

## RE Royalties Announces Third Quarter 2023 Financial Results and Key Business Highlights

*All amounts in Canadian dollars unless otherwise stated*

**November 27, 2023 Vancouver, BC** – [RE Royalties Ltd.](#) (TSX.V: RE) (OTCQX: RROYF) (“**RE Royalties**” or the “**Company**”), a global leader in renewable energy royalty-based financing, is pleased to announce the financial results for the third quarter ended September 30, 2023 (“**Q3 2023**”). For further information on these results please see the Company's Condensed Consolidated Interim Financial Statements and Management's Discussion and Analysis for Q3 2023, filed on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

Key business and financial highlights for Q3 2023 include:

- The Company entered into a loan agreement and a royalty agreement with Butler Corporation SpA ("CleanLight"), a Chilean technology company and manufacturer of mobile solar-battery systems including solar lighting towers and solar-hybrid battery generators. The Company provided a US\$3 million secured loan to finance CleanLight's expansion into other countries in Latin America. The CleanLight loan has a two-year term, and bears interest of 12% per annum. The Company also acquired a gross revenue royalty of 5% for a period of 10 years, for US\$200,000. The royalty rate will reduce to 3% after certain revenue milestones are met.
- The Company entered into a loan agreement and a royalty agreement with Revolve Renewable Power Corp. ("Revolve") to support Revolve's acquisition of a portfolio of two operational run-of-river hydro projects in British Columbia, and one operational wind project in Alberta with a combined gross capacity of 23 MW (the "Operational Projects"). The Operational Projects receive revenue from Power Purchase Agreements ("PPAs") with BC Hydro and the City of Medicine Hat, for the hydro projects and the wind project, respectively. The Operational Projects have PPAs with remaining terms ranging from 32-35 years for the hydro projects and 11 years for the wind project. The loan will have a term of 36 months and bear interest at the rate of 12% per annum, compounded monthly, and payable semi-annually. The Company will receive a structuring fee of 1.0% on the loan value at closing, and a gross revenue royalty of 0.5% on the Operating Projects during the term of the loan, increasing to a gross revenue royalty of 1.0% upon repayment of the loan for the remaining life of the PPAs.
- Quarterly revenue and income, including the share of income from the Company's investment in OCEP for the three months ended September 30, 2023, of \$1,913,000, **an increase of \$610,000 or 47%** over the similar period in the prior year.
- Year-to-date revenue and income, including the share of income from the Company's investment in OCEP for the nine months ended September 30, 2023, of \$7,175,000, **an increase of \$4,029,000 or 128%** over the similar period in the prior year.
- Quarterly gross profit, including changes in fair value of financial assets and share of income in OCEP, for the three months ended September 30, 2023, of \$1,805,000, an increase of \$568,000 or 46% over the similar period in the prior year.
- Year-to-date gross profit, including changes in fair value of financial assets and share of income in OCEP, for the nine months ended September 30, 2023, of \$6,944,000, an increase of \$4,034,000 or 139% over the similar period in the prior year.



- Quarterly Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)<sup>1</sup> for the three months ended September 30, 2023 of negative \$1,604,000, compared to positive \$1,055,000 for the similar period in the prior year. EBITDA for the quarter was negatively impacted by a loan loss provision of \$3,078,000 taken on the Company’s loan to Fuseforward Solutions Group (“Fuseforward”). The Fuseforward investment represents approximately 5% of the Company’s total overall assets.
- Year-to-date Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”)<sup>1</sup> for the nine months ended September 30, 2023 of \$1,898,000, an increase of \$83,000 or 5% over the similar period in the prior year.
- Quarterly net loss after income tax for Q3 2023, of \$2,769,000, compared to a quarterly net income after tax of \$470,000 for the similar period in the prior year.
- Year to date net loss after income tax for the nine months ended September 30, 2023 of \$1,089,000, compared to a quarterly net income after tax of \$146,000 for the similar period in the prior year.
- Cash and cash equivalents of \$15,228,000 as at September 30, 2023.

“This quarter’s revenue continues to demonstrate strong year over year growth. While the financial results were negatively affected by a loan loss provision on one of our clients, our overall portfolio continues to remain stable despite a heightened level of uncertainty and volatility in the capital markets and economy. Our portfolio continues to generate stable, predictable, and recurring cash flows, and with our existing cash on hand, we expect to take advantage of certain near-term opportunities currently under due diligence, and to keep growing our financial performance over the coming quarters” said Bernard Tan, CEO.

### **Conference Call on Tuesday, November 28, 2023**

Management will be hosting a third quarter conference call and live webcast to discuss its third quarter results. After opening remarks by management there will be a question-and-answer session open to analysts and investors. Questions can be submitted in advance to Melanee Henderson, Investment Relations ([melaneehenderson@re royalties.com](mailto:melaneehenderson@re royalties.com)).

You can register for the webcast as follows:

Date: Tuesday November 28, 2023

Time: 1:00pm PT (4:00pm ET)

Teams Link: [Click Here](#) or: <https://www.microsoft.com/microsoft-teams/join-a-meeting>

Meeting ID: 242 924 935 696

Passcode: buvZEw

Or call in (audio only): (778)-725-6875

Phone Conference ID: 815 571 703#



## <sup>1</sup>Non-GAAP Performance Measures

This document contains presentation of Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”) as a non-GAAP financial measure. This measure may differ from similar measures used by, and may not be comparable to such measures as reported by, other companies. The Company believes that EBITDA is commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company’s performance. These measures have been derived from the Company’s financial statements and applied on a consistent basis. Non-GAAP measures are intended to provide additional information, not to replace 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. 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, which are available on Sedar or on the Company’s website.

## **About RE Royalties Ltd.**

[RE Royalties Ltd.](#) acquires revenue-based royalties from renewable energy facilities and technologies by providing a non-dilutive financing solution to privately held and publicly traded companies in the renewable energy sector. RE Royalties is the first to apply this proven business model to the renewable energy sector. The Company currently owns over 100 royalties on solar, wind, hydro, battery storage, energy efficiency and renewable natural gas projects in Canada, United States, Mexico and Chile. The Company’s business objectives are to provide shareholders with a strong growing yield, robust capital protection, high rate of growth through re-investment and a sustainable investment focus.

**For further information, please contact:**

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### **Forward Looking Statements**

This news release includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company and within the meaning of Canadian securities laws. Forward looking information is typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or are those, which, by their nature, refer to future events. This information represents predictions and actual events or results may differ materially. Forward-looking information may relate to the Company's future outlook and anticipated events or results and may include statements regarding the Company's financial results, future financial position, expected growth of cash flows, business strategy, budgets, projected costs, projected capital expenditures, taxes, plans, objectives, industry trends and growth opportunities including financing. The reader is referred to the Company's most recent filings on SEDAR as well as other information filed with the OTC Markets for a more complete discussion of all applicable risk factors and their potential effects, copies of which may be accessed through the Company's profile page at [www.sedar.com](http://www.sedar.com).