



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

NEWS RELEASE

CARBON STREAMING ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024

TORONTO, ON, August 12, 2024, Carbon Streaming Corporation (Cboe CA: **NETZ**) (OTCQB: **OFSTF**) (FSE: **M2Q**) ("**Carbon Streaming**" or the "**Company**") today reported its financial results for the three and six months ended June 30, 2024. All figures are expressed in United States dollars, unless otherwise indicated. The Company will host a live webcast and audio call at 10:00 a.m. ET on Tuesday, August 13, 2024.

Carbon Streaming interim CEO Christian Milau stated: "In the second quarter of 2024, Carbon Streaming continued its focus on cash flow optimization and working towards breakeven on an operating cash flow basis, which could be achieved in 2025 depending on carbon market conditions. The recent changes in senior management and the Board, as well as the termination of consulting contracts and certain other costs, are expected to decrease ongoing operating expenses by over \$1 million per year. As we progress into the second half of 2024, we remain dedicated to generating cash flows from credit sales, identifying further cost saving opportunities, and optimizing our portfolio to improve economics. We are pleased to have received over half a million dollars in stream and royalty proceeds in the quarter and almost \$1 million in the year to date. We are optimistic about the increasing carbon credit profile over the next six to 18 months. And at Rimba Raya we are continuing to work with local partners to try and find a negotiated solution, as well as to protect our investment and enforce our rights."

Second Quarter Highlights

- Ended the quarter with \$43.5 million in cash and no corporate debt.
- Continued the previously-announced corporate restructuring plan, with recent actions expected to further cut ongoing operating expenses by over \$1 million per year.
- Generated \$0.5 million in settlements from carbon credit streaming and royalty agreements (settlements of \$38 thousand in Q2 2023).
- Recognized net loss of \$2.8 million (net loss of \$9.2 million in Q2 2023).
- Adjusted net loss was \$1.7 million (adjusted net loss of \$0.8 million in Q2 2023) (see the "*Non-IFRS Measures*" section of this news release).
- Operating loss of \$3.0 million (operating loss of \$14.8 million in Q2 2023).
- Paid \$4.4 million in upfront deposits for carbon credit streaming and royalty agreements (paid \$3.4 million in upfront deposits in Q2 2023).

Financial Highlights Summary

	Three months ended June 30,		Three months ended June 30,		Six months ended June 30,		Six months ended June 30,	
<i>(Dollar figures expressed in USD thousands)</i>	2024		2023		2024		2023	
<i>Carbon credit streaming and royalty agreements</i>								
Revaluation of carbon credit streaming and royalty agreements	\$	(129)	\$	(11,448)	\$	(33,265)	\$	(10,737)
Settlements from carbon credit streaming and royalty agreements ¹		507		38		913		42
<i>Purchased carbon credits</i>								
Revenue from sale of purchased carbon credits	\$	54	\$	44	\$	542	\$	65
Number of purchased carbon credits sold (carbon credits) ²		7,882		6,646		101,654		9,142
Average realized price per purchased carbon credit sold (\$/carbon credit)		6.85		6.60		5.33		7.11
Cost per purchased carbon credit sold (\$/carbon credit)		4.00		5.00		4.24		5.00
<i>Other financial highlights</i>								
Other operating expenses		2,918		3,330		6,627		6,735
Operating loss		(3,025)		(14,768)		(39,781)		(17,453)
Net loss		(2,772)		(9,155)		(38,543)		(10,127)
Loss per share (Basic and Diluted) (\$/share)		(0.06)		(0.19)		(0.81)		(0.22)
Adjusted net loss ³		(1,650)		(798)		(3,246)		(3,662)
Adjusted net loss per share (Basic and Diluted) (\$/share) ³		(0.03)		(0.02)		(0.07)		(0.08)
<i>Statement of financial position</i>								
Cash ⁴		43,458		59,399		43,458		59,399
Carbon credit streaming and royalty agreements ⁴		31,371		78,165		31,371		78,165
Total assets ⁴		78,823		143,516		78,823		143,516
Non-current liabilities ⁴		1,076		1,491		1,076		1,491

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 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

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**”). Subsequent to June 30, 2024, the State Administrative Court of Jakarta (the “**Court of Jakarta**”) reached a decision on the claim filed by PT Rimba against the MOEF challenging the revocation of the Concession License and declared that the revocation by the MOEF of the Concession License is void. The Court of Jakarta’s decision has been appealed by the MOEF and as such, does not yet have permanent legal force. During the appeal process the interlocutory decision issued by the Court of Jakarta on May 16, 2024, requiring the MOEF to suspend the implementation of its decree in respect of the revocation of the Concession License, and allowing activities on the Rimba Raya project to resume, will remain in place. 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 Provides Update on Rimba Raya Project" dated July 15, 2024 which is available on SEDAR+ at www.sedarplus.ca.

Azuero Reforestation Stream: On May 21, 2024, the Company in collaboration with Microsoft Corporation (“**Microsoft**”) and Rubicon Carbon Capital LLC entered into a carbon credit streaming agreement (the “**Azuero Reforestation Stream**”) with Azuero Reforestación Colectiva, S.A. (“**ARC**”), a wholly owned subsidiary of leading project developer Ponterra Ltd., for the ARC Restauro Azura project located in Panama. Under the terms of the Azuero Reforestation Stream, ARC will deliver 13.5% of the carbon credits created by the project to the Company. Microsoft has entered into an offtake agreement to purchase 100% of the Company’s carbon credits delivered under the terms of the Azuero Reforestation Stream through to 2040. Carbon Streaming will also act as sole marketer of ARC’s carbon credits not already committed to the co-investors under the Azuero Reforestation Stream.

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.

Sustainable Community Stream: In July 2024, subsequent to period end, the Company sent a termination notice to Will Solutions Inc. (“**Will Solutions**”) terminating the Sustainable Community Stream as a result of, among other things, the failure of Will Solutions to meet its milestone related to the registration of its Ontario project and its failure to develop and implement the project in accordance with the project plan (including continued delays in project development activities and lower-than-expected project enrollments). The Sustainable Community Stream includes provisions with respect to the resolution of disputes and the Company remains engaged in discussions with Will Solutions regarding the termination, which Will Solutions disputes. The Company intends to strictly enforce its legal and contractual rights under the Sustainable Community Stream.

Key portfolio milestones

Community Carbon Stream: During the second quarter of 2024, Carbon Streaming made upfront deposit payments totaling \$2.5 million to Community Carbon, as it reached various milestones for its portfolio of projects, including device deployment targets for the Mozambique and Uganda cookstoves projects. Additionally, the Company received carbon credits from the Tanzania cookstove project during the quarter, representing the first-ever carbon credits authorized for corresponding adjustments by the Government of Tanzania under Article 6 of the Paris Agreement.

Sheep Creek Reforestation Stream: During the second quarter of 2024, Carbon Streaming made upfront deposit payments totaling \$0.6 million to Mast, as it reached various milestones for the Sheep Creek Reforestation project related to significant planting milestones.

Feather River Reforestation Stream: During the second quarter of 2024, Carbon Streaming made upfront deposit payments totaling \$0.4 million to Mast, as it reached various milestones for the Feather River Reforestation project related to full site planting.

Nalgonda 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 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 becoming a market leader in the carbon credit financing sector. With an experienced team, a diversified project portfolio, growing carbon credit sales and strong buyer relationships, Carbon Streaming is well positioned to execute on its strategy. We believe our focus on high-quality removals and avoidance carbon credits, together with our partnerships with established project developers and strong relationships with carbon credit buyers, including the procurement of long-term offtake agreements, will enhance Carbon Streaming’s position in the voluntary carbon market.

Recent changes to the board of directors of the Company (the “**Board**”) and management, as well as termination of certain consulting contracts, have reduced ongoing cash expenditure and streamlined decision-making. With a strong balance sheet, increased alignment with shareholders and short and long term incentives for management aligned with shareholder value creation, the Company is well positioned for growth.

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. 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%). Cash flows are subjects to fluctuations based on the realized price from carbon credit sales and the specific terms of the stream agreements, and the Company continually reviews its portfolio to look for opportunities to maximize economics and reduce exposure to market volatility.

Outlook

In 2024, Carbon Streaming continues to reposition itself for long-term success. 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 its focus on cash flow optimization through the reduction of operating expenses and a reassessment of our 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 a change to the composition of senior management and the Board, the elimination of cash-settled director's fees to the Board and the termination of consulting contracts. As the Company's broader strategy continues to evolve, these recent steps are expected to result in further significant reductions to annualized ongoing operating expenses of over \$1 million.

Additionally, 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. 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 carbon projects that generate high-quality carbon credits. The voluntary carbon market has 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.

Q2 2024 Results Webcast and Conference Call Details

The Company's management team will host a webcast and conference call on Tuesday, August 13, 2024, at 10:00 a.m. ET to provide a brief company update.

Joining Instructions

Webcast: [Sign-up](#)

Call: Dial In (Audio only):

Local Toronto – +1 289-514-5100

Toll Free North America – +1 800-717-1738

A replay of the conference call will be available on the [Company website](#) until 11:59 p.m. ET on September 13, 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 carbon credit projects. The Company'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. 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 has carbon credit streams and royalties related to over 20 projects around the world, including 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.

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
<i>(Dollar figures expressed in USD thousands)</i>				
Revenue from sale of purchased carbon credits	\$ 54	\$ 44	\$ 542	\$ 65
Number of purchased carbon credits sold (carbon credits)	7,882	6,646	101,654	9,142
Average realized price per purchased carbon credit sold (\$/carbon credit)	\$ 6.85	\$ 6.60	\$ 5.33	\$ 7.11

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.

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
<i>(Dollar figures expressed in USD thousands)</i>				
Cost of purchased carbon credits sold	\$ 32	\$ 34	\$ 431	\$ 46
Number of purchased carbon credits sold (carbon credits)	7,882	6,646	101,654	9,142
Cost per purchased carbon credit sold (\$/carbon credit)	\$ 4.00	\$ 5.00	\$ 4.24	\$ 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 impairment loss on early deposit interest receivable, 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	Three months ended	Six months ended	Six months ended
<i>(Dollar figures expressed in USD thousands)</i>	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net loss and comprehensive loss	\$ (2,772)	\$ (9,155)	\$ (38,543)	\$ (10,127)
Adjustment for non-continuing or non-cash settled items:				
Revaluation of carbon credit streaming and royalty agreements	129	11,448	33,265	10,737
Revaluation of warrant liabilities	267	(4,040)	(67)	(5,221)
Impairment loss on early deposit interest receivable	307	-	307	-
Revaluation of derivative liabilities	-	(686)	-	(686)
Gain on dissolution of associate	(104)	-	(104)	-
Corporate restructuring	523	1,635	1,896	1,635
Adjusted net loss	(1,650)	(798)	(3,246)	(3,662)
Loss per share (Basic and Diluted) (\$/share)	(0.06)	(0.19)	(0.81)	(0.22)
Adjusted net loss per share (Basic and Diluted) (\$/share)	(0.03)	(0.02)	(0.07)	(0.08)

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 anticipated impact of changes to the Company’s Board and management; the impact of the Company’s 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 and potential and its position in the voluntary carbon markets; statements with respect to execution of the Company’s portfolio and partnership strategy; 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; and statements regarding the legal status of the Rimba Raya Stream; statements with respect to the duration of the suspension of the decree revoking the Concession License; statements with respect to the timing of a final ruling from the State Administrative Court of Jakarta.

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: changes to the status of registration of the Rimba Raya project under Verra; the outcome of the final ruling with respect to the revocation of the Concession License held by PT Rimba; 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.

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.