



Carbon Neutral Royalty

**CARBON NEUTRAL ROYALTY ANNOUNCES
STRATEGIC PARTNERSHIP WITH BURN MANUFACTURING**

October 12, 2022

London, United Kingdom: Carbon Neutral Royalty Ltd. (“**CNR**” or the “**Company**”), a financing provider for high integrity carbon projects, today announces the formation of a joint venture with BURN Manufacturing (“**BURN**”). CNR has been granted the rights to finance BURN's global cookstove manufacturing and distribution operations in return for a share of carbon credits from produced cookstoves.

BURN is a leading international cookstove company, designing, manufacturing, and distributing the world's most fuel efficient and durable cookstoves. Over the last 12 years, BURN has built a successful business while proving that cookstoves can deliver transformative social, financial, and environmental impacts. BURN's solar-powered facility in Nairobi, Kenya has existing cookstove production capacity of 3,000,000 per year and expects to expand production capacity to 12,000,000 per year by 2025. The joint venture will finance BURN's expansion plans globally, with BURN entering Tanzania, Uganda, Zambia, DRC, Nigeria, and Ghana in 2022.

Carbon Neutral Royalty Co-Founder and CEO, Luke Leslie, said: *“We're delighted to be partnering with BURN, the industry leading global cookstove manufacturer and developer, that has already improved the lives of millions across Africa. Carbon Neutral Royalty focuses on the highest potential carbon categories and seeks to back leading companies within those categories. BURN has unrivalled cookstove technology and track record and we look forward to partnering with them as they roll out their best-in-class manufacturing and distribution capabilities across Africa.”*

Burn Manufacturing CEO, Peter Scott, said: *“We are pleased to be partnering with CNR as our global carbon financing partner. CNR is a recognised carbon financing specialist and was able to offer flexible financing terms to accelerate BURN's ambitious expansion plans. CNR's mission to restore the world through removing and avoiding emissions is closely aligned with our core values.”*

Today, across the world, an estimated 2.6 billion people still lack access to clean cooking solutions¹. 1 billion of these poor and vulnerable people are situated in Africa alone, which constitute 80% of Africa's total population². These 180 million households continue to rely on the inefficient use of biomass fuels such as charcoal, wood, and animal dung for cooking that are often used in poorly ventilated rooms. As a result, cooking is both a costly and hazardous process, causing more than 500,000 deaths annually in Africa³. Millions more suffer from chronic illnesses caused by air pollution from inefficient and dangerous cooking fuels and stoves. BURN's cookstoves help to reduce the prevalence of such health issues and significantly reduce carbon emissions from traditional cooking methods, estimated to reduce emissions to only one-tenth of traditional cooking methods.

BURN's products have been independently verified as the most fuel-efficient natural-draft biomass stoves in the world. An Independent study by UC Berkeley and the University of Chicago, with inputs from Nobel Laureates Abhijit Banerjee and Esther Duflo, validated the efficiency and savings of BURN's products, confirming their ability to bring fuel-efficient, cleaner cooking to households. According to the World Bank, 85% of Africans live on less than \$2,000 per year, and on average a family would save \$119 per year using a BURN Jikokoa cookstove⁴. BURN has a 35-member product development team which is continually improving cookstove's efficiency, as well as launching five new products including a pioneering electric cookstove due to be rolled out in Q4 2022.

Apart from the health and cost benefits of BURN's cookstoves, each Jikokoa cookstove, on average, reduces 5 tons of CO₂ emissions per annum. Research calculated that the avoided environmental damages in terms of greenhouse gas emissions is equal to \$147/stove/year⁵. It is estimated that the 2.1 million cookstoves sold to date by BURN has already reduced 11 million tons of CO₂ and saved 6 million tons of wood from indigenous forests.

BURN is the only vertically integrated modern cookstove facility in Africa, from product conceptualization to delivery, and has received recognition for its cutting-edge innovation and environmental and social impact by winning multiple awards including a Bloomberg New Energy Finance Award, a Swiss Energy and Climate Summit award, an Ashden Clean Energy for Women and Girls Award and a Global LEAP Affordability award. BURN also recently featured on the Nasdaq Market site in Times Square, New York as one of the Norrsken Foundation's 2022 Impact100 list of the world's most promising impact start-ups.

¹ WHO Global Health Observatory. (2022). Population with Primary Reliance on Polluting Fuels and Technologies for Cooking.

² WHO Global Health Observatory: household air pollution statistics (2020)

³ World Bank (2014), Clean and Improved Cooking in Sub-Saharan Africa: A Landscape Report

⁴ Credit, Attention, and Externalities in the Adoption of Energy Efficient Technologies by Low-Income Households, Berkouwer et al., 2022

⁵ Credit, Attention, and Externalities in the Adoption of Energy Efficient Technologies by Low-Income Households, Berkouwer et al., 2022

ABOUT CARBON NEUTRAL ROYALTY

CNR was founded in July 2021 and is assembling a high-quality, long life, portfolio of carbon credit streams and royalty projects worldwide with direct socio-economic and environmental outcomes. The Company's objective is to finance high impact projects which can contribute to the fight against climate change while restoring natural habitats. For further information, please visit our website at: www.carbonneutralroyalty.com

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information within the meaning of United States and Canadian regulations. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information include, but are not limited to, statements with respect to the reduction of CO2 emissions from the use of Burn's cook stoves. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties, and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of CNR to control or predict, that may cause CNR's actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to: the risk that the Company's carbon stream and carbon credits may not be recognized by applicable government authorities, the risks of carbon credits being traded an emerging marketplace, including risks related to international operations, government and environmental regulation, delays in carbon credit production from the projects on which the Company holds carbon credit interests, actual results of the projects wherein CNR holds carbon credit interests, conclusions of economic evaluations and changes in project parameters as plans are refined; problems related to the ability to market carbon credits, including price fluctuations, interest and exchange rate fluctuations; interpretation by government entities of tax laws or the implementation of new tax laws; regulatory, political or economic developments in any of the countries where properties in which CNR holds a carbon revenue streams or other interest in carbon credits are located or through which they are held; risks related to the operators of the properties in which CNR holds a royalty or carbon stream or other carbon credit interest, including changes in the ownership and control of such operators; risks related to global pandemics, including the novel coronavirus (COVID-19) global health pandemic, and the spread of other viruses or pathogens; influence of macroeconomic developments; business opportunities that become available to, or are pursued by CNR; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which CNR holds a royalty, stream or other carbon credit interest;; competition; future sales or issuances of debt or equity securities; use of proceeds; enforcement of civil judgments; and risks relating to CNR potentially being a passive foreign investment company within the meaning of U.S. federal tax laws; and other risks and uncertainties disclosed in company documentation. CNR undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.