

Net Zero Markets to launch Global Carbon Emission Reduction contract with EEX and ACX

Net Zero Markets, a company dedicated to developing risk management, trading and investment products in the global environmental markets space, has signed agreements with the European Energy Exchange (EEX) and AirCarbon Exchange (ACX) to list the Global Emission Reduction (GER)[®], Net Zero Market's flagship contract – an innovative approach to address the pain points of the Voluntary Carbon Market (VCM).¹ The agreements with EEX – a leading exchange for carbon compliance schemes worldwide – and ACX – a pioneer in the VCM space, headquartered in Singapore – make the GER accessible across multiple time zones to global Voluntary Carbon Market (VCM) participants.

Thanks to the product's innovative design, it will be appropriate for use by offsetters, offset retailers, project developers, investors and the wider trading community. Net Zero Markets believes widespread availability and use is critical to enable the increased liquidity necessary for the VCM to scale, ultimately supporting Net Zero targets.

The GER is built on the foundation of existing standards with appropriate overlays and innovative features that align with a path to Net Zero. The company expects the GER to be progressively listed on the exchanges and commence trading early in 2022.

Louis Redshaw, CEO Net Zero Markets: “We are delighted to be working with EEX and AirCarbon on the launch of the GER. We have developed this product in conjunction with industry participants and believe its unique and innovative design will achieve the key goals of promoting liquidity and transparency to ensure funding flows to the projects that are needed to meet Net Zero.

¹ Patent pending

While well-meaning companies have bought and retired carbon offsets to play their part towards achieving Net Zero, many more are either confused and put off by the complexity of the market or have found later down the line that their offsets are not as effective as they had been led to believe.

This has created a dynamic where companies and other offsetters need to become experts in the carbon markets to be able to do the right thing. Net Zero Markets firmly believes that this is a prime reason why the VCM has not reached its full potential. Consumers shouldn't need to be experts. If effective offsetting and removal is to happen at scale, buyers need to have confidence and the products need to be simple and transparently priced. The GER is designed to deliver all of these things in line with the recommendations of the Task Force for Scaling the Voluntary Carbon Markets.² It is the perfect antidote to further fragmentation of the market.”

William Pazos, Managing Director of AirCarbon Exchange: “We are extremely excited to be working with the industry leading team at Net Zero Markets. Their wealth of experience in commoditizing emissions markets, coupled with our position as a leader in bringing commodity infrastructure to the carbon markets, has been instrumental in formulating the GER.

The process of creating the underlying spot GER architecture on ACX has been developed over a full year. We are now poised to deliver to the market a simple and elegant solution to the current pursuit of a core carbon contract. While many are trying to legislate a core contract, the GER creates this by delivering a broad-based solution in one contract.”

Tobias Paulun, Chief Strategy Officer of European Energy Exchange: “The voluntary carbon market can play a strategic role to achieve the Paris Agreement, complementing mandatory carbon pricing mechanisms. I am confident the GER represents the innovation that is needed and expected in the Voluntary Carbon Markets.

The GER is planned to be offered alongside our existing products for carbon compliance markets in Europe at EEX but also in North America at Nodal Exchange, thus making them accessible to our global trading community.

² The TSVCM is now known as the Integrity Council for Voluntary Carbon Markets (ICVCM)

An integrated offering for carbon markets, with both Spot and Futures instruments available, is key to bring the necessary liquidity to the market and scale up the VCM. We are excited to build this new market, together with our partners at NZM and ACX, but also with our customers.”

Note to editors: NZM and its partner exchanges will release more details of the GER and how it will operate on exchanges in the coming months.

About Net Zero Markets:

Net Zero Markets is a company dedicated to developing risk management tools, products and contracts in the global environmental space. The firm's first products are due to be released early in 2022. These products will deliver the level of transparency and commoditisation needed for the carbon markets to flourish, thereby allowing more finance to flow to the projects that are needed to achieve net zero targets. Combined, the team has over 90 years' experience in the carbon and energy markets. The company's CEO, Louis Redshaw, is one of the founding figures of the global Carbon Markets. In 2006, he created a standard for trading Certified Emission Reduction (CER) carbon offsets that was adopted by all major market participants and the carbon exchanges. This initiative allowed a secondary trading market in CERs to take-off thanks to the establishment of liquidity and price transparency.

Louis has fought hard to protect the integrity of carbon markets, including educating peer financial companies and various authorities including the European Commission, UK Treasury, the Financial Conduct Authority (FCA) and HM Revenue and Customs (HMRC) on VAT fraud. Louis has more recently served as an expert witness for the Crown Prosecution Service's criminal prosecutions of fraudsters operating in the voluntary carbon markets, and two civil cases relating to VAT fraud. Louis has served as a Director on the boards of: the International Emissions Trading Association (IETA), the Climate Markets and Investors Association (CMIA) and Tricorona, the 3rd largest carbon project developer. Louis currently also runs Redshaw Advisors Ltd that was recently voted 2021's best offset retailer and best trading company (Voluntary Carbon Markets) by the readers of Environmental Finance magazine, the sector's leading publication covering sustainable investment and green finance. Louis is a passionate advocate of emissions trading and has dedicated his career to promoting the efficiency of the carbon markets to achieve not only carbon emissions reductions but also removals. Complementing Louis' deep knowledge and understanding of carbon markets, the Net Zero Markets founding team have a wealth of trading, structuring and legal experience growing products in the industry.

About EEX Group

EEX Group builds secure, successful and sustainable commodity markets worldwide – together with its customers. The group offers trading in power, natural gas, environmental products, freight and agriculturals as well as subsequent clearing and registry services, connecting a network of more than 800 trading participants. EEX Group consists of European Energy Exchange (EEX), EPEX SPOT, EEX Asia, Power Exchange Central Europe (PXE) and Nodal Exchange as well as the registry provider Grexel Systems and software companies KB Tech and Lacima. Clearing is provided by EEX Group's clearing houses European Commodity Clearing (ECC) and Nodal Clear. EEX Group is based in 19 worldwide locations and is part of Deutsche Börse Group. EEX Group is a leading exchange group for Environmental Markets operating emissions trading based on the European Emissions Trading System (EU ETS) since 2005 and providing primary auctions in the EU ETS, on behalf of 25 EU Member States. In North America, Nodal Exchange, part of EEX Group, provides the largest portfolio of Environmental products, inter alia, based on the cap-and-trade schemes of California and the Regional Greenhouse Gas Initiative (RGGI). Moreover, EEX together with New Zealand Exchange (NZX) operates emissions auctions for the New Zealand Emissions Trading System. More information on: <https://www.eex-group.com/en/>

About AirCarbon Exchange

AirCarbon Exchange ("ACX") is a global exchange revolutionizing the voluntary carbon market. The Exchange's client base comprises corporate entities, financial traders, carbon project developers and other industry stakeholders. ACX provides its clients with an efficient and transparent trading platform which is easy to use, frictionless and with the lowest commission fees available on the market. Its underlying technology will allow the carbon market to scale efficiently to meet global ambitions of Net Zero. Launched in 2019, the Exchange is a hybrid platform with a traditional central order book architecture that will be familiar to all experienced traders. The Exchange also utilizes the speed and efficiency of the blockchain to achieve atomic T-0 trade execution, clearing and settlement. The Exchange's core matching engine can currently match trades in the order ~10k per second. As of May 2021, ACX is the world's first carbon negative exchange, having offset its carbon emissions 12 months into the future (to May 2022) through the Onil Stoves Guatemala Uspantan project. ACX is committed to continuing to offset all of its emissions 12 months forward. For more information or to trade carbon, please reach out to info@AirCarbon.co or visit <https://www.aircarbon.co>.

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