JANUARY 2022

RENEWABLE ENERGY ROYALTIES

Royalty Client Presentation

TSX.V: RE

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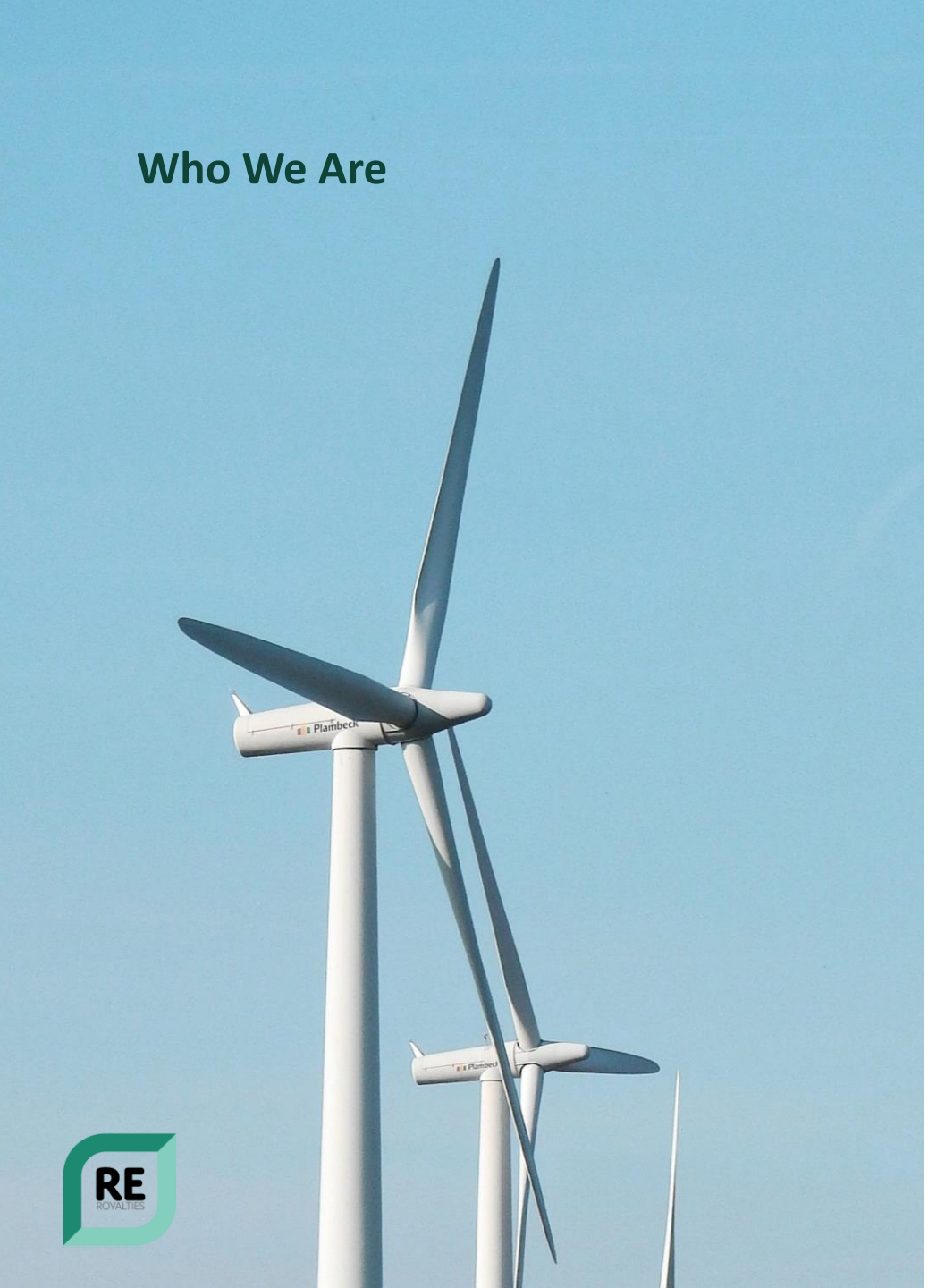
Who We Are



First mover royalty company in the renewable and sustainable energy sector

- ✓ Founded in 2016, TSX-V listed in 2018
- ✓ Led by experienced royalty financing executives
- ✓ Management team with development experience that understands client challenges

$44M+ Raised and invested into a diversified portfolio of 104 royalties

- ✓ Solar, wind, hydro and battery storage
- ✓ Canada, USA, and European Union

ESG and Impact focused company

- ✓ Meets United Nations Sustainable Development Goals
- ✓ Annual impact of projects invested in:
  1,295,000 MWh in clean energy generated
  631,000 tonnes of Greenhouse Gases (“GHG”) avoided

Our Funding

EQUITY
(Established)

Several private raises prior to going public

Raised over $13 million concurrently with listing on the TSX.V in November 2018

GREEN BONDS
(Established)

Raised over $20 million to deploy into renewable and sustainable energy projects

CO-INVESTMENT
(Exploring)

Currently exploring large institutional participation in our royalty financing

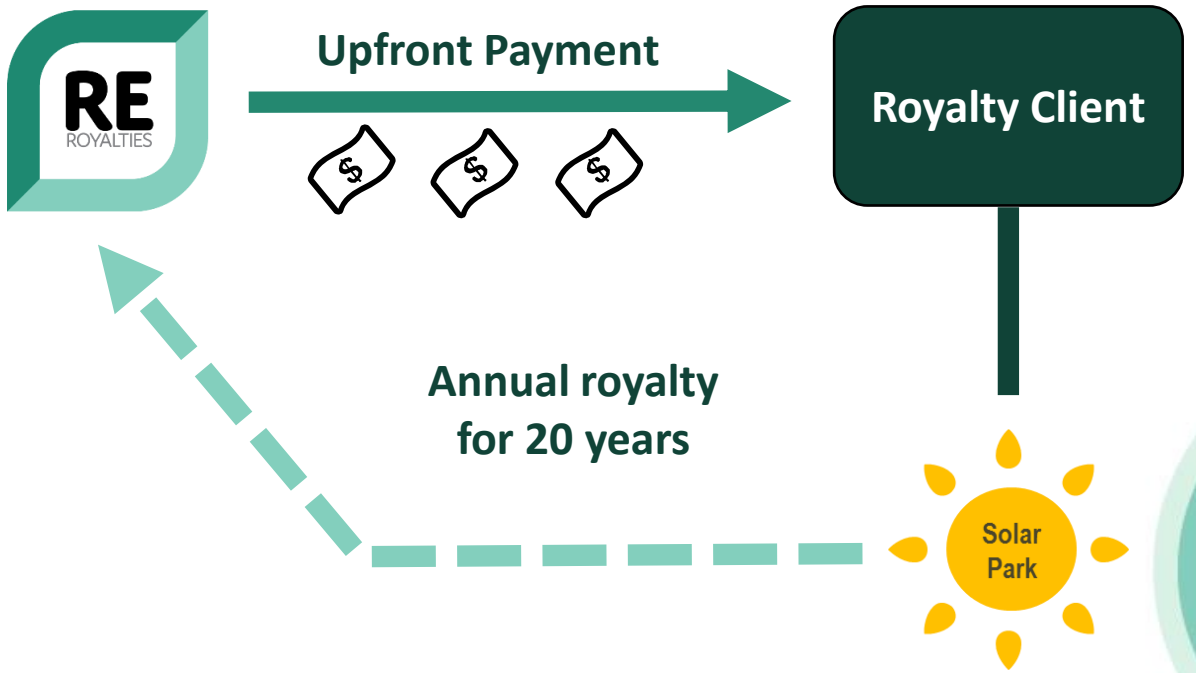
Would allow us to participate in larger transactions

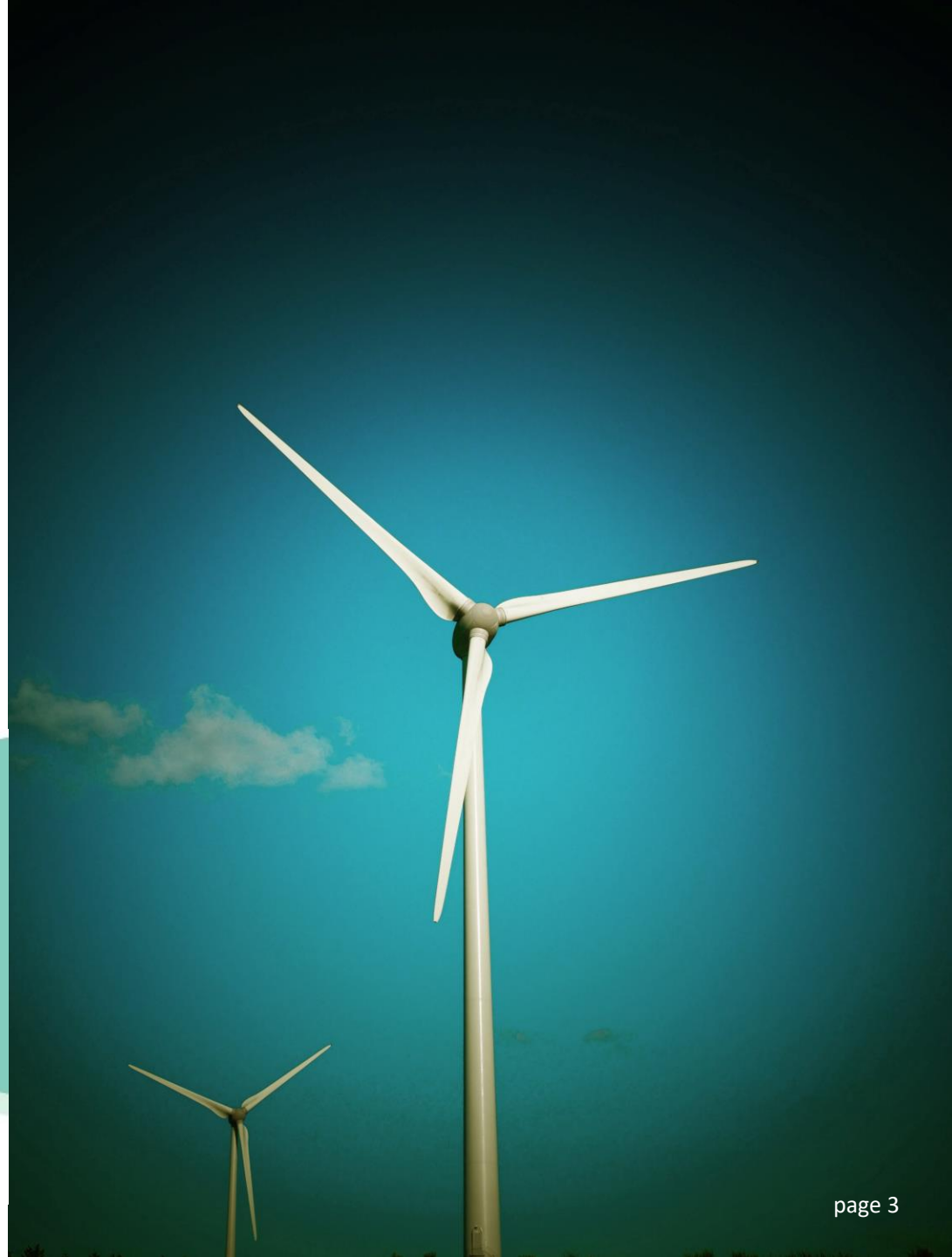
Capital Recycling (Ongoing)

As principal is returned from prior investments, it can be redeployed into new opportunities

What is Royalty Financing?

- **RE provides an upfront payment to the client, in exchange for a portion of a project's future cash flows (revenue royalty)**





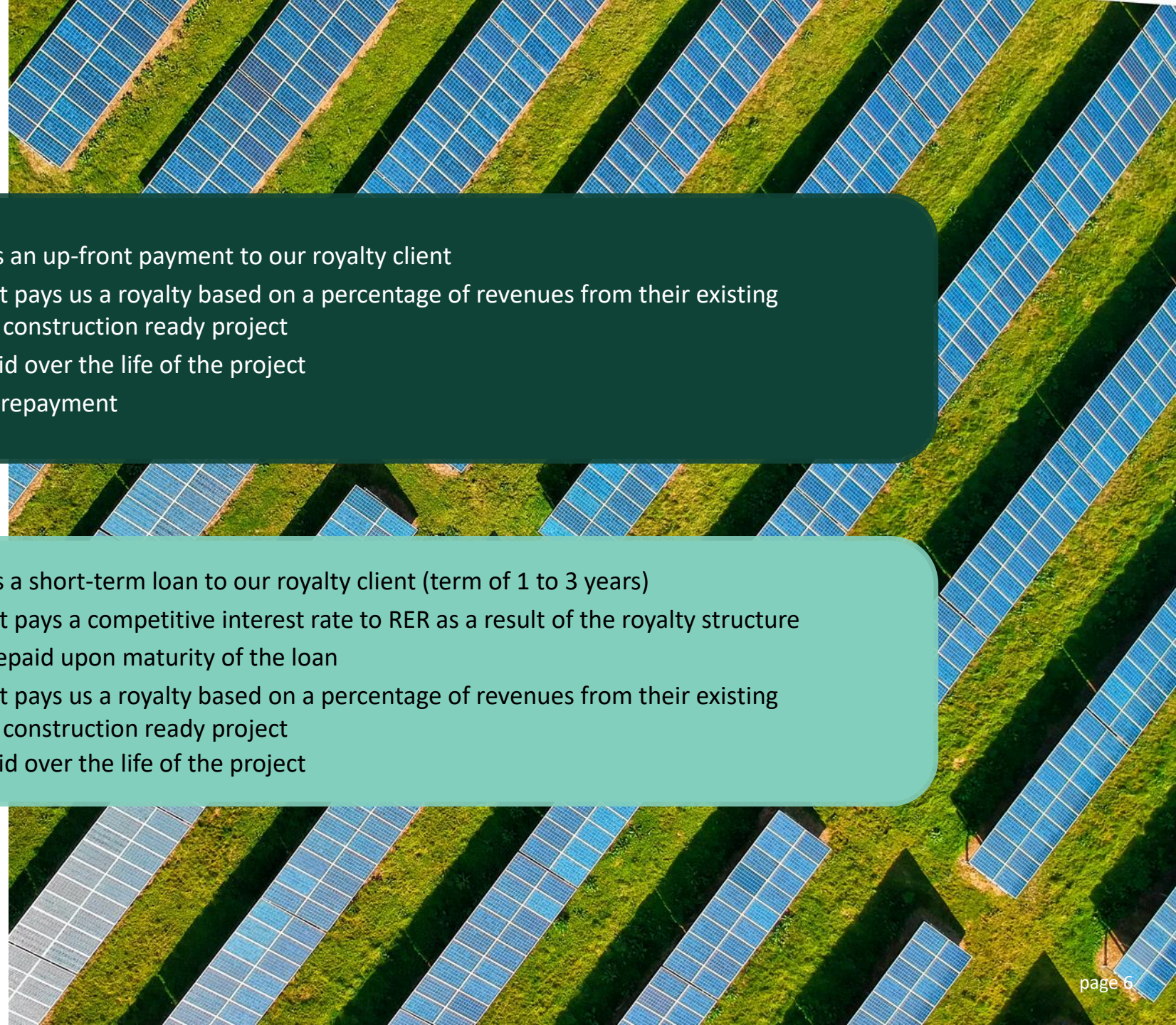
Royalty Financing Companies

	Focus Industry
ALARIS	Healthcare, Industrial & Consumer Services
DIVERSIFIED	Consumer Services, Franchises
INPUT CAPITAL	Canola
FRANCO NEVADA	Mining
SILVER WHEATON	Mining
PRAIRIE SKY	Oil & Gas
KEG	Restaurant
BOSTON PIZZA	Restaurant
DUKE	Healthcare, Leisure
LIGHTER CAPITAL	Software, IT Services

How we help our Clients

- **Our clients have multiple avenues to raise capital, but:**
  - Equity financing is expensive, dilutive, and markets do not always reflect true value
  - Amortization of debt results in cash flow outlays during the early years of a project's life reducing their return
- **We work with our clients to understand their business and tailor an accretive solution for them**
- **We provide financing that:**
  - Allows our clients to leverage the cash flows from their operating projects to fund their development projects or acquire new projects
  - Has a competitive discount rate and terms
  - Is non-dilutive to our clients' shareholders
  - Does not have cumbersome financial covenants
  - Has minimal transaction fees
  - Can be integrated with traditional debt providers

Royalty Financing Structure



MONETIZE EXISTING / CREATE NEW ROYALTY

- RER provides an up-front payment to our royalty client
- Royalty client pays us a royalty based on a percentage of revenues from their existing operating or construction ready project
- Royalty is paid over the life of the project
- No principal repayment

ROYALTY BASED LOAN

- RER provides a short-term loan to our royalty client (term of 1 to 3 years)
- Royalty client pays a competitive interest rate to RER as a result of the royalty structure
- Principal is repaid upon maturity of the loan
- Royalty client pays us a royalty based on a percentage of revenues from their existing operating or construction ready project
- Royalty is paid over the life of the project

Example 1: Royalty

Client: Developer of utility scale solar PV projects

Client Requirement: Needed capital to grow their new business venture in Africa

Background: Client had an existing royalty as a result of being the original developer on four solar projects in Ontario, Canada that were ultimately bought and constructed by a large developer and owner of clean power facilities

Structure: RER provides CAD $1.95M in exchange for the client assigning the existing royalty to RER

Benefits to Client:

- Lump sum capital up front allowed the royalty owner to supercharge the growth of a new business venture
- The owner was able to receive a lower cost of capital through selling their royalty than if they chose to raise equity at the corporate level

Example 2: Royalty + Loan

Client: Owner and operator of utility-scale wind energy, solar PV and hydroelectric projects

Client Requirement: Needed financing to support the acquisition of a new project, a 17 MW wind project

Background: Client owned and operated 5 projects; 3 small run of river, and 2 utility scale solar PV projects

Structure: RER provided a three-year loan with interest only payments and a bullet principal repayment at the end of term, and a 20-year gross revenue royalty over all 6 projects

Benefits to Client:

- Able to double the size of MW under ownership and utilized cash flows from newly acquired project to pay down loan
- Enabled our client to restructure balance sheet enabling them to acquire a 7th project
- Raising equity would have been costly and the short-term loan provides maximum operational flexibility compared to traditional mezzanine debt

Example 3: Royalty + Loan

Client: Developer, owner, and operator of sustainable power generation projects consisting of distributed energy resources, including wind, solar, gas, and energy storage

Client Requirement: Needed financing to support the acquisition of a portfolio of 4 operating and 10 late-stage development BESS projects in Ontario

Background: Client pursuing over 100 power generation opportunities, with over 135MW AC currently under development

Structure: RER provided a two-year loan with interest only payments and a bullet principal repayment at the end of term, and gross revenue royalty over all 14 projects lasting over the life of the batteries (10-15 years)

Benefits to Client:

- Able to complete the acquisition quickly with certainty and without diluting ownership
- The short-term loan provides superior commercial flexibility compared to traditional mezzanine debt, enabling the client to engage in future transactions

Example 4: Loan + Royalty Acquisition

Client: Provider of cloud-based smart infrastructure and digital transformation solutions to utilities, healthcare, real estate, and government

Client Requirement: Needed financing to maintain working capital, expand sales and marketing, and support development of smart campus pilot projects

Background: Client had recurring revenue with nine large clients, primarily utilities and facilities management; looking to grow in the Smart Infrastructure sector; has a series of existing debt facilities

Structure: RER provided a two-year loan with interest only payments and a bullet principal repayment at the end of term; a royalty acquisition in exchange for a fixed annual royalty payment for 10 years

Benefits to Client:

- Able to expand in Smart Infrastructure and utilized cash flows from existing recurring revenues to pay down loan
- Lump sum raised upfront to support the growth in the direction of smart infrastructure with pilot projects planned

Example 5: Letter of Credit

Client: Developer of utility scale solar PV projects

Client Requirement: Required USD $2.8M to place an interconnection Letter of Credit with the interconnection authority

Background: Client had a short timeline to place the interconnection deposit, if they missed the deadline the project would have been delayed 6 months

Structure: RER packaged a short term 6-month loan secured by the assets in the project with a 15-year gross revenue royalty

Benefits to Client:

- Client had a very short timeline to secure the deposit
- Bridge loan enabled the client to have the time necessary to complete development

Potential Lease Royalty Products

What we look for

- Up front capital required
- Products that the customer will lease into the future
- Presents us with the ability to create long-term royalty revenue
- Assets that can be used as collateral to ensure security on our investment

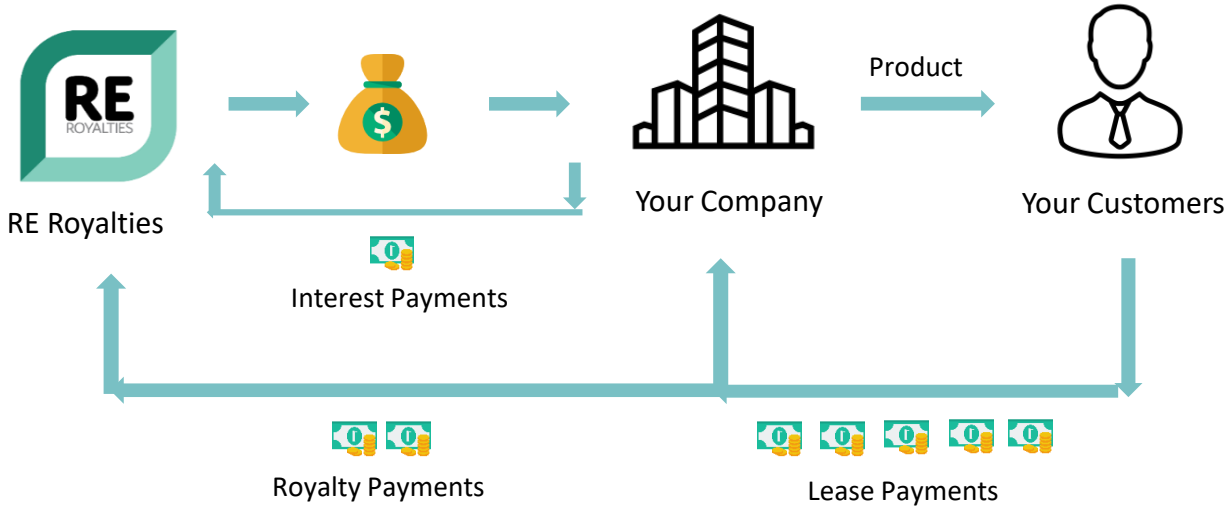
ELECTRIC VEHICLES

HEAT PUMPS

SOLAR PANELS

Lease Royalty Financing

Helps our clients by providing the capital for them to invest in energy efficiency



We are fully capable of integrating this structure with traditional debt providers as well

Example 6: Leasing (Potential)

Client: Client is producer of portable battery power systems

Client Requirement: Needs financing to build operational capacity and continue R&D

Background: Client owns a business that produces electric battery portable power systems and needs immediate capital

Structure: RER provides a short-term loan for anywhere from 6 months to 3 years and receives a royalty on lease payments that our client receives from their end customer for 5-20 years

Benefits to Client:

- Receives necessary capital up front to enable them to continue expanding their business; allows more end users to buy their product
- Creation of recurring revenue stream from customers of our client
- No costly fees associated with raising equity or debt
- No dilution and no/minimal covenants restricting nimbleness of the business

Why Choose Royalty Financing

BENEFITS OVER EQUITY	BENEFITS OVER DEBT
No dilution to shareholder/sponsor	Royalties based on production
Owner maintains control of asset	No or limited covenants
Cash flow-based valuation	Enhance owner cash-flows
No marketing needed to raise new equity	Faster to complete than project financing
No finder or underwriter fees	No arrangement or commitment fees
Monetize operating assets to raise funds	Retains future ability to issue debt
No need to sell existing projects	More flexibility in structuring
Completion financing	Alignment of interests with owners

Royalty Portfolio and Investments Made to Date

Client	Technology	Status	Location	Generating Capacity (MW)	# of Royalties	Operator	Power Buyer
Aeolis	Wind	Operational	Canada	102	1	AltaGas	BC Hydro
Fresh Air	Solar	Operational	Canada	40	4	Northland	Hydro One
OntarioCo	Solar	Operational	Canada	2	60	OntarioCo	Hydro One
Belltown	Solar	Operational	USA	78	1	Adapture Renewables	Vista Energy
Alpin Sun	Solar	Development	USA	152	4	Pattern Energy	Large US Bank
Jadepower	Wind, Solar, Hydro	Operational	Europe	37	6	Jadepower	Local Utility, EU
Scotian Wind	Wind	Operational	Canada	40	12	WEB Windenergie	Nova Scotia Power
Switch	Battery Storage	Operational & Development	Canada	23	14	Switch Power	REITs & Large commercial landlords
Teichos	Solar	Development	USA	27	1	Teichos Energy	Large US utility
FuseForward	Smart Infrastructure	Operational	Can/USA	N/A	1	N/A	N/A
Total				521	104		

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, CIMM Young Leadership Award

Peter Leighton
COO

25+ Years in M&A and project development in the energy sector, Former President and COO of Finavera, Former COO of 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, Previously with Ernst and Young in their assurance practice

Bryce Anderson
VP, Investments

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

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 development, PEng, PMP, MBAs from INSEAD & Tsinghua University

Talia Beckett
VP, Communications & Sustainability

10+ Years in PR, communications, international business, Masters Degree from University of London, BC Export Award for International Business

Board of Directors

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
- Charted 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)

Summary

"RE Royalties' ability to be flexible and to arrange an out of the box financing solution was key in Scotian Windfields Inc being able to restructure our wind project's complicated financing. It has allowed us to provide a better return on investment for our Shareholders. I would recommend them for renewable companies that need a customized financial solution for their projects. RE Royalties' management and staff made the financing a seamless process."

- Joe Fitzharris, President & Board Chair, Scotian Windfields Inc.

- Aligned goals of increasing revenues
- A funding model that succeeds and grows with you
- Advantages over debt financing
- Advantages over equity financing
- Management team with experience in royalty financing and project development
- Variety of different products that can be customized to meet your needs

NO DILUTION

EXPERIENCE

FLEXIBILITY

ALIGNED GOALS

THANK YOU

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