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RADICLE

Radicle – Reducing Emissions and Monetizing Emission Reduction Environmental Data



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“Climate Smart is a carbon foot printing business that allows small/medium enterprises to measure their carbon footprint online, via a SaaS model, and then get help with ways to move to net zero or carbon neutrality. These two parts of our business fit together very well. We have 3000 clients in Radicle and 1000 who have been helped by Climate Smart.” Ed Alfke

CEOCFO: Mr. Alfke, what is the idea behind Radicle?

Mr. Alfke: Radicle exists to reduce emissions and monetizes emission reduction environmental data. We measure, report, and verify emissions reductions. We save money for clients and make money for green project developers. We are a high growth software and data company.

Climate Smart is a carbon foot printing business that allows small/medium enterprises to measure their carbon footprint online, via a SaaS model, and then get help with ways to move to net zero or carbon neutrality. These two parts of our business fit together very well. We have 3000 clients in Radicle and 1000 who have been helped by Climate Smart.

CEOCFO: What are the challenges of measurement in both areas?

Mr. Alfke: The challenges that anyone faces is that these are government protocols and run to a very high standard of proof. The measurements must be done remotely, whether it is in agriculture; we have 10 million acres of farmland and 3,000 clients, or in the energy sector where we are measuring emission reductions of methane. Therefore, we must have field data gathering that meets the proof standards of government protocols.

CEOCFO: Do the standards vary from state-to-state, province-to-province, city-to-city, or is it more on a national level?

Mr. Alfke: They do. There are 65 carbon markets in the world and while they all have similarities; they all have differences. What California does as a model is different than what Alberta does as a model or the 13 states on the Eastern Seaboard. They are all different systems, but their

basic approach is to have Radicle prove the emission reductions activity actually took place.

There are similarities and there are great differences. Our company manages those similarities and those differences seamlessly because our software platform is data agnostic. Therefore, if we are measuring a solar project or a wind project or methane reduction project or an agriculture project, our systems deal with all those disparate sources of data seamlessly to measure those activities.

CEO CFO: *Would you give us a couple of examples of exactly what you are measuring and what is involved in taking that measurement, something somewhat routine and something a little but more difficult to do?*

Mr. Alfke: To break it into 2 segments, much of the work we do is from metered sources. For example, if you are doing a solar project or wind project, that project is automatically metered and taken up into the grid. Those types of measurements, for us, are easier. Agriculture is the most difficult and we are the most successful in the world at doing that with carbon sequestration, in other words, sinking carbon in the land and holding it for 80 years and proving that.

Then of course, methane reductions take place at well heads or in facilities and those require different sets of measurements, but again, more are metered measurements. There is still sophistication required in monitoring and process the data. Now, we go places that are very remote, very often, so there is no internet, for example. Therefore, people have to go onsite, the same as agriculture needs the onsite inspection work, and that is done in conjunction with the client.

CEO CFO: *Do you have contractors worldwide?*

Mr. Alfke: Not yet! We primarily operate in Canada, the US and Brazil. However, Canada would be our largest strength, because we are in our 13th year in Canada and are number one in the Canadian market in compliance reduction credits. Our strength is our ability to do some SaaS work and some Business as a Service work, so many of our data sets are done through our in-house systems. We do that work, via phone apps or Amazon as well.

CEO CFO: *What has changed over time at Radicle? What can you do much more easily today? What might be harder today due to the regulatory environment or the equipment or the sophistication of the technology involved?*

Mr. Alfke: The one thing constant in all things in life is change. Alastair Handley our founder, designed our systems to be so adaptable, we are in a stage of more constant change than not. We are far more sophisticated than just 3 years ago. We are far more integrated, from Carbon Foot printing, processing huge amounts of data to helping companies to buy appropriate carbon offsets to reduce their footprint. We now have a very senior team where international trading is a critical part to what we do. Since our 6 yr. growth is over 2000%, change is the norm.

When we build software and design data software data systems, inherent in their design is their adaptability. We have arrived at being the leader in the world in this by constant commitment to upgrading, changing, adapting, and moving with the times to stay current. Therefore, we have made a million small changes that add up to a leadership position, evolutionary more than revolutionary.

CEOCFO: *Are people or companies paying more attention to emissions today? Do you think it is because people are understanding the need or is it more as they are required?*

Mr. Alfke: There is no doubt the critical need to reduce emissions is now top of mind, worldwide. Global warming has now touched so many, we have finally come to the place where most agree the cost of transition is much cheaper than the devastation that will certainly come. There are two distinct markets. You have a compliance markets, such as Canada the EU or California for example. Then you have the voluntary markets around the world. They are driven by different things. One is a response to regulation, to be compliant with that regulation. The other one is, "Look, we understand we are polluting, we understand that we need to do better, and so we would like to voluntarily reduce our carbon footprint by employing other parties to grow trees, install solar, and all kinds of positive activities, as we transition to a net zero strategy." You cannot take a super large company change everything overnight. It simply does not work that way. That they are committed to doing this is now obvious to the world. In the old days most majors were green washing. Those days are well behind us. Investors are pushing this, whether it is Black Rock or KKR or TPG. They are demanding of their investees that they do a better job with their carbon footprint or their emissions. Also, shareholders are being very active. Exxon lost 3 board seats to an activist shareholder who said, "This is just green washing, you are not doing anything to improve your emissions reduction record and protect shareholders long term.

The first thing you must do is determine what it is we need to do better, so you must measure that. Then you have reports being interpreted internally and externally by third parties. Once you see how this system is starting to take hold and the companies that were green washing 10 years ago have now realized the costs, are on board," and they are on board for a multitude of reasons. Government pressure, investor pressure, shareholder pressure, and let us face it, all of these people in these industries have kids. They want their kids to have a world to live in.

CEOCFO: *Would you tell us about the funding, how you are planning on scaling up, going into new business lines and geographies?*

Mr. Alfke:

Radicle goes to market next week with Citibank to raise a great deal of money to take what we do in 3 countries global. We have several investors who have just participated in secured debenture round, of which Telus is the largest brand, and new partner.

We are planning to expand each area of our business with a large investment going to completing our SaaS software development and roll out for carbon foot printing to meet the demand we have.

CEOCFO: *Do you have particular areas in mind geographically?*

Mr. Alfke: Obviously, North America is close to home. We will expand our US footprint- Radically, (pun intended) and begin to hire the hundreds of people we need to do our part to emissions reductions at scale thus far not seen.

We expect to complete some acquisitions along the way as we have been doing.

We are hoping to acquire a company in Australia very shortly. After this we see South America, Asia, and Africa as the rapidly new expanding markets. Our current roll out plan starts through North and South America, stepping off into Australia, and looking carefully at the Southeast Asian markets. We recognize that we know very little about those markets have to go carefully.

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