

Investor-Facing Addendum – Recent Developments & Regulatory Signals

Scandals & Scrutiny

Verra, the world's largest carbon credit registry, faced intense criticism in 2023 for approving carbon credits tied to projects with

- Over 5 million carbon credits were revoked across high-profile projects.
- This triggered a significant market credibility shock and widespread hesitation from institutional buyers.

Sources: The Guardian (Jan 2023), Bloomberg Green (Feb 2023)

Investor Confidence Shift

Investor sentiment has turned sharply toward verified, auditable, and regulatory-aligned platforms.

- Watershed, a carbon accounting platform, reached a \$1.8B valuation in late 2023, driven by investor appetite for compliance-g
- Legacy platforms without verification chains or audit reporting features saw a drop in enterprise engagement.

Sources: TechCrunch (Dec 2023), PitchBook Climate VC Report Q1 2024

Credibility Demand

Carbon markets are experiencing a compliance wake-up call:

- EU media scrutiny and policy watchdogs are prioritizing traceability and credit origin transparency.
- Buyers are demanding real-time registry connectivity, ESG export tools, and embedded audit logs.
- Platforms relying on aggregator APIs without provenance control are being dropped from procurement shortlists.

Source: European Carbon Market Quarterly (April 2024)

Visuals for Addendum (see Pitch Pack):

- VCM growth vs. EU ETS scaling (2019–2024)
- EU carbon credit price trend (€/ton fluctuations from 2022–2024)
- Verra scandal timeline (revocation, reaction, regulatory response)

Geopolitical & Policy Asymmetry

In response to military conflict and shifting security priorities (e.g., the war in Ukraine), the EU's ESG regulations explicitly exem

- This creates an emissions gap, placing additional pressure on industrial, municipal, and mid-size commercial emitters.
- SMEs, local governments, and contractors—especially in the public utility, infrastructure, and data sectors—are absorbing the
- CoolCreditEngine addresses this inequity with accessible carbon procurement, verification-ready reporting, and a modular auc

Policy Context: CSRD military exemptions (2023); NATO ESG roundtables (Q2 2024)

U.S. Election Risk & Strategic Advantage

With growing political backlash against ESG frameworks in the U.S., many platforms face a freeze on compliance adoption und

- Expected rollbacks of SEC climate disclosures, tax incentives, and ESG standards would delay domestic engagement.
- The EU, meanwhile, continues to enforce CSRD and Fit for 55 mandates.
- CoolCreditEngine is insulated from U.S. volatility, with Swiss governance, Romanian operations, and EU incentive integration.

Note: Blackstone, TPG, and KKR flagged ESG backlash in Q1 2025 reports. VCs prefer platforms with policy-aligned, multi-juris

Strategic Context for CoolCreditEngine

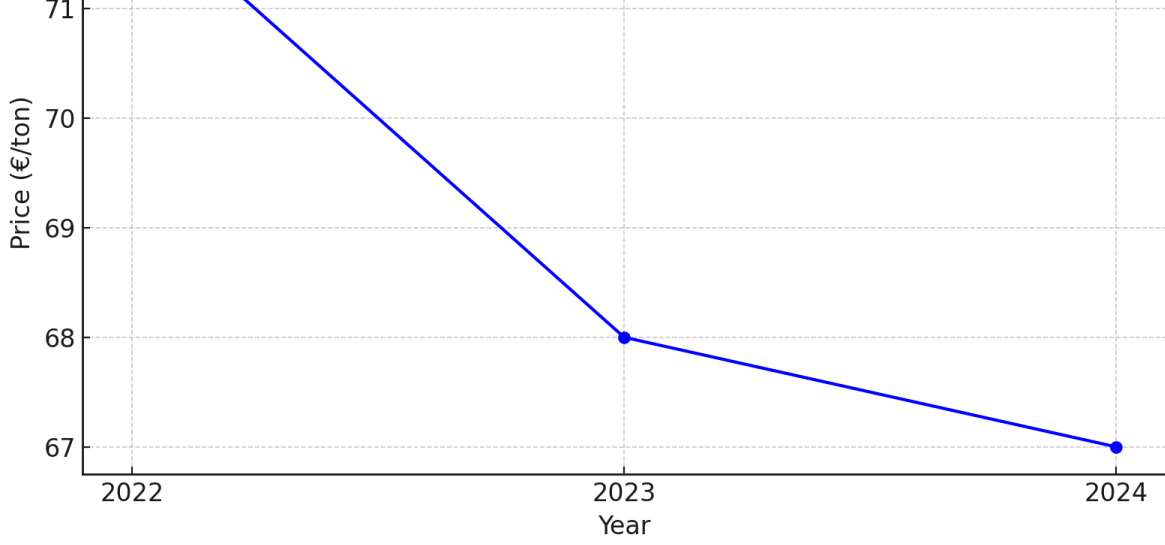
CoolCreditEngine is designed with this market shift in mind:

- Registry-integrated logic with auto-verification checkpointing
- ESG export-ready reporting for CSRD + Fit for 55
- Carbon traceability from source to ledger
- Modular pricing simulation for real-time exposure

This addendum reinforces our investor-readiness, post-scandal positioning, and policy resilience heading into grants, VC meetin

Prepared for: Early-stage investor conversations and regulatory-grant credibility enhancement

Use Case: Sacha + verified collaborators



EU Carbon Credit Price Trends (2022–2024)

