



March 1, 2023 | St. John's, Newfoundland

Altius Renewable Royalties Reports Q4 and Year-End 2022 Financial Results

All currency references in USD unless otherwise indicated

Altius Renewable Royalties Corp. (TSX: ARR) (OTCQX: ATRWF) ("ARR" or the "Corporation"), is pleased to report its financial results for the fourth quarter and year ended December 31, 2022 with a conference call to follow March 2, 2023 at 9:00 am EST.

For the year ended December 31, 2022, ARR reported revenue of \$0.8 million, proportionate revenue⁽¹⁾⁽²⁾ of \$4.4 million and a net loss of \$0.8 million. This compares to revenue of \$0.1 million, proportionate revenue of \$0.4 million and a net loss of \$3.4 million for 2021. Total proportionate revenue in 2022 was comprised of \$3.6 million in royalty revenue and \$0.8 million in interest income.

For the quarter ended December 31, 2022, ARR reported revenue of \$0.4 million, proportionate revenue of \$1.2 million and net loss of \$0.4 million. This compares to revenue of \$0.03 million, proportionate revenue of \$0.3 million and a net loss of \$1.2 million in Q4 2021.

The underlying 50% owned Great Bay Renewables ("GBR") joint venture reported \$7.3 million in annual royalty revenue, exceeding previously estimated guidance of \$6.5 million-\$7.0 million. For 2023, GBR expects to realize annual royalty revenue of \$11.5 million to \$13.5 million based upon the current royalty portfolio and recent merchant price assumptions that reflect lower current natural gas prices and resulting lower power prices in several key markets.

Operating cash flows at GBR were \$2.7 million in 2022 and are expected to grow in 2023 upon incorporation of two new operating stage acquisitions completed late in the year, the recent placement in service of the Young Wind (500 MW) and Appaloosa Run Wind (175 MW) projects, assigned through agreements with Apex Clean Energy ("Apex") and Tri Global Energy ("TGE"), respectively, and the placement in service of the El Sauz (300 MW) project, which is expected shortly. Appaloosa Run represents the first cash flowing royalty from the TGE investment and Young Wind the second from the Apex investment. These royalties will provide cashflow for all of 2023 and for many years beyond as their associated projects transform the perpetual natural resource of wind into renewable energy. 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 December 20, 2022 GBR acquired an existing royalty interest on a portion of an operating wind project from Apex for \$17.8 million after standard working capital and other adjustments. The project is an approximately 1 GW wind project located in Hansford County, Texas owned and operated by a top-tier renewables owner-operator. Under the royalty, GBR will receive a fixed dollar amount per megawatt hour produced from a distinct

658 MW of the project, which achieved commercial operations in September 2022. GBR expects the royalty to contribute approximately \$1.5 million to its revenue in 2023.

On December 1, 2022 GBR entered into a \$46 million royalty investment agreement with Longroad Energy (“Longroad”) to support Longroad’s acquisition of the 70 MWac Titan Solar project in Imperial County, California (“Titan”).

The royalty investment has been structured using royalty rates that vary over time and achieve GBR’s investment hurdles while optimizing Longroad’s project level cash flow profile. GBR expects its royalty on Titan to contribute approximately \$3.0 million-\$3.5 million to its revenues in 2023, and to average \$4.0 million-\$4.5 million annually over its first 10 years.

As of December 31, 2022 the Corporation held cash of \$50.1 million and has 2023 expected commitments towards existing GBR investment agreements of approximately \$13 million.

Commenting on the quarter and recently announced transactions, Frank Getman, CEO of GBR, said “It’s been a groundbreaking year for GBR, as we achieved positive cash flow well ahead of what we had forecast at the time of ARR’s IPO and proved multiple test cases for our innovative royalty financing. Counterparties have now used our financing for project development, as part of the capital stack for new renewables projects, especially those with some merchant exposure, restructuring existing projects, and for buying down or buying out unwanted hedges. We believe we are in the early innings of finding new and innovative ways for our royalty financing to be utilized to help optimize the value of renewables projects and accelerate the energy transition.”

Brian Dalton, CEO of ARR added that “The GBR joint venture continues to grow its portfolio of royalties at a pace that is exceeding our original expectations. The past year delivered several key milestones including positive cash flow generation, the graduation of three projects to operational status through our developer agreement pipelines, and the increased and more broadly-based adoption of our royalty financing by the renewable energy sector.”

Non-GAAP Financial Measures

1. Management uses the following non-GAAP financial measures: proportionate royalty and other revenue (“proportionate 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 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 which are held primarily in jointly controlled entities. 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.
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Conference Call Details

A conference call and webcast will be held on Thursday, March 2, 2023 at 9:00 am EST to provide an update and to offer an open Q&A session for analysts and investors. Access details are as follows:

DATE Thursday, March 2, 2023 at 9:00 am EST
EVENT ARR Q4 and Year-End 2022 Conference Call and Webcast, ID 93453652
DIAL IN +1 888 886 7786 OR +1 416 764 8658
WEBCAST [Q4 and Year-End 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 10 renewable energy royalties representing 2,068 MW of renewable power on operating projects, and an additional approximately 6.0 GW on projects in the construction and development phases, 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.

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