

NatureBank Asset Management Inc.

News Release

December 1, 2020

NATUREBANK REPORTS Q3 FINANCIAL STATEMENTS AND MD&A

December 1, 2020, Vancouver, British Columbia: NatureBank Asset Management Inc. (the “Company”) (TSX-V: COO, Frankfurt: 9EA) has filed its interim financial statements and Management’s Discussion and Analysis for its 3rd quarter, ending September 30, 2020. Highlights are presented below.

During the nine and three months ended September 30, 2020, the Company generated \$786,469 and \$241,640 in sales revenue, compared to sales of \$1,424,692 and \$362,912 in the same period in 2019. The decrease in revenues in first quarter of 2020 was primarily due to the timing of carbon offset sales, specifically to municipalities and major customers, while the second and third quarter were largely impacted by the unforeseen Covid-19 business slow down. Many of company’s regular clients were forced to either cease operations entirely or reduce operations to essential services, which directly impacted offset sales. This was most clearly seen in the substantial slowdown within the travel and tourism industry, which resulted in reduced airline carbon emissions which then affected carbon offset purchases and retirements.

Gross profit for the Company was \$552,880 and \$155,470 respectively for the nine and three months ended September 30, 2020, compared to \$976,081 and \$175,644 for the nine and three months of 2019. For the nine months ended September 30, 2020, 25% of revenue came from retail offset sales to corporate CSR customers and 75% originated from advisory/consulting and project management services. In 2019, the ratios were 40% and 60% respectively. Delayed or cancelled purchases of carbon offsets due to Covid-19 were the primary impact on offset sales. Some advisory, consulting and project management projects span year-ends with revenue being recorded only upon completion of the performance obligations under the contract terms. Several projects were started in 2019 and remain ongoing through the end of the third quarter of 2020, thus affecting the revenue mix. As such, consulting revenue made up a larger percentage of total revenue in the nine months ended September 30, 2020.

Operating expenses for the nine and three months ended September 30, 2020 were \$1,077,525 and \$411,767 compared to \$1,144,231 and \$379,187 for same periods in 2019. The decrease in operating expenses for the nine months of \$66,706 or 6% is due to the effects of favourable foreign exchange rate changes (\$34,817), decrease in selling, general and administrative expenses (\$45,069) due to the capitalization and amortization of premises lease payments rather than expensing them to SG&A and a decrease in consulting fees (\$20,382) due to reduced external consulting.

The Company delivered an operating loss before finance and other items of \$524,645 and \$256,297 during the nine and three months ended September 30, 2020 (September 2019 Loss: \$168,150 and \$203,543).

Interest expense for the nine and three months ended September 30, 2020 was \$32,533 and \$10,872 compared to \$106,259 and \$19,299 for the same periods in 2019. In July 2019, the principal amount of

capital on which the Company was incurring interest was reduced from \$1,564,945 to \$243,112, significantly reducing the interest expense incurred during the period.

Total comprehensive loss was \$578,689 and \$273,378 for the nine and three months ended September 30, 2020, compared to comprehensive income of \$353,695 and \$490,041 for the same periods in 2019.

The Company's operating, investing and financing activities for the nine months ending September 30, 2020 resulted in an increase in cash of \$218,966 (2019: increase of \$169,313).

As at September 30, 2020, the Company had an available cash balance of \$784,891 (December 31, 2019: \$565,925) to settle current liabilities of \$3,182,386 (December 31, 2019: \$2,258,318). The Company's current monetary assets of \$937,059 (consisting of cash and receivables) exceed its current monetary liabilities of \$664,095 (consisting of payables & accrued liabilities and short term provisions), by \$272,964.

"Overall, I am pleased with the way the Company has navigated the challenging global economic environment brought about by the Covid epidemic," commented Phil Cull, CEO. "While we continued to build our portfolio of projects both domestically and internationally to service the current and future marketplace, the inability to travel safely and work internationally has slowed the progress that we would otherwise normally expect. Thankfully, work continues from afar, with our partners on the ground in the many foreign jurisdictions where we operate. Our consulting and advisory business continues to be a source of optimism as well, as we add new customers and extend projects with existing customers. While the constraints of the epidemic have forced all of us to adjust to new ways of working, we are optimistic that corporations, both large and small, will continue to be motivated by improving their Environmental, Social and Corporate Governance processes, which positively affects our growth and revenue horizon going into 2021."

Phil Cull
CEO
NatureBank Asset Management Inc.

About NatureBank

NatureBank specializes in advisory, technology and project investment services applied to sustainable commodities and ecological assets, with a primary focus on carbon. We provide our customers with a multidisciplinary approach to managing risk, enhancing asset performance and securing commercial returns. While managing climate change risk, we improve livelihoods and sustainability in project regions. Through our advisory services team and our subsidiary company, Offsetters, we help organizations understand, reduce and offset their climate impact. With offices in Vancouver, British Columbia; and Portland, Oregon; our team has a global reach. We have worked with over 200 leading business organizations including Aimia, Vancity, lululemon athletica, Catalyst Paper, Harbour Air, HSE - Entega, and Shell Canada Limited. NatureBank is publicly listed company on the Toronto Venture Exchange (TSX-V:COO) and in Frankfurt:9EA. Please visit us at www.NatureBank.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this Release.

Forward Looking Statements

This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company. Such statements include statements regarding the anticipated terms of any proposed transaction or engagement. Information and statements which are not purely historical fact are forward-looking statements. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Furthermore, the Company is presently unable to fully quantify the impact that the Covid-19 pandemic will have on its operations and recognizes that certain eventualities may affect planned or assumed performance moving forward. Negative impacts, such as limitations on our employees' ability to travel to international project sites or our customer's inability to perform to expectation as a result of the pandemic may result in outcomes that are different than those currently expected. As such, any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

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