



August 3, 2021 | St. John's, Newfoundland

## **Altius Renewable Royalties Announces US\$35 Million Royalty Financing with Longroad Energy**

St John's, NL (August 3, 2021) – Altius Renewable Royalties (TSX:ARR) (“ARR”) reports that Great Bay Renewables (“Great Bay”), its subsidiary jointly controlled with funds managed by affiliates of Apollo Global Management (the “Apollo Funds”), has closed a US\$35 million royalty investment with Longroad Energy (“Longroad”) related to Longroad’s 331 MWdc (250 MWac) Prospero 2 solar project located in Andrews County, Texas (“Prospero 2”).

Longroad is a top-tier developer, owner, and operator of renewable energy projects, having developed over 60 renewable energy projects totaling over 6 GW across North America. The project achieved commercial operation on August 2, 2021 and is operated by Longroad. The solar facility is set upon lands leased from the University of Texas under a long-term lease agreement. Over two-thirds of the expected Prospero 2 power output is contracted to two companies, Davita and Zimmer Biomet, under fifteen-year, unit contingent Power Purchase Agreements, with the remainder of the project’s energy output expected to be sold into the ERCOT spot market.

The royalty investment has been structured using royalty rates that vary over time, which achieve Great Bay’s investment hurdles while optimizing Longroad’s project level cash flow profile. Great Bay expects to earn a return of 8-12% on its investment over the initial life of the project, with royalty revenue starting at a lower level starting in January 2022 and increasing materially after the first five years of operation for the remainder of the project life.

Brian Dalton, CEO of ARR, stated, “ARR’s joint venture operating team at GBR has once again brought innovation to the financing of the rapidly growing US renewable energy industry. By providing partner-like funding directly into the capital structure of an operating project, in addition to the growth being experienced from the existing platform of portfolio-based investments in earlier stage projects, we are clearly demonstrating that our royalty financing structures are earning acceptance and adoption within the renewable energy sector. As a result, we are more encouraged than ever about the possibilities for further successful capital deployment.”

Frank Getman, CEO of Great Bay, commented, “We are excited to invest in such a high-quality project that was developed, constructed and now owned and operated by one of the strongest teams in the sector. We value this new relationship with Longroad and look forward to supporting Longroad in its goal of responsibly developing, owning, and operating renewable energy projects as we transition to a clean energy future.” Getman added, “This is our first royalty investment directly into an operating project,

which speaks to the increasing adoption of our partner-like funding and greatly expands the addressable market for our royalty investment product.”

“Longroad is excited to add this innovative product to our capital structure”, said Pete Keel, Longroad’s CFO. “Great Bay’s royalty investment is a good fit for Prospero 2 and further enables Longroad to build out our operating fleet, which today stands at over 1.5 GW of net ownership. We look forward to working with Great Bay again in the future.”

#### *Apollo Funding and Investment Structuring*

ARR and the Apollo Funds have agreed to fund the Longroad investment with 70% of the capital provided by the Apollo Funds and the balance of US\$11 million to be funded directly by ARR. Post-closing, the Apollo Funds will have funded US\$59 million in total, approximately US\$48 million of which counts towards the Apollo Funds’ initial US\$80 million commitment. The balance of US\$32 million is expected to be funded by the end of 2021. Upon completion of the Apollo Funds’ earn-in, the joint venture partners will fund new opportunities on an equal basis.

Additional information concerning the Prospero 2 project including a SEDAR-filed Material Change Report can be found at [arr.energy](http://arr.energy).

#### **About ARR**

ARR is a recently formed renewable energy company whose business is to provide long-term, royalty level investment capital to renewable power developers, operators, and originators through its joint venture Great Bay Renewables. The Company 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.

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