



## Ostrom Climate Solutions Inc.

Unaudited Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars)

For the three and nine months ended September 30, 2025 and 2024

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### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the consolidated financial statements have not been reviewed by an auditor.

The Company’s external auditors, Davidson & Company LLP, have not performed a review of these condensed consolidated interim financial statements.

**OSTROM CLIMATE SOLUTIONS INC.**

## Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2025, and December 31, 2024

(Expressed in Canadian dollars)

As at	Note	September 30, 2025	December 31, 2024
<b>ASSETS</b>			
Current Assets			
Cash		\$ 292,436	550,710
Accounts receivable	3,13	240,424	255,667
Inventory	4	6,966,761	123,024
Contract costs in-progress	6	118,071	90,156
Prepaid expenses and deposits	7	112,356	144,380
Total Current Assets		<u>7,730,048</u>	<u>1,163,937</u>
Property and equipment		12,226	17,630
Right-of-use asset	9	-	425,623
Total Long-term Assets		<u>12,226</u>	<u>443,253</u>
Total Assets		<u>\$ 7,742,274</u>	<u>\$ 1,607,190</u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>			
Current Liabilities			
Accounts payable and accrued liabilities	8,11	\$ 1,293,929	\$ 1,602,044
Other liabilities		249,212	249,212
Deferred revenue		9,287,324	1,834,247
Convertible debentures	11	595,024	586,575
Promissory note liabilities	10	150,588	-
Lease liability	9	139,729	109,844
Total Current Liabilities		<u>11,715,806</u>	<u>4,381,922</u>
Provisions		59,517	59,517
Deferred revenue		1,350,414	1,350,414
Convertible debentures	11	250,000	248,990
Lease liability	9	309,740	342,121
Total Long-term Liabilities		<u>1,969,671</u>	<u>2,001,042</u>
Total Liabilities		<u>\$ 13,685,477</u>	<u>\$ 6,382,964</u>
Shareholders' Deficiency			
Share capital		18,047,860	18,047,860
Reserves		3,368,555	3,187,261
Equity component of convertible debenture		161,299	161,299
Deficit		(27,520,917)	(26,172,194)
Total Shareholders' Deficiency		<u>\$ (5,943,203)</u>	<u>\$ (4,775,774)</u>
Total Liabilities and Shareholders' Deficiency		<u>\$ 7,742,274</u>	<u>\$ 1,607,190</u>

Nature and continuance of operations (note 1)

Subsequent events (note 15)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board on November 26, 2025, by:

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 Navdeep Dhaliwal, Director

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 Christopher Morris, Director

**OSTROM CLIMATE SOLUTIONS INC.**

## Condensed Consolidated Interim Statements of Loss

For the three and nine months ended September 30, 2025, and 2024

(Expressed in Canadian dollars)

September 30,	Note	Three months ended		Nine months ended	
		2025	2024	2025	2024
Revenue	10, 12	\$ 6,115,004	389,788	\$ 7,609,170	1,894,630
Cost of sales		5,006,482	233,541	5,902,546	1,225,838
Gross profit		1,108,522	156,247	1,706,624	668,792
<b>Operating Expenses</b>					
Amortization		\$ 1,801	3,006	\$ 5,403	7,939
Amortization of right-of-use asset	9	8,686	28,932	60,803	77,152
Consulting fees	11	68,326	184,880	268,142	341,798
Foreign exchange		14,556	(88)	42,682	(7,677)
Professional fees		40,463	116,974	131,824	290,103
Salaries, management fees and benefits	11	264,651	486,023	910,912	1,476,312
Selling, general, and administrative		55,479	145,333	328,971	414,523
Share-based payments	11	42,323	49,151	181,294	113,111
Research and development	5	130,033	374,556	565,555	1,072,629
Total Operating Expenses		626,318	1,388,767	2,495,586	3,785,890
		482,204	(1,232,520)	(788,962)	(3,117,098)
Finance costs		(28,518)	(27,059)	(84,417)	(65,336)
Interest expense		(21,124)	(11,043)	(95,019)	(35,340)
Interest income		-	1,894	1,495	2,278
Impairment of ROU asset	9	(364,820)	-	(364,820)	-
Other income		-	-	-	9,600
Settlement expense	8	(17,000)	-	(17,000)	-
		(431,462)	(36,208)	(559,761)	(88,798)
Net Profit / (Loss) for the period		\$ 50,742	(1,268,728)	\$ (1,348,723)	(3,205,896)
Net Profit / (Loss) per share - basic and diluted		\$ 0.0004	(0.012)	\$ (0.012)	(0.032)
Weighted average number of common shares outstanding – basic and diluted		114,091,113	104,629,374	114,091,113	99,803,860

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**OSTROM CLIMATE SOLUTIONS INC.**

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency

For the nine months ended September 30, 2025, and 2024

(Expressed in Canadian dollars)

	Share Capital		Reserves	Equity component of debentures	Deficit	Total
	Number	Amount				
<b>Balance at December 31, 2023</b>	97,351,113	\$ 17,228,110	\$ 2,954,513	\$ 161,299	\$ (21,592,542)	\$ (1,248,620)
Private placement	16,740,000	837,000				837,000
Share issuance cost		(17,250)				(17,250)
Share based compensation	-	-	113,111	-	-	113,111
Net loss for the period	-	-	-	-	(3,205,896)	(3,205,896)
<b>Balance at September 30, 2024</b>	114,091,113	18,047,860	3,067,624	161,299	(24,798,438)	(3,521,655)
<b>Balance at December 31, 2023</b>	97,351,113	17,228,110	2,954,513	161,299	(21,592,542)	(1,248,620)
Private placement	16,740,000	837,000	-	-	-	837,000
Shares issuance cost		(17,250)	-	-	-	(17,250)
Share-based payments	-	-	232,748	-	-	232,748
Net loss for the year	-	-	-	-	(4,579,652)	(4,579,652)
<b>Balance at December 31, 2024</b>	114,091,113	18,047,860	3,187,261	161,299	(26,172,194)	(4,775,774)
Share-based payments	-	-	181,294	-	-	181,294
Net loss for the period	-	-	-	-	(1,348,723)	(1,348,723)
<b>Balance at September 30, 2025</b>	114,091,113	\$ 18,047,860	\$ 3,368,555	\$ 161,299	\$ (27,520,917)	\$ (5,943,203)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**OSTROM CLIMATE SOLUTIONS INC.**

Condensed Consolidated Interim Statements of Cash Flows  
For the nine months ended September 30, 2025, and 2024  
(Expressed in Canadian dollars)

Nine months ended, September 30	2025	2024
Operating activities:		
Net loss for the period	\$ (1,348,723)	\$ (3,205,896)
Items not involving cash:		
Amortization	5,404	7,939
Amortization of right-of-use asset	60,803	77,152
Impairment of ROU asset	364,820	-
Finance costs on convertible debentures	53,826	47,801
Finance costs on lease liability	30,591	17,535
Interest expense	153,558	35,340
Settlement expense	17,000	-
Share-based payments	181,294	113,111
Changes in non-cash operating working capital (Note 13):	201,013	1,333,304
Net cash flows used in operating activities:	(280,415)	(1,573,714)
Investing activities:		
Acquisition of property and equipment	-	(5,817)
ROU asset	-	(42,355)
Net cash flows used in investing activities	-	(48,172)
Financing activities:		
Proceeds on issuance of promissory notes	642,863	-
Repayment of promissory notes	(550,814)	-
Interest paid on convertible debentures	(24,705)	(24,788)
Interest paid on provision	(12,117)	(3,985)
Repayment of lease liability	(33,087)	819,750
Net cash flows used in financing activities	22,141	790,977
Change in cash	(258,274)	(830,909)
Cash, beginning of period	550,170	1,347,522
Cash, end of period	\$ 292,436	\$ 516,613

Supplemental disclosures and non-cash transactions relating to financing and investing activities not disclosed elsewhere:

	September 30, 2025	September 30, 2024
Accrued interest on convertible debentures	\$ 64,810	\$ 36,433

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025, and 2024  
(Expressed in Canadian dollars)

**1. Nature and Continuance of Operations**

Ostrom Climate Solutions Inc. (the “Company”) was incorporated on July 6, 2005 under the Business Corporations Act (BC).

The Company’s head office, principal address, and registered and records office is located at Suite 400 – 322 Water Street, Vancouver, British Columbia, V6B 1B6, Canada.

The Company’s primary business is carbon offset project development and climate solutions in both the private and public sectors.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As of December 31, 2024, the Company has accumulated net losses of \$27,520,917 since inception and has a working capital deficiency of \$3,850,768. Furthermore, there is uncertainty related to the Company’s ability to secure additional funding or deliver profitable operations. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Realizable values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025, and 2024  
(Expressed in Canadian dollars)

**2. General Information and Basis of Preparation**

## a) Statement of Compliance

These consolidated financial statements including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

## b) Basis of Consolidation

The subsidiaries of the Company are:

Ostrom Climate Solutions (Canada) Inc. ("OCSC")	British Columbia, Canada	100%	Operating
Ostrom Climate Solutions (Philippines) Inc. ("OCSP")	Philippines	100%	Operating
ERA Ecosystem Restoration Associates Inc.	British Columbia, Canada	100%	Operating
ERA Ecosystem Services U.S., Inc.	Nevada, United States	100%	Operating
NatureBank Technology, Inc.	British Columbia, Canada	100%	Inactive
Carbon Credit Corp. ("CCC")	British Columbia, Canada	100%	Inactive

Significant intercompany balances and transactions, including any unrealized income and expenses arising from inter-company transactions are eliminated in preparing the consolidated financial statements.

## c) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities measured at fair value.

## d) Functional Currency

The functional currency of the Company and all its subsidiaries is the Canadian Dollar ("CAD").

## e) Comparative figures

Certain comparative figures within operating expenses on the statements of loss and comprehensive loss have been reclassified to conform to the current period's presentation.

## OSTROM CLIMATE SOLUTIONS INC.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025, and 2024  
(Expressed in Canadian dollars)

### 3. Accounts Receivable

As at	September 30, 2025	December 31, 2024
Trade receivables	\$ 225,285	\$ 220,982
Other receivables	15,139	34,685
	<b>\$ 240,424</b>	<b>\$ 255,667</b>

Trade receivables and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 90 days past due. As at September 30, 2025, there was an impairment of accounts receivable of \$92,840 (December 31, 2024 – \$16,408).

### 4. Inventory

As at	September 30, 2025	December 31, 2024
Trade inventory – Verified Emission Reduction units (“VER” or “VERs”)	\$ 6,966,761	\$ 123,024
	<b>\$ 6,966,761</b>	<b>\$ 123,024</b>

During the nine months ended September 30, 2025, the Company impaired \$Nil (Nine months ended Sept 30, 2024: \$Nil) of trade inventory.

### 5. Research and Development

The Company is developing rice farming and supply chain techniques as part of a large-scale project in the Philippines which may result in the development of additional VERs available to commercialize (“the Smart-Rice Project”). Upon meeting the capitalization requirements of IAS 38, these costs will be classified as ‘emission reduction projects under development’. During the three months and nine month ended September 30, 2025, the Company incurred research and development expenses related to the Smart-Rice Project of \$130,033 and \$565,555 respectively (2024 - \$374,556 and \$1,072,629), which are recognized as ‘research and development’ in the condensed consolidated interim statement of loss and comprehensive loss.

### 6. Contract Costs In-Progress

During the nine months ended September 30, 2025, the Company entered into new consulting contracts related to providing advisory and consulting services such as climate risk assessments, feasibility studies, greenhouse gas inventories and methodology development and other reports the Company has expertise. As at September 30, 2025, the Company had capitalized \$118,071 (December 2024 - \$90,156) in costs related to these contracts.

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025, and 2024  
(Expressed in Canadian dollars)

**7. Prepaid Expenses and Deposits**

<b>As at</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
<b><i>Prepaid expenses</i></b>		
Prepaid operating expenses	\$ 40,865	\$ 61,771
Prepaid VER purchases	-	-
<b><i>Deposits</i></b>		
Credit card collateral	40,250	40,250
Lease deposit	26,288	37,406
Other	4,953	4,953
	<b>\$ 112,356</b>	<b>\$ 144,380</b>

**8. Accounts Payable and Accrued Liabilities**

<b>As at</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Trade payables	\$ 658,665	\$ 1,002,521
Accrued liabilities	514,194	495,238
Government sales tax payable	121,070	104,285
	<b>\$ 1,293,929</b>	<b>\$ 1,602,044</b>

During the nine months ended September 30, 2025, the Company entered into a settlement agreement to resolve outstanding amounts owed to a third party. The Company recognized a settlement expense of \$17,000, which remains unpaid at year-end and is included in accounts payable.

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025, and 2024  
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**9. Right-of-Use Asset and Lease Liability**

The Company recognizes a right-of-use (“ROU”) asset and corresponding lease liability for its office lease arrangement in accordance with IFRS 16. There were no modifications to the lease terms during the nine months ended September 30, 2025.

During the period, management determined that the Company no longer expects to derive future economic benefit from its leased office premises. As a result, the carrying amount of the related ROU asset was reviewed for impairment. Based on this assessment, the Company recorded an impairment charge of \$364,820, reducing the ROU asset’s carrying value to \$nil as at September 30, 2025.

For the nine months ended September 30, 2025, amortization of the ROU asset totaled \$60,803 (2024 – \$77,152), and interest expense on the lease liability amounted to \$30,591 (2024 – \$17,535). The carrying amount of the lease liability was \$449,469 at September 30, 2025 (December 31, 2024 – \$451,965).

A contingent liability may arise in connection with the future resolution of the lease obligation. The financial effect of any potential settlement cannot be reliably estimated at this time due to the uncertainty surrounding future outcomes. The Company will continue to reassess the matter as additional information becomes available.

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025, and 2024  
(Expressed in Canadian dollars)

**10. Promissory Note Liability*****Promissory Note 1***

On March 13, 2025, the Company entered into a promissory note arrangement with a limited partnership creditor to restructure arrears totaling \$403,767 as of July 1, 2024. The promissory note bears interest at a rate equal to the Royal Bank of Canada's Prime Rate plus 3% per annum and matures on June 30, 2026.

***Promissory Note 2***

On March 4, 2025, the Company entered into a similar promissory note agreement with a second limited partnership creditor in respect of arrears totaling \$239,095.50 as of July 1, 2024. This note also bears interest at the Royal Bank of Canada's Prime Rate plus 3% per annum and matures on October 1, 2026. Under this agreement, the Company has committed to accelerate repayment by foregoing all commissions and fees earned from future sales of the counterparty's carbon credits. All such sale proceeds will be applied directly to the outstanding note balance, with the foregone commissions credited against the amount owing. During the nine months ended September 30, 2025, the Company fully repaid promissory note 2.

	<b><i>Promissory Note 1</i></b>	<b><i>Promissory Note 2</i></b>
Balance at July 1, 2024	\$ 403,767	\$ 239,096
Minimum monthly payments	(290,666)	(260,149)
Interest	37,487	21,053
<b>Balance at September 30, 2025</b>	<b>\$ 150,588</b>	<b>\$ -</b>

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended September 30, 2025, and 2024  
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**11. Related Party Transactions and Balances**

During the nine months ended September 30, 2025 and 2024, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

The remuneration of key management personnel during the nine months ended September 30, 2025 and 2024 are as follows:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Consulting fees	\$ 44,163	43,437	\$ 129,157	56,769
Share-based compensation	15,136	18,904	71,478	28,438
Salaries, management fees and benefits	-	46,449	-	176,704
	<b>59,299</b>	<b>108,790</b>	<b>200,635</b>	<b>261,911</b>

Transactions with entities controlled by directors during the nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Consulting fees	\$ 21,250	34,348	\$ 106,406	119,848
Share-based compensation	4,210	1,890	20,852	3,534
	<b>25,460</b>	<b>36,238</b>	<b>127,258</b>	<b>123,382</b>

Amounts due to/from related parties as at September 30, 2025 and 2024 included in accounts and other receivables and accounts payable and accrued liabilities are as follows:

As at	September 30, 2025	December 31, 2024
Due from related parties	\$ -	\$ 5,871
Due to related parties	520,007	275,182
Accrued debenture interest due to related parties	65,718	45,148

Included in other liabilities at September 30, 2025 is \$249,212 (December 31, 2024 – \$249,212) due to a former director of the Company.

Included in convertible debentures at September 30, 2025 is \$495,024 (December 31, 2024 – \$485,565) due to a company controlled by a former director of the Company, and \$350,000 (December 31, 2024 – \$350,000) due to a former director of the Company.

Of the consulting fees paid or accrued during the three months ended, \$17,500 relates to consulting fees earned by related parties, which is intended to be settled through the issuance of common shares of the Company, subject to applicable approvals.

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**12. Revenues**

September 30,	Three months ended		Nine months ended	
	2025	2024	2025	2024
Sale of VERs	\$ 5,917,396	153,835	\$ 6,629,916	1,149,013
Consulting and advisory services	197,608	235,953	979,254	745,617
<b>Total</b>	<b>\$ 6,115,004</b>	<b>389,788</b>	<b>\$ 7,609,170</b>	<b>1,894,630</b>

**13. Segmented Information**

The Company has one reportable segment operating in Canada and the United States, being that of development and sale of VERs and advisory services.

**Revenues**

Geographic information is as follows:

September 30,	Three months ended		Nine months ended	
	2025	2024	2025	2024
Canada	\$ 856,612	344,079	\$ 1,253,957	1,664,606
USA	3,590	2,806	174,263	187,121
Singapore	-	42,903	65,946	42,903
<b>Total</b>	<b>\$ 860,202</b>	<b>389,788</b>	<b>\$ 1,494,166</b>	<b>1,894,630</b>

The Company had concentrated revenues as follows:

September 30,	Three months ended		Nine months ended	
	2025	2024	2025	2024
Customer A	\$ 80%	27%	\$ 64%	12%
Customer B	0%	20%	0%	11%
Customer C	0%	16%	0%	5%
Other	20%	37%	36%	72%
<b>Total</b>	<b>\$ 100%</b>	<b>100%</b>	<b>\$ 100%</b>	<b>100%</b>

The Company's customers contributing to the concentrated revenues are not comparative balances from period to period. As at September 30, 2025, the Company had one customer who represented over 20% and another customer who represented over 20% of the total accounts receivable.

**OSTROM CLIMATE SOLUTIONS INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**14. Supplemental Disclosures with Respect to Cash Flows**

Changes in non-cash operating working capital:

<b>For the nine months ended September 30,</b>	<b>2025</b>	<b>2024</b>
Accounts and other receivables	15,243	177,646
Inventory	(6,843,737)	519,729
Contract costs in-progress	(27,915)	(313,058)
Prepaid expenses and deposits	32,024	(64,464)
Accounts payable and accrued liabilities	(427,679)	60,161
Deferred revenue	7,453,077	953,290
<b>Total</b>	<b>\$ 201,013</b>	<b>\$ 1,333,304</b>

**15. Subsequent Events**

The Company has evaluated events occurring after the reporting date through the date these condensed consolidated interim financial statements were approved by the Board of Directors. No events have occurred that would require adjustment to, or disclosure in, these financial statements.