C6 INFRASTRUCTURE PARTNERS UPDATE SUMMARY: Q3, 2024

C6 Infrastructure Partners had another strong quarter with the power markets moving further in our favor. The fund is finalizing investments from several endowments and family offices that will provide the capital necessary to deploy our strategy across all targeted geographical locations. Over the past few months, we were asked to participate in several policy working groups—both in person in Washington D.C. and Rice University, as well as virtually via video conferences—to help address growing problems facing our electrical grid. The goal is to have a strategy in place regardless of who wins the November election. Both candidates are facing an energy infrastructure nightmare, and baseload power will be a key bipartisan topic. Republicans and Democrats all agree that we have to tackle infrastructure, but each have a different way to address the growing shortfall. Fortunately for C6 (and not by accident), hydroelectric fits into both parties' agendas for the foreseeable future. Regulators and ISOs (Independent System Operators) are creating a more united front, which is why it's paramount for C6 to be dealing with both entities. This also creates opportunities to expand our footprint across the Northeast, Midwest, and Southeast.

Here are some Important Highlights from the Quarter:

Artesian Asset Management has a growing portfolio of assets that are poised to collect on the imminent electrical grid crisis. With fully operational hydroelectric dams currently located in NH, MA, and CT, they are ready to capitalize on this busy season to help power the New England grid.

- Actively negotiating two LOIs in the Midwest regarding hydroelectric assets
  - We have bank support to utilize the same debt structure from the New Hampshire deal if we choose to use the leverage.
  - Depending on the timing of larger investments, we will have options regarding how we structure this transaction and follow-on purchases in the region.
  - We've identified other facilities and distribution centers in the surrounding area that would complement the assets, increasing total returns.
- Currently finalizing two deals for hydroelectric assets in New England
  - These assets will increase our power generation in the region while capitalizing on our services already in the area (enabling us to reduce costs and generate a much higher rate of return on the investments).

    - This purchase will come from cash on hand that's been generated from our current portfolio, successfully executing **our multi-pronged Hydroelectric Investment Strategy**:
        - Enter a region with a cluster of hydroelectric assets
        - Establish a vertically integrated entity with operators, service, and fabrication in a set region (Hub and Spoke Model)
        - Increase generation capacity by making cost-effective improvements
        - Use cash on hand to buy other local assets that complement our rivers and regional development
- **Structured our first internal PPA to sell directly to end users without using brokers**
    - Artesian will expand their direct sale capacity as we grow assets under management.

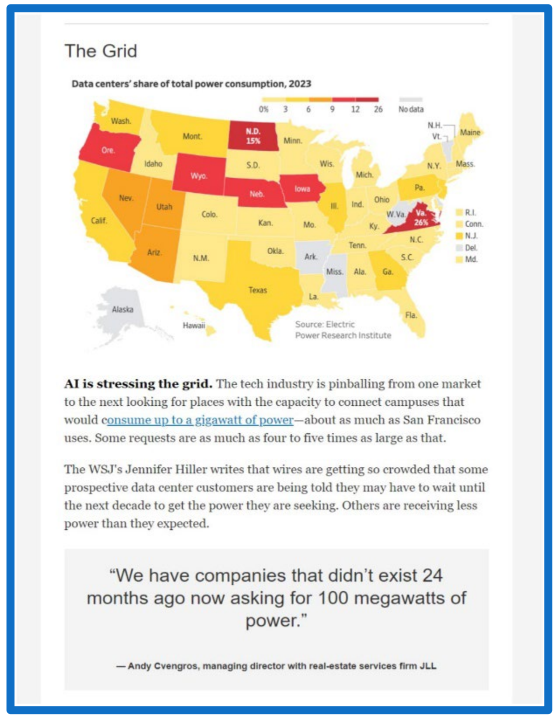
Sultech Global Innovation Corp. has made great strides this year in garnering accolades and increasing the visibility and testing data / results of their products.

- **In final negotiations on three site locations within Canada that will enable them to capitalize on the ERA (Emissions Reduction Alberta) matching grant of $C5M**
    - Signed an LOI (Letter of Intent) with a large midstream company in Canada, nearing a long-term agreement
- **Expanding presence in the Middle East, with more details to be announced in early November**
- **Finalized agreement with ATB Financial, which will be launching the A Round Raise imminently**
    - C6 will be putting together an SPV (Special Purpose Vehicle) for anyone who wants direct exposure or to increase their weighting to Sultech
- **Invited to participate in the "Sulfur Innovation Challenge" being conducted by ADNOC (Abu Dhabi National Oil Company).**
    - Winning companies will receive technology development funding from ADNOC, as well as opportunities for partnership and expansion into various areas of the Middle East.
- **Continuing to negotiate with several host sites in the U.S. across Wyoming, Texas, and New Mexico for the first U.S. facility**
    - Also actively engaged with counterparts in Mexico and Kazakhstan regarding construction of several facilities in-country
- **Testing of the product is ongoing in Tunisia for a very large potential client**

- **Farmers in Alberta, Canada, reported a record canola crop and canola oil production with the only difference / variable between seasons being the use of Sultech's product**
- **Sultech has expanded testing partnerships to locations in Texas and Louisiana as demand for rock phosphate expands.**
    - There are new regulations impacting states across the U.S., with the most recent occurring in Florida. Phos rock producers ElementUS and Agro-Iron have been great testing partners, and Sultech looks forward to expanding these relationships.

How can C6 capitalize on what is yet to come?

Our investment thesis continues to play out in real time. In addition to this Update Summary, we are attaching an Expanded Update that provides insight into our Investment Thesis. There you will find a deep dive into the data that helps support our thesis, and evidence to reinforce the longevity of the investment opportunity.


The Grid

AI is stressing the grid. The tech industry is pinballing from one market to the next looking for places with the capacity to connect campuses that would consume up to a gigawatt of power—about as much as San Francisco uses. Some requests are as much as four to five times as large as that.

The WSJ's Jennifer Hiller writes that wires are getting so crowded that some prospective data center customers are being told they may have to wait until the next decade to get the power they are seeking. Others are receiving less power than they expected.

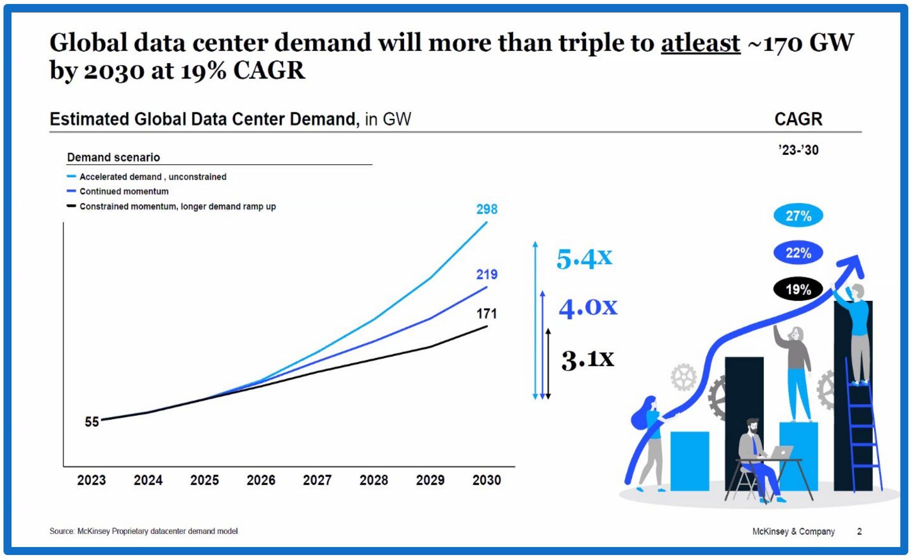
"We have companies that didn't exist 24 months ago now asking for 100 megawatts of power."

— Andy Cvengros, managing director with real-estate services firm JLL

Here are a few key areas that are expanded upon in the Expanded Update document:

- Electricity inflation is currently at 3.7% ("officially," which is well below actual levels), and utility companies are guaranteed a rate of return that allows them to increase charges to the rate base.
    - **This makes power prices a great hedge against inflation.**
- The U.S. is almost tapped out of nuclear restarts that are available in the market.
    - Microsoft just finalized their deal to restart unit 1 at Three-Mile Island
    - Palisades Nuclear, on the shores of Lake Michigan, gets the financial green light (having just closed a $1.5B loan to restart)
    - The last plant with the ability to come online in the U.S. is Duane Arnold in Iowa
- Data centers are pulling a huge amount of power from the system, and this is just based on 2023 data. (25% of all electricity in VA is now going to data centers—a business that barely existed 20 years ago)

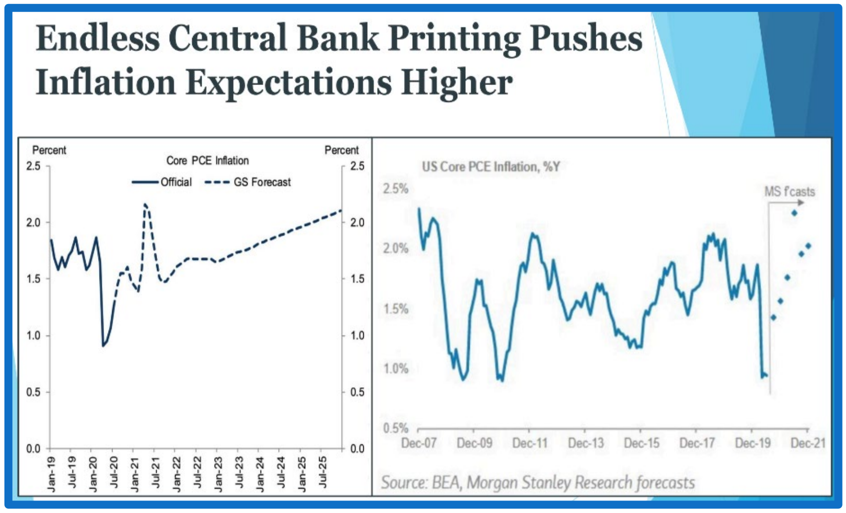
- McKinsey upped their data center forecast: "*83GW is up from ~56GW in from the prior September 2023 modeling. Overall, McKinsey now forecasts U.S. data center energy consumption in terawatt hours (TWh) rising to 606TWh in 2030, representing 12% of total U.S. power demand. Critically this is up from ~400TWh in the September 2023 modeling refresh. This is relative to 147TWh in 2023 and 4% of overall U.S. power demand.*"



- **C6 believes that the lower end (171GW scenario in the chart) is the probable outcome given the difficulty in commissioning new power supply and demand centers.**
  - This will broadly slow the adoption, but by no means stop it

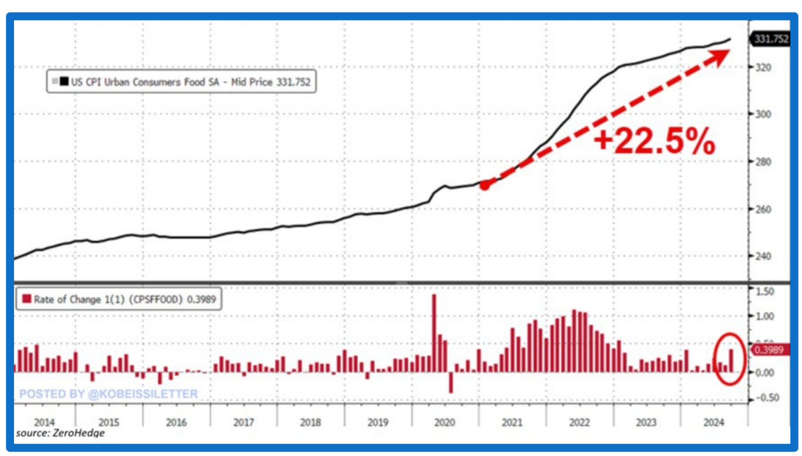
- **We believed that rates and yield were going to drive higher across the board.** *[Image from our original deck in 2020]* Our view was that Powell knew exactly what he was doing, and by dumping so much liquidity into the market, rapidly blew away any chance of "hiding" inflation or shrinkflation.

- The below charts show various forecasts of inflation in 2021. **They demonstrate how WRONG all of the expectations were, while C6 was spot-on with our views and execution.**



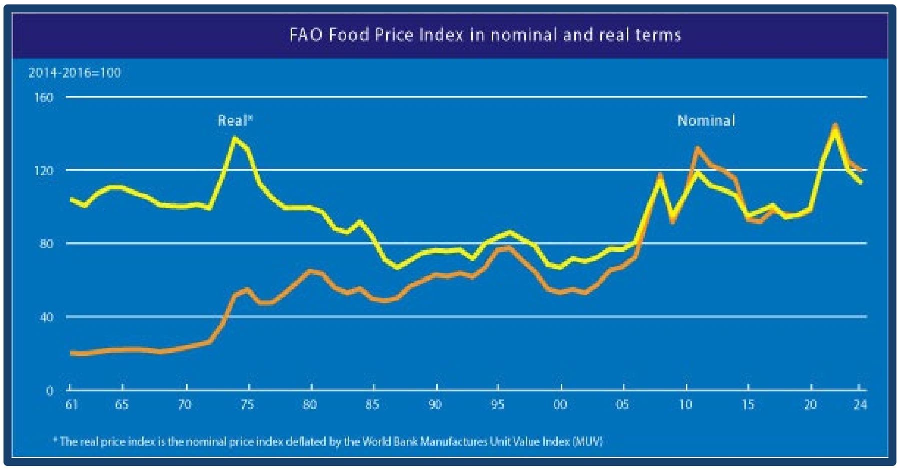
- **C6 believed that PE firms were over-levered into real estate and "green" solutions that would fail to materialize returns and cause them to get bogged down.**
    - Change in yield curves shifted hurdle rates
    - Slowed interconnections caused big increases in carrying costs
    - **Our view was that government subsidies and tax incentives were going to come into question, while the slow ability to generate revenue and the shift higher in rates would hinder returns.**
        - So far, rates across the board have moved higher and interconnects have slowed considerably, keeping solar and wind projects sidelined.
        - The cost of carrying these projects has risen exponentially and has forced many to be abandoned.
        - The unknown going forward will be the tax policies and subsidies that are pivotal to making these projects economic. **This is "signature" risk that C6 avoids.**

- **We believed global food prices would continue their upward momentum and fertilizer shortages would become more pronounced.**



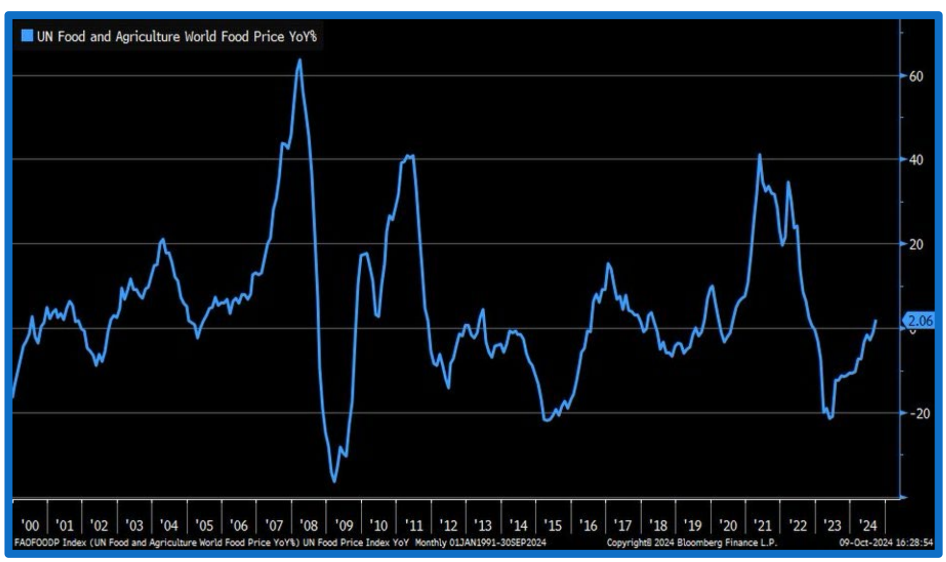
- In September, U.S. food prices rose by 0.4% month-over-month, marking the largest increase since February 2023.
    - Notably, 5 out of the 6 major grocery store food categories saw a surge in prices. Meat, poultry, fish, and eggs rose 0.8% over the month with the eggs prices alone jumping 8.4%.

- At the same time, fruit and vegetables rose 0.9% between August and September. Food prices are up 22.5% from 2021, and hit another all-time high in September.
- **The market needs alternatives to the current suite of fertilizers that can lower costs, increase yields, and repair soil. Sultech addresses all of these issues across their product line.**
    - The market doesn't appreciate the energy intensity of creating fertilizer, the second largest consumer of energy behind petrochemicals.
- The FAO Food Price Index (FFPI) stood at 124.4 points in September 2024, up 3 percent from August and marking the largest month-on-month increase since March 2022.



- There has been a continuous move higher in real terms since 2000, and we see another resurgence back to the all-time highs. "*Global food price growth back in positive territory . . . as of September, UN Food and Agriculture World Food Price Index increased by 2.1% year/year; first gain since November 2022*"[1]

We are staring down the barrel of a gun without a clear indication of "what pulls the trigger." There are many different "black swan" events that keep us up at night including, but not limited to: a failed bond auction (Japan is the likely culprit), yields shifting considerably higher, a big second wave of inflation, or geopolitical instability spreading. Our base case is for regional conflicts not spreading, inflation moving back over 5%, 10yr bonds at 4.5%, and a long duration slowdown / recession.

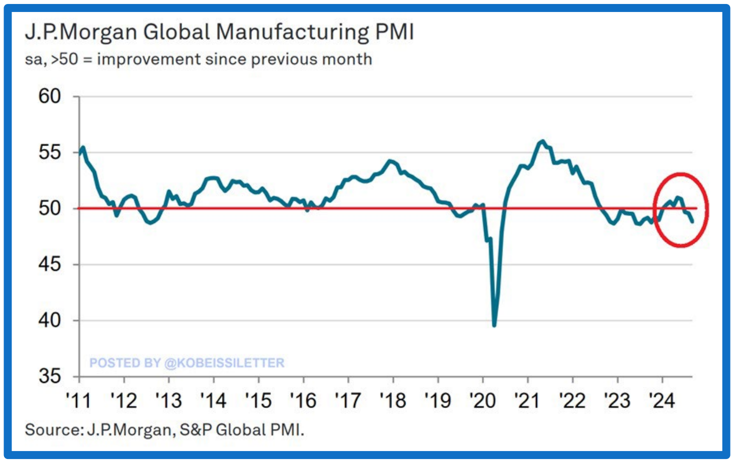


[1] https://www.fao.org/worldfoodsituation/foodpricesindex/en/

C6 Infrastructure Partners Provides Protection and Solutions

Investors are focusing too much on whether the economy will experience a "hard" or "soft landing," but what will surprise the market is going to be the *duration* of the slowdown, not the depth. **Our portfolio is prepared to weather all forms of predicaments by investing across recession-resistant areas that will provide cash flow and asset appreciation.**

C6 has been hyper-focused on the carry-trade and yield curve situations because we're using them to our advantage. Global manufacturing is heading in the wrong direction, which will put pressure on international markets. **We believe the best place to invest currently is in North America, where there's broad opportunity.** This gives us a chance to create a cash-flowing footprint in a stable economy, while ex-U.S. markets compress. *"The Global Manufacturing PMI index fell to 48.8 points in September, down from 49.6 in August, marking the 3rd straight monthly contraction. 4 of the 5 index components shrunk last month including output, new orders, employment, and stocks of purchases.*[2]*"*



This will only be stressed further as U.S. 10yr moves higher (the benchmark that sets the global borrowing rate).

Our fund will thrive regardless of high rates, rising yields, inflation, stagflation, disinflation, deflation, or any headline-worthy term. C6 and our portfolio companies have demonstrated operational excellence and sit in industries that are "recession resistant." The world is sitting in a difficult spot.

- Power shortfalls are on the rise from under investment and overreliance on intermittent capacity.
- Global soils have hit a point of diminishing returns from overuse of synthetic fertilizers and shifting weather patterns.

C6 delivers real world solutions for society as defined by Maslow's Hierarchy. Food, Water, and Safety are paramount in establishing a base of growth, and nothing is possible without fertilizer and power. There is always concern about first-time fund managers, especially in uncertain times. But we found the "next big thing" five years before any of the big investment firms decided to address infrastructure.

C6 has a huge head start. Once our portfolio is closed, we'll have a perfect offering for any big firm chasing our assets, and a built-in exit plan that will reward our investors.

[2] https://www.pmi.spglobal.com/Public/Home/PressRelease/5624ca3680634213a2b58f273ad64c31