

CarboNet™ Company Fact Sheet

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CarboNet™
water treatment

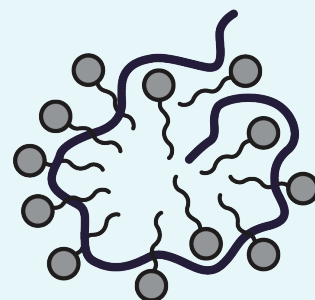
Proudly Unconventional

CREATING A NEW CLASS OF CHEMISTRY THAT WILL ACCELERATE THE WORLD'S TRANSITION TO RECYCLED WATER

As water recycling emerges as an essential solution for addressing resource scarcity, CarboNet™ is transforming how chemicals are developed and used to treat water across industries. By utilizing drug delivery polymers in a unique formulation, CarboNet's™ NanoNet platform can design a broad suite of products that target specific constituents in wastewater and address other industry problems—while benefiting the greater good.

HIGHLIGHTS

- CarboNet is a specialty chemicals company founded in 2017
- 400-500 million barrels of water treated by end of 2021
- Goal: to provide “Best Tech / Best Price” in industry



NanoNet™ Pre Introduction

CarboNet is well positioned as an “energy transition” company

and to help industries achieve ESG objectives around water preservation.

PRODUCTS & TECHNOLOGY

NanoNet Fe™

Replaces standard coagulants, targets iron removal, produces less waste (sludge)

NanoNet FeP™

Pre-hydrated solution that replaces standard flocculants

NanoNet FeP-C™

Currently developing a concentrated version of FeP that would be mixed with water on site

AN UNCONVENTIONAL APPROACH TO CHEMISTRY

CarboNet has taken a radically different approach that produces unprecedented results:

- Based on drug delivery methods to selectively target issues in wastewater (metal ions, oil, boron, silica, and more)
- Ability to precisely control molecules in water
- The result is a quantum leap in performance over existing chemicals
- Results achieved by adding chemicals to significantly reduce commodity chemicals



MARKET APPLICATIONS

The NanoNet™ platform can be tuned to target specific species within wastewater such as heavy metals and emulsified oils. The flexible and targeted platform enables a breadth of CarboNet™ applications across specific chemical targets and across industries.

BEACHHEAD	MARKET EXPANSION		
 <p>OIL & GAS</p> <ul style="list-style-type: none"> ✓ Produced water reuse ✓ Oil recovery ✓ Colloidal sulphur removal 	 <p>MINING</p> <ul style="list-style-type: none"> ✓ Sulphate removal ✓ Acid mine drainage ✓ Cleaning brines 	 <p>INDUSTRIAL WATER</p> <ul style="list-style-type: none"> ✓ Sludge dewatering ✓ Disposal ✓ PAM 	 <p>AGRICULTURE</p> <ul style="list-style-type: none"> ✓ Reclamation of produced water

CarboNet's **BEACHHEAD MARKET** is in recycling Produced Water for reuse for unconventional Oil & Gas, with a focus on the Permian Basin (West Texas and New Mexico) where we've established a strong presence.

Currently treating >1.1M barrels of water daily

Expecting to treat 400-500M barrels in 2021

Treating at 21 sites in the Permian Basin. Selling direct to E&Ps and water midstream companies

MARKET EXPANSION: MINING, PULP & PAPER, INDUSTRIAL WASTEWATER

CarboNet is engaged in discussions with several global chemicals companies as potential distribution partners.

Additionally, a product for Boron removal (NanoNet B™) is under development. We are currently working with a large global water treatment company for field testing potential in Q4 2021. Once launched, NanoNet B™ will have applicability in lithium brine extraction (big for EVs) and auriculate / irrigation applications.

OPERATIONS



Corporate Office and R&D Lab
Vancouver, BC



Production Facility
Delta, BC



Field R&D Lab
Houston TX (500sf)



Production & Distribution Facility
Big Spring, TX

TEAM

36 people including co-ops, contractors and employees:

- 15 in lab including 5 PhDs
- 10 US employees (9 in Texas)
- Heavily invested in IP / patent production

PATENTS

- 'Elephant' patent in National Phase (22 jurisdictions)
- Filed 2 additional patents for NanoNet FeP and NanoNet B™ - Boron

Longer term, our NanoNet platform has significant range for potential to create many additional applications around Solution Chemistry and Molecular packaging.

FINANCIALS

Commercialized in Q3 of 2020

Revenue 2020 (Q3/Q4): **C\$1.3M** (audited by PwC)

Plan for 2021: **C\$5.8M & C\$14M in 2023**

Target to be EBITDA positive: **Q2 2022**

Targeted gross margins **50+% (vs 30-40% industry standard margins)**

Expected Accounts Receivables: **~\$2M at end of 2021**

ROADMAP

Possible exit strategies include IPO or acquisition by a global chemicals or water treatment company, possibly within the next 5 years.