



RE ROYALTIES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025 AND 2024

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

In accordance with National Instrument 51-102 subsection 4.3 (3), management of the Company advises that the Company's auditors have not performed a review of these interim financial statements.

RE Royalties Ltd.**Condensed Consolidated Interim Statements of Financial Position**

(Unaudited – Expressed in Canadian Dollars)

		September 30,	December 31,
	Note	2025	2024
ASSETS			
Non-current assets			
Secured loans and royalty interests	5	\$ 9,726,707	\$ 17,520,819
Property, plant and equipment	6	2,319,958	2,431,150
Intangible assets	7	3,186,825	3,543,696
Deferred transaction costs		130,805	2,993
Derivative financial asset and marketable securities	8	97,445	1
Right-of-use asset		11,331	25,940
		15,473,071	23,524,599
Current assets			
Secured loans and royalty interests	5	13,439,383	10,570,972
Amounts receivable and prepaid expenses	9	1,658,639	1,699,179
Interest reserve account	10	1,758,973	1,452,012
Funds held for repayment of Green Bonds	10	5,453,799	–
Income taxes recoverable		31,337	17,396
Cash and cash equivalents, including restricted cash	4	11,714,209	16,547,940
		34,056,340	30,287,499
TOTAL ASSETS		\$ 49,529,411	\$ 53,812,098
EQUITY			
Share capital	14	\$ 30,418,381	\$ 30,418,381
Reserves	14(b)	3,063,488	3,453,890
Accumulated deficit		(32,045,383)	(28,672,711)
Equity attributable to owners of the Company		1,436,486	5,199,560
Non-controlling interests		2,101,490	1,799,501
Total equity		3,537,976	6,999,061
LIABILITIES			
Non-current liabilities			
Green bonds	10	34,163,835	34,283,035
Deferred income tax liability		104,413	183,250
Deferred government grants	11	570,000	570,000
Decommissioning liabilities	12	274,459	294,659
Lease liability		–	3,683
		35,112,707	35,334,627
Current liabilities			
Green bonds	10	10,149,805	9,802,000
Lease liability		12,735	26,999
Cash-settled share-based payment liability		6,756	9,402
Income tax payable		–	9,129
Loan payable	13	–	389,492
Government grant payable	11	170,350	170,350
Trade payables and accrued liabilities		539,082	1,071,038
		10,878,728	11,478,410
Total liabilities		45,991,435	46,813,037
TOTAL EQUITY AND LIABILITIES		\$ 49,529,411	\$ 53,812,098

Nature of operations (note 1)

Events after the reporting period (note 20)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

These condensed consolidated interim financial statements are approved for issuance by the Audit and Risk Committee of the Company's Board of Directors on November 25, 2025 and are signed on the Company's behalf by the following:

/s/ Bernard Tan

Bernard Tan
Director

/s/ Rene Carrier

Rene Carrier
Director

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Net (Loss) Income and Comprehensive (Loss) Income (Unaudited – Expressed in Canadian Dollars, except for weighted average number of common shares)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
Revenue and income					
Royalty revenue		\$ 208,530	\$ 313,855	\$ 830,909	\$ 776,877
Finance income		1,172,562	1,378,196	3,589,887	5,379,775
Energy revenue		180,609	-	753,415	-
		1,561,701	1,692,051	5,174,211	6,156,652
Cost of sales					
Operating expenses – BESS and solar					
Amortization and depreciation		(156,021)	-	(468,063)	-
Other operating expenses		(48,028)	-	(325,576)	-
Depletion of royalty interests	5	(89,370)	(138,667)	(378,263)	(341,266)
		(293,419)	(138,667)	(1,171,902)	(341,266)
Gross profit		1,268,282	1,553,384	4,002,309	5,815,386
Loss on revaluation of derivative financial asset	8	(73,667)	(11,300)	(78,667)	(19,379)
Gain on revaluation of financial asset at FVTPL		20,629	45,121	55,334	52,896
Gross profit, changes in fair value of financial assets		1,215,244	1,587,205	3,978,976	5,848,903
Expenses					
Salaries and benefits		323,646	287,665	974,579	870,754
Administration		85,381	89,063	376,983	296,032
Marketing and stakeholder communication		76,895	104,493	239,083	367,095
Audit and audit related		1,802	-	317,202	349,107
Consulting – financing		51,345	16,789	71,345	50,367
Consulting – other		128,295	40,193	240,603	153,653
Regulatory and transfer agency		33,686	19,488	99,854	69,990
Office lease and information technology		36,584	13,458	81,161	37,858
Legal		23,975	23,963	54,416	96,634
Donation		25,000	-	50,000	50,000
Equity-settled share-based payments	14(b)	9,862	25,640	29,585	115,564
Change in fair value of cash-settled share-based payments	14(b)	(2,768)	(564)	(2,646)	(2,696)
Depreciation of right-of-use asset		4,870	4,870	14,609	14,609
		(798,573)	(625,058)	(2,546,774)	(2,468,967)
Other items					
Finance expenses		1,130,222	967,313	3,419,632	2,777,630
Provision for expected credit loss	5	-	-	-	617,671
Gain on sale of SPOBOC Development Projects	13	(64,654)	-	(64,654)	-
Foreign exchange (gain) loss		(73,323)	68,091	(382,265)	(240,887)
		(992,245)	(1,035,404)	(2,972,713)	(3,154,414)
Net (loss) income before income tax		\$ (575,574)	\$ (73,257)	\$ (1,540,511)	\$ 225,522
Income tax expense (recovery)					
Current income tax expense		82,589	71,666	160,544	225,870
Deferred income tax expense (recovery)		(81,633)	50,000	(81,633)	193,000
		(956)	(121,666)	(78,911)	(418,870)
Net loss after income tax		\$ (576,530)	\$ (194,923)	\$ (1,619,422)	\$ (193,348)
Other comprehensive income (loss)					
Items that may be subsequently reclassified to net income					
Foreign exchange translation difference		164,943	(145,798)	(479,941)	202,154
Total other comprehensive income (loss)		164,943	(145,798)	(479,941)	202,154
Total comprehensive (loss) income		\$ (411,587)	\$ (340,721)	\$ (2,099,363)	\$ 8,806
Net loss after income tax attributable to:					
Owners of the Company		(722,064)	(444,404)	(2,071,368)	(1,044,634)
Non-controlling interests		145,534	249,481	451,946	851,286
		(576,530)	(194,923)	(1,619,422)	(193,348)
Total comprehensive (loss) income attributable to:					
Owners of the Company		(557,121)	(562,542)	(2,444,217)	(875,117)
Non-controlling interests		145,534	221,821	344,854	883,923
		(411,587)	(340,721)	(2,099,363)	8,806
Basic and diluted loss per share attributable to shareholders of the Company	16	\$ (0.02)	\$ (0.01)	\$ (0.05)	\$ (0.02)
Weighted average number of common shares outstanding	16	43,296,927	43,328,398	43,532,804	43,417,981

The accompanying notes are an integral part of these condensed consolidated interim financial statements

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited – Expressed in Canadian Dollars, except for number of shares)

	Note	Share capital		Reserves				Accumulated deficit	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
		Number of shares	Amount	Equity-settled share-based payments	Share purchase warrants	Other reserve	Foreign currency translation reserve				
Balance at January 1, 2024		43,261,981	\$30,364,415	\$ 1,707,126	\$ 600,913	\$ 87,000	\$ 163,895	\$ (17,588,627)	\$ 15,334,722	\$ 1,752,062	\$ 17,086,784
Net (loss) income for the period		-	-	-	-	-	-	(1,044,634)	(1,044,634)	851,286	(193,348)
Other comprehensive income for the period		-	-	-	-	-	169,517	-	169,517	32,637	202,154
Total comprehensive (loss) income for the period		-	-	-	-	-	169,517	(1,044,634)	(875,117)	883,923	8,806
Distribution to shareholders	14(c)	-	-	-	-	-	-	(1,297,860)	(1,297,860)	-	(1,297,860)
Equity-settled share-based payments	14(b)	-	-	115,564	-	-	-	-	115,564	-	115,564
Warrants issued pursuant to Series-4 Private Placement		-	-	-	30,000	-	-	-	30,000	-	30,000
Distribution to non-controlling interests - OCEP		-	-	-	-	-	-	-	-	(172,261)	(172,261)
Distribution to non-controlling interests - Delta		-	-	-	-	-	-	-	-	(21,895)	(21,895)
Balance at September 30, 2024		43,261,981	30,364,415	1,822,690	630,913	87,000	333,412	(19,931,121)	13,307,309	2,441,829	15,749,138
Balance at January 1, 2025		43,376,804	\$30,418,381	\$ 1,774,540	\$ 648,913	\$ 87,000	\$ 943,437	\$ (28,672,711)	\$ 5,199,560	\$ 1,799,501	\$ 6,999,061
Net (loss) income for the period		-	-	-	-	-	-	(2,071,368)	(2,071,368)	451,946	(1,619,422)
Other comprehensive loss for the period		-	-	-	-	-	(419,987)	-	(419,987)	(59,954)	(479,941)
Total comprehensive (loss) income for the period		-	-	-	-	-	(419,987)	(2,071,368)	(2,491,355)	391,992	(2,099,363)
Distribution to shareholders	14(c)	-	-	-	-	-	-	(1,301,304)	(1,301,304)	-	(1,301,304)
Equity-settled share-based payments	14(b)	-	-	29,585	-	-	-	-	29,585	-	29,585
Distribution to non-controlling interests - OCEP		-	-	-	-	-	-	-	-	(90,003)	(90,003)
Balance at September 30, 2025		43,376,804	\$30,418,381	\$ 1,804,125	\$ 648,913	\$ 87,000	\$ 523,450	\$ (32,045,383)	\$ 1,436,486	\$ 2,101,490	\$ 3,537,976

The accompanying notes are an integral part of these condensed consolidated interim financial statements

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	Note	Nine months ended September 30,	
		2025	2024
Operating activities			
Net loss		\$ (1,619,422)	\$ (193,348)
Adjustments for:			
Depreciation, depletion, and amortization		860,935	355,875
Finance income for the period, in excess of interest received		-	(2,129,879)
Interest received in excess of finance income for the period		23,621	-
Gain on revaluation of financial asset at FVTPL		(55,334)	(52,896)
Loss on revaluation of derivative financial asset		78,667	19,379
Gain on sale of SPOBOC Development Projects		(64,654)	-
Provision for expected credit loss		-	617,671
Finance expenses		3,419,632	2,777,630
Equity-settled share-based payments		29,585	115,564
Change in fair value of cash-settled share-based payments		(2,646)	(2,696)
Deferred income tax expense		(81,633)	193,000
Unrealized foreign exchange gain		(723,497)	(196,789)
Changes in working capital items:			
Amounts receivable and prepaid expenses		(300,402)	(77,327)
Income taxes recoverable		(13,941)	6,384
Interest reserve account		(315,592)	-
Income tax payable		(9,129)	15,130
Trade payables and accrued liabilities		(531,955)	(114,090)
Cash generated by operating activities		694,235	1,333,608
Investing activities			
Acquisition of royalty interests and secured loans, net of repayments	5	(517,144)	(7,150,191)
Proceeds from repayment of secured loan		4,610,463	9,377,657
Deferred transaction costs, net of recoveries		(127,813)	(12,822)
Cash provided by investing activities		3,965,506	2,214,644
Financing activities			
Net proceeds from the Green Bonds offering		-	3,962,441
Cash distribution to shareholders	14(c)	(1,301,304)	(1,297,860)
Distributions to non-controlling interests – OCEP		(90,003)	(172,261)
Distributions to non-controlling interests – Delta		-	(21,895)
Interest on Green Bonds paid		(2,640,345)	(2,189,715)
Cash held for repayment of Green Bonds		(5,453,799)	-
Other finance expenses paid		(100,000)	-
Lease payments		(19,189)	(18,792)
Cash (used in) provided by financing activities		(9,604,640)	261,918
(Decrease) increase in cash and cash equivalents		(4,944,899)	3,810,170
Effects of exchange rate fluctuations on cash held		111,168	191,976
Cash and cash equivalents, opening balance		16,547,940	14,439,932
Cash and cash equivalents, closing balance		\$ 11,714,209	\$ 18,442,078

Supplemental cash flow information (note 4)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

1 . NATURE OF OPERATIONS

RE Royalties Ltd. (“RER” or the “Company”) is a public company whose common shares are listed on the TSX Venture Exchange (“TSXV”), under the trading symbol “RE”. The Company was incorporated on November 2, 2016 under the laws of the Province of British Columbia, Canada. The address of the Company’s corporate office is 14th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

The Company is primarily engaged in the acquisition of revenue-based royalties from renewable energy generation facilities and other clean energy technologies by providing a non-dilutive royalty financing solution to privately-held and publicly-traded renewable energy generation and development companies and clean energy technology companies.

On November 1, 2024, the Company acquired the shares of Switch Power Ontario Battery Operations Corp. (“SPOBOC”) and Switch Power Ontario Solar Operations Corp. (“SPOSOC”) in full and final settlement of the outstanding debt. Consequently, the Company now owns and operates a portfolio of Battery Energy Storage Systems (“BESS”) and rooftop solar projects. SPOBOC’s principal activity is energy storage as a service, providing behind-the-meter solutions to industrial and real estate clients to realize global adjustment savings, and to provide grid resiliency and ancillary services through medium- to long-term Energy Service Agreements. SPOSOC’s principal activity is primarily solar power generation from rooftop solar systems in Ontario.

SPOBOC, a wholly-owned subsidiary, was incorporated provincially under the Ontario Business Corporations Act on August 20, 2021. SPOBOC’s principal activity is primarily global adjustment and ancillary services revenue from Battery Energy Storage Systems in Ontario.

SPOSOC, a wholly-owned subsidiary, was incorporated provincially under the Ontario Business Corporations Act on August 18, 2022. SPOBOC’s principal activity is primarily solar power generation from Rooftop Solar Systems in Ontario.

These condensed consolidated interim financial statements (the “Financial Statements”) are comprised of RER and its subsidiaries (note 2(b)) (together referred to as the “Company” or the “Group”) and are prepared for the three and nine months ended September 30, 2025 and 2024. RE Royalties Ltd. is the ultimate legal parent entity in the Company.

2 . MATERIAL ACCOUNTING POLICY INFORMATION

(a) *Statement of compliance*

These Financial Statements have been prepared on a going concern basis in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). These Financial Statements do not include all of the information and footnotes required by IFRS Accounting Standards (“IFRS”) for complete financial statements for year-end reporting purposes.

These Financial Statements should be read in conjunction with the Company’s consolidated financial statements as at and for the year ended December 31, 2024. Accounting policies applied herein are the same as those applied in the Company’s annual financial statements.

Results for the current reporting period are not necessarily indicative of future results. The Company earns royalty revenue from several renewable power generation sources, which exhibit seasonal behaviors individually but tend to counterbalance each other in a well-diversified portfolio. For instance, wind power generation is stronger in winter than in summer. The opposite is true for solar power generation.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(b) Basis of presentation and consolidation

These Financial Statements have been prepared on a historical cost basis except for the loan to Aeolis Wind Power Corporation (note 5) which is recorded at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

These Financial Statements include the financial statements of the Company and its following subsidiaries:

Entity	Place of business	Entity type	Economic interest
RE Royalties (Canada) Ltd.	British Columbia, Canada	Acquisition of royalties in renewable projects	100.00%
RE Royalties USA Inc.	Delaware, USA	Acquisition of royalties in renewable projects	100.00%
FP OCEP Invest LLC	Delaware, USA	Holds the OCEP Loan	96.68%
FP Puerto Rico Invest, LLC	Delaware, USA	Holds the Delta Loan	98.00%
Switch Power Ontario Battery Operations Corp.	Ontario, Canada	Operates a portfolio of Battery Energy Storage Systems (BESS)	100.00%
Switch Power Ontario Solar Operations Corp.	Ontario, Canada	Solar power generation from rooftop solar Systems	100.00%

In September 2024, RE Royalties (Canada) Ltd. was dissolved, and all its assets and liabilities were assigned to the Company.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

Intra-group balances and transactions, including any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Financial Statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

(c) Significant accounting estimates and judgements

In preparing these Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

There was no change in the use of estimates and judgments during the current period as compared to those described in Note 2 in the Company's consolidated financial statements for the year ended December 31, 2024.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

3 . BUSINESS COMBINATIONS

(a) *Switch Power Ontario Battery Operations Corp. (SPOBOC)*

Effective November 1, 2024, pursuant to the loan agreement with SPOBOC, the Company exercised its right whereby it acquired the ownership of the shares of SPOBOC in full and final settlement of the amounts receivable from SPOBOC. As a result, SPOBOC became a wholly-owned subsidiary of the Company, and the financial statements of SPOBOC are included in these financial statements since November 1, 2024. The acquisition has been accounted for as a business combination using the acquisition method where the acquired assets and liabilities assumed are recorded at their estimated fair values, which are measured in accordance with the Company's accounting policies. Details of the business combination are as follows:

Consideration (full and final settlement of the Switch Power Loan	Note	\$ 3,797,127
Recognised amounts of identifiable net assets:		
Property, plant and equipment – Battery		\$ 1,561,080
Intangible assets – contracts with clients		3,177,000
Amounts receivable and prepaid expenses		768,759
Trade payables		(473,889)
Loan payable	13	(385,117)
Government grant payable	11	(170,350)
Deferred government grants	11	(570,000)
Decommissioning liabilities	12	(110,356)
Net identifiable assets and liabilities		\$ 3,797,127

As of the date of its acquisition by the Company, SPOBOC had certain development stage BESS projects ("SPOBOC Development Projects"), and for one of those projects, it had provided an interconnection deposit, and it also had a corresponding liability by way of an unsecured loan payable to a third-party, namely, Peak Power Inc. ("Peak Power"), with an outstanding principal sum of \$340,000, and accrued interest of \$35,117 at the rate of Canadian Prime Interest Rate, plus 2% per annum.

As of the date of the Financial Statements, the Company has determined that the fair value estimate of the BESS is provisionally completed; the Company intends to hire an independent appraiser to fair value the asset. The Company finalized its estimates of the fair value of all other net assets of SPOBOC acquired.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(b) *Switch Power Ontario Solar Operations Corp. (SPOSOC)*

Effective November 1, 2024, pursuant to the loan agreement with SPOSOC, the Company exercised its right whereby it acquired the ownership of the shares of SPOSOC in full and final settlement of the amounts receivable from SPOSOC. As a result, SPOSOC became a wholly-owned subsidiary of the Company, and the financial statements of SPOSOC are included in these financial statements since November 1, 2024. The acquisition has been accounted for as a business combination using the acquisition method where the acquired assets and liabilities assumed are recorded at their estimated fair values, which are measured in accordance with the Company's accounting policies. Details of the business combination are as follows:

Consideration (full and final settlement of the Switch Solar Loan)		\$ 1,197,862
<hr/>		
Recognised amounts of identifiable net assets:		
Property, plant and equipment – Solar		\$ 894,779
Intangible assets – contract with client		446,000
Amounts receivable		44,926
Trade payables		(12,172)
Decommissioning liabilities	12	(175,671)
Net identifiable assets and liabilities		<u>\$ 1,197,862</u>

As of the date of the Financial Statements, the Company has determined that the fair value of the Solar asset is provisionally completed; the Company intends to hire an independent appraiser to fair value the asset. The Company finalized its estimate of the fair value of all other net assets of SPOSOC acquired.

4 . CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH

	Note	September 30, 2025	December 31, 2024
<hr/>			
Components of cash and cash equivalents and restricted cash:			
Cash held in business accounts			
Denominated in Canadian Dollars		\$ 3,019,369	\$ 8,042,417
Denominated in US Dollars		8,694,840	4,617,570
<hr/>			
Cash invested in Treasury Bills – Denominated in US Dollars		–	3,887,953
Total		<u>\$ 11,714,209</u>	<u>\$ 16,547,940</u>
<hr/>			
Cash and cash equivalents, including restricted cash, by currencies			
Denominated in Canadian Dollars		\$ 3,019,369	\$ 8,042,417
Denominated in US Dollars		8,694,840	8,505,523
		<u>\$ 11,714,209</u>	<u>\$ 16,547,940</u>
<hr/>			
Cash and cash equivalents and restricted cash subject to restrictions on use by the Company:			
Cash held as collateral against a letter of credit		\$ 1,575,000	\$ 6,300,000
Net proceeds from the Green Bonds pending deployment (i)		10,139,209	10,247,940
		<u>\$ 11,714,209</u>	<u>\$ 16,547,940</u>

(i) Net proceeds from the Green Bonds offering to be utilized to finance renewable energy projects and clean energy technology in accordance with the Company's Green Bond Framework.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

5 . SECURED LOANS AND ROYALTY INTERESTS

	Note	September 30, 2025	December 31, 2024
Secured Loans – Amortized Cost			
FuseForward Solutions		\$ 3,551,279	\$ 3,551,279
OCEP		5,800,669	6,309,922
Revolve		–	1,652,812
Revolve Cancun		–	1,539,526
Delta		3,565,844	3,684,353
CleanLight		3,328,692	3,369,511
Clean Communities		1,563,088	1,701,446
Revolve Windriver		–	4,024,324
Revolve Rooftop Solar		–	412,214
Abraxas		1,134,690	1,026,324
Alpin Sun Sol Aurora		513,211	154,443
Solar High Yields		3,132,692	2,973,617
Clear Blue Technologies	5(b)	354,982	–
Revolve consolidated		2,830,128	–
		25,775,275	30,399,771
Allowance for lifetime expected losses due to credit impairment (stage 3 ECL)		(7,603,783)	(7,738,502)
Total secured loans at amortized cost, net of allowance(s) for expected credit losses		18,171,492	22,661,269
Secured Loans – FVTPL			
Aeolis Wind Power Corporation	17(e)	817,436	875,099
Royalty Interests			
Northland Power Inc.		1,047,196	1,145,371
OntarioCo		213,002	225,749
Scotian Windfields		1,055,102	1,127,039
NOMAD		490,312	604,158
Revolve		62,938	69,213
Revolve Cancun		65,272	71,603
AlbertaCo		744,987	805,405
Clean Communities		131,584	133,362
Revolve Windriver		242,301	247,766
Revolve Rooftop Solar		23,665	24,956
Abraxas		28,345	28,345
Solar High Yields		72,456	72,456
Clear Blue Technologies	5(b)	1	–
		4,177,161	4,555,423
Total		\$ 23,166,089	\$ 28,091,791
Non-current portion			
		\$ 9,726,707	\$ 17,520,819
Current portion			
		13,439,382	10,570,972
Total		\$ 23,166,089	\$ 28,091,791

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Lifetime expected credit losses	Note	September 30,	
		2025	2024
Beginning balance		\$ 7,738,502	\$ 4,778,775
Increase in the loss allowance as a result of revaluations		-	617,671
Foreign currency revaluation adjustment		(134,719)	-
Ending balance		\$ 7,603,783	\$ 5,396,446

The continuity schedules for secured loans at amortized cost are as follows:

Secured Loans - Amortized Cost

For the nine months ended September 30, 2025

	Balance as at January 1, 2025	Fair value at initial recognition	Transaction costs	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Derecognition/ Adjustments	Gross Carrying amount at September 30, 2025	Expected lifetime credit losses - Stage 3	Net Carrying amount at September 30, 2025
FuseForward Solutions	\$ 3,551,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,551,279	\$ (3,551,279)	\$ -
OCEP	6,309,922	-	-	1,009,246	(1,303,155)	(215,344)	-	5,800,669	(893,644)	4,907,025
Revolve	1,652,812	-	-	115,812	(545,624)	-	(1,223,000)	-	-	-
Revolve Cancun	1,539,526	-	-	119,383	(514,530)	-	(1,144,379)	-	-	-
Delta	3,684,353	-	-	-	-	(118,509)	-	3,565,844	(1,318,832)	2,247,012
CleanLight	3,369,511	-	-	69,769	-	(110,588)	-	3,328,692	(1,840,028)	1,488,664
Clean Communities	1,701,446	-	-	161,642	(300,000)	-	-	1,563,088	-	1,563,088
Revolve Windriver (i)	4,024,324	-	-	230,075	(4,254,399)	-	-	-	-	-
Revolve Rooftop Solar	412,214	-	-	72,280	(83,370)	-	(401,124)	-	-	-
Abraxas	1,026,324	-	-	108,366	-	-	-	1,134,690	-	1,134,690
Solar High Yields	2,973,617	-	-	355,526	(196,451)	-	-	3,132,692	-	3,132,692
Alpin Sun Sol Aurora	154,443	-	275	563,228	(204,735)	-	-	513,211	-	513,211
Clear Blue Technologies	-	323,889	2,992	36,287	(8,186)	-	-	354,982	-	354,982
Revolve consolidated loan	-	2,782,379	-	47,749	-	-	-	2,830,128	-	2,830,128
Total	\$ 30,399,771	\$ 3,106,268	\$ 3,267	\$ 2,889,363	\$ (7,410,450)	\$ (444,441)	\$ (2,768,503)	\$ 25,775,275	\$ (7,603,783)	\$ 18,171,492

(i) In January 2025, Revolve prepaid the Windriver loan.

(ii) In April 2025, the Revolve Loan and Revolve Cancun Loan were extended to July 31, 2025, and the interest rate on both the loans increased to 13% per annum.

(iii) In July 2025, the outstanding balance of the Revolve Loan, Revolve Cancun Loan and Revolve Rooftop Solar Loan were consolidated into a single loan agreement and extended the maturity till July 31, 2026. The interest rate on the consolidated loan amount is 13% per annum.

For the nine months ended September 30, 2024

	Balance as at January 1, 2024	Fair value at initial recognition	Transaction costs	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Derecognition/ Adjustments	Gross Carrying amount at September 30, 2024	Expected lifetime credit losses - Stage 3	Net Carrying amount at September 30, 2024
Switch Power	\$ 9,003,347	\$ -	\$ -	\$ 719,874	\$ (103,000)	\$ -	\$ -	\$ 9,620,221	\$ (1,634,892)	\$ 7,985,329
FuseForward Solutions	3,551,279	-	-	-	-	-	-	3,551,279	(3,551,279)	-
OCEP	7,171,415	-	-	1,330,558	(2,891,483)	152,373	-	5,762,863	-	5,762,863
NOMAD	6,625,486	-	-	871,686	(7,602,283)	105,111	-	-	-	-
Revolve	1,634,897	-	-	157,684	(122,642)	-	-	1,669,939	-	1,669,939
Switch Solar	1,442,200	-	-	105,293	(44,000)	-	-	1,503,493	(210,275)	1,293,218
Revolve Cancun	1,892,724	-	-	199,915	(554,896)	-	-	1,537,743	-	1,537,743
Delta	2,842,863	-	-	554,444	(185,551)	56,634	-	3,268,390	-	3,268,390
Cleanlight	1,927,580	959,092	3,532	379,708	(220,215)	30,765	-	3,080,462	-	3,080,462
Clean Communities	-	1,517,217	25,032	86,797	-	-	-	1,629,046	-	1,629,046
Revolve Windriver	-	3,675,880	40,912	353,609	(189,585)	-	-	3,880,816	-	3,880,816
Revolve Rooftop Solar	-	385,894	5,268	32,701	(14,423)	-	-	409,440	-	409,440
Total	\$ 36,091,791	\$ 6,538,083	\$ 74,744	\$ 4,792,269	\$ (11,928,078)	\$ 344,883	\$ -	\$ 35,913,692	\$ (5,396,446)	\$ 30,517,246

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The continuity schedules for royalty interests are as follows:

Royalty Interests	Cost			Depletion / Impairment			Carrying Amount
	Beginning Balance	Additions/ (disposal)	Ending Balance	Beginning Balance	Depletion for the period	Ending Balance	
Nine months ended September 30, 2025							
Northland Power Inc.	\$ 1,871,864	\$ -	\$ 1,871,864	\$ 726,493	\$ 98,175	\$ 824,668	\$ 1,047,196
OntarioCo	316,559	-	316,559	90,810	12,747	103,557	213,002
Scotian Windfields	1,598,626	-	1,598,626	471,587	71,937	543,524	1,055,102
NOMAD	932,665	-	932,665	328,506	113,847	442,353	490,312
Revolve	85,624	-	85,624	16,411	6,276	22,686	62,938
Revolve Cancun	84,010	-	84,010	12,407	6,331	18,738	65,272
AlbertaCo	939,669	-	939,669	134,265	60,417	194,682	744,987
Clean Communities	133,362	-	133,362	-	1,778	1,778	131,584
Revolve Windriver	253,232	-	253,232	5,466	5,465	10,931	242,301
Revolve Rooftop Solar	24,956	-	24,956	-	1,291	1,291	23,665
Abraxas	28,345	-	28,345	-	-	-	28,345
Solar High Yields	72,456	-	72,456	-	-	-	72,456
Clear Blue Technologies	-	1	1	-	-	-	1
Total	\$ 6,341,368	\$ 1	\$ 6,341,369	\$ 1,785,945	\$ 378,264	\$ 2,164,208	\$ 4,177,161
Nine months ended September 30, 2024							
Northland Power Inc.	\$ 1,871,864	\$ -	\$ 1,871,864	\$ 595,593	\$ 65,450	\$ 661,043	\$ 1,210,821
OntarioCo	316,559	-	316,559	73,814	8,498	82,312	234,247
Scotian Windfields	1,598,626	-	1,598,626	375,671	47,958	423,629	1,174,997
Switch Power	358,695	-	358,695	70,970	16,600	87,569	271,126
NOMAD	932,665	-	932,665	34,713	-	34,714	897,951
Revolve	73,155	-	73,155	9,217	3,445	12,663	60,492
Switch Solar	16,008	-	16,008	1,600	600	2,200	13,808
Revolve Cancun	70,600	-	70,600	4,756	3,548	8,304	62,296
AlbertaCo	939,669	-	939,669	53,706	40,278	93,984	845,685
CleanLight	204,432	124,108	328,540	9,063	14,400	23,463	305,077
Clean Communities	-	133,362	133,362	-	-	-	133,362
Revolve Windriver	-	253,232	253,232	-	1,822	1,822	251,410
Revolve Rooftop Solar	-	24,956	24,956	-	-	-	24,956
Total	\$ 6,382,273	\$ 535,658	\$ 6,917,931	\$ 1,229,103	\$ 202,599	\$ 1,431,703	\$ 5,486,228

(a) *Revolve Letter of Intent*

On April 1, 2025, the Company announced that it had entered into a letter of intent ("Revolve LOI") for a secured loan (the "Revolve Wind Project Loan"), with a 24-month term, and bearing interest at 12% per annum, with Revolve Renewable Power Corp. (TSX.V: REVV) ("Revolve"), a North American owner, operator and developer of renewable energy projects, of up to US\$8,000,000 to support Revolve's proposed acquisition (the "Proposed Acquisition") of an operating wind energy project in the United States (the "Revolve Wind Project"). The Company was also to receive a royalty of 5% on gross revenues generated by the Revolve Wind Project for its remaining life.

In June 2025, pursuant to the terms of the Revolve Wind Project Loan agreement, the Company deposited \$10,927,200 (US\$8,000,000) (the "Escrowed Funds") into an escrow account, which funds were to be released to Revolve upon its fulfillment of the conditions precedent to the Proposed Acquisition of the Revolve Wind Project. The Company recorded the Escrowed Funds as a deposit, and classified it within secured loans.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

In September 2025, the Escrowed Funds were reverted to the Company, as the conditions precedent to the Proposed Acquisition remained unfulfilled, and the Company was relieved of any commitment under the Revolve LOI and related agreements. The Company earned interest on the Escrowed Funds at 12% per annum.

(b) Clear Blue Technologies

In April 2025, the Company completed a transaction with Clear Blue Technologies International Inc. ("Clear Blue") for an aggregate transaction price of \$500,000 to extinguish Clear Blue's existing bank loan and to provide working capital to Clear Blue. The transaction was structured into three components: a 1-year term loan (the "Clear Blue Loan") with the principal sum of \$375,000, bearing interest rate at 12% per annum; a 15-year royalty of 0.75% on gross consolidated revenues (the "Clear Blue Royalty") (total cumulative royalty payments capped at \$750,000); and 1,388,889 equity units (the "Clear Blue Units") (each comprised of one common share and one common share purchase warrant exercisable at \$0.30 for 24 months).

The Clear Blue Loan is secured by a first ranking senior security over all present and after acquired property of Clear Blue and its subsidiaries, and a second ranking position on Intellectual Property and key-person Life Insurance policy.

At initial recognition, the Company recorded the Clear Blue Units at fair value as of the date of acquisition, and the Clear Blue Loan at fair value, plus transaction costs. The Clear Blue Royalty was recorded at a nominal value of \$1 in these Financial Statements.

(c) Revolve Loans – Consolidation and Modification Agreement

In July 2025, the Company entered into a consolidation and modification agreement (the "Consolidation and Modification Agreement") with Revolve Power to consolidate the three existing loans receivable from Revolve, namely: Revolve Loan, Revolve Cancun Loan, and Revolve Rooftop Solar Loan (collectively: the "Revolve Mexico Loans") into a single consolidated loan (the "Revolve Consolidated Loan"). The Revolve Consolidated Loan has a one-year term, and bears interest rate at 13% per annum. During the term of the Revolve Consolidated Loan, \$150,000 is payable on a quarterly basis, in addition to accrued interest, against the principal sum of the loan. During the nine months ended September 30, 2025, and prior to the date of the Consolidation and Modification Agreement, the Company received an aggregate amount of \$754,000 against the principal sum of the Revolve Mexico Loans.

The Consolidation and Modification Agreement will also result in consolidation of the three existing security agreements with respect to individual Revolve Mexico Loans.

Upon entering into the Consolidation and Modification Agreement, the Company derecognized the existing Revolve Mexico Loans and recorded the Revolve Consolidated Loan at fair value.

(d) Alpin Sun Sol Aurora

On November 28, 2024, the Company entered into a secured loan agreement (the "Alpin Sun Loan") for \$6,330,000 with Alpin Sun, SA ("Alpin"), a wholly-owned subsidiary of Alpin Sun, to develop a solar project (the "Sol Aurora Project") in Alberta, Canada. Pursuant to the Alpin Sun Loan, the Company also received a gross revenue royalty of \$0.25 per MWh of energy production (the "Alpin Sun Royalty") on the Sol Aurora Project for the life of the project. The Company provided a cash advance of \$30,000 and a \$6,300,000 letter of credit (the "Original Sol Aurora LoC") on behalf of Alpin to meet their security requirement with the Alberta Electricity System Operator ("AESO"). The Alpin Sun Loan had an initial term of 12 months with an interest rate of 13% per annum, compounded monthly, and payable quarterly.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The Sol Aurora Project was subsequently downsized to a project with smaller capacity, and in September 2025, the Original Sol Aurora LoC was returned to the issuing bank and cancelled. The Company arranged for a new letter of credit for \$1,575,000 on behalf of Alpin to meet their security requirement with the AESO for the downsized project. The Company and Alpin entered into a supplemental loan agreement for the amount of the new letter of credit, which agreement has an initial term of 12 months and bear interest at 13% per annum, compounded monthly, and payable quarterly. The Alpin Sun Royalty will apply to the downsized Sol Aurora Project.

6 . PROPERTY, PLANT AND EQUIPMENT

Equipment

	Note	Solar	Battery	Total
Cost				
Balance at January 1, 2025 and September 30, 2025		\$ 894,779	\$ 1,561,080	\$ 2,455,859
Accumulated Depreciation				
As at January 1, 2025		\$ 7,648	\$ 17,061	\$ 24,709
Depreciation		34,416	76,776	111,192
Balance at September 30, 2025		\$ 42,064	\$ 93,837	\$ 135,901
Carrying value				
As at September 30, 2025		\$ 852,715	\$ 1,467,243	\$ 2,319,958

7 . INTANGIBLE ASSETS

	Note	Solar	Battery	Total
Cost				
Balance at January 1, 2025 and September 30, 2025		\$ 446,000	\$ 3,177,000	\$ 3,623,000
Accumulated Amortization				
As at January 1, 2025		\$ 7,079	\$ 72,225	\$ 79,304
Amortization		31,857	325,015	356,871
Balance at September 30, 2025		\$ 38,936	\$ 397,240	\$ 436,175
Carrying value				
As at September 30, 2025		\$ 407,065	\$ 2,779,761	\$ 3,186,825

8 . DERIVATIVE FINANCIAL ASSET AND MARKETABLE SECURITIES

Continuity of derivative financial asset and marketable securities	Note	Nine months ended	Year ended
		September 30, 2025	December 31, 2024
Beginning Balance		\$ 1	\$ 104,356
Initial recognition of the Clear Blue Units (i)	5(b)	176,111	-
Loss on revaluation of derivative financial asset		(78,667)	(104,355)
Ending Balance		\$ 97,445	\$ 1

(i) At initial recognition, the fair value of the Clear Blue shares was determined using the market price of the shares as of the grant date and the fair value of the Clear Blue warrants was determined using the Black-Scholes Option Valuation model and the following assumptions: risk-free interest rate of 2.58%; expected annual volatility of 166%; exercise price of \$0.30; market price of \$0.08; and time to expiry of 2 years.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

9 . AMOUNTS RECEIVABLE AND PREPAID EXPENSES – CURRENT

	Note	September 30, 2025	December 31, 2024
Accrued revenue receivable - royalty revenue		\$ 996,005	\$ 748,375
Accrued revenue receivable - energy revenue		272,963	513,213
Prepaid expenses		118,219	171,680
Interconnection deposit relating to a SPOBOC Development Project	3(a) & 13	-	340,000
Interest and transaction cost recoverable pursuant to Revolve LOI	5(a)	336,902	-
Other amounts receivable		64,391	55,752
		1,788,480	1,829,020
Expected lifetime credit losses - stage 3		(129,841)	(129,841)
Total		\$ 1,658,639	\$ 1,699,179

10 . GREEN BONDS

In August 2020, the Company announced the inaugural offering of its 5-year green bonds ("Green Bonds"), and since then the Company has issued the following series of Green Bonds:

Series	Interest rate	Maturity	No. of bonds denominated in:	
			CAD	USD
Series-1 (note 20)	6% p.a.	October 2025 - March 2026	10,166	-
Series-2	6% p.a.	December 2026	5,166	4,000
Series-3	9% p.a.	January 2028	16,423	1,242
Series-4	9% p.a.	August 2029	6,529	340
Total outstanding at September 30, 2025 and December 31, 2024			38,284	5,582

(i) Each Canadian dollar denominated Green Bond has principal amount of \$1,000 per Green Bond, and each US dollar denominated Green Bond has principal amount of US\$1,000 per Green Bond.

(ii) The Green Bonds are senior obligations of the Company, secured against the Company's portfolio of royalty and loan investments, and BESS and solar operating projects.

(iii) Series 1 Green Bonds were issued under a trust indenture (the "Indenture") dated August 10, 2020 with Western Pacific Trust Company, as trustee, and subsequent series of Green Bonds were issued under respective supplements to the Indenture.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Senior Secured Green Bonds	Note	Nine months ended September 30, 2025	Year ended December 31, 2024
Beginning balance		\$ 44,085,035	\$ 36,230,500
Net proceeds from Green Bond – Series-4 Private Placement(brokered)			
Aggregate gross proceeds from issuance of Green Bonds		–	5,793,135
Cash commission		–	(405,519)
		–	5,387,616
Net proceeds from Green Bond – Series-4 Private Placement (non-brokered)			
Aggregate gross proceeds from issuance of Green Bonds		–	1,207,135
Advisory fees		–	(78,596)
		–	1,128,539
Financing costs			
Legal and professional fees		–	235,417
Fair value of compensation warrants (note 14) issued pursuant to: Series-4 Private Placement		–	48,000
		–	(283,417)
Amortization of financing costs		682,142	812,696
Foreign exchange translation difference		(453,537)	809,101
Ending balance		\$ 44,313,640	\$ 44,085,035
Non-current portion		34,163,835	34,283,035
Current portion		10,149,805	9,802,000
Ending balance		\$ 44,313,640	\$ 44,085,035
Carrying amount of the Green Bond liability by series:			
Series-1 6% Green Bonds		10,149,805	10,003,140
Series-2 6% Green Bonds		10,498,969	10,542,981
Series-3 9% Green Bonds		17,263,359	17,041,441
Series-4 9% Green Bonds		6,401,507	6,497,473
Ending balance		\$ 44,313,640	\$ 44,085,035

Interest reserve account

Pursuant to the Green Bonds indenture, the Company is required to maintain, with the Bond Trustee, a deposit equivalent to interest payments for six months in the interest reserve account. During the three months ended March 31, 2025, the Company contributed \$315,890 to the interest reserve account for Series-4 Green Bonds.

Funds held for repayment of Green Bonds

As of September 30, 2025, the Company had funded a bank account of the transfer agents for its Green Bonds ahead of the repayment of the first tranche of Series 1 Green Bonds, which repayment was completed after the end of reporting period on October 2, 2025.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

11 . DEFERRED GOVERNMENT GRANT AND GOVERNMENT GRANT REPAYABLE

	September 30, 2025	December 31, 2024
Deferred government grant	\$ 570,000	\$ 570,000
Government grant payable	\$ 170,350	\$ 170,350

As of November 1, 2024, the date of acquisition of SPOBOC by the Company (note 3(a)), SPOBOC had received a grant from Natural Resources Canada (“NRCAN”) under their Smart Renewables and Electrification Pathways program (the "SREP") for an aggregate amount of \$2,263,344 which was used towards capital expenditures and overheads related to the SPOBOC’s BESS projects in Ontario. The grant is subject to claw back on net income from the operating projects to which the grant pertains. The Company recognized \$570,000 in deferred government grant based on its expectation of future net income from the operating projects.

The Company also recognized a liability of \$170,350 as government grant payable, which amount represents over-contribution by NRCAN with respect to one of SPOBOC’s unfinished project. The payable is due either at commissioning or formal termination of the project. As of the date of these Financial Statement, the Company will not move forward with the project.

12 . DECOMMISSIONING LIABILITIES

Decommissioning liabilities represent the present value of future cash outflows required to dismantle BESS and solar assets and restore the sites per legal and regulatory requirements. The amount recognized as a provision is the best estimate of the expenditures required to settle the provision. The reclamation provision related to the BESS and Solar assets has been recorded using a discount rate of 3.23% and an inflation factor of 2%. As at September 30, 2025, the undiscounted estimated reclamation costs are approximately \$135,212 (December 31, 2024: \$135,166) and \$220,305 (December 31, 2024: \$220,243), respectively. The aggregate carrying amount of the obligation is:

	Note	Nine months ended September 30,	
		2025	2024
Beginning balance		\$ 294,659	\$ -
Accretion and remeasurement		(20,200)	-
Ending balance		\$ 274,459	\$ -

13 . LOAN PAYABLE

	Note	Nine months ended September 30,	
		2025	2024
Beginning balance		\$ 389,492	\$ -
Interest accrued		15,162	-
Derecognition upon sale of SPOBOC Development Projects	3(a)	(404,654)	-
Ending balance		\$ -	\$ -

Loan payable is an unsecured obligation of the Company, payable to a third-party with an outstanding principal sum of \$340,000, subject to interest at the rate of Canadian Prime Interest Rate, plus 2% per annum.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

In August 2025, two of the SPOBOC Development Projects (note 3(a)) were sold to Peak Power, and as part of this sale, the interconnection deposit (note 9) and related loan payable, including any interest accrued thereon, were transferred to Peak Power, and were derecognized in these Financial Statements. The aforementioned sale did not involve any cash consideration. The Company recognized a gain of \$64,654 with respect to the sale of SPOBOC Development Projects, as per the following:

Gain on sale of SPOBOC Development Projects	Note	Amount
Derecognition of loan payable		\$ 404,654
Derecognition of interconnection deposit	9	(340,000)
		<u>64,654</u>

14 . SHARE CAPITAL AND RESERVES

(a) Share capital

The authorized share capital of the Company was comprised of an unlimited number of common shares without par value (the "Common Shares"). All issued shares are fully paid.

(b) Reserves

Share-based payment expense

	Nine months ended September 30,	
	2025	2024
Expense arising from equity-settled share-based payment transactions		
Share purchase options	\$ -	\$ 38,644
Restricted Share Units ("RSUs")	29,585	76,920
	29,585	115,564
Changes in the fair value of cash-settled share-based awards	(2,646)	(2,696)
Total	\$ 26,939	\$ 112,868

The equity-settled share-based payment expenses represent amortization of the fair value of the Company's share purchase options over the vesting term of the options.

Continuity of share purchase options:

	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding Options – beginning balance	2,030,000	\$ 1.00	2,410,000	\$ 1.05
Granted during the period	-	\$ -	-	\$ -
Expired	-	\$ -	(380,000)	\$ 1.32
Outstanding Options – ending balance	2,030,000	\$ 1.00	2,030,000	\$ 1.00
Options Exercisable – ending balance	2,030,000	\$ 1.00	1,502,000	\$ 1.13

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Remaining contractual life of the Company's common share purchase options:	September 30, 2025		December 31, 2024	
	Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
Exercise price				
\$ 1.32	1,070,000	0.39	1,070,000	1.13
\$ 0.65	960,000	0.58	960,000	1.33
	2,030,000	0.48	2,030,000	1.22

Deferred share units and restricted share units

Continuity of DSUs and RSUs:	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
	DSUs	RSUs	DSUs	RSUs
Outstanding at the beginning of the period	180,501	157,000	180,501	314,000
Granted during the period	-	-	-	-
Outstanding at the end of the period	180,501	157,000	180,501	314,000
Units vested – ending balance	180,501	-	180,501	-

(i) The grant date fair value for these DSUs and RSUs was \$0.67 per unit.

Share purchase warrant reserve

The continuity of the Company's share purchase warrants for the nine months ended September 30, 2025 is as follows:

Expiry date	Exercise price	January 1, 2025	Warrants issued	Warrants exercised	Warrants expired	September 30, 2025
January 30, 2026 (i)	\$ 0.75	239,493	-	-	-	239,493
February 3, 2026 (i)	\$ 0.75	319,853	-	-	-	319,853
February 28, 2026 (i)	\$ 0.75	91,420	-	-	-	91,420
March 1, 2026 (i)	\$ 0.75	159,740	-	-	-	159,740
March 31, 2026 (i)	\$ 0.75	13,860	-	-	-	13,860
August 29, 2027	\$ 0.50	297,780	-	-	-	297,780
November 13, 2027 (ii)	\$ 0.50	130,550	-	-	-	130,550
December 10, 2027 (ii)	\$ 0.50	45,500	-	-	-	45,500
		1,298,196	-	-	-	1,298,196

(i) These represent the warrants issued to the underwriters for the Series-3 Public offering and Series -3 Private placement of Series-3 Green Bonds (note 11), and their weighted average fair value as of the date of issuance was \$0.2296 per warrant, which fair value was determined using the Black-Scholes Option Valuation model and the following assumptions: weighted average risk-free interest rate of 3.45% ; expected volatility of 55%; exercise price of \$0.75; underlying weighted average market price of \$0.76 per share; and time to expiry of 3 years.

(ii) These represent the warrants issued to the underwriters for the Series -4 Private placement of Series-4 Green Bonds (note 11), and their weighted average fair value as of the date of issuance was \$0.1007 per warrant, which fair value was determined using the Black-Scholes Option Valuation model and the following assumptions: weighted average risk-free interest rate of 3.01% ; expected volatility of 53.29%; exercise price of \$0.5; underlying weighted average market price of \$0.47 per share; and time to expiry of 3 years.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The continuity of the Company's share purchase warrants for the nine months ended September 30, 2024 is as follows:

Expiry date	Exercise price	January 1, 2024	Warrants issued	Warrants exercised	Warrants expired	September 30, 2024
June 15, 2024	\$ 1.10	9,837,680	-	-	(9,837,680)	-
June 15, 2024	\$ 0.82	776,250	-	-	(776,250)	-
January 30, 2026 (i)	\$ 0.75	239,493	-	-	-	239,493
February 3, 2026 (i)	\$ 0.75	319,853	-	-	-	319,853
February 28, 2026 (i)	\$ 0.75	91,420	-	-	-	91,420
March 1, 2026 (i)	\$ 0.75	159,740	-	-	-	159,740
March 31, 2026 (i)	\$ 0.75	13,860	-	-	-	13,860
August 29, 2027	\$ 0.50	-	297,780	-	-	297,780
		11,438,296	297,780	-	(10,613,930)	1,122,146

(i) These represent the warrants issued to the underwriters for the Series-3 Public offering and Series -3 Private placement of Series-3 Green Bonds (note 6), and their weighted average fair value as of the date of issuance was \$0.2296 per warrant, which fair value was determined using the Black-Scholes Option Valuation model and the following assumptions: weighted average risk-free interest rate of 3.45% ; expected volatility of 55%; exercise price of \$0.75; underlying weighted average market price of \$0.76 per share; and time to expiry of 3 years.

(c) Distribution to shareholders

During the nine months ended September 30, 2025 and 2024, the Company declared the following cash distributions to its shareholders:

Declaration date	Record date	Payment date	Amount	
			Per share	Total
Nine months ended September 30, 2025				
January 8, 2025	January 29, 2025	February 19, 2025	\$ 0.01	\$ 433,768
April 9, 2025	April 30, 2025	May 21, 2025	0.01	433,768
July 23, 2025	August 13, 2025	September 3, 2025	0.01	433,768
				\$ 1,301,304
Nine months ended September 30, 2024				
January 10, 2024	January 31, 2024	February 21, 2024	\$ 0.01	\$ 432,620
April 10, 2024	May 1, 2024	May 22, 2024	0.01	432,620
July 10, 2024	July 31, 2024	August 21, 2024	0.01	432,620
				\$ 1,297,860

See Note 20(a) for the cash distribution declared after the end of the current reporting period.

15 . RELATED PARTY TRANSACTIONS

Key management personnel ("KMP") are those persons, including its directors and executive officers, that have the authority and responsibility for planning, directing and controlling the activities of the Company. Transactions with KMP were as follows:

Remuneration for services rendered	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Short-term employment benefits (i)	\$ 123,227	\$ 114,582	\$ 380,127	\$ 366,893
Equity-settled share-based compensation	1,508	3,900	4,523	6,867
Cash-settled share-based compensation	(2,768)	(564)	(2,646)	(2,696)
Total	\$ 121,967	\$ 117,918	\$ 382,004	\$ 371,064

(i) Includes executive salaries and directors' fees relating to the Company's key management personnel.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

16 . BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The Company presents basic and diluted (loss) income per share data for its common shares, calculated by dividing the (loss) income attributable to common shareholders by the weighted average number of common shares and fully-vested equity-settled DSUs (requiring no additional consideration to be exercised) that were outstanding during the period. Diluted (loss) income per share does not adjust (loss) income attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For purposes of the calculation of diluted loss per share for the three and nine months ended September 30, 2025, the share purchase options, RSUs, and warrants were excluded from the calculation of diluted loss per share as they were anti-dilutive. For purposes of the calculation of diluted loss per share for the three and nine months ended September 30, 2024, the share purchase options and warrants were excluded from the calculation of diluted income per share as they were anti-dilutive.

17 . FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) *Credit Risk*

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its secured loans (note 5) and other financial assets, including cash and cash equivalents and restricted cash and amounts receivable.

The Company limits the exposure to credit risk for cash and cash equivalents and restricted cash by only investing it with high-credit quality financial institutions in business and saving accounts, which are available on demand by the Company. The Company limits the exposure to credit risk with respect to secured loans through securing the Company's right therein against the underlying renewable energy assets or against the borrowers' ownership interest in the underlying renewable energy assets.

The gross carrying value of the financial asset best represents the maximum exposure to credit risk at the reporting date.

(b) *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short to medium term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is currently invested in business accounts.

The Company's Series-1 Green Bonds are maturing between October 2025 and March 2026. The Company is currently in the process of re-financing the Green Bonds and are in active discussions with potential groups. The Company has also allocated certain maturing investments over the next few quarters to ensure that the Company meets its repayment obligations on the Series-1 Green Bonds.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The Company's financial liabilities and other liabilities are comprised of the following:

As of September 30, 2025	Carrying Amount	Contractual Cash Flows (i)			
		Total	Less than 12 months	Between 1 - 3 years	Between 4 - 5 years
Green Bonds (ii)	\$ 44,313,640	\$ 53,882,739	\$ 12,543,042	\$ 33,458,378	\$ 7,881,319
Lease liability	12,735	12,991	12,991	-	-
Government grant payable	170,350	170,350	170,350	-	-
Trade payables and accrued liabilities	539,082	539,082	539,082	-	-
	\$ 45,035,807	\$ 54,605,162	\$ 13,265,465	\$ 33,458,378	\$ 7,881,319

(i) The amounts are gross and undiscounted, and include contractual interest payments.

(ii) Contractual cash flows relating to the US Dollar-denominated Green Bonds are converted into the reporting currency based on the exchange rate as of the reporting date.

(c) Foreign exchange risk

The Company is exposed to foreign currency risk in respect of its US Dollar-denominated monetary assets and liabilities as summarized below:

	Note	September 30, 2025		December 31, 2024	
		US Dollars	Canadian Dollars	US Dollars	Canadian Dollars
Cash	4	6,245,400	\$ 8,694,846	5,912,772	\$ 8,505,523
Secured loans	5	6,207,945	8,642,701	9,290,084	13,363,786
		12,453,345	17,337,547	15,202,856	21,869,309
Green Bonds	10	(5,582,000)	(7,771,260)	(5,582,000)	(8,029,707)
Net exposure, including foreign operations		6,871,345	\$ 9,566,287	9,620,856	13,839,602
Less: Cash and Secured loans held in foreign operations		(5,141,556)	(7,158,074)	(5,509,371)	(7,925,230)
Net exposure, excluding foreign operations		\$ 1,729,789	\$ 2,408,213	\$ 4,111,485	\$ 5,914,372
Exchange rate as of the reporting date (Canadian Dollar per US Dollar)			\$ 1.3922		\$ 1.4385

The average exchange rate for the nine months ended September 30, 2025 is \$1.4091 (September 30, 2024 - \$1.3603). The average exchange rate for the 12 months ended December 31, 2024 was \$1.3700.

Sensitivity

Exchange (income)/loss that would have been recorded in net income/loss with

a 1% increase in the value of the U.S. dollar relative to the Canadian dollar

	\$	24,000	\$	59,000
--	----	--------	----	--------

Exchange loss that would have been recorded in other comprehensive income/loss with a 1% increase in the value of the U.S. dollar relative to the Canadian dollar

	\$	72,000	\$	79,000
--	----	--------	----	--------

The Company does not have any hedging arrangement with respect to its net exposure to foreign currency risks.

The exchange differences arising on translation of foreign operations are recognised in other comprehensive difference.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(d) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Company is subject to interest rate cash flow risk with respect to its investments in cash and cash equivalents and restricted cash. The Company's policy is to invest cash at fixed rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates and when cash and cash equivalents mature impact interest income earned.

The Company is subject to interest rate fair value risk with respect to the secured loan to Aeolis, which is carried at fair value (note 17(e)). An increase of 25 basis points in discount rates will result in a decrease of approximately \$9,900 in the fair value of the secured loan to Aeolis.

All other investments in financial assets and borrowings through financial liabilities of the Company are subject to fixed interest rates and are carried at amortized cost in these Financial Statements, and are therefore not subject to interest rate risk.

(e) Fair Value

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell an asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Aeolis Loan

The Aeolis Loan is classified as a financial asset at fair value through profit and loss (note 4). At September 30, 2025, the fair value of the Aeolis Loan was determined by discounting future cash flows using annual discount rates in the range of 6.48% - 7.71% (December 31, 2024: 6.98% - 7.76%) applicable to the term of each cash flow and average annual long term inflation rate of 3% (December 31, 2024: 3%).

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

At the end of the reporting period, the fair value measurement of the Aeolis Loan (note 5) has been categorized within level 3 of the fair value hierarchy. The Company has assessed the fair value of the instrument based on a valuation technique using unobservable discounted future cash flows. Significant inputs used in the valuation of the Aeolis Loan that are not observable market data were the credit spread and other elements constituting the discount rates and inflation rates used; these inputs require judgement. An increase in average future annual inflation rate used in valuation of the Aeolis Loan from 3.0% to 3.1% would increase its fair value by approximately \$2,000.

There were no transfers between the levels of the fair value hierarchy during the reporting period.

(f) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the following: a) equity, comprising share capital, net of reserves and accumulated deficit; and b) Green Bonds.

As per the Green Bond indenture (the "Indenture"), the Company is also required to maintain a minimum debt coverage ratio ("Debt Coverage Ratio") as determined by dividing its earnings, before certain items such as interest, taxes, depreciation, amortization, and extraordinary items, by total interest payments. As per the Indenture, various financial covenants, including Debt Coverage Ratio, are subject to a cure period ("Cure Period"), whereby an event of default will only occur if the Company fails to comply with such covenants by the end of the second fiscal quarter following the occurrence of non-compliance.

As of September 30, 2025, the Company was in compliance with all debt covenants.

18 . SEGMENT INFORMATION

As the Company operates as a single segment, the Financial Statements should be read as a whole for the results of this single reporting segment.

The following is a breakdown of the Company's revenue and income by geographical areas:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
North America				
Royalty revenue	\$ 208,530	\$ 239,901	\$ 830,909	\$ 653,094
Finance income	1,172,562	1,093,389	3,520,118	4,957,868
Energy revenue	180,609	-	753,415	-
	<u>\$ 1,561,701</u>	<u>\$ 1,333,290</u>	<u>\$ 5,104,442</u>	<u>\$ 5,610,962</u>
South America				
Royalty revenue	\$ -	\$ 73,954	\$ -	\$ 123,783
Finance income	-	284,807	69,769	421,907
	<u>\$ -</u>	<u>\$ 358,761</u>	<u>\$ 69,769</u>	<u>\$ 545,690</u>
Total	<u>\$ 1,561,701</u>	<u>\$ 1,692,051</u>	<u>\$ 5,174,211</u>	<u>\$ 6,156,652</u>

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The geographical break down of the Company's royalty interests is as follows:

	September 30, 2025	December 31, 2024
North America		
Canada	\$ 3,534,974	\$ 3,810,449
United States	490,312	604,159
Mexico	151,875	140,816
Total	\$ 4,177,161	\$ 4,555,423

19 . COMMITMENT

The principal activity of SPOBOC is global adjustment and ancillary services revenue from Battery Energy Storage Systems in Ontario. Peak Power Inc. provides software maintenance services, predicting the co-incident peaks related to Global Adjustment abatement in Ontario, in order for the Company to continue providing energy as outlined in the agreements with clients. The term of each software maintenance service agreement aligns with respective energy service agreement's term detailed herein, and consists of an annual fixed fee of \$92,300 and an additional variable fee based on the energy discharged each month (note 3).

20 . EVENTS AFTER END OF THE REPORTING PERIOD

(a) *Repayment of Two Tranches of Series 1 Green Bonds*

After the end of the reporting period, in October 2025, the Company repaid \$7,518,000 for an aggregate principal sum upon maturity of the first two tranches of Series 1 Green Bonds (note 10).