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Altius Renewable Royalties Announces US\$52.5 Million Royalty Investment in a Northleaf Wind and Solar Portfolio; New Developer Royalty Added

St John's, NL (September 30, 2021) – Altius Renewable Royalties (TSX:ARR) (OTCQX: ATRWF) (“ARR”) reports that its joint venture subsidiary Great Bay Renewables (“GBR”) has closed a US\$52.5 million royalty investment with Northleaf Capital Partners (“Northleaf”) related to three operating-stage wind and solar renewable energy projects located in Texas. GBR is a joint venture company of ARR and funds managed by affiliates of Apollo Global Management, Inc. (NYSE: APO) (“Apollo Funds”).

Cotton Plains Portfolio Royalty Acquisition

The newly acquired revenue-based royalty portfolio includes: (1) the 151 MW Old Settler wind project, (2) the 50 MW Cotton Plains wind project, and (3) the 15 MW Phantom Solar project (collectively, the “Projects”). The output from Cotton Plains and Phantom Solar is sold at a fixed price under long-term contracts with the US Department of Defense through January 2045, while the output from Old Settler will be sold into the ERCOT market. The three projects have been in commercial operation since 2017.

The royalty investment has been structured using royalty rates that vary over time and provide GBR with US\$ 4-7 million per year over the first 10 years of the investment. The structure also allows ARR to achieve its investment hurdle targets while optimizing Northleaf's project level cash flow profile. The royalty funding will be used to repay existing debt financing and provide additional working capital.

Jared Waldron, Managing Director at Northleaf, said, “We are pleased to be partnering with GBR to implement an innovative financing solution that will create value for our investors. As long-term assets producing stable cash flows from the generation of clean energy, the Projects will benefit from the long-term financing afforded by this new royalty structure.”

ARR and Apollo Funds have agreed to fund the Northleaf investment with approximately 80% of the capital provided by Apollo Funds and the balance of US\$11.6 million to be funded directly by ARR. Apollo Funds have now met their commitment to earn a full 50% ownership interest in GBR. Going forward, ARR and Apollo Funds are expected to fund new opportunities on an equal basis.

Additional information concerning the Northleaf transaction can be found at arr.energy and in a SEDAR-filed Material Change Report.

New Developer Royalty

ARR is also pleased to announce that it has been notified of the sale of a 500 MW renewable energy project in Texas from one of its funded developer partners to a confidential buyer and the creation of a 2.5% royalty in favour of GBR. GBR has been informed that the project is currently slated to issue notice-to-proceed in early 2022.

Brian Dalton, CEO of ARR, commented, “Our GBR joint venture subsidiary expects to become cash flow positive in 2022. This milestone has been reached sooner than expected and is a tremendous credit to the team. Moreover, the recent completion of investments related to four operational stage assets has implications for the potential scope of future capital deployment and the larger role we can play in enabling the clean energy transition. This new funding avenue, combined with the continuing strong demand for the new projects being created by our developer partners, has resulted in the rapid growth of our royalty portfolio to now cover more than 3 GW of renewable energy projects.”

Forward-Looking Information

This press release contains forward-looking information. Such information includes but is not limited to statements concerning use of proceeds, expected annual revenue and cash flow expectations, achievement of investment hurdle rates, and future investment potential. The use of forward-looking information in this press release is based on reasonable assumptions and beliefs of management in light of the information available to them at the time such statements are made. The forward-looking information contained in the press release is presented for the purpose of assisting ARR shareholders in understanding this transaction and the expected impact on ARR. By its nature, forward-looking information requires ARR to make assumptions and is subject to inherent risks and uncertainties that give rise to the possibility that actual results could differ materially from such statements. Although the Company believes that the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can give no assurance that such matters will prove to have been correct. This forward-looking information is subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These factors include but are not limited to: changes in general industry, market and economic conditions, equipment performance, power price changes, seasonality, weather events, outcomes from litigation and other variables. The forward-looking information included in this press release is expressly qualified by this cautionary statement and is made as of the date of this press release. ARR does not undertake any obligation to publicly update or revise any forward-looking information except as required by Canadian securities laws.

About Northleaf Capital Partners

Northleaf Capital Partners is a global private markets investment firm with US\$17 billion in private equity, private credit, and infrastructure commitments under management on behalf of public, corporate, and multi-employer pension plans, endowments, foundations, financial institutions, and family offices. Northleaf's 150-person team, located in Toronto, Montreal, London, New York, Chicago, Menlo Park, and Melbourne, is focused exclusively on sourcing, evaluating, and managing private market investments globally. Northleaf's portfolio includes more than 400 active investments in 35 countries, with a focus on mid-market companies and assets. For more information on Northleaf, please visit www.northleafcapital.com.

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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