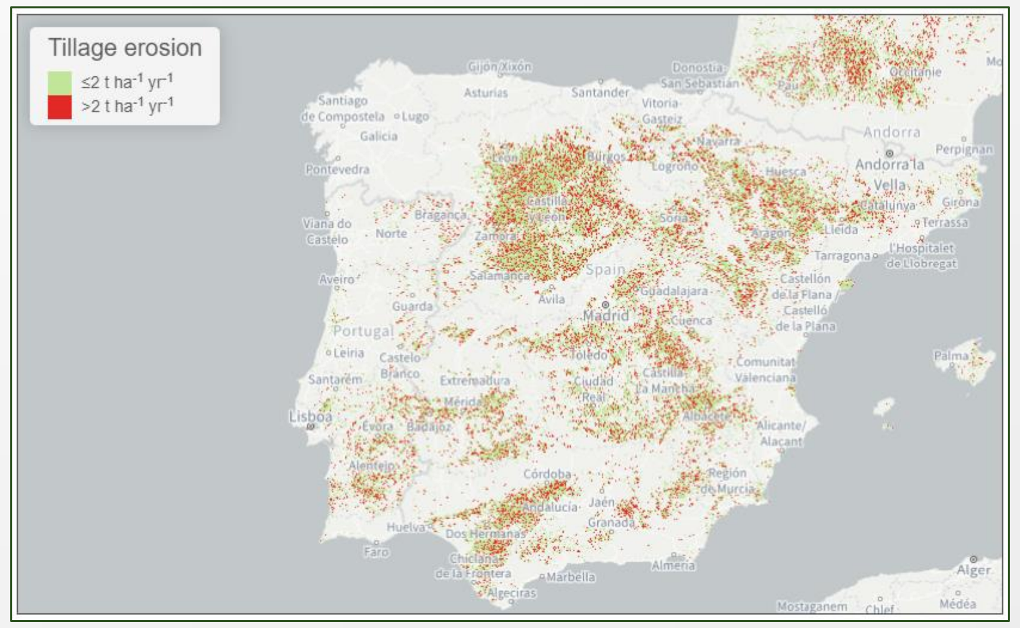


- Virtually all Spain farming land severely degraded
- Organic content left less than 40% of balanced condition.

Aggregate potential impact of climate change



In 2023
- Worst drought year on record
- Climate forecasts indicate Spain is likely to suffer significant impact over coming years

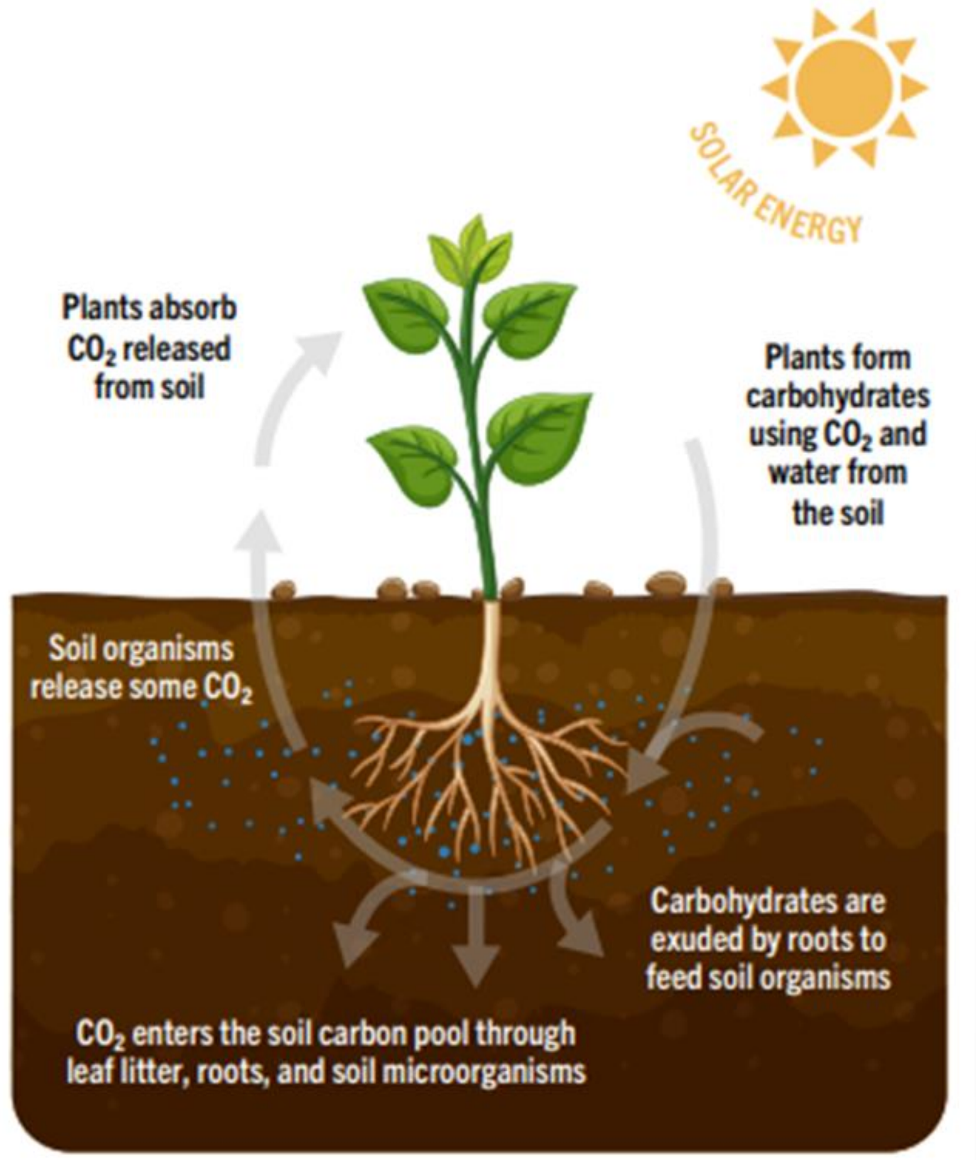


- Average yearly soil organic matter loss of 1-2 t/ha from unsustainable farming practices
- Accelerating desertification and loss of food productivity

Data sources: EU Commission EUSO dashboard, Caixabank research, ESPON

Spanish farmers are severely hit by climate change – desertification is catastrophically deteriorating food production, farmer livelihoods, biodiversity and soil health regeneration. Action at scale is needed.

CONSERVATION AGRICULTURE IS THE SOLUTION



Conservation Agriculture

- Minimal soil disturbance
- Constant soil cover
- Right crop rotations

✓ Significantly improved drought resilience
2.4 t/ha yield vs 0.7 t/ha with conventional farming in 2023

✓ Demonstrated farm operations efficiency improvement
Up to +18% bottom line, 2x more farmland/farm worker

✓ Demonstrated increased biodiversity and soil health
Up to +200% biodiversity

✓ Demonstrated significant carbon sequestration
Up to +5 t CO_{2e}/ha and year capture

Key adoption enablers

- Credible farmer financial incentives
- Agronomical competence
- Local agronomic support during transition phase
- Local reason-to-believe – social & tradition barrier

- **Spanish farming has 2-4x higher carbon sequestration potential than the EU average**
- **Monetization through carbon and biodiversity markets will unlock the change to climate resilient farming**

WHAT IS CARBOSUELO'S ROLE?

- **We help the growers to move to sustainable and climate resilient farming practices**
- **We use the carbon sequestered from the new farming practices to generate Carbon Removal Certificates**
- **We sell the certificates in the Carbon in/offsetting markets**
- **We generate additional revenues to the grower and returns to Carbosuelo**
- **We build impact at scale**

Growers converting to conservation agriculture practices

- Soil health & fertility increase
- Biodiversity benefits in soil + on and off-field
- Lower farm input requirements
- Farm operations economy benefits & climate resilience

Agronomic support

€

- Carbon emission reduction
- Carbon sequestration
- Biodiversity increase
- Climate resilient food production

CARBOSUELO

€ Cash to Carbosuelo

€

High integrity Natural Capital Credits

Value chain insetting or offsetting

CORE TEAM WITH PASSION FOR AG-BASED IMPACT

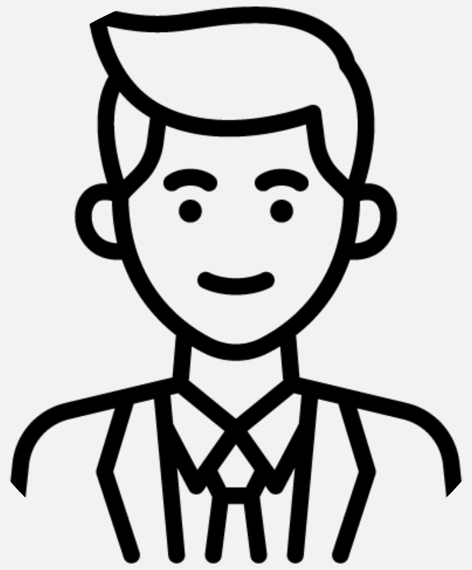
Management

Mats Rosenberg
CEO & Co-founder

- 20+ years in agribusiness sustainability
- Ex MD, Agoro Carbon Alliance Europe
- Ex Syngenta Group, Regional Head EAME Sustainable & Responsible Business

Pierre-Loïc Caïjo
CFO (ad interim) & Co-founder

- 20+ years in impact investing
- CEO Adiant Capital
- Serial climate venture entrepreneur
- Ex VP Climate Change Capital
- Ex Goldman Sachs



Confidential,
Commercial Director

- 25+ years in Iberian Ag commercial management
- Commercial Director Spanish Ag Company
- Ex Global Ag group

Board

Alex Bell

- Ex CEO Agoro Carbon Alliance
- CGO, Removr
- Ex Senior VP, Yara International

Legal Counsel

Dr Tatjana Jendritzky

- CEO Konjunkt Legal Consulting
- Ex Regional Head Legal, EAME, Syngenta Group

Advisors

Prof Dr Emilio Gonzalez-Sanchez

- 25+ years in Sustainable Agriculture
- Sec Gen, European Conservation Agriculture Federation
- Senior Advisor Spanish Gov, FAO, World Bank

Dr Jeremy Dyson

- 35+ years in Soil Science & Sustainable Agriculture
- Fellow of the Institute of Professional Soil Scientists
- Ex Head EAME, Env Stewardship, Syngenta Group

Dr Tanja Havemann

- 20+ years in environmental finance
- Founder Clarmondial AG
- Advising NGO initiatives including : SBTi ,Verra, Climate bonds initiative

THREE KEY PILLARS NECESSARY TO UNLOCK VALUE MAXIMIZATION AT SCALE

WE HAVE IT ALL

Grower sign-up penetration at scale

Deep knowledge of
Grower reach in Spanish Ag market

- 25+ years with network of advisors already trusted by growers
- 20+ years ag marketing experience

Grower trust and success support

World class
Conservation Ag expertise
with local reach

- 20+ years of leading global expertise in Conservation Ag
- Supported in-field by the Spanish Conservation Ag Association

Optimised value to growers and investors

High Integrity
Certification competence

- High integrity certification only
- In-house experience
- Advised by globally leading Nature Based Solution certification experts

ATTRACTIVE FINANCIALS

Grower's financial benefits	Crop 1	Crop 2
Income (conventional farming)	500 €/ha	1'500 €/ha
Operational gains from Cons Ag	10-15% 50-75 €/ha	10-15% 100-150 €/ha
Carbon sequestration potential	0.8-3 t/ha	1-5 t/ha
Carbon price	40-60 €/t	40-60 €/t
Grower's share of carbon value	65% 21-117 €/ha	65% 26-195 €/ha
Net annual grower benefit	71-192 €/ha +14-38%	120-313 €/ha +8-21%

Net annual Carbosuelo revenue	11-63 €/ha	14-105 €/ha

Carbon Cost & 10-year Cumulative Cash Flow

	Price of Carbon - High	Price of Carbon - Middle	Price of Carbon - Low
Hectares - High	Av C cost Crop 1: 43.7 €/t Av C cost Crop 2: 40.1 €/t Cumulative CF: 1'150 m€	Av C cost Crop 1: 32.6 €/t Av C cost Crop 2: 29.3 €/t Cumulative CF: 774 m€	Av C cost Crop 1: 21.1 €/t Av C cost Crop 2: 18.4 €/t Cumulative CF: 403 m€
Hectares - Middle	Av C cost Crop 1: 43.8 €/t Av C cost Crop 2: 40.4 €/t Cumulative CF: 884 m€	Av C cost Crop 1: 32.8 €/t Av C cost Crop 2: 29.6 €/t Cumulative CF: 593 m€	Av C cost Crop 1: 21.3 €/t Av C cost Crop 2: 18.7 €/t Cumulative CF: 308 m€
Hectares - Low	Av C cost Crop 1: 44.7 €/t Av C cost Crop 2: 41.4 €/t Cumulative CF: 499 m€	Av C cost Crop 1: 33.6 €/t Av C cost Crop 2: 30.5 €/t Cumulative CF: 334 m€	Av C cost Crop 1: 22.1 €/t Av C cost Crop 2: 19.6 €/t Cumulative CF: 173 m€

- **Variable cost-based business model allows for business profitability even at worst-case market scenario**
- **Worst-case scenario carbon cost meets today's prices – in a growing agriculture based NBS market price environment**

EU AG CARBON COMPLIANCE + HARMONIZING VOLUNTARY INSETTING BRINGS STABILITY TO DEMAND AND PRICING

EU Compliance

EU Carbon Removal Certification Framework Regulation: High integrity certification standard for carbon removals. Implementation 2025.

LULUCF Regulation: Each Member State obliged to deliver increased quotas of carbon removals from agriculture and forestry.

AgETS introduction: Ring-fenced and regulated agricultural carbon market to be established – similar to the ETS. All options under consideration include use of voluntary carbon removal schemes.

- **Will introduce a high quality only, fungible asset market**
- **Will drive up nature-based carbon removal prices & demand**
- **Will bring increased market stability**

Voluntary

GHG Protocol, SBTI: Rapidly developing pragmatic harmonized Scope 3 carbon accounting guidance for soil carbon removals.

SustainCert – Value Change Initiative: Introducing supply shed accounting principles enables insetting across broken supply chains

- **Will enable use of carbon insetting certificates to meet increasing SBTI net zero commitments from food industry**
- **Will allow supply chain wide carbon accounting**

ACHIEVEMENTS TO DATE: BUSINESS PROVEN END-TO-END

- ✓ First 15’000 ha grower contracts signed (= € 4.2m contract value), further contracts signature now pending Carbosuelo asset financing.
- ✓ Grower pipeline (30-40’000 ha) is building – without any marketing so far.
- ✓ Two major global ag commodity traders committed to multi-year offtake.
- ✓ Further discussions advancing with global energy players/traders for off-take and SPV carbon asset financing
- ✓ Network of 15 influential Spanish farming agents through long-term trust relations
- ✓ Agreements/MoUs in place with market delivery ecosystem and advisory partners
- ✓ Member and active contributor to SustainCert – VCI Scope 3 insetting working group

Management team members bring the experience and established personal network from having launched the Agoro Carbon Alliance 2021/22 in Spain, and are ready to scale from start

INVESTMENT OPPORTUNITY IN A NUTSHELL

Use of Proceeds of €2.0m VC Round

- ✓ Finalise legal set up and build operations backbone
- ✓ Hire core team members full-time
- ✓ Set up Spanish agent network activities (push marketing)
- ✓ Brand launch and awareness campaign (pull marketing)
- ✓ Sign 76kHa contracts in first 9 months representing >1.5 mtCO2e and >€100m gross and >€30m net aggregate 20-yr revenues
- ✓ Initiate certification project development and MRV setup.
- ✓ Prepare Series A discussions with already identified investors

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