Cboe CA: **NETZ**
OTCQB: **OFSTF |** FSE: **M2Q**

NEWS RELEASE

CARBON STREAMING ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2025

TORONTO, ON, May 13, 2025, Carbon Streaming Corporation (Cboe CA: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) ("**Carbon Streaming**" or the "**Company**") today reported its financial results for the three months ended March 31, 2025. All figures are expressed in United States dollars, unless otherwise indicated.

Carbon Streaming Chief Executive Officer Marin Katusa stated: "In the first quarter of 2025, Carbon Streaming made significant progress in reducing costs and improving financial sustainability, while continuing to evaluate strategic alternatives. Ongoing operating expenses have decreased substantially compared to prior years, and by May 2025, the number of individuals at the Company receiving a full-time salary was reduced to three. While we continue to pursue cost reductions, our priority in 2025 is to maximize value from our existing portfolio while exploring all strategic options to enhance shareholder value. More specifically, we will evaluate potential acquisitions, divestments, corporate transactions, and strategic partnerships. Although the voluntary carbon market continues to face challenging conditions and broader economic uncertainties persist, we remain committed to adapting to market realities and identifying the best path forward for our shareholders. In line with this commitment to shareholders, we have recently filed a statement of claim against certain former executives, board members, consultants, and associated entities in order to hold the defendants to account for actions that have caused financial harm to the Company, as outlined in the lawsuit. And with respect to the Rimba Raya, Magdalena Bay, and Sustainable Community Streams, the Company remains focused on protecting our investments and preserving our rights — as we will with all our investments."

Quarterly Highlights

- Ended the year with $36.4 million in cash and no corporate debt. During the quarter, the Company converted $18.0 million in cash from US$ to C$ at an exchange rate of 1.42 C$ for every 1.00 US$. The Company continues to earn interest income on its cash.
- Reduced the number of individuals receiving full-time salaries at the Company - including employees, consultants, and directors - from 24 at the start of 2024 to 3 full-time employees by May 2025, resulting in significant savings in ongoing operating expenses. The Chief Executive Officer is not collecting a salary, the Chief Financial Officer is receiving a part-time salary, and the Company has eliminated cash-settled director's fees to its board of directors ("**Board**").
- Recognized a net gain on revaluation of carbon credit streaming and royalty agreements of $49 thousand (net loss on revaluation of $33.1 million for Q1 2024). The net gain on revaluation for the current period was primarily related to changes to the risk-adjusted discount rate and accretion due to the passage of time.

- Building on the success of the previously-announced ongoing corporate restructuring plan, the Company has significantly reduced ongoing operating expenses and is continuing to review its existing streams and royalties.
- Generated $2 thousand in settlements from carbon credit streaming and royalty agreements (settlements of $406 thousand during Q1 2024).
- Operating loss of $1.4 million (operating loss of $36.6 million in Q1 2024).
- Recognized net loss of $0.8 million (net loss of $35.8 million in Q1 2024).
- Adjusted net loss was $0.5 million (adjusted net loss of $1.6 million in Q1 2024) (see the *"Non-IFRS Accounting Standards Measures"* section of this news release).
- Paid $164 thousand in upfront deposits for carbon credit streaming and royalty agreements (paid $400 thousand in upfront deposits in Q1 2024).
- In April 2025, the Company announced that it had filed a lawsuit in the Ontario Superior Court of Justice against several former executives, directors, consultants, and associated entities. Please refer to the Company's news release titled *"Carbon Streaming Announces Filing of Claim Against Former Executives and Consultants"* for further information.

Financial Highlights Summary

	Three months ended March 31, 2025	**Three months ended March 31, 2024**
Carbon credit streaming and royalty agreements		
Revaluation of carbon credit streaming and royalty agreements	**$ 49**	$ (33,136)
Settlements from carbon credit streaming and royalty agreements[1]	**2**	406
Other financial highlights		
Other operating expenses	**1,401**	3,709
Operating loss	**(1,351)**	(36,756)
Net loss	**(822)**	(35,771)
Loss per share (Basis and Diluted) ($/share)	**(0.02)**	(0.75)
Adjusted net loss[2]	**(508)**	(1,596)
Adjusted net loss per share (Basic and Diluted) ($/share)[2]	**(0.01)**	(0.03)
Statement of financial position		
Cash[3]	**36,444**	49,008
Carbon credit streaming and royalty agreements[3]	**9,292**	26,980
Total assets[3]	**47,098**	81,596
Non-current liabilities[3]	**47**	1,059

1. *Relates to the net cash proceeds generated from the Company's carbon credit streaming and royalty agreements.*
2. *"Adjusted net loss", including per share amounts, is a non-IFRS® Accounting Standards (the "**IFRS Accounting Standards**") financial performance measure that is used in this news release. This measure does not have any standardized meaning under the IFRS Accounting Standards 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 the IFRS Accounting Standards, see the "Non-IFRS Accounting Standards Measures" section of this news release.*
3. *Cash, carbon credit streaming and royalty agreements, total assets and non-current liabilities are presented as at the relevant tabular reporting date.*

Portfolio Updates

Nalgonda Rice Farming Stream: The project was registered with Verra on February 10, 2025, using the UNFCCC Clean Development Mechanism Methodology AMS-III.AU: Methane emission reduction by adjusted water management practice in rice cultivation in the VCS program ("**AMS-III.AU**"). Registration and first validation of the project was delayed when Verra temporarily inactivated AMS-III.AU as part of a broader review of validation and verification quality and began developing a revised rice-specific methodology to replace AMS-III.AU. During this review, Verra determined that certain projects identified as having quality issues with validations and/or verifications would remain on hold, but Core CarbonX's projects, including the Nalgonda Rice Farming project, were approved for registration under AMS-III.AU.

Verra released the new VCS Methodology VM0051 (Improved Management in Rice Production Systems v1.0) on February 27, 2025, which the project plans to transition to for the second monitoring period. However, the project has already applied the guidelines required under the VCS Methodology VM0051. At this time, it is not known how the transition to the new methodology will impact the project, if at all.

Sheep Creek Reforestation Stream: In January 2025, the Company received a Notice of Adverse Impact from Mast Reforestation SPV I, LLC ("**Mast**") and the parent company of Mast, Droneseed Co. d/b/a Mast Reforestation under the Sheep Creek Reforestation Stream pursuant to which, among other things, Mast advised the Company that the Sheep Creek project has experienced significantly higher than expected mortality rates and that the surviving seedlings had exhibited slower than expected growth rates. As a result, Mast indicated to the Company that it no longer expects to deliver the Company the agreed-upon 286,229 carbon removal credits, referred to as forecast mitigation units ("**FMUs**") under the Climate Action Reserve's Climate Forward program under the Sheep Creek Reforestation Stream, as Mast no longer considers the existing Sheep Creek project plan and budget to be viable. The Company has formally responded to the Notice of Adverse Impact and requested that Mast respond to the Company's significant concerns regarding, among other things, the timing of the delivery of the Notice of Adverse Impact, and the characterization of the cause of the adverse impact. The Company is continuing to evaluate all legal avenues available under the Sheep Creek Reforestation Stream. As a result, the Company no longer anticipates generating cash flow from the Sheep Creek Reforestation Stream, and its fair value is $nil as of March 31, 2025.

Baccala Ranch Reforestation Stream: In March 2025, Mast delivered the Company a notice of termination of the Baccala Ranch Reforestation Stream and the Baccala Ranch project, thereby confirming it will forego any plantings. The Company had not advanced any funds for the Baccala project and the closing of the Baccala Ranch Reforestation Stream remained subject to customary closing conditions.

Enfield Biochar Stream: In April 2025, Standard Biocarbon Corporation ("**Standard Biocarbon**") successfully completed an equity financing resulting in a change of control. In connection with the financing, a new CEO has been appointed to lead Standard Biocarbon through project commissioning.

Strategy

Carbon Streaming is currently focused on maximizing value from the existing portfolio of investments and pursuing all options to achieve that goal. During 2024, the Company underwent changes to the Board and management, including the termination of certain consulting contracts, which reduced ongoing cash expenditure and streamlined decision-making. The Company continues to focus on its previously announced evaluation of strategic alternatives with a focus on maximizing value for all shareholders. These alternatives could include acquisitions, divestments, corporate transactions, financings, other strategic partnership opportunities or continuing to operate as a public company.

The Company's carbon credit streaming agreements are structured to retain a portion of the cash flows from carbon credit sales, with stream-specific retention varying. Project partners typically receive the balance through ongoing delivery payments under the terms of each agreement. Cash flows are subject to fluctuations based on realized carbon credit prices and agreement terms. As the Company continues to evaluate its strategic direction, it remains focused on optimizing portfolio economics and managing exposure to market volatility.

Outlook

Carbon Streaming continues to reposition itself for success and for maximizing shareholder value amid ongoing challenges. In May 2024, as part of its ongoing corporate restructuring first initiated in 2023, the Company announced changes to its senior management and Board after constructive discussions with certain shareholders. The Company continues to evaluate strategic alternatives for the business and remains focused on cash flow optimization through the reduction of operating expenses and a reassessment of its existing streams and royalties. Building on the previous measures implemented by the Company to reduce ongoing operating expenses, further steps have been taken in recent months, including significantly reducing employee headcount, renegotiating and amending vendor agreements to lower costs, eliminating cash-settled director's fees to the Board and terminating certain consulting contracts. As the Company's broader strategy continues to evolve, these recent steps are expected to result in significant reductions to annualized ongoing operating expenses when compared to 2024.

While the Company aims to increase cash flow generation through the sale of carbon credits from several streaming agreements over the next year, there remains ongoing uncertainty regarding the evolving nature of carbon markets, including potential registry delays, project-specific issues, and methodology-related risks, in addition to impacts the industry may face as a result of general economic, political and regulatory conditions. In 2024, the Company recognized a decrease in the fair values of the Rimba Raya Stream, the Magdalena Bay Blue Carbon Stream, the Sustainable Community Stream, and the Sheep Creek Reforestation Stream to $nil as a result of the failure of the respective projects to meet their obligations under the stream agreements and ongoing legal disputes. The Company is actively pursuing all available legal remedies to protect its investments and enforce its contractual rights. Given the multiple ongoing litigation matters, the outcomes remain uncertain and could materially impact the Company's financial position and strategic direction. Please refer to the "Legal Proceedings" section of the Company's most recently filed MD&A for further information.

Given the evolving nature of carbon markets and ongoing legal considerations, Carbon Streaming is focussed on maximizing value from the existing portfolio of investments and pursuing all options to achieve that goal.

For a comprehensive discussion of the risks, assumptions and uncertainties that could impact the Company's strategy and outlook, including without limitation, changes in demand for carbon credits and Indonesian developments described herein, investors are urged to review the section of the Company's most recently filed AIF entitled "Risk Factors" a copy of which is available on SEDAR+ at www.sedarplus.ca.

About Carbon Streaming

Carbon Streaming's focus is on projects that generate high-quality carbon credits and have a positive impact on the environment, local communities, and biodiversity, in addition to their carbon reduction or removal potential.

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Non-IFRS Accounting Standards Measures

Adjusted Net Loss and Adjusted Loss Per Share

The term "adjusted net loss" in this news release is not a standardized financial measure under the IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. These non-IFRS Accounting Standards 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 the IFRS Accounting Standards. Management believes that these non-IFRS Accounting Standards measures, together with performance measures and measures prepared in accordance with the IFRS Accounting Standards, 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 loss and adjusted for the revaluation of carbon credit streaming and royalty agreements, the revaluation of warrant liabilities, the impairment loss on early deposit interest receivable, the revaluation of derivative liabilities, the revaluation of the convertible note, the impairment loss on investment in associate, the gain on dissolution of associate, 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 loss calculation and per share amounts. Adjusted net loss is used by the Company to monitor its results from operations for the period.

The following table reconciles net and comprehensive loss to adjusted net loss:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Net loss and comprehensive loss	**$ (822)**	$ (35,771)
Adjustment for non-continuing or non-cash settled items:		
Revaluation of carbon credit streaming and royalty agreements	**(49)**	33,136
Revaluation of warrant liabilities	**(114)**	(334)
Litigation and corporate restructuring	**477**	1,373
Adjusted net loss	**(508)**	(1,596)
Loss per share (Basic and Diluted) ($/share)	**(0.02)**	(0.75)
Adjusted net loss per share (Basic and Diluted) ($/share)	**(0.01)**	(0.03)

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 anticipated impact of changes to the Company's Board and management; the impact of the Company's restructuring strategies, including evaluation of strategic alternatives; the ability of the Company to execute on expense reductions and savings from operating cost reduction measures; statements with respect to cash flow optimization and generation; 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 Company's growth objectives and potential and its position in the voluntary carbon markets; statements with respect to execution of the Company's portfolio and partnership strategy; statements regarding the Company holding certain former executives, directors, consultants, and associated entities to account. statements with respect to the ongoing legal process to protect the Company's investment in the Rimba Raya project and to enforce its legal and contractual rights; and statements regarding the Company's intention to strictly enforce its legal and contractual rights under the Sustainable Community Stream and the Magdalena Bay Blue Carbon Stream and the Sheep Creek Reforestation Stream.

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 information. 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: general economic, market and business conditions and global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility; volatility in prices of carbon credits and demand for carbon credits; change in social or political views towards climate change, carbon credits and environmental, social and governance initiatives and subsequent changes in corporate or government policies or regulations and associated changes in demand for carbon credits; the Company's expectations and plans with respect to current litigation, arbitration and regulatory proceedings; limited operating history for the Company's current strategy; concentration risk; inaccurate estimates of project value, which may impact the ability of the Company to execute on its growth and diversification strategy; dependence upon key management; impact of corporate restructurings; the inability of the Company to optimize cash flows or sufficiently reduce operating expenses; reputational risk; risks arising from competition and future acquisition activities 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; uncertainties and ongoing market developments surrounding the validation and verification requirements of the voluntary and/or compliance markets; 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; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form dated as of March 31, 2025 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.