



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

## NEWS RELEASE

# CARBON STREAMING ANNOUNCES FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2024

TORONTO, ON, May 15, 2024, 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, 2024. 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 Friday, May 17, 2024.

Carbon Streaming CEO Justin Cochrane stated: "In the first quarter of 2024, Carbon Streaming continued its focus on enhancing operational efficiency, resulting in improvements to operating cash flow compared to the comparative quarter. We remain dedicated to generating cash flows from sales and identifying further cost-saving measures going forward," stated Mr. Cochrane. "Regarding the revocation of the concession license at the Rimba Raya project, we intend to evaluate all legal avenues to protect our investment and enforce our rights. Additionally, moving into 2024, our priority is ramping up credit issuance and sales, safeguarding our strong, debt-free balance sheet and pursuing strategic initiatives while providing support to our project partners."

### Quarterly Highlights

- Recognized a loss on revaluation of carbon credit streaming and royalty agreements of \$33.1 million for the three months ended March 31, 2024 (three months ended March 31, 2023 - gain of \$0.7 million). The current period loss on revaluation was primarily related to the write-down of the value of the Rimba Raya Stream to \$nil.
- Ended the year with \$49.0 million in cash and no corporate debt.
- Continued the previously-announced corporate restructuring plan focused on cash flow optimization, including reducing operating expenses and reviewing existing streams and royalties, resulting in reduced ongoing operating expenses and a \$1.4 million restructuring charge for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$nil).
- Generated \$0.4 million in settlements from carbon credit streaming and royalty agreements for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$4 thousand).
- Recognized net loss of \$35.8 million for the three months ended March 31, 2024 (three months ended March 31, 2023 - net loss of \$1.0 million).
- Adjusted net loss of \$1.6 million for the three months ended March 31, 2024 (three months ended March 31, 2023 - adjusted net loss of \$2.9 million) (see the "*Non-IFRS Measures*" section of this news release).
- Operating loss of \$36.8 million for the three months ended March 31, 2024 (three months ended March 31, 2023 - operating loss of \$2.7 million).

- Paid \$0.4 million in upfront deposits for carbon credit streaming and royalty agreements for the three months ended March 31, 2024 (three months ended March 31, 2023 – paid \$1.5 million in upfront deposits for carbon credit streaming and royalty agreements).

## Financial Highlights Summary

<i>(Dollar figures expressed in USD thousands)</i>	Three months ended March 31, 2024	Three months ended March 31, 2023
<b>Carbon credit streaming agreements</b>		
Revaluation of carbon credit streaming and royalty agreements	\$ (33,136)	\$ 711
Settlements from carbon credit streaming and royalty agreements <sup>1</sup>	406	4
<b>Purchased carbon credits</b>		
Revenue from sale of purchased carbon credits	\$ 488	\$ 21
Number of purchased carbon credits sold (carbon credits) <sup>2</sup>	93,772	2,496
Average realized price per purchased carbon credit sold (\$/carbon credit)	5.20	8.46
Cost per purchased carbon credit sold (\$/carbon credit)	4.26	5.00
<b>Other financial highlights</b>		
Other operating expenses	3,709	3,405
Operating loss	(36,756)	(2,685)
Net loss	(35,771)	(972)
Loss per share (Basic and Diluted) (\$/share)	(0.75)	(0.02)
Adjusted net loss <sup>3</sup>	(1,596)	(2,864)
Adjusted net loss per share (Basic and Diluted) (\$/share) <sup>3</sup>	(0.03)	(0.06)
<b>Statement of financial position</b>		
Cash <sup>4</sup>	49,008	65,756
Carbon credit streaming and royalty agreements <sup>4</sup>	26,980	86,246
Total assets <sup>4</sup>	81,596	155,927
Non-current liabilities <sup>4</sup>	1,059	2,380

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 Measures" section of the Company's Management's Discussion & Analysis.
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 March 31, 2024 and Subsequent to Quarter End

### ***New investments, portfolio restructuring and other significant updates***

**Rimba Raya Stream:** On April 26, 2024, the Company announced that it was informed that PT Rimba Raya Conservation ("PT Rimba"), the local concession holder for the Rimba Raya project had its Forest Utilization Business License (the "Concession License") revoked by the Indonesian Government's Ministry of Environment and Forestry (the "MOEF"). The Company has confirmed that PT Rimba filed a claim

challenging the revocation, and a ruling from the State Administrative Court of Jakarta is currently anticipated during June 2024 (which ruling is subject to potential appeal by the parties). Carbon Streaming is currently assessing the ongoing situation and is engaged with our partners and local advisors. At the present time, the Company is evaluating all legal avenues to protect its investment in the Rimba Raya project and to strictly enforce its legal and contractual rights under the Rimba Raya Stream. For further information, please see the Company's news release "Carbon Streaming Announces Further Update on Rimba Raya Project" dated May 15, 2024 which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Baccala Ranch Reforestation Stream:** On February 9, 2024, the Company entered into a carbon credit streaming agreement with Mast Reforestation SPV I, LLC ("**Mast**") for a post-wildfire reforestation project in Tehama and Plumas Counties, California, USA (the "**Baccala Ranch Reforestation Stream**"). Under the terms of the Baccala Ranch Reforestation Stream, Mast will deliver 100% of the forecast mitigation units ("**FMUs**") (referred to herein as carbon credits) created by the project to the Company, which are expected to be issued in 2026. The Company will make additional upfront deposit payments of up to \$1.6 million as the Baccala Ranch Reforestation project achieves site preparation, planting, and issuance milestones.

**Community Carbon Stream:** On May 8, 2024, the Company amended the terms of the Community Carbon Stream resulting in, among other things, revising the Company's economic interest to provide for a tiered streaming structure which is adjusted as certain return on invested capital thresholds are achieved, adjusting the portfolio composition and milestone payments to focus on the five strongest projects, three cookstove and two water purification projects. Pursuant to this amendment, the term of the stream will end December 31, 2040, unless the project is able to deploy cookstoves and water purification devices ahead of the projected schedule. Additionally, Community Carbon announced that it secured a historic letter of authorization from the Government of Tanzania for its Tanzania cookstove project (VCS 2676), representing Tanzania's first-ever carbon credits authorized for corresponding adjustments under Article 6 of the Paris Agreement.

### ***Key portfolio milestones***

**Nalqonda Rice Farming Stream:** In April 2024, CoreCarbonX engaged CarbonFarming Technology SAS to conduct a pilot program applying satellite and artificial intelligence-backed monitoring, reporting, and verification technology ("**MRV Solution**") for the two crop seasons in 2024. The MRV Solution is expected to: detect a large range of farming practices and quantify emissions with high accuracy; simplify operations providing an efficient and cost-effective means of collecting 'near-real-time' data at scale, enabling close monitoring of project progress; and increase the marketability and the value of carbon credits issued.

**Enfield Biochar Stream:** In early April 2024, Standard Biocarbon reached a critical project milestone with the first biochar production from their newly constructed biochar facility in Enfield, Maine. The Enfield Biochar project continues to scale toward full operating capacity while collecting operating data that will form the basis for a facility audit and official registration with the Puro.earth carbon credit standard.

### **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 2024, Carbon Streaming continues to reposition itself for long-term success. The Company expects to increase cash flow generation through the sale of carbon credits from several streaming agreements, including the Community Carbon Stream, Waverly Biochar Stream, the Sustainable Community Stream and the Nalgonda Rice Farming Stream. Additionally, the Company continues its ongoing corporate restructuring, first initiated in 2023, with a focus on cash flow optimization through the reduction of operating expenses and a reassessment of our existing streams and royalties. The steps taken by the Company to date, including a reduction in headcount and the termination of consulting contracts, have resulted in significant reductions to ongoing operating expenses. Moreover, the Company has amended several of its carbon credit streaming agreements to improve stream economics and protect against downside risk. In 2024, the Company amended the terms of the Sheep Creek Reforestation Stream and the Community Carbon Stream, and in 2023, amended the terms of the Nalgonda Rice Farming Stream, Waverly Biochar Stream and Magdalena Bay Blue Carbon Stream. In addition, the Company is continuing to evaluate all legal avenues to protect its investment in the Rimba Raya project and will strictly enforce its legal and contractual rights under the Rimba Raya Stream in response to recent developments in Indonesia.

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.

## **Q1 2024 Results Conference Call Details**

The Company's management team will host an interactive audio call on Friday, May 17, 2024, at 11:00 a.m. ET to provide a brief company update. Participants may join by dialing +1 289-514-5100 or toll free from North America at +1 800-717-1738. An audio replay of the conference call will be available on the [Company website](#) until 11:59 p.m. ET on June 17, 2024.

## **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](#).

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**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.

<i>(Dollar figures expressed in USD thousands)</i>	<b>Three months ended March 31, 2024</b>	<b>Three months ended March 31, 2023</b>
Revenue from sale of purchased carbon credits	\$ 488	\$ 21
Number of purchased carbon credits sold (carbon credits)	93,772	2,496
Average realized price per purchased carbon credit sold (\$/carbon credit)	\$ 5.20	\$ 8.46

**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, excluding inventory write-

downs, 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.

<i>(Dollar figures expressed in USD thousands)</i>	<b>Three months ended March 31, 2024</b>	<b>Three months ended March 31, 2023</b>
Cost of purchased carbon credits sold	\$ 399	\$ 12
Number of purchased carbon credits sold (carbon credits)	<b>93,772</b>	2,496
Cost per purchased carbon credit sold (\$/carbon credit)	<b>\$ 4.26</b>	\$ 5.00

## Non-IFRS 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 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 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 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:

<i>(Dollar figures expressed in USD thousands)</i>	<b>Three months ended March 31, 2024</b>	<b>Three months ended March 31, 2023</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (35,771)</b>	<b>\$ (972)</b>
Adjustment for non-continuing or non-cash settled items:		
Revaluation of carbon credit streaming and royalty agreements	<b>33,136</b>	(711)
Revaluation of warrant liabilities	<b>(334)</b>	(1,181)
Revaluation of derivative liabilities	-	-
Corporate restructuring	<b>1,373</b>	-
Adjusted net loss	<b>(1,596)</b>	(2,864)
Loss per share (Basic and Diluted) (\$/share)	<b>(0.75)</b>	(0.02)
<b>Adjusted net loss per share (Basic and Diluted) (\$/share)</b>	<b>(0.03)</b>	(0.06)

## 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 Company’s strategic positioning; the Company’s expected restructuring strategies and 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; statements with respect to execution of the Company’s portfolio and partnership strategy; and statements with respect to the status of the Concession License held by PT Rimba and the evaluation of legal avenues to protect the Company’s investment in the Rimba Raya project and to enforce its legal and contractual rights.

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: statements with respect to the status of the Concession License held by PT Rimba with the MOEF; 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 ESG initiatives 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; dependence upon key management; impact of corporate restructurings; reputational risk; 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 27, 2024 filed on SEDAR+ at [www.sedarplus.ca](http://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.