TAF The Atmospheric Fund

REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Direct Investment Request: EV Charging Enablement Company (DI.2026.I)

Date: June 26, 2026
To: Board of Directors of the Toronto Atmospheric Fund
From: Vice President, Impact Investing

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains commercial and financial information, supplied in confidence to the Toronto Atmospheric Fund which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

The Direct Investment Committee recommends the Board approve an investment of up to $400,000 in preferred shares of a Canadian Electric Vehicles (EVs) charging enablement company as part of a $2,000,000 seed financing. The company's Artificial Intelligence (AI) enabled power management systems supports Level 2 EV charging in capacity-constrained buildings and fleet applications, reducing the need for costly electrical upgrades. The investment aligns with TAF's clean transportation, retrofit, and electrification priorities, supports a Toronto-based company with early Greater Toronto and Hamilton Area (GTHA) traction, and is projected to enable approximately 2.19 million tonnes of carbon dioxide equivalent (tCO_2e) in cumulative emissions reductions over 20 years.

RECOMMENDATIONS

The Vice President, Impact Investing recommends that the Board of Directors of the Toronto Atmospheric Fund:

1. Approve an investment of up to $400,000 in preferred equity in the Company, subject to the following conditions:
   a. Completion of all required documentation to effect TAF's investment in the Company, on terms satisfactory to the Vice President, Impact Investing; and
   b. Satisfactory review of all legal documentation by TAF's legal counsel, as determined by the Vice President, Impact Investing and the Chief Executive Officer.

2. Direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains commercial and financial information supplied in confidence to the Toronto Atmospheric Fund, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

There is no financial impact to the City of Toronto resulting from the adoption of the recommendations in this report.

DECISION HISTORY

At its meeting on June 16, 2026, the Direct Investment Committee recommended that the Board of Directors approve the investment DI.2026.I as described in Confidential Attachment 1.

COMMENTS

Investment Profile

The company has developed an adaptive power management platform that connects EVs, buildings, and the grid. Its patented, AI-based controller is installed at the electrical panel or building level, where it monitors real-time load and automatically allocates capacity across assets, turning unused panel headroom into EV charging capacity.

TAF's investment is expected to enable approximately 2.19 million tCO_2e in cumulative reductions over 20 years, mainly by accelerating EV adoption in the GTHA.

The proposed commitment represents 0.4% of TAF's Net Asset Value (NAV) and aligns with its Statement of Investment Objectives and Principles (SIOP).

Due Diligence

Financial, commercial, and technical diligence validated the investment thesis and was corroborated by the Lead Investor. One of the Low Carbon Cities Canada (LC3) centres will be co-investing alongside TAF. The key risks include execution, customer concentration, exposure to federal carbon policy, and patent expiry are being addressed through preferred-share protections, corporate governance, customer diversification, and the legislated regulatory framework through 2035.

Investment Terms

The investment is structured as preferred equity in a $2,000,000 seed round, with TAF holding approximately 2.7% at close. Downside protection includes a 1.5x non-participating liquidation preference, broad-based weighted-average anti-dilution, and customary protective provisions. Details are set out in Confidential Attachment #1.

CONTACT

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SIGNATURE

Kristian Knibutat
Vice President, Impact Investing

ATTACHMENTS

Confidential Attachment #1 - Direct Investment Request: EV Charging Enablement Company (DI.2026.I)