



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

NEWS RELEASE

CARBON STREAMING ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

Company is Uniquely Positioned with a Strong Cash Balance, Reduced Operating Costs, Diversified Investment Portfolio and Robust Sales Pipeline to Create Shareholder Value

TORONTO, ON, November 14, 2023, Carbon Streaming Corporation (NEO: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) (“**Carbon Streaming**” or the “**Company**”) today reported its financial results for the three and nine months ended September 30, 2023. All figures are expressed in United States dollars, unless otherwise indicated. The Company will host a live audio call at 11:00 a.m. ET on Wednesday, November 15, 2023.

Carbon Streaming Founder and CEO Justin Cochrane stated: “In Q3, Carbon Streaming continued to improve its operating cash flow through successful ongoing reductions in operating costs. These reductions are expected to deliver savings of over US\$5 million per annum. As we reach the end of the year and look towards 2024, the Company remains committed to protecting our robust, debt-free balance sheet, while executing on sales and supporting our project partners.” Mr. Cochrane continued, “we believe that this approach, coupled with our diversified portfolio of streams and royalties on high-quality projects, uniquely positions us to benefit from future increases in demand for voluntary carbon credits as the global economy faces mounting pressure to decarbonize.”

Third Quarter Highlights

- Ended the quarter with \$54.4 million in cash and no corporate debt.
- The Company initiated a corporate restructuring plan, which remains ongoing, focused on personnel reductions, optimizing its cash position, and protecting its balance sheet, resulting in a \$1.8 million restructuring charge and a \$3.9 million reduction in operating expenses year-to-date. Additional restructuring strategies are planned for upcoming quarters.
- Recognized net income of \$0.7 million (net loss of \$2.4 million in Q3 2022).
- Adjusted net loss of \$1.7 million (adjusted net loss of \$5.3 million in Q3 2022) (*see the “Non-IFRS Measures” section of this news release*).
- Operating loss of \$0.8 million (operating loss of \$5.3 million in Q3 2022).
- Paid \$2.1 million in upfront deposits for carbon credit streaming and royalty agreements.

Financial Highlights Summary

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<i>(Dollar figures expressed in thousands of US Dollars)</i>				
Carbon credit streaming agreements				
Revaluation of carbon credit streaming and royalty agreements	\$1,792	-	\$(8,945)	-
Settlements from carbon credit streaming and royalty agreements ¹	\$13	-	\$55	-
Purchased carbon credits				
Revenue from sale of purchased carbon credits ²	\$260	\$27	\$325	\$29
Number of purchased carbon credits sold (carbon credits) ²	41,593	2,192	50,735	2,354
Other financial highlights				
Other operating expenses	\$2,609	\$5,317	\$9,344	\$13,278
Operating loss	\$(765)	\$(5,301)	\$(18,218)	\$(13,295)
Net income (loss)	\$718	\$(2,409)	\$(9,409)	\$75,757
Earnings (loss) per share (Basic) (\$/share)	\$0.02	\$(0.05)	\$(0.20)	\$1.62
Earnings (loss) per share (Diluted) (\$/share)	\$0.02	\$(0.05)	\$(0.20)	\$1.54
Adjusted net loss ³	\$(1,699)	\$(5,327)	\$(5,361)	\$(13,321)
Adjusted net loss per share (Basic and Diluted) (\$/share) ³	\$(0.04)	\$(0.11)	\$(0.11)	\$(0.28)
Statement of financial position				
Cash ⁴	\$54,401	\$72,683	\$54,401	\$72,683
Carbon credit streaming and royalty agreements ⁴	\$82,024	\$78,698	\$82,024	\$78,698
Total assets ⁴	\$142,043	\$156,939	\$142,043	\$156,939
Non-current liabilities ⁴	\$1,262	\$889	\$1,262	\$889

1. Relates to the net cash proceeds generated from the Company's carbon credit streaming and royalty agreements.
2. The Company holds an inventory of carbon credits, which were acquired separate and apart from carbon credits delivered under the Company's carbon credit streaming agreements.
3. "Adjusted net loss", including per share amounts, is a non-IFRS financial performance measure that is used in this news release. This measure does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. For more information about this measure, why it is used by the Company, and a reconciliation to the most directly comparable measure under IFRS, see the "Non-IFRS Measure" section of this news release.
4. Cash, carbon credit streaming and royalty agreements, total assets and non-current liabilities are presented as at the relevant tabular reporting date.

Portfolio Updates: Three months ended September 30, 2023

Feather River Reforestation Stream: In September 2023, the Company and Mast Reforestation SPV I, LLC entered into a stream agreement for the Feather River Reforestation project, the second stream under the previously announced pipeline agreement. This project is expected to remove approximately 50,000 tCO₂e and generate an equivalent number of carbon removal credits, referred to as Forecasted Mitigation Units (“FMUs”) under the Climate Action Reserve’s Climate Forward program with FMU issuance anticipated in 2025. During the quarter, the Company made upfront deposit payments of \$0.3 million. The Company will make additional upfront deposit payments of up to \$0.4 million (resulting in a total upfront deposit of up to \$0.7 million) as the Feather River Reforestation project achieves site preparation, planting, and issuance milestones.

Nalgonda Rice Farming Stream: In July 2023, the Company amended the terms of the Nalgonda Rice Farming Stream, resulting in a \$0.8 million decrease in total committed upfront deposit payments and a higher ongoing delivery payment. Additionally, in September 2023, the project completed its submission of the first validation report for the Nalgonda Rice Farming methane avoidance grouped project to Verra, the non-profit organization that manages the Verified Carbon Standard program and its registry.

Waverly Biochar Stream and Waverly Biochar Royalty: In July 2023, the Company amended the terms of the Waverly Biochar Stream, resulting in a \$1.6 million increase in the upfront deposit payments and a lower ongoing delivery payment. Additionally, the Company also entered into a royalty agreement pursuant to which Carbon Streaming will receive a revenue royalty on volume of biochar sold from the project over its 25-year life.

Magdalena Bay Blue Carbon Stream: In July 2023, the Company amended the terms of the Magdalena Bay Blue Carbon Stream. Under the amended terms of the stream, the Company will receive the greater of 300,000 carbon credits or 30% of carbon credits generated by the project on an annual basis, an increase from the previous terms (which were the greater of 200,000 carbon credits or 20% of the carbon credits generated by the project on an annual basis). This also resulted in a \$3.0 million increase in upfront deposit payments to be delivered as the project achieves certain development milestones.

Strategy

Carbon Streaming is focused on executing its sales strategy through the marketing and selling of carbon credits and continuing to acquire select additional streams and royalties to diversify and complement its portfolio of projects.

In executing its sales strategy, over the long term and on a company-wide basis, the Company continues to expect to retain on average 15% to 25% of cash flows (with stream-specific retention varying) generated from the sale of the carbon credits acquired from its carbon credit streaming agreements, 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 proceeds from the sale of carbon credits (i.e., on average 75% to 85%).

Outlook

In 2023, Carbon Streaming began repositioning itself for long-term success and sustainable shareholder value creation as the voluntary carbon market faced headwinds. In response, the Company initiated a corporate restructuring earlier this year. The focus of the restructuring has been, and will continue to be, on cash flow optimization through the reduction of operating expenses and a reassessment of our existing streams and royalties in light of the evolving voluntary carbon market. To date, the steps taken by the Company have resulted in significant reductions to ongoing operating expenses and amendments to stream agreements. For example, the Company's other operating expenses have decreased by \$3.9 million for the nine months ended September 30, 2023, when compared to the prior-year period. Additionally, the Company has restructured the commercial terms of the Nalgonda Rice Farming Stream, Waverly Biochar Stream, and the Magdalena Bay Blue Carbon Stream. The Company will continue to look for opportunities for cash flow optimization and will provide additional details as more initiatives are put in place.

Carbon Streaming also aims to continue growing and diversifying its portfolio with leading project developers and to be a partner of choice for buyers seeking to support high-integrity carbon projects. Voluntary carbon markets have the potential to mobilize finance to address the gaps in funding for climate projects and act as a complementary tool to other climate action activities. Carbon Streaming believes that its strategy will position the Company as an industry leader who will be a go-to source of carbon credits in the voluntary market.

Third Quarter 2023 Results Conference Call Details

The Company's management team will host an interactive audio call on Wednesday, November 15, 2023, at 11:00 a.m. ET 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. ET on December 15, 2023.

About Carbon Streaming

[Carbon Streaming](#) aims to accelerate 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 advance global climate action and additional 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 and royalties related to over 20 projects around the world, including high-integrity removal, reduction and avoidance projects from nature-based, agricultural, engineered and community-based methodologies.

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

ON BEHALF OF THE COMPANY:

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info@carbonstreaming.comwww.carbonstreaming.com**Investor Relations**investors@carbonstreaming.com**Media**media@carbonstreaming.com**Performance Measures****Average realized price per purchased carbon credit sold**

Management uses the “average realized price per purchased carbon credit sold” performance measure to better understand the price realized in each reporting period for carbon credit sales. Average realized price per purchased carbon credit sold is calculated by dividing the Company’s revenue from sale of purchased carbon credits by the quantity of purchased carbon credits sold. Average realized price per purchased carbon credit sold does not incorporate proceeds from the sale of carbon credits delivered under the Company’s carbon credit streaming agreements, and only incorporates revenue from the sale of purchased carbon credits.

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<i>(Dollar figures expressed in thousands of US Dollars)</i>				
Revenue from sale of purchased carbon credits	\$260	\$27	\$325	\$29
Number of purchased carbon credits sold (carbon credits)	41,593	2,192	50,735	2,354
Average realized price per purchased carbon credit sold (\$/carbon credit)	\$6.25	\$12.32	\$6.41	\$12.32

Cost per purchased carbon credit sold

Management uses the “cost per purchased carbon credit sold” performance measure to assess the Company’s profitability in relation to the average realized price per purchased carbon credit sold and believes that certain investors can use this information to evaluate the Company’s performance in comparison to other carbon credit streaming companies. Cost per purchased carbon credit sold is calculated by dividing the Company’s cost of purchased carbon credits sold by the quantity of purchased carbon credits sold. Cost per purchased carbon credit sold does not incorporate ongoing delivery payments from the sale of carbon credits delivered under the Company’s carbon credit streaming agreements, and only incorporates the cost of purchased carbon credits sold.

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<i>(Dollar figures expressed in thousands of US Dollars)</i>				
Cost of purchased carbon credits sold	\$208	\$11	\$254	\$12
Number of purchased carbon credits sold (carbon credits)	41,593	2,192	50,735	2,354
Cost per purchased carbon credit sold (\$/carbon credit)	\$5.00	\$5.00	\$5.00	\$5.00

Non-IFRS Measures

Adjusted Net Loss and Adjusted Loss Per Share

The term “adjusted net income (loss)” in this MD&A is not a standardized financial measures under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. These non-IFRS measures should not be considered in isolation or as a substitute for measures of performance, cash flows and financial position as prepared in accordance with IFRS. Management believes that these non-IFRS measures, together with performance measures and measures prepared in accordance with IFRS, provide useful information to investors and shareholders in assessing the Company’s liquidity and overall performance.

Adjusted net loss is calculated as net and comprehensive income (loss) and adjusted for the revaluation of carbon credit streaming and royalty agreements, the revaluation of warrant liabilities, the revaluation of derivative liabilities, the revaluation of the convertible note, impairment loss and the corporate restructuring which the Company views as having a significant non-cash or non-continuing impact on the Company’s net and comprehensive income (loss) calculation and per share amounts. Adjusted net income (loss) is used by the Company to monitor its results from operations for the period.

The following table reconciles net and comprehensive income (loss) to adjusted net income (loss):

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
<i>(Dollar figures expressed in thousands of US Dollars)</i>				
Net income (loss)	\$718	\$(2,409)	\$(9,409)	\$75,757
Adjustment for non-continuing or non-cash settled items:				
Revaluation of carbon credit streaming and royalty agreements	(1,792)	-	8,945	-
Revaluation of warrant liabilities	(1,230)	(2,918)	(6,451)	(89,078)
Revaluation of derivative liabilities	-	-	(686)	-
Revaluation of convertible note	(558)	-	(558)	-
Impairment loss	1,044	-	1,044	-
Corporate restructuring	119	-	1,754	-
Adjusted net loss	\$(1,699)	\$ (5,327)	\$(5,361)	\$ (13,321)
Earnings (loss) per share (Basic) (\$/share)	\$0.02	\$(0.05)	\$ (0.20)	\$1.62
Earnings (loss) per share (Diluted) (\$/share)	0.02	(0.05)	(0.20)	1.54
Adjusted net loss per share (Basic) (\$/share)	(0.04)	(0.11)	(0.11)	(0.28)
Adjusted net loss per share (Diluted) (\$/share)	(0.04)	(0.11)	(0.11)	(0.28)

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, statements regarding the generation of shareholder value; the Company’s expected restructuring strategies and expense reductions and savings from operating cost reduction measures; statements with respect to cash flow optimization; its sales strategy; supporting the Company’s carbon streaming and royalty partners; timing and the amount of future carbon credit generation and emission reductions and removals from the Company’s existing streaming and royalty agreements; statements with respect to the projects in which the Company has streaming and royalty agreements in place; statements with respect to the timing of carbon credit sales and cash flows; timing of milestone payments; statements with respect to the Company’s growth objectives; 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; reputational risk; 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 (and other risks associated with carbon credits standards and registries); 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 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 March 28, 2023 filed on SEDAR+ at www.sedarplus.ca.

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.