

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

Altius Renewable Royalties Corp. (“ARR”)  
38 Duffy Place, 2nd Floor  
St. Johns, NL, A1B 4M5

**2. Date of Material Changes**

August 2, 2021

**3. News Release**

A news release with respect to the material change referred to in this report was disseminated through the facilities of Businesswire on August 3, 2021 and filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

**4. Summary of Material Changes**

On August 2, 2021, Great Bay Renewables II, LLC (“**Great Bay II**” or the “**Company**”) ARR’s subsidiary jointly controlled with funds managed by affiliates of Apollo Global Management (the “**Apollo Funds**”) completed 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**”). This is ARR’s first investment directly into an operating project.

The terms of the investment are set out in an investment agreement entered into between the Company and Longroad dated August 2, 2021 (the “**Longroad Agreement**”).

**5. Full Description of Material Change**

**(a) Full Description of Material Change**

On August 3, 2021, ARR announced that its jointly controlled subsidiary Great Bay II has completed a US\$35 million royalty investment with Longroad related to Longroad’s Prospero 2 solar project. This is ARR’s first investment directly into an operating project. 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.

*Terms of the Agreement*

Under the terms of the Longroad Agreement, Great Bay II receives a gross revenue royalty commencing in January 2022 at rates that vary over time and which achieve Great Bay II’s investment hurdles while optimizing Longroad’s project level cash flow profile. The royalty will

remain in place for the life of the Prospero 2 solar project, including any extensions of or enhancements to such project.

Annual revenue from Prospero 2 is expected to be approximately US\$850,000 per year starting on January 1, 2022 and continuing through 2026 before then stepping up to approximately US\$4.7 million per year for the following five years. On average, annual revenue is expected to be approximately US\$4.0-4.5 million over an initial expected 30-year project life. Great Bay II expects to earn a return of 8-12% on its investment over the initial life of the project.

The Longroad investment was heavily negotiated by both parties to provide the Company with protections designed to ensure that the Prospero 2 project will be managed properly, in an effort to protect and ensure profitability of the Longroad investment, while also allowing Longroad the ability to operate the project. The contractual protections fall into the following broad categories: 1. In connection with the Longroad investment transaction, Longroad made certain representations and warranties regarding the Prospero 2 solar project. To the extent those representations and warranties prove to be materially inaccurate, Great Bay II has certain indemnification rights. 2. Great Bay II has consent/approval rights over issuance of additional debt over an agreed upon percentage of project value. 3. Great Bay II has three primary rights in the event of a material default or breach of the agreement by Longroad: (i) the ability to provide a member loan, (ii) the right to remove Longroad as Manager of the project (iii) the right to declare a default.

Longroad has the option to buy down the royalty from Great Bay II at a premium and subsequently Great Bay II has the option to retain a smaller contractual royalty on the project.

Great Bay II receives reporting information similar to that received by other investors and lenders in the project.

#### *Apollo Funding and Investment Structuring*

ARR and the Apollo Funds have agreed to fund the Longroad investment with approximately 70% of the funding provided by the Apollo Funds and the balance of US\$11 million to be funded directly by ARR through a new sidecar entity, Great Bay Renewables Holdings II, LLC, ("**GBR Holdings II**"), which is jointly owned by ARR and the Apollo Funds with each of ARR and the Apollo Funds controlling 50% of the entity. The Longroad investment is held directly by Great Bay II, which is a wholly-owned subsidiary of GBR Holdings II.

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 in Great Bay Renewables Holdings, LLC ("**GBR Holdings I**"). 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.

The terms of the Amended and Restated Limited Liability Company Agreement of GBR Holdings II are substantially similar to the terms of the Amended and Restated Limited Liability Company Agreement of GBR Holdings I, as amended by Amendment No. 1 to such agreement, including terms with respect to, capital structure, distributions, directors and officers, capital calls and funding, powers of management and board, transfer restrictions and other rights and obligations of the parties thereunder.

Great Bay II will be managed by the same management team as Great Bay Renewables, LLC (“**Great Bay I**”) pursuant to a services agreement entered into by Great Bay II and Great Bay I.

*About Longroad*

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.

**(b) Disclosure for Restructuring Transactions**

Not applicable.

**6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**7. Omitted Information**

Not applicable.

**8. Executive Officer**

For further information, please contact Ben Lewis, by telephone at 1-709-579-8276

**9. Date of Report**

August 3, 2021