



NEO Exchange: **NETZ**
OTCQB: **OFSTF** | FSE: **M2Q**

NEWS RELEASE

CARBON STREAMING ANNOUNCES YEAR-END FINANCIAL RESULTS

Diversified and Growing Portfolio Expected to Generate Cash Flow in 2023

Year-end Update Call to be Held on Monday, September 26, 2022 at 11:00 a.m. ET

TORONTO, ON, September 26, 2022, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) today reported its financial results for the year ended June 30, 2022. All figures are in United States Dollars, unless otherwise indicated. The Company will host a live audio call at 11:00 a.m. EDT on Monday, September 26, 2022.

Carbon Streaming Founder and CEO Justin Cochrane stated: “This has been a tremendous year of growth for our portfolio and our team since going public last summer. We are building something very exciting and executing well on our strategy to develop a robust and diversified portfolio of high-integrity carbon credits that we believe will be sought after by discerning buyers committed to climate action. Today we have carbon streams in technology and nature-based solutions, removals and avoidance, carbon and methane reductions, in four continents around the world. Our team now reflects more diversity of experience, backgrounds and knowledge to position us for success as the Voluntary Carbon Markets continue to evolve and scale.”

Mr. Cochrane added: “By the end of 2023, we expect to have credit issuances from 10 or more projects in our portfolio and generate cash flow from credit sales soon after credits are received. By offering fair and flexible financing options, and nurturing exceptional collaborations with our project partners, we will continue to create value for them, the communities in which they work, our credit buyers, and shareholders alike.”

Company Highlights

Fourth Quarter 2022

- Ended the quarter with \$93.2 million in cash and no corporate debt.

- Recognized net income of \$29.2 million for the quarter, primarily due to a \$32.7 million non-cash revaluation related to warrant liabilities. Adjusted net loss for the quarter was \$3.5 million. See “Advisories - Non-IFRS Measures” for a reconciliation of adjusted net income (loss) to its most comparable IFRS measure.
- Announced the Company’s first carbon credit stream in a portfolio of fuel-efficient cookstoves and water filtration devices projects with Community Carbon (the “**Community Carbon Stream**”), located in five countries in eastern and southern Africa. The portfolio’s goal is to reduce approximately 50 million tonnes of CO₂ equivalent (“tCO₂e”) emissions and generate an equivalent amount of carbon credits over the 15 to 21 year lives of the projects.
- Announced a carbon credit stream with Will Solutions Inc. to scale its Sustainable Community Projects (the “**Sustainable Community Stream**”) in Quebec and Ontario, Canada. These projects are expected to generate more than 100 million carbon credits over the next 10 years, of which the Company will receive 50% of the carbon credits, up to 44.1 million carbon credits.
- Announced the Company’s first biochar carbon credit stream with Waverly RB SPE LLC, a subsidiary of Restoration Bioproducts LLC, (the “**Waverly Biochar Stream**”) to support the construction of a biochar production facility located in Virginia, USA. This project is expected to remove more than 161,000 tCO₂e of emissions and generate an equivalent number of CO₂ removal certificates (“**CORCs**”) over the 25-year project life.
- Announced a collaboration with IG Wealth Management to position the IG Climate Action Portfolios as unique, sustainable investment solutions available to Canadian investors.

Full Year 2022

- Recognized net loss of \$12.9 million for the year, due in part to a \$4.7 million non-cash revaluation related to warrant liabilities. Adjusted net loss for the year was \$17.6 million. Adjusted net loss is a Non-IFRS measure, see “Advisories - Non-IFRS Measures”.
- Paid \$67.4 million in total cash and equity consideration and committed to pay \$40.4 million in upfront deposits for new carbon credit streaming agreements, early deposit interests and other assets; growing the Company’s portfolio to six streams covering 13 carbon credit projects across four continents at the end of fiscal year 2022, compared to one early deposit interest for a potential future stream on one project at the end of fiscal year 2021.
- Subsequent to year-end, advanced an initial C\$400,000 to Citadelle Maple Syrup Producers’ Cooperative, based in Quebec, Canada, to fund an initial grouped project; closed the Community Carbon Stream; and advanced \$3.0 million to and entered into a new binding term sheet and royalty agreement with Future Carbon International LLC, the international division of Future Carbon Group (“**Future Carbon**”).

Carbon Credit Projects

The Company currently has the following carbon credit streaming and royalty agreements:

Stream/Royalty	Partner	Project Location	Status ¹	Project Type	Credit Type
Rimba Raya	InfiniteEARTH Limited	Indonesia	Registered	REDD+ ² (AFOLU) ³	Verra (VCS)
Community Carbon (7 projects)	Community Carbon	Uganda, Mozambique, Tanzania, Zambia and Malawi	Under development	Cookstove/ Water Filtration	Gold Standard/ Verra (VCS)
Sustainable Community (2 projects)	Will Solutions Inc.	Canada	Registered (Quebec) / Under development (Ontario)	Energy Efficiency/ Waste Diversion/ Transport	Verra (VCS)
Magdalena Bay Blue Carbon	Fundación MarVivo Mexico, MarVivo Corporation	Mexico	Under development	To be developed as REDD+ (AFOLU/ Blue Carbon)	Verra (VCS) (planned)
Waverly Biochar	Waverly RB SPE LLC	United States	Under development	Biochar	Puro.earth
Cerrado Biome	ERA Cerrado Assessoria e Projectos Ambientais Ltd	Brazil	Registered	REDD+ (AFOLU/ACoGS ⁴)	Verra (VCS)
Bonobo Peace Forest ⁵ (2 projects)	Bonobo Conservation Initiative	Democratic Republic of the Congo	Feasibility	Pending	Verra (VCS)
FCG Amazon Portfolio ⁶ (4 projects)	Future Carbon	Brazil	Registered	REDD+ (AFOLU)	Verra (VCS)

¹ Under development means that the project has not yet been validated or registered, and that activities leading toward registration are in progress (often close to final). These could include project document development, carbon modeling, negotiations with relevant entities, and/or any other work to fulfill the crediting registry's project requirements. During the due diligence process, Carbon Streaming will assess the risks of the project in context of its status.

² "REDD" means Reducing Emissions from Deforestation and forest Degradation, a framework developed by the United Nations Framework Convention on Climate Change.

³ "AFOLU" means agriculture, forestry and other land-use.

⁴ "ACoGS" means avoided conversion of grasslands and shrublands.

⁵ The Company has entered into a royalty agreement and an exclusive term sheet with Bonobo Conservation Initiative to advance the development of these projects.

⁶ The Company has entered into a royalty agreement and an exclusive term sheet with Future Carbon to contribute to the development and maintenance of these projects and grow Future Carbon in the global carbon markets.

Strategy and Outlook

Carbon Streaming's strategy continues to be focused on acquiring additional streams and royalties to diversify and grow its portfolio of projects. In the three months ended June 30, 2022, the Company announced three new stream agreements: the Community Carbon Stream, the Sustainable Community Stream and the Waverly Biochar Stream. The addition of these new stream agreements furthers the Company's goal of diversifying its portfolio geographically and by project type. Carbon Streaming plans to partner and support new and existing carbon projects as the Company continues to build its high-integrity portfolio of carbon credit streams and projects.

The Company also continues to build human capital, growing and enhancing its team with professionals who are skilled and knowledgeable in diverse fields of expertise. In particular, the Company's sales infrastructure is continuing to expand as the Company expects to receive carbon credits from more than 10 projects in calendar year 2023. The Company believes that the development of a strong sales strategy and team will attract buyers of high-quality carbon credits, also benefiting project partners and other stakeholders.

Guidance Update

The Company expects to receive its first delivery of carbon credits pursuant to its streams in calendar 2022, with the anticipated carbon credit issuance from the Cerrado Biome Stream. Such issuance and delivery are expected in the second half of calendar 2022, with credit sales expected soon after delivery.

As previously disclosed in April 2022, the Indonesian government announced a temporary pause in the validation of carbon credits from projects on the Verra Registry (and other registries) as it seeks to finalize its national carbon emission regulations. The Company's Rimba Raya stream has been impacted by this temporary pause, as it was scheduled to have its sixth audit under the Verified Carbon Standard of Verra in early 2022. Rimba Raya has a strong track record of regulatory compliance in Indonesia and in November 2021, the project received a renewed concession license, which extended the project's concession license to 2073. InfiniteEARTH, Rimba Raya's project operator, remains cooperative with Indonesia's Ministry of Environment & Forestry ("**MOEF**") to ensure that Rimba Raya's activities remain in compliance with this dynamic regulatory landscape. InfiniteEARTH continues to engage with the MOEF and *Sistem Registri Nasional Pengendalian Perubahan Iklim* ("**SRN**"), Indonesia's domestic carbon registry, while the design of Indonesia's domestic scheme for carbon credit verification under national regulations is finalized.

The Company and InfiniteEARTH view the development of a national carbon policy as an important and positive step for Indonesia, carbon markets, and global climate action. Efforts such as these require time to properly develop and implement. As the timing of carbon credit verification, issuance and delivery from Rimba Raya remains conditional to these events, the Company is withdrawing calendar 2022 guidance as provided on January 18, 2022.

Over the long term and on a company-wide basis, the Company continues to expect to retain on average 15% to 25% of carbon credit revenue (with project-specific retention ranging between 5% and 45% of net revenue) generated from the sale of the carbon credits, subject to fluctuation based on the realized price from carbon credit sales and the specific terms of the stream agreements. Through an ongoing delivery payment under the terms of a stream agreement, a project partner is typically entitled to receive the balance of the net revenue from the sale of carbon credits (i.e. on average 75% to 85%).

Listing Update

The Company continues to pursue a potential listing of its common shares and listed warrants on The Nasdaq Stock Market LLC (the "**Nasdaq**"). The Company previously announced that it had filed a registration statement Form 40-F ("**Form 40-F**") with the United States Securities and Exchange Commission to advance the listing process. The Company continues to engage with U.S. securities regulators in pursuit of the Nasdaq listing. The Company's common shares continue to trade on the NEO Exchange under the symbol "NETZ", on the OTCQB under the symbol "OFSTF" and on the FSE under the symbol "M2Q".

Year-End 2022 Results Conference Call Details

The Company's management team will host an interactive audio call on Monday, September 26, 2022 at 11:00 a.m. EDT to provide a brief company update. Participants may join by dialing +1 416-764-8658 or toll free from North America at +1 888-886-7786. An audio replay of the conference call will be available on the [Company website](#) until 11:59 p.m. EDT until October 10, 2022.

About Carbon Streaming

[Carbon Streaming](#) aims to finance a net-zero future. We pioneered the use of streaming transactions, a proven and flexible funding model, to scale high-integrity carbon credit projects to accelerate global climate action and advance the United Nations Sustainable Development Goals. This approach aligns our strategic interests with those of project partners to create long-term relationships built on a shared commitment to sustainability and accountability and positions us as a trusted source for buyers seeking high-quality carbon credits.

The Company's focus is on projects that have a positive impact on the environment, local communities, and biodiversity, in addition to their carbon reduction or removal potential. The Company has carbon credit streams related to over 10 projects around the world, including projects involving nature-based solutions, the distribution of fuel-efficient cookstoves and water filtration devices, sustainable community projects focused on waste avoidance and energy efficiency, and biochar carbon removal.

To receive corporate updates via e-mail, please subscribe [here](#).

ON BEHALF OF THE COMPANY:

Justin Cochrane, Chief Executive Officer

Tel: 647.846.7765

info@carbonstreaming.com

www.carbonstreaming.com

Investor Relations

Andrea Cheung, VP, Investor Relations

investors@carbonstreaming.com

Media

Amy Chambers, Director, Marketing, Communications & Sustainability

media@carbonstreaming.com

Non-IFRS Measures

This news release contains the financial term "adjusted net loss", which is not considered in the International Financial Reporting Standards ("IFRS"). The Company's determination of this non-IFRS measure may differ from other reporting issuers, and therefore may not be comparable to similar measures presented by other companies where similar terminology is used.

A reconciliation of “net loss” to “adjusted net loss” is as follows:

(US\$ millions)	Three Months Ended		Twelve Months Ended	
	Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021
Net and comprehensive income (loss)	\$ 29.2	\$ (2.2)	\$ (12.9)	\$ (4.6)
Adjustment for non-cash settled items:				
Revaluation of warrant liabilities	32.7	-	4.7	-
Adjusted net income (loss)	\$ (3.5)	\$ (2.2)	\$ (17.6)	\$ (4.6)
Basic income (loss) per share	\$ 0.77	\$ (0.06)	\$ (0.34)	\$ (0.57)
Adjusted basic (loss) per share	\$ (0.09)	\$ (0.06)	\$ (0.46)	\$ (0.57)
Diluted income (loss) per share	\$ 0.77	\$ (0.06)	\$ (0.34)	\$ (0.57)
Adjusted diluted income (loss) per share	\$ (0.09)	\$ (0.06)	\$ (0.46)	\$ (0.57)

This non-IFRS measure should not be considered in isolation or as a substitute for measures of performance or cash flows as prepared in accordance with IFRS. This financial measure is included because management believes that this non-IFRS measure, together with measures prepared in accordance with IFRS, provides useful information to investors and shareholders in assessing the Company’s liquidity and overall performance as it removes the impact of non-cash charges. Refer to the “Non-IFRS Measures” section on page 21 of the Company’s MD&A for the year ended June 30, 2022 for further details.

Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information (collectively, “forward-looking information”) within the meaning of applicable securities laws. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future, are forward-looking information, including, without limitation, timing to generate cash flow; timing and the amount of future carbon credit generation from the Company’s existing streaming agreements; statements with respect to the projects in which the Company has streaming agreements in place; statements with respect to the projects in which the Company’s has royalty agreements, other agreements and assets in place; statements with respect to the Company’s growth objectives; the impact of Indonesian regulatory developments on the Rimba Raya project and the Rimba Raya Stream; percentage of revenue retained from carbon credit sales; carbon credit sales strategy and timing of such sales; the Nasdaq listing application and receipt of regulatory approvals; and statements with respect to execution of the Company’s portfolio and partnership strategy.

When used in this news release, words such as “estimates”, “expects”, “plans”, “anticipates”, “will”, “believes”, “intends” “should”, “could”, “may” and other similar terminology are intended to identify such forward-looking statements. This forward-looking information is based on the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. They should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility in prices of carbon credits and demand for carbon credits; change in social or political views towards climate change and subsequent changes in corporate

or government policies or regulations and associated changes in demand for carbon credits; limited operating history for the Company's current strategy; risks arising from competition and future acquisition activities; concentration risk; inaccurate estimates of growth strategy, including the ability of the Company to source appropriate opportunities and enter into stream, royalty or other agreements; dependence upon key management; general economic, market and business conditions and global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility; uncertainties and ongoing market developments surrounding the validation and verification requirements of the voluntary and/or compliance markets; failure or timing delays for projects to be registered, validated and ultimately developed and for emission reductions or removals to be verified and carbon credits issued; foreign operations and political risks including actions by governmental authorities, including changes in or to government regulation, taxation and carbon pricing initiatives; due diligence risks, including failure of third parties' reviews, reports and projections to be accurate; dependence on project partners, operators and owners, including failure by such counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties; failure of projects to generate carbon credits, or natural disasters such as flood or fire which could have a material adverse effect on the ability of any project to generate carbon credits; volatility in the market price of the Company's common shares or warrants; the effect that the issuance of additional securities by the Company could have on the market price of the Company's common shares or warrants; global health crises, such as pandemics and epidemics, including the ongoing COVID-19 pandemic and the uncertainties surrounding the ongoing impact of the COVID-19 pandemic; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form dated as of September 26, 2022 filed on SEDAR at www.sedar.com.

Any forward-looking information speaks only as of the date of this news release. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. Except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.