



November 7, 2022 | St. John's, Newfoundland

Altius Renewable Royalties Reports Q3 2022 Financial Results

All currency references in USD unless otherwise indicated

Altius Renewable Royalties Corp. (TSX: ARR) (OTCQX: ATRWF) ("ARR", the "Corporation", or the "Company"), is pleased to report its financial results for the quarter ended September 30, 2022 with a conference call to follow November 8, 2022 at 10:00 am EST.

For the quarter ended September 30, 2022, ARR reported revenue of \$0.2 million, attributable revenue⁽¹⁾⁽²⁾ of \$1.8 million and net earnings of \$0.3 million. This compares to revenue of \$0.04 million, attributable revenue of \$0.05 million and a net loss of \$1.4 million in Q3 2021. For the nine months ended September 30, 2022, ARR reported revenue of \$0.4 million, attributable revenue of \$3.2 million and a net loss of \$0.4 million. This compares to revenue of \$0.05 million, attributable revenue of \$0.2 million and a net loss of \$2.2 million for the same period in 2021.

As a result, primarily due to stronger than forecast merchant power prices, the 50% owned Great Bay Renewables ("GBR") joint venture has increased its 2022 annual royalty revenue guidance to \$6.5 million - \$7.0 million from the \$4.5 million - \$5.5 million previously reported.

Operating cash flows from the growing portfolio of operating assets is now sufficient to cover the overhead costs of GBR. This positive cash flow is expected to grow in the near term with three additional royalties totalling 975 MW of capacity coming online in early 2023. Furthermore, the Corporation continues to evaluate new royalty investment opportunities spanning the full spectrum of development to production stage assets, which could potentially augment its built-in growth profile.

New Royalty Investments

On July 29, 2022, the Corporation's joint venture entered into a transaction with U.S. renewable energy developer, Hodson Energy, LLC. ("Hodson"), to gain future royalties related to Hodson's portfolio of primarily solar plus battery storage development projects. Under the agreement, GBR is entitled to receive 3% gross revenue royalties on all projects developed and vended by Hodson until a minimum target return threshold is achieved, while also potentially benefitting from equity warrant participation rights in Hodson.

The \$40 million royalty investment in Hodson is expected to be invested in tranches over approximately the next three years as Hodson achieves certain project development milestones, with the first \$14 million being provided on the closing date. GBR also has the option to invest an additional \$20 million as future royalty financing.

On September 29, 2022, Tri Global Energy (“TGE”), with whom GBR has invested development stage capital in exchange for royalty interests in its projects, announced that it had been acquired by Enbridge Inc. (“Enbridge”). Following the acquisition, GBR will continue to receive royalty contracts from all projects within TGE’s development pipeline at the time of the acquisition (“GBR TGE Portfolio”) until it hits its threshold return against the \$46.5 million it has invested to date, with no further funding requirements by GBR. After GBR receives enough royalty contracts for it to achieve its threshold return, GBR will have the option to acquire royalty contracts on remaining projects that are developed from the GBR TGE Portfolio based upon an agreed methodology that utilizes a similar return profile as for project royalties created prior to the threshold return being achieved.

As of September 30, 2022, the Corporation held cash of \$54.9 million and an additional \$3.4 million was held by its 50% owned GBR joint venture.

Commenting on the quarter and recently announced transactions, Frank Getman, CEO of GBR, said “GBR continues to see robust demand for its innovative royalty financing investments, both from development stage entities and from operators looking to unlock value and gain additional financial flexibility. We are pleased to become cash flow positive in a short time since start-up and look forward to significant growth.”

Brian Dalton, CEO of ARR, added “We continue to see excellent adoption of royalty financing within the renewables sector and as a result have achieved initial operational profitability well ahead of the schedule we suggested at the time of our IPO. Our portfolio has grown its exposure to more than 7 GW and our counterparties represent some of the strongest players in the North American renewables space while our pipeline of new opportunities also continues to expand much faster than we had originally hoped.”

Non-GAAP Financial Measures

1. Management uses the following non-GAAP financial measures: attributable revenue, attributable royalty revenue, and adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA).
2. Management uses these measures to monitor the financial performance of the Corporation and its operating segments and believes these measures enable investors and analysts to compare the Corporation’s financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the non-GAAP financial measures section of our MD&A.

Conference Call Details

A conference call and webcast will be held on November 8, 2022 at 10:00 am EST to provide an update and to offer an open Q&A session for analysts and investors. Access details are as follows:

DATE	November 8, 2022 at 10:00 am ET
EVENT	ARR Q3 2022 Conference Call and Webcast, ID 44414561
DIAL IN	+1 888 886 7786 OR +1 416 764 8658
WEBCAST	Q3 2022 Financial Results

About ARR

ARR is a renewable energy royalty company whose business is to provide long-term, royalty-level investment capital to renewable power developers, operators, and originators. ARR currently has 31 renewable energy royalties representing 665 MW of renewable power on operating projects and an additional approximately 6 GW on projects in the development phase, across several regional power pools in the U.S. The Corporation also expects future royalties from GBR's investments in Bluestar Energy Capital and Hodson Energy. The Corporation combines industry expertise with innovative, partner-focused solutions to further the growth of the renewable energy sector as it fulfills its critical role in enabling the global energy transition.

Forward-looking information

This news release contains forward-looking information. The statements are based on reasonable assumptions and expectations of management and ARR provides no assurance that actual events will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Although ARR believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those projected. Readers should not place undue reliance on forward-looking information. ARR does not undertake to update any forward-looking information contained herein except in accordance with securities regulation.

For further information, please contact:

Flora Wood

Email: Flora@arr.energy

Tel: 1.877.576.2209

Direct: +1.416.346.9020

Ben Lewis

Email: Ben@arr.energy

Tel: +1.877.576.2209
