

The logo for Xpansiv features a stylized 'X' composed of two overlapping shapes, one in light blue and one in a darker blue. To the right of the 'X', the word 'pansiv' is written in a clean, white, sans-serif font. The entire logo is centered on a background of a night view of Earth from space, showing city lights and the curvature of the planet against a starry sky.

# Xpansiv

Commodity Futures Trading Commission Presentation

June 2022

# Xpansiv | Overview

## Xpansiv provides commodity market infrastructure for ESG-inclusive commodities

- **Formed through 2019 merger between CBL Markets and Xpansiv**
  - CBL Markets was founded in 2009 and operates the world's largest carbon offset spot exchange
  - Xpansiv was founded in 2016 and operates a registry and data-interface for ESG-inclusive commodities
- **Xpansiv operates an electronic spot exchange, registry infrastructure, portfolio management systems, and market data services for ESG-inclusive commodities, including:**



Carbon



Water



Renewable  
Energy



Natural  
Gas



Fuels

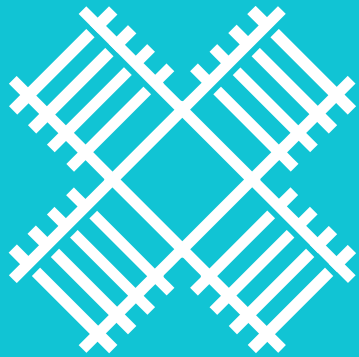
- **Global Operations**

- +230 employees located in New York, London, Sydney, and San Francisco

# Premise | Commodity Markets & Products Evolve Around Infrastructure

Infrastructure underpinning liquidity hubs has driven market and product evolution of physical commodities

Xpansiv is a global liquidity hub in ESG commodities  
(beginning with Carbon Offsets)



Railroad infrastructure made Chicago a hub for commodity market evolution

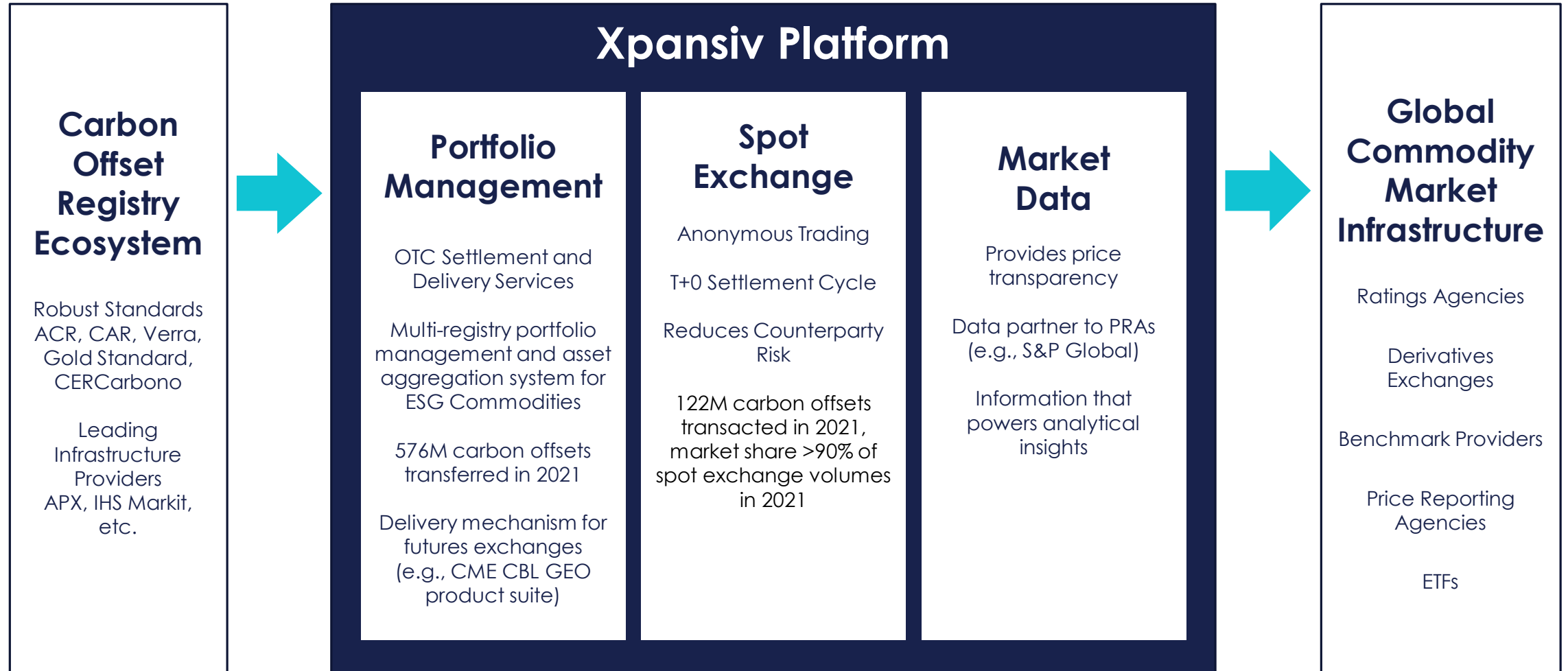


Pipeline infrastructure enabled the benchmarks for Crude and Natural Gas



ESG commodities require **digital infrastructure** to support market function

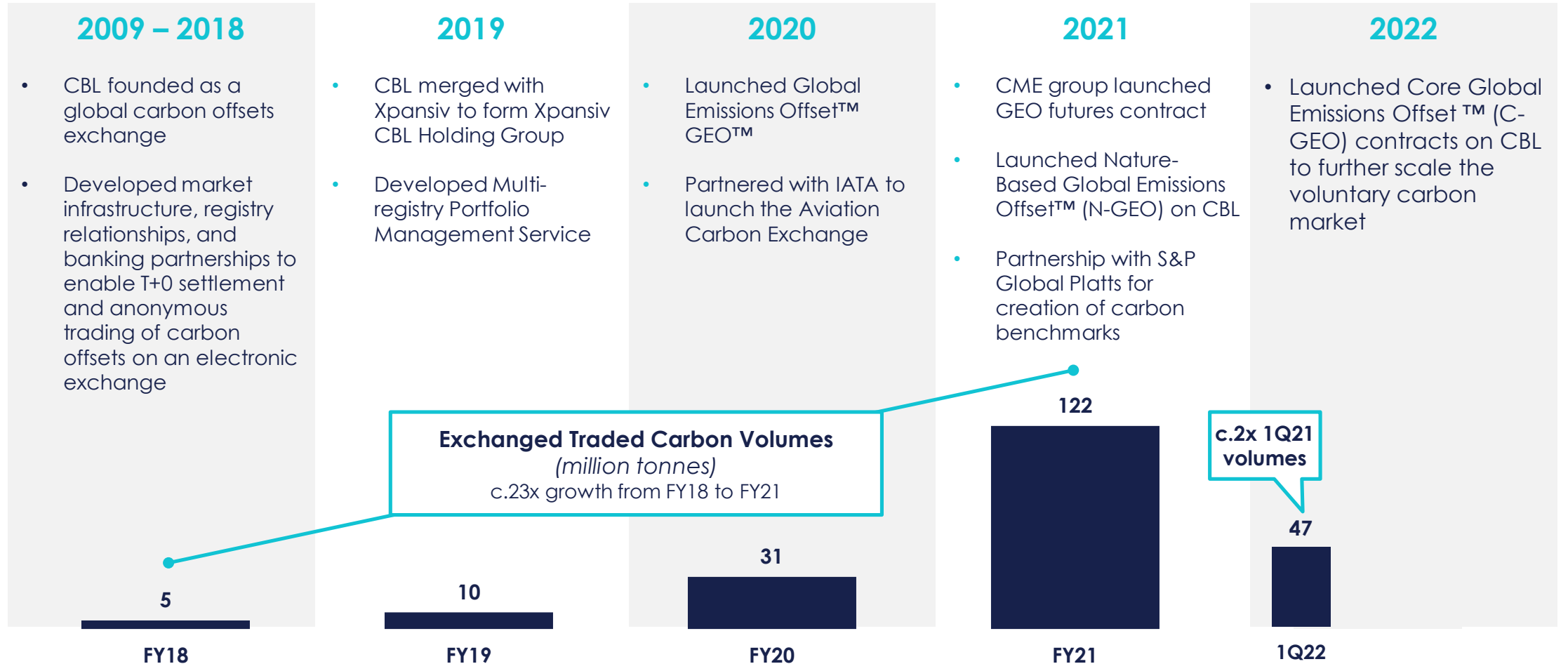
# Xpansiv | Designed to Provide Physical Commodity Market Infrastructure to ESG-Markets



# Innovation | Supports Market Growth

Formation of Xpansiv as a vertically integrated ESG Commodities platform

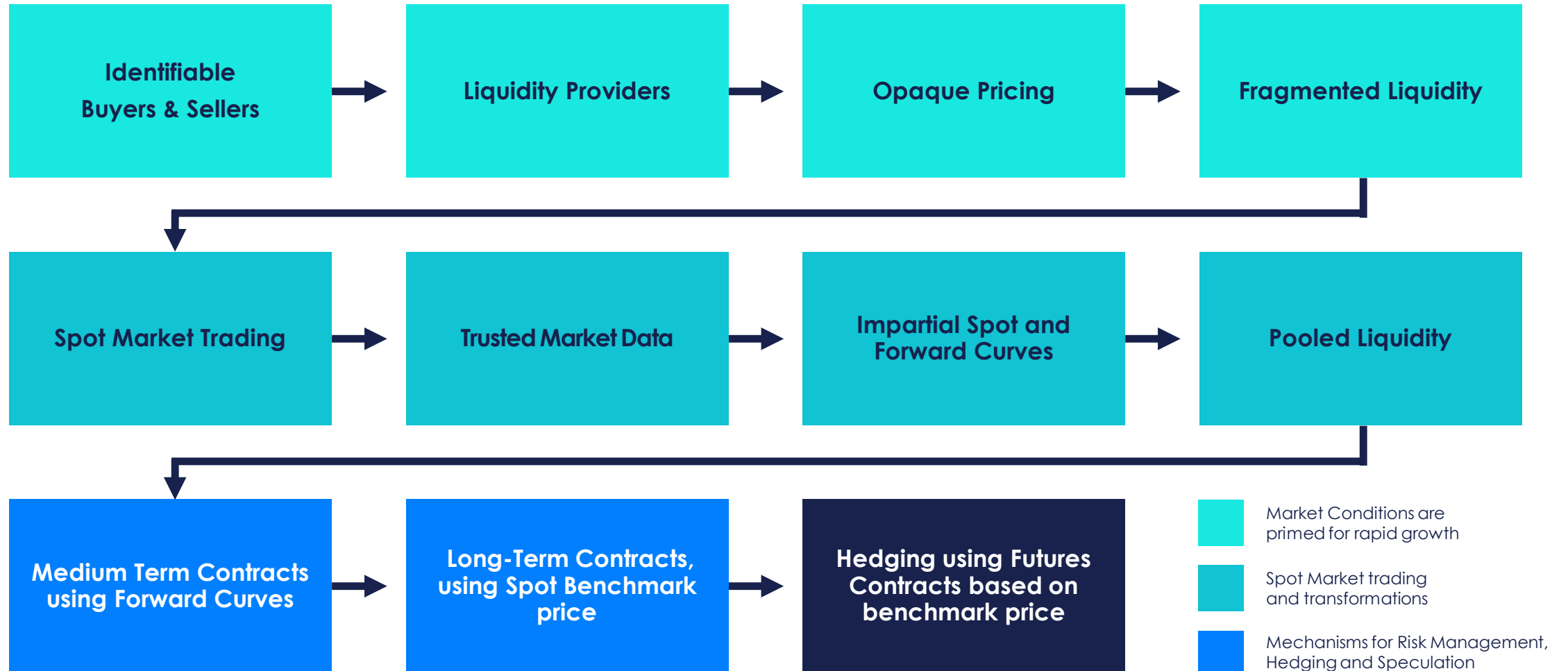
Developed Standardized Trading Instruments and Expanded Partnerships



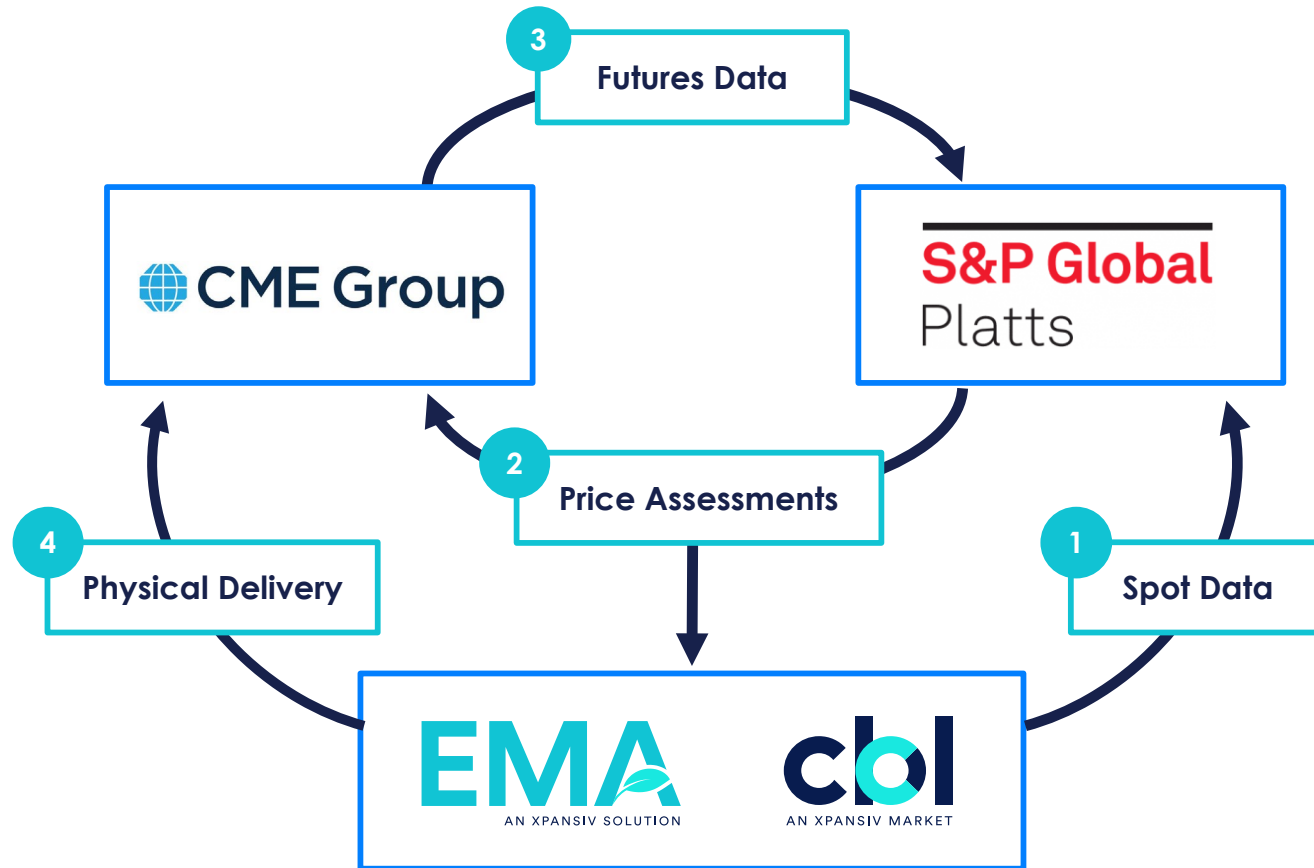
Xpansiv

APPENDIX

# Market Evolution | Follows Steps from a Well-Known Playbook



# Deeper Dive | Xpansiv as Access Point for ESG in the Global Commodity Complex

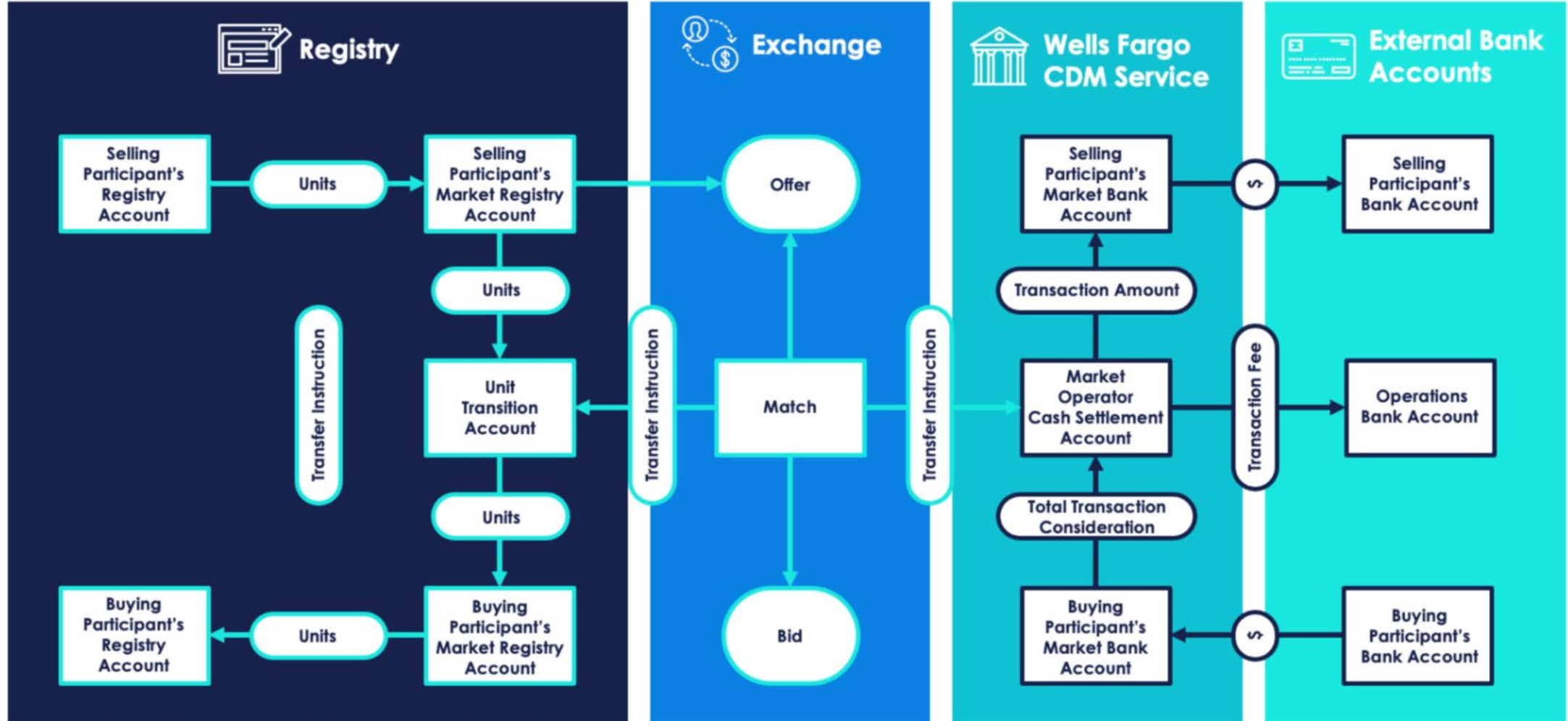


## Commentary

- 1 Xpansiv can develop spot contracts based on direct market interaction **incorporating feedback from Platts** with respect to trading markets
- 2 Platts can develop a series of price assessments which can be **underpinned by Xpansiv spot market data** and **develop use of those assessments as benchmarks.**
- 3 Futures pricing, settlements and forward curves can be performed by Platts, which, because of its **IOSCO registered status, can underpin financial** as well as physically delivered contracts
- 4 Xpansiv can continue to manage delivery for futures-contracts as needed

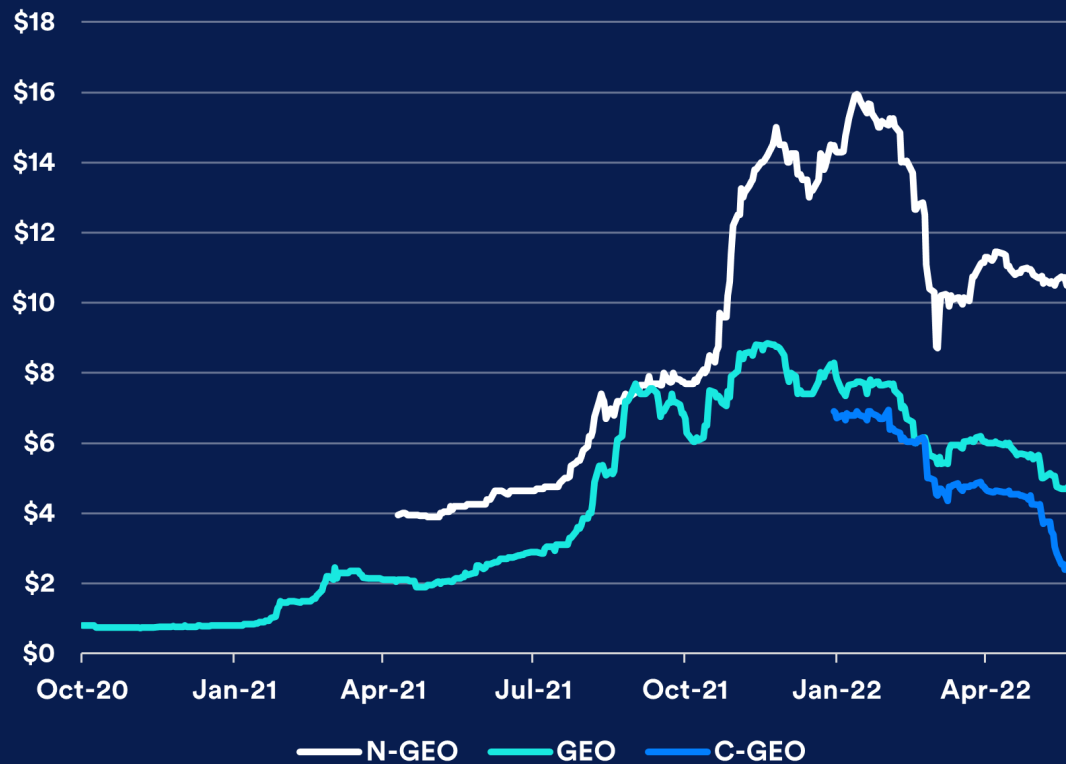


# Clearing & Settlement | Enables Standardized Instruments such as GEO, N-GEO, C-GEO

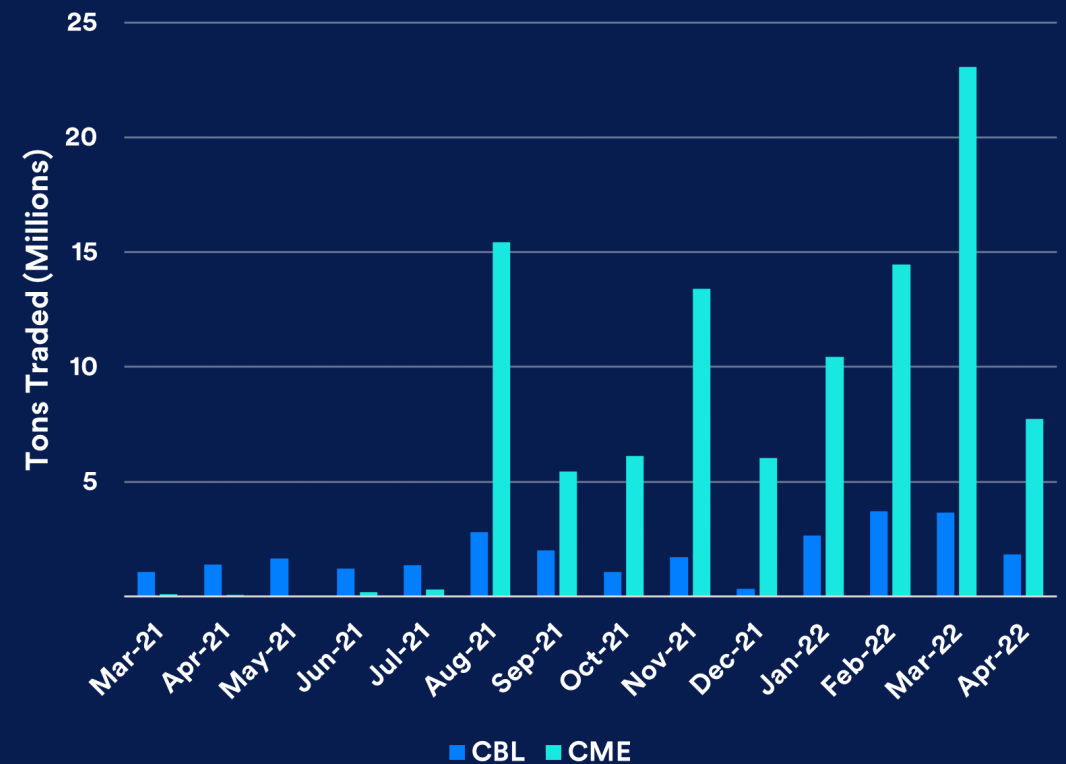


# Standardized Products | Clear Price Signals and Growing Participation in Spot and Futures Markets

## Standardized Contract Price Evolution



## Standardized Contract Traded Volumes



# Contrast | Spot Contracts vs. Tokenized Instruments

Spot contracts to deliver Physical Registry Instruments are not the same as Tokenized Instruments—which are assets connected or related to an underlying instrument

CBL Nature-Based Global Emissions Offset (N-GEO)	Examples of Tokenized Instruments		
	AirCarbon Global Nature Token (GNT)	Klima DAO Nature Based Offset (NBO)	Flow Carbon Goddess Nature Token (GNT)
Spot Contract – nothing custodied	Security Token custodied on a Private Ledger	Security Token custodied on a Public Blockchain	Security Token custodied on a Public Blockchain
Delivers a Physical Registry Instrument (in Verra)	Delivers fractional ownership in a separate asset representing rights to an active Verra Instrument	Delivers fractional ownership in a separate asset representing rights or security interests in a pool of tokenized claims (Toucan Carbon Offset NFTs) for a batch of Instruments that were retired	Delivers fractional ownership in a separate asset representing rights in a pool of tokenized claims (GCO2s Goddess NFTs) which are secured 1-to-1 by an active Verra Instrument
N-GEO participants must have registry accounts to hold Verra Instruments	ACX participants do not have Verra registry accounts	Klima participants do not have Verra registry accounts	Flow participants do not have Verra accounts
Eligible VCU sits in each Verra participants applicable Verra account	Instrument to which GNT relates sits in unnamed Singaporean custodian's omnibus Verra account	Instrument to which NBO relates is retired in a Verra Registry for the benefit of an <Ethereum address>	Instrument to which GNT relates sits in unnamed Bankruptcy-Remote SPV's omnibus Verra account
Verra and CBL jointly track all transfers of VCUs	ACX may or may not track all transfers of GNTs, no tracking by Verra	NBO transfers are tracked on the Ethereum network where there is no KYC/AML and claims can not be transferred once the Instruments to which they relate are retired.	GNT transfers are tracked on the Celo network where there is no KYC/AML however there is no tracking of GNTs by Verra
GEO transactions in VCUs result in transfers recorded on Verra Registry	GNT transfers likely recorded on ACX's sub-ledger	NBO transfers recorded on Ethereum public blockchain network	GNT transfers recorded on the Celo public blockchain network
Verra Participants self-retire VCUs in Verra	GNT participants notify ACX. Token is destroyed. Retirement may or may not be made in Verra by ACX "on-behalf of" unnamed Participant.	N/A - Klima tokens are related to previously retired Verra offsets,	GNTs are retired by token-holder, then " <u>unwrapped</u> " by Flow back from the fungible GNT into the underlying GCO2, then retired by Flow on-behalf of participant
Full ability for Registry (Verra) to track ownership/transfers	Additional effort, costs, and coordination with ACX required for Verra to track license and ownership of GNTs	Additional effort, costs, and coordination with a decentralized autonomous organization (DAO) required to track license and ownership of NBOs	Additional effort, costs, and coordination with Flow required to track license and ownership of GNTs