

JUNE 2023

CANADIAN CLIMATE INVESTOR PRESENTATION



RENEWABLE ENERGY ROYALTIES

**Investing in a cleaner future**

TSX.V: RE

OTCQX: RROYF

## Cautionary Statement

This document contains confidential and proprietary information belonging to RE Royalties Ltd. (collectively "RER" or the "Company"). The facts and information provided in this presentation are for informational purposes only. Users should not rely on information contained herein for any purpose other than for gaining general knowledge of RE Royalties.

This presentation includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to the Company. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases including, but not limited to, "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking information". 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. Forward-looking information contained in this presentation is based on certain assumptions regarding expected growth, results of operations, performance, industry trends and growth opportunities. While management considers these assumptions to be reasonable, based on information available, they may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; future legislative and regulatory developments involving the renewable energy industry; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; the renewable energy industry generally, income tax and regulatory matters; the ability of the Company to implement its business strategies including expansion plans; competition; currency and interest rate fluctuations, and the other risks discussed in the Company's filings on SEDAR ([www.sedar.com](http://www.sedar.com)). The foregoing factors are not intended to be exhaustive. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date hereof and the Company and its directors, officers and employees disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. All forward-looking information is expressly qualified in its entirety by this cautionary statement. Forward-looking information and other information contained herein concerning management's general expectations concerning the renewable energy industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which management believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While management is not aware of any misstatements regarding any industry data or comparables presented herein, industry data and comparables are subject to change based on various factors. The Company has not independently verified any of this data from independent third-party sources.

This information is not intended to be and should not be construed in any way as part of an offering or solicitation of securities. No securities commission or other regulatory authority in Canada, the United States or any other country or jurisdiction has in any way passed upon the information contained in these pages. Although the Company believes the facts and information contained in the pages of this presentation to be correct and attempts to keep this information as current as possible, the Company does not warrant or make any representations as to the accuracy, validity or completeness of any facts or information contained in these pages. Unless otherwise specified, no user has permission to copy, redistribute, reproduce or republish, in any form, any information found in the pages of this presentation. Any user who, without authorization, re-transmits, copies or modifies any trademarks may violate federal or common law trademark and/or copywriter law, and may be subject to legal action.

# OUR VISION AND OBJECTIVE



We create wealth for our  
investors



We create a positive impact for  
the environment

Our strategic objective is to acquire a portfolio of  
**growing, long-term, stable, and diversified royalties** that will  
provide our investors with  
**long-term, sustainable cash flows.**

# WHO WE ARE



## First mover royalty company in the renewable and sustainable energy sector

- ✓ Listed on the TSX-V in November 2018
- ✓ Traded on the OTCQX as of April 2022



## \$68M+ Raised and invested into a diversified portfolio of over 100+ royalties

- ✓ Solar, wind, hydro, RNG, energy storage and efficiency
- ✓ Canada, USA, and Mexico
- ✓ \$39M invested in the past 18 months, 12 transactions
- ✓ Completed \$18M 5-Year Green Bond raise in Jan/Feb 2023



## Growth oriented company with strong track record

- ✓ 2021 Globe and Mail's Top Growing Companies
- ✓ 178% YoY revenue and income growth (Q1)
- ✓ \$40M+ in deal flow backlog



## ESG and Impact focused company

- ✓ Meets United Nations Sustainable Development Goals
- ✓ Management winners of Canada Clean50 awards in 2023 and 2020



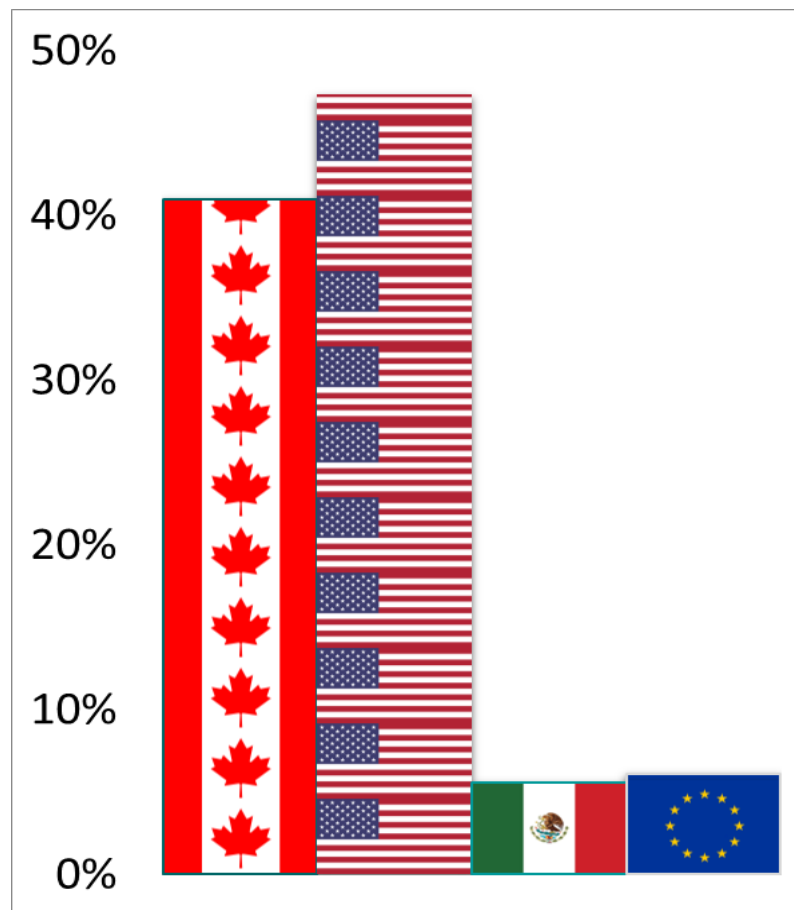
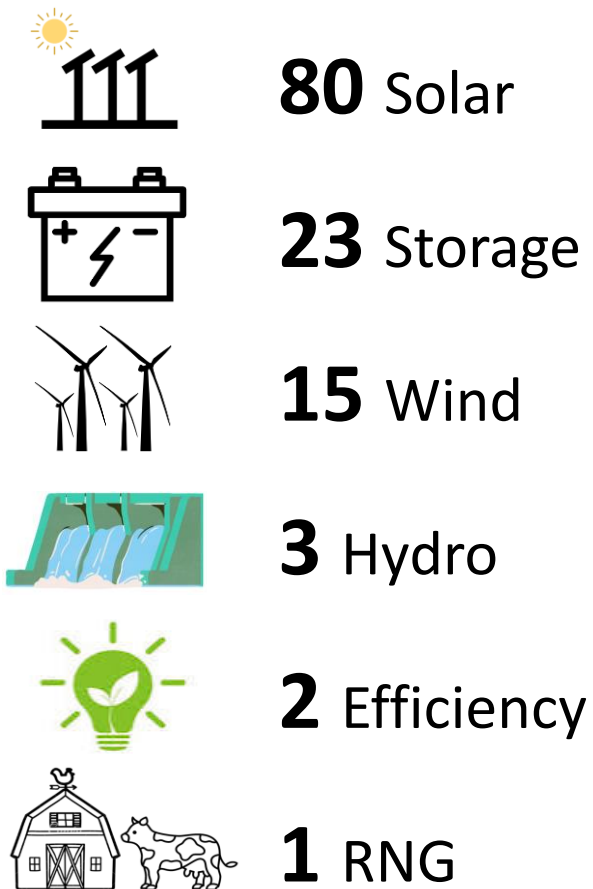
SUSTAINABLE DEVELOPMENT GOALS



2023  
**Clean50**  
exceptional contributors to the clean economy  
contributeurs exceptionnels à l'économie propre



# Our Investments



**\$62 Million Invested**  
**376 MW of Capacity**  
**123,008 homes**  
**407,202 t CO<sub>2</sub>e**

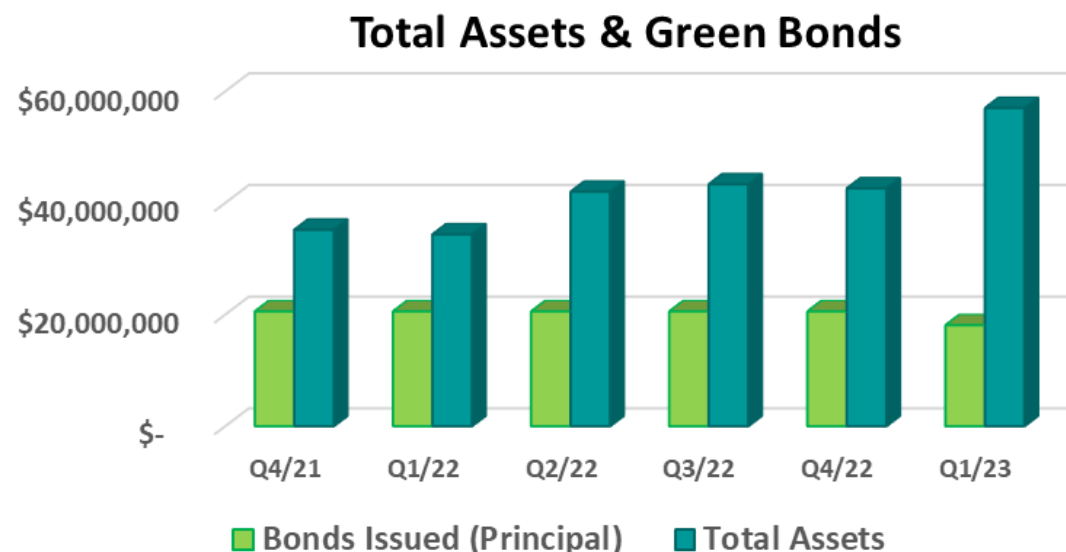
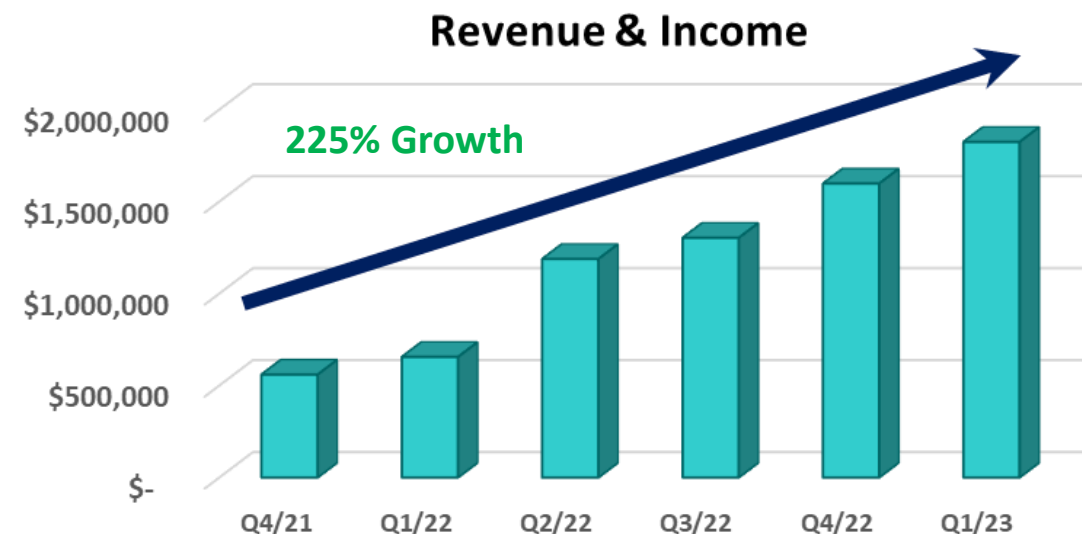


1. The above includes all historic royalty investments made to date, including those that have subsequently been repaid or royalty bought out.
2. There are 111 royalties in our current portfolio, net of buy outs.
3. US dollar transactions are converted at an exchange rate of 1.34 Canadian dollar to 1 US dollar.

# Capitalization and Financial Snapshot

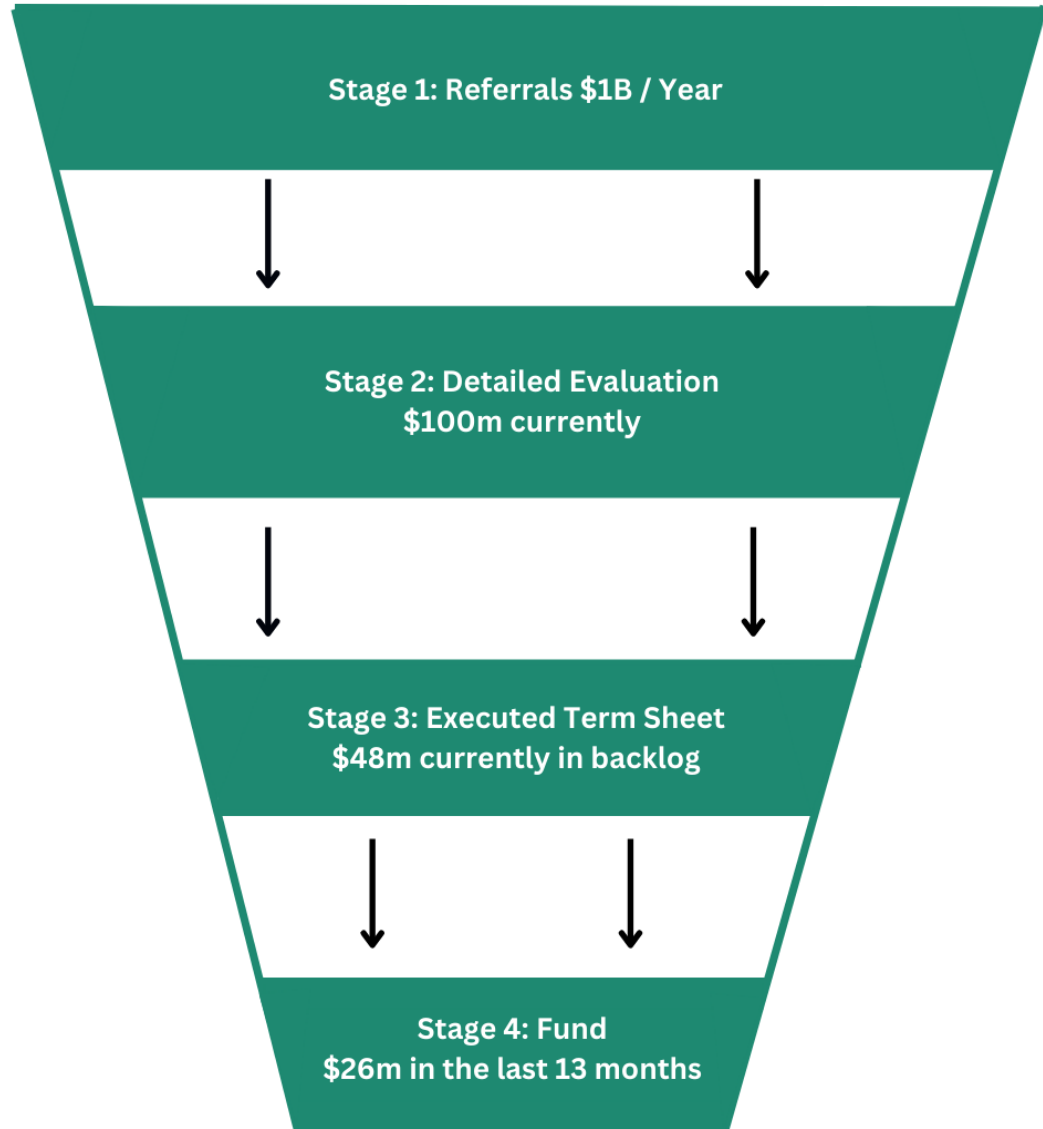
Capital Structure <sup>1</sup>	Amount
Current Share Price <sup>2</sup>	\$ 0.77
Common Shares outstanding <sup>2</sup>	43.1 million
<b>Market Capitalization</b>	<b>\$ 33.3 million</b>
Warrants outstanding	11.4 million
Options outstanding	1.6 million
<b>Fully diluted</b>	<b>56.1 million</b>
Insider Ownership %	25%

Financial Information <sup>1</sup>	Amount
Total Assets	\$ 57.0 million
Total Liabilities	\$ 36.3 million
Revenues for Q1-2023	\$ 1.8 million
Gross Margin for Q1-2023	\$ 1.8 million
Quarterly Dividend declared & paid	\$ 0.01 per share
<b>Cash as of March 31, 2023</b>	<b>\$ 17.9 million</b>



1. Please refer to our Q1 financial statements for the period ended March 31, 2023, available on SEDAR.
2. As of May 31, 2023

# DEAL PIPELINE



- \$1 billion of projects referred each year, both repeat clients and new clients
- We get about 10% of referrals to stage 2- detailed evaluation
- Once we execute a term sheet, we commence detailed due diligence, site visits and legal agreements
- Historically we have closed and funded about 70% of projects we get to stage 3



# VALUE DRIVEN BUSINESS MODEL

## WHAT WE INVEST IN:

- Only renewable and sustainable energy, no fossil fuel-based projects
- Strong ability to offset GHG
- Only commercially proven technology
- Projects operating or near operating, with long-term revenue off-takes
- Near-term cash flows
- Target IRRs in 10-20%+ range

## WHERE WE INVEST:

- OECD and EU countries
- Primary focus on North America and Europe



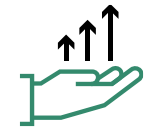
# VALUE DRIVEN BUSINESS MODEL

## HOW WE INVEST:

- Short-term secure loans (6 months to 3 years)
- Long-term royalties (15-20 years)
  - Royalties based on revenues and long-term cash-flow streams
- Re-investment of capital from short-term loans allows us to create additional new royalties from the same capital and grow our portfolio

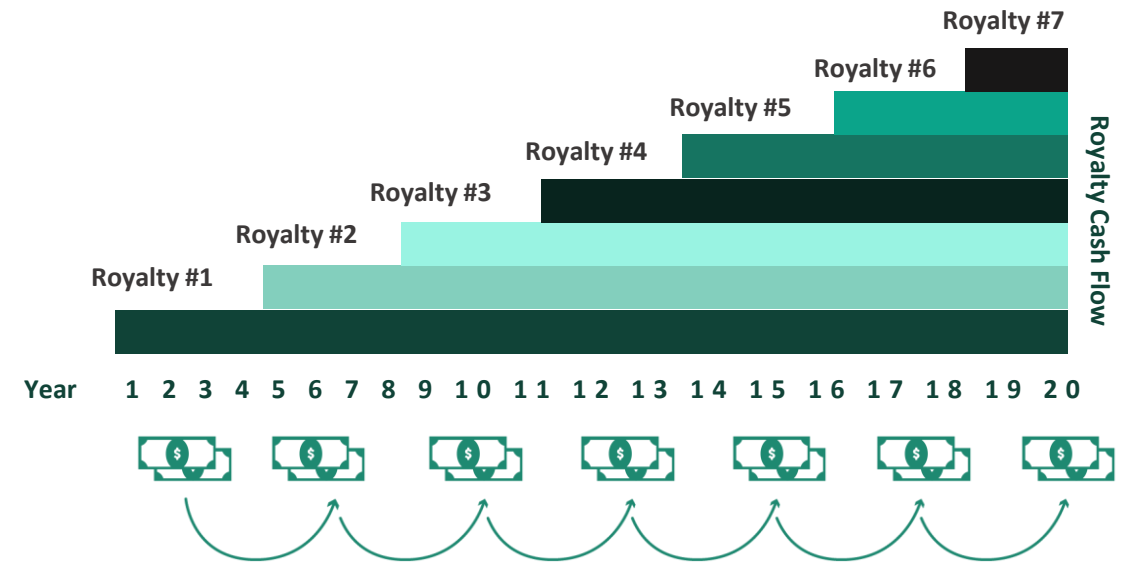


PROTECTION



GROWTH

## COMPOUNDING EFFECT OF ROYALTY AND LOAN STRUCTURE



**Our investment structure allows for a quick payback and recycling of capital, to generate and grow new royalties**

# Management Team



**Bernard Tan**  
CEO & Director

- 15+ Years in corporate finance, resources, and technology
- CPA, CA, MBA (Finance)
- Former CFO of TSX public company
- Former CFO of Hunter Dickinson



**Peter Leighton**  
COO

- 25+ Years in M&A and project development in the energy sector
- Former COO of both Finavera and Accenture's Business Services for Utilities
- Clean50 winner



**Luqman Khan**  
CFO

- 20+ Years in accounting and business management
- CFO of publicly listed TSX-V mineral resource company
- CPA, CGA charter holder
- Previously with Ernst and Young



**Bryce Anderson**  
VP, Investments

- 8+ Years in construction, maintenance, design and finance
- CFA & CAIA charter holder, RIPC Holder from RIA
- BEng in Mechanical Engineering



**Talia Beckett**  
VP, Comms & Sustainability

- 10+ Years in communications
- Masters Degree from University of London
- BC Export Award for International Business



**Alistair Howard**  
VP, Corporate Development

- 12+ Years renewable energy
- Former Director of Project Development for Boralex
- MEng from McGill, PEng
- Former Vice-Chair of Clean Energy BC



**Shane Grovue**  
VP, Growth & ESG

- 15+ Years in engineering, management and finance in clean energy and technology
- PEng, PMP, MBAs from INSEAD & Tsinghua University



**Melanee Henderson**  
Senior Advisor, Investor Relations

- 10+ Years in investor services
- BA Management with Marketing
- University of Exeter, Devon UK



**Kanika Soi**  
Manager, Finance & Investments

- 7+ Years in accounting with cross-sector experience (Energy, Mining & Forestry)
- Chartered Accountant previously with KMPG in their assurance practice



**Michal Prielcel**  
Financial Analyst

- 2+ Years of experience in Financial Analysis & Planning
- Bachelors of Commerce (Finance) from UBC



## Key Investment Highlights

- **First mover advantage** using proven royalty business model
- **Strong risk adjusted returns**
  - \$0.04/yr dividend per share and capital growth
  - Long-term recurring cash flows from royalty revenues
  - 19% weighted average IRR on recent investments
- **High growth** company in a high growth industry
  - \$39m invested in the past 18 months
  - 178% YoY revenue and income growth (Q1 2023)
  - Significant backlog of transactions (\$40m+)
  - Rapidly growing demand for sustainable energy solutions
- **Strong risk mitigation**
  - Diversified portfolio in technology and jurisdiction
  - Capital preservation through secured loan structures
- **Experienced and recognized** management team
  - Canada Clean50 Winner
  - Globe and Mail Top Growing Companies in Canada





## THANK-YOU

E: [info@reroyalties.com](mailto:info@reroyalties.com)

T: (1) 778-374-2000

1040 West Georgia St., 14<sup>th</sup> Floor  
Vancouver, B.C. Canada  
V6E 4H1



# APPENDICES

# Royalty Portfolio and Investments Made to Date<sup>1</sup>

Client	Technology	Status	Country	Capacity (MW)	# of Royalties	Amount (CAD\$)
Aeolis	Wind	Operational	Canada	102	1	\$ 1,240,000
Fresh Air	Solar	Operational	Canada	40	4	\$ 1,870,000
OntarioCo	Solar	Operational	Canada	18	60	\$ 5,000,000
Belltown	Solar	Operational	USA	78	1	\$ 3,752,000
Alpin Sun	Solar	Development	USA	352	4	\$ 1,340,000
Jadepower	Wind, Solar, Hydro	Operational	Europe	34	6	\$ 3,800,000
Scotian Wind	Wind	Operational	Canada	40	12	\$ 4,640,000
Switch	Battery Storage	Oper / Develop	Canada	23	14	\$ 7,400,000
Teichos	Solar	Development	USA	20	1	\$ 2,948,000
FuseForward	Energy Efficiency	Operational	Canada	N/A	1	\$ 3,000,000
Outagamie	Renewable Natural Gas	Operational	USA	2	1	\$ 6,164,000
NOMAD	Mobile Battery Storage	Operational	USA	3.5	6	\$ 7,504,000
ReVolve	Solar	Operational	Mexico	2.4	6	\$ 1,600,000
Switch	Solar	Operational	Canada	0.4	1	\$ 1,300,000
ReVolve	Battery Storage	Construction	Mexico	1.9	3	\$ 1,860,000
Delta Energy	Energy Efficiency	Construction	USA	N/A	1	\$ 5,226,000
Teichos	Solar	Development	USA	20	1	\$ 2,412,000
AlbertaCo	Wind	Operational	Canada	145	1	\$ 940,000
				902	124	\$ 61,996,000



1. The above table includes all historic royalty investments made to date, including those that have subsequently been repaid or royalty bought out.
2. There are 111 royalties in our current portfolio, net of buy outs.
3. US dollar transactions are converted at an exchange rate of 1.34 Canadian dollar to 1 US dollar.



# INVESTMENTS IN 2022 AND 2023 TO DATE

Client	Type	Jurisdiction	Term	Amount (CAD)	Interest Rate	Royalty
Outagamie (February 2022)	Renewable Natural Gas	United States	3 Years	\$ 6,164,000*	13.5 %	\$ 247,000/year 10 years*
NOMAD (March 2022)	Mobile Battery Storage	United States	5 Years	\$ 7,504,000*	12 %	3.5% of Sales during loan term
ReVolve (May 2022)	Solar PV	Mexico	2 Years	\$ 1,600,000	10 %	1 – 5% of Gross Revenues 8-11 years
Switch Power (Aug 2022)	Solar PV	Canada	1.5 Years	\$ 1,300,000	10 %	1-2% of Gross Revenues 12.5 years
ReVolve (Sep 2022)	Battery Storage	Mexico	2 Years	\$ 1,860,000	12 %	5% of Gross Revenues 10 years
Delta Energy (Oct 2022)	Energy Efficiency	Puerto Rico, USA	5 Years	\$ 5,226,000*	12.2 %	\$ 210,000/year 10 years*
Teichos Energy (Feb 2023)	Solar PV	United States	1.5 Years	\$ 2,412,000*	13 %	1-2% Gross Revenues 15 years
AlbertaCo (May 2023)	Wind	Canada	n/a	\$940,000	n/a	\$0.40/MWh Generated 12 years

**\$ 27.0 Million Invested in Past 13 Months with an Expected IRR of 19%**

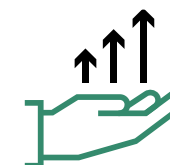
\* US dollar transactions are converted at an exchange rate of 1.34 Canadian dollar to 1 US dollar.

# ROYALTY MODEL ADVANTAGE

	Royalty Company	Developer	Operator
<b>Economic interest</b>	✓ Top-line	Bottom-line	Bottom-line
<b>Return Targets</b>	✓ High	✓ High	Low
<b>Risk</b>	✓ Low	High	✓ Low
<b>Time to Cash Flows</b>	✓ Immediate	Distant	✓ Immediate
<b>Operating Costs</b>	✓ Low corporate & transaction	High project development costs	Moderate manage operating assets
<b>Investment Size</b>	✓ Small to medium	✓ Small to medium	Large
<b>Sustaining Capital</b>	✓ None	Yes	Yes
<b>Construction Capital</b>	✓ None	Yes	Yes
<b>Growth Prospects</b>	✓ High	✓ High	Low
<b>Technology Diversification</b>	✓ High, broad based	Low, 1 to 2 types	✓ Moderate, 1 to 2 types
<b>Jurisdiction Diversification</b>	✓ High, globally focused	Low, 1 to 2 countries	✓ Moderate, 2 to 3 countries



PROTECTION



GROWTH



# HOW WE SECURE INVESTMENTS

**Senior-secured:** We ensure our investments are ranked in priority to other debts. In the event of a default by a client, this ensures we maintain the ability to control the default process and ensure priority payment on any potential asset sale.

**Over-collateralization:** We collateralize our investment against a value that is greater than what we invest in. We conduct a valuation analysis of each client's assets through a combination of discounted cash flow analysis, comparable valuations, or cash flow multiples.

**Cross-collateralization:** We cross-collateralize our investment against a portfolio of assets. This provides additional protection so that we are able to monetize other assets and recover our investment value.

**Asset level security:** We seek to register security claims where available against the actual assets such as cash, receivables, deposits, land, contracts and equipment that the client may own.

**Guarantees, cross-guarantees and share pledges:** We obtain guarantees from the client's parent company or affiliated companies.

**Step-in rights:** We obtain step-in rights to operate the assets in the event of a default. This ensures that the assets will continue to operate in an optimal manner and we will be able to achieve a proper recoverable value on our investment.





# Board of Directors (Non-Executive)

## **Marchand Synman**

**Chairman & Director**

- Co-Founder of RER
- Director and Chief Operating Officer of Hunter Dickinson Inc.
- 20+ years of senior executive experience in global corporate finance M&A, financing and divestiture activities
- Chartered Accountant (South Africa) & Chartered Accountant (Australia & New Zealand)

## **Stephen Cheeseman**

**Director (Independent)**

- President of Chinook Power, where he developed 142 MW Quality Wind Project
- Current Director of Clean Energy BC
- Winner of Canada Clean 16 award for his dedication and contribution to sustainability and clean capitalism

## **Rene Carrier**

**Director (Independent)**

- President of Euro- American Capital Corporation, a private investment company. Currently serves as an independent director on various publicly traded companies
- Founding Director of International Royalty Corp. ("IRCC") from 2003 until sale in 2010 for \$700M

## **Gord Fretwell**

**Director (Independent)**

- Experienced securities and corporate finance lawyer. Principal of Gordon Fretwell Law Corporation
- Currently serves as an independent director on various publicly traded companies
- Founding Director of International Royalty Corp. ("IRCC") from 2003 until sale in 2010 for \$700M

## **Jill Leversage**

**Director (Independent)**

- 30 years of senior investment banking executive and private equity experience
- Former Managing Director, Corporate & Investment Banking for TD Securities, a global investment bank
- Director of various public and private company boards (Vancouver Airport Authority, ICBC, MAG Silver)
- Chartered Business Valuator and a Fellow of the Institute of Chartered Accountants of BC

## **Paul Larkin**

**Director (Independent)**

- President of the New Dawn Group, an investment and financial consulting firm, primarily involved in corporate finance, merchant banking and administrative management of public companies
- Founding Director, Chairman of the audit and special purpose committees of US Geothermal Inc. which was sold to Ormat Technologies, Inc. (NYSE:ORA)