



## **RE ROYALTIES LTD.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE THREE MONTHS ENDED MARCH 31, 2026

## RE ROYALTIES LTD.

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#### *Cautionary Note to Investors Concerning Forward-looking Statements*

This discussion includes certain statements that may be deemed “forward-looking information” or “forward-looking statements” within the meaning of Canadian and United States securities law. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions of 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 discussion is based on certain assumptions regarding expected growth, results of operations, performance, industry trends and growth opportunities. In some cases, forward-looking information contained herein are based upon information received from or disseminated by third parties.

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 under the heading “Risk Factors” in this MD&A. 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.

Any forward-looking statements contained in this discussion are made as of the date hereof and the Company does not undertake to update or revise them, except as may be required by applicable securities law.

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**1.1 DATE AND BASIS OF PRESENTATION**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements of RE Royalties Ltd. ("RE Royalties" or the "Company") for the three months ended March 31, 2026 (the "Financial Statements") and the audited consolidated financial statements of the Company for the year ended December 31, 2025 and related MD&A (the "Annual MD&A") as publicly filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company reports in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). The following disclosure and associated Financial Statements are presented in accordance with IFRS. All monetary amounts herein are expressed in Canadian Dollars ("\$" or "CAD"), unless stated otherwise. Other currencies mentioned include US dollars ("US\$" or "USD").

Included throughout this MD&A are references to non-GAAP performance measures for which further explanation, including their calculations, are provided herein under section *1.5.1. Non-GAAP Financial Measures*.

This MD&A is prepared as of June 1, 2026.

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## 1.2 OVERVIEW

### Description of Business

RE Royalties Ltd., is a public company whose common shares are listed on the TSX Venture Exchange ("TSXV"), under the trading symbol "RE". The Company's common shares are also traded under the symbol RROYF on the OTCQX Best Market ("OTCQX"), which is the highest market tier operated by OTC Markets Group Inc.

In September 2025, the Company expanded its international investor engagement by listing on the Frankfurt Stock Exchange under the trading symbol "Y2V", in addition to its primary listing on the TSXV. The dual listing is expected to broaden the Company's exposure to global capital markets and support its ongoing efforts to grow its business.

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 14<sup>th</sup> Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

The Company provides short-term loans and acquires revenue-based royalties from renewable energy and clean technology companies, providing a non-dilutive royalty financing solution to privately held and publicly traded companies. The Company's business objectives are to acquire a portfolio of long-term, stable, and diversified renewable energy royalty streams to provide shareholders with capital appreciation and, potentially, a growing, sustainable, long-term cash distribution. The Company also owns a rooftop solar system project and a portfolio of Battery Energy Storage Systems ("BESS") projects that were acquired by the Company in November 2024 pursuant to settlement of certain loans receivable.

Management has identified an underserved segment in the renewable energy capital markets that lies between traditional debt and equity financing. For small to medium-sized renewable energy companies ("SMREs"), revenue-based royalty financing has many advantages with respect to flexibility, cost and contractual terms.

Traditional royalty-based financing has been used extensively in the North American natural resource, consumer service, industrial manufacturing, healthcare, music and food sectors. Management believes that there is significant demand among SMREs for non-dilutive royalty-based financing solutions due to a lack of innovation in the financing for renewable energy projects.

The Company's long-term objectives will be achieved by:

- Acquiring long-term renewable energy generation royalty streams backed by power purchase agreements or other revenue programs from credit worthy customers and/or facilities which operate in strong merchant markets with stable power pricing;
- Acquiring renewable energy royalties in high-growth areas of the low carbon energy sector including clean transportation, energy storage, and energy efficiency that are backed by offtake arrangements or customer sales and/or lease contracts from credit worthy counterparties;
- Reinvesting capital to acquire new royalties and to grow royalty and interest income;
- Utilizing debt financing and/or co-investment structures to acquire additional royalties in order to enhance financial returns for shareholders; and
- Maintaining a low operating cost structure.

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#### 1.2.1 STRATEGIC REVIEW TO EVALUATE PATH FOR LONG-TERM VALUE CREATION

On March 27, 2026, the Company announced that its Board of Directors (the "Board") initiated a formal review of strategic alternatives (the "Strategic Review") to identify opportunities to maximize value for shareholders.

As part of this process, the Board will evaluate a broad range of potential alternatives, including, but not limited to, sale of the Company, strategic or co-investment partnerships, or capital structure optimizations through equity or debt financings. The Strategic Review represents a natural evolution for RE Royalties as the Company seeks to position itself for future growth.

The Strategic Review follows a formal recommendation from management. A Special Committee of the Board ("Special Committee") has been established to lead the process and oversee the evaluation, with the goal of ensuring a capital structure that prioritizes long-term value creation.

The Company has elected to disclose the Strategic Review as part of its commitment to transparency. However, there is no assurance that the Strategic Review will result in any specific transaction or outcome. RE Royalties does not intend to provide updates on the Strategic Review unless the Board determines that disclosure is appropriate or required by law.

Throughout the Strategic Review, the Company's management team remains focused on its day-to-day operations, executing its strategy and its commitment to its clients, shareholders, bondholders, partners, and employees.

RE Royalties remains focused on unlocking growth in the renewable energy sector by leveraging its proven royalty financing model to support developers and operators, generate long-term recurring revenues, and deliver measurable environmental and social impact.

The Company has engaged PricewaterhouseCoopers Corporate Finance Inc as its financial advisor in conjunction with the Strategic Review.

RE Royalties cautions that the engagement of a financial advisor should not be interpreted as an indication that any specific transaction will be pursued. There can be no assurance that the Strategic Review will result in any transaction or other strategic outcome, nor as to the timing, terms, or completion of any such outcome.

#### 1.2.2 RENEWABLE ENERGY ROYALTY INVESTMENTS

As of the date hereof, the Company owned a portfolio of 108 royalties on various solar, wind, battery storage, energy efficiency and renewable natural gas projects operating or in development in Canada, the United States, Mexico and Chile. A summary of the Company's portfolio of royalty interests is as follows:

	Location	# of Royalties <sup>(f)</sup>	Expected Expiration/ Term	Royalty as % of Revenue	Energy Type	Status	Generating/ Storage Capacity	Original Investment (C\$ million)
<b>Completed in fiscal 2025 to the date hereof</b>								
Solaris	CA, ME, CO, DE, NH - United States	1 <sup>(f)</sup>	Life of projects	16.85% <sup>(f)</sup>	DG solar	7 under construction; 6 fully contracted; 2 awarded / exclusive	15.0 MWdc / 10.62 MWac	\$5.28 <sup>(e)</sup>
SPOBOC - Winchester / Peak Power	ON, Canada	1	10 years	Fixed(h) \$14,570 per year	Battery	Development	To be confirmed <sup>(h)</sup>	\$ 0

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	Location	# of Royalties <sup>(f)</sup>	Expected Expiration/ Term	Royalty as % of Revenue	Energy Type	Status	Generating/ Storage Capacity	Original Investment (C\$ million)
Clear Blue Technologies	ON, Canada	1	15 years	0.75%	Solar Battery	Operational	1MW <sup>(g)</sup>	\$ 0.5
<b>Completed in fiscal 2024</b>								
PowerBank <sup>(i)</sup>	ON, Canada	3	20 years	0.80%	Battery	Construction	14.97 MW	\$ 3.0
Abraxas	Maldives	2	15 years	2%	Solar	Operational	0.77MWDC	\$ 1.02
Revolve (Rooftop Solar) <sup>(e)</sup>	Mexico	1	15 years	5%	Solar	Operational	0.45 MW	\$ 0.42
Revolve WindRiver <sup>(a)</sup>	AB, BC Canada	3	11 to 35 years	1%	Wind Hydro	Operational	23 MW	\$ 4.00
Clean Communities	AB, Canada	1	20 years	5%	Solar	Operational	4 MW	\$ 1.70
<b>Completed in fiscal 2023</b>								
Cleanlight	Chile	1	2033	5%	Solar Battery	Operational	1.7 MW	\$ 3.48 <sup>(c)</sup>
AlbertaCo	AB, Canada	1	11 Years	\$0.40/ MWh	Wind	Operational	100 MW	\$ 0.94
<b>Completed before fiscal 2023</b>								
Delta Energy Partners	PR, USA	1	2035	Fixed <sup>(c)</sup> \$206,976 per year	Solar	Development	Not applicable	\$ 5.45 <sup>(c)</sup>
Revolve (Cancun) <sup>(e)</sup>	Mexico	2	2033	6%	Battery Storage	Operational	1.9 MW	\$ 1.90
Revolve (Solar 1) <sup>(e)</sup>	Mexico	6	2030-2033	6%	Solar	Operational	2.4 MW	\$ 1.60
NOMAD <sup>(a)</sup>	VT, USA	6	2027	3.50%	Battery storage	Operational	3.5 MW	\$ 7.75 <sup>(c)</sup>
OCEP <sup>(a)</sup>	WI, USA	1	2035	Fixed <sup>(c)</sup> \$242,880 per year	Renewable Natural Gas	Operational	2 MW (equiv.)	\$ 6.14 <sup>(c)</sup>
FuseForward Solutions	BC, Canada	1	2031	Fixed \$284,000 per year	Energy Efficiency	Operational	Not applicable	\$ 3.00
Aeolis Wind	BC, Canada	1	2035	1%	Wind	Operational	102 MW	\$ 1.24
OntarioCo <sup>(a)</sup>	ON, Canada	59	2040	2%	Solar	Operational	18 MW	\$ 5.00
Northland Power Inc.	ON, Canada	4	2033	1%	Solar	Operational	40 MW	\$ 1.87
Scotian Windfields <sup>(a)</sup>	NS, Canada	12	2036	8%	Wind	Operational	40 MW	\$ 4.64
Switch Power (Solar) <sup>(d)</sup>	ON, Canada	See section 1.2.4 <i>Wholly-owned operating entities</i>						
Switch Power 1 <sup>(d)</sup>	ON, Canada							
<b>Total</b>		<b>108</b>						<b>\$ 58.93<sup>(b)</sup></b>

- (a) As of the date of this MD&A, the Company had received full repayment of the loans advanced to a private group ("OntarioCo") (\$5.0 million), Scotian Windfields (\$3.3 million), NOMAD (US\$5.6 million) and the Revolve Windriver loan (\$4.0 million) and partial repayment from OCEP (US\$2.39 million), Revolve (Solar 1) (\$377,000) and Revolve Cancun (\$719,000). The royalties associated with these investments remain in place.
- (b) As of the date of this MD&A, the total amount of investments listed above, net of repayments in (a) above, was approximately \$34.46 million.
- (c) Based on exchange rate of 1 US\$: 1.39 C\$
- (d) The maturity dates of Switch Power Loan 1, 2 and 3 as well as the Switch Power (Solar) loan were extended to November 30, 2023. In December 2023, the Company issued the demand notices for all loans at an increased interest rate of 16% p.a. Effective November 1, 2024,

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the Switch Power Loan and the Switch Power (Solar) Loan were settled as the Company retained the shares of SPOBOC and SPOSOC (the underlying entities for these assets). Consequently, SPOBOC and SPOSOC became wholly owned subsidiaries of the Company, and the Company now operates the underlying assets.

- (e) In June 2024, the Company entered into a modification agreement to extend the maturity date of the Revolve (Solar 1) loan to October 25, 2024 and consequently increased the interest rate to 12% p.a. compounded monthly. In October 2024, the Company further extended the maturity date on the Revolve (Solar 1) loan by an additional six month term to April 25, 2025 and also extended the maturity date for the Revolve (Cancun) loan to April 25, 2025. As a result of this extension, the royalty rate on the Revolve (Solar 1) and the Revolve (Cancun) increased to 6%. In April 2025, the Revolve (Solar 1) Loan and the Revolve Cancun Loan were further extended to July 31, 2025, and the interest rate on both the loans increased to 13% per annum. 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 the maturity date was extended till July 31, 2026. The interest rate on the consolidated loan amount is 13% per annum.
- (f) Certain of these royalties are not currently generating revenue, or may not generate revenue in future, due to delay or deterioration in the underlying business activities, as discussed herein.
- (g) This is an approximate preliminary estimate based on historical deployments.
- (h) Fixed royalty on the Winchester project is only payable if it reaches commercial operations on or prior to December 31, 2027. Final project sizing is still being finalized by Peak Power.
- (i) In November 2025, the Solar High Yields Loan was extended for an additional 12-month term, bearing interest at 12% per annum, and the Solar High Yields Royalty was increased to 0.80%, which royalty will reduce to 0.65% if the Solar High Yields Loan is prepaid within the first six months.
- (j) The Solaris Royalty applies to a portfolio of projects of Solaris Energy Inc. In January 2026, the Company paid the second tranche of the purchase price for the Solaris royalty interest amounting to \$1,104,160 (US\$800,000).

#### **Deal Flow and Pipeline Update**

During FY 2025 and up to the date of this MD&A, the Company continued to advance its core growth strategy of originating senior-secured loan investments paired with long-dated royalty interests and purchasing pure royalty interests both across renewable energy and clean-technology assets. The Company maintained a robust pipeline of potential investments sourced primarily through proprietary, relationship-based channels. Management believes the depth and maturity of the current pipeline provide meaningful visibility into potential future capital deployment, subject to availability of capital and successful completion of due diligence and documentation.

#### *Deal Origination and Sourcing*

The Company's deal-flow activities during the period were largely driven by inbound opportunities from existing and repeat clients, as well as referrals from the renewable energy development community. A number of pipeline opportunities represent follow-on transactions with clients that have previously completed financings with the Company (platform clients), including Solaris, Abraxas, Revolve, and Teichos. Management views repeat-client activity as an indicator of execution credibility and relationship strength; however, future transactions with such clients remain subject to credit approval and market conditions.

The Company does not generally pursue competitive auction processes and instead focuses on negotiated, bilateral transactions where it can structure downside protection and return characteristics consistent with its underwriting criteria.

#### *Screening and Underwriting Discipline*

The Company applies a disciplined investment screening and approval process. Over the past two years, the Company has reviewed in excess of \$1.0 billion of potential investment opportunities and historically converted approximately 10–17% of reviewed opportunities into completed transactions. Management believes this approach reflects a deliberate focus on selectivity rather than transaction volume, prioritizing senior security, collateral coverage, and risk-adjusted return potential. All prospective investments are subject to Board of Directors' review and must meet established underwriting thresholds prior to approval.

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#### *Pipeline Status and Near-Term Visibility*

As of April 2026, the Company maintained a detailed pipeline comprising more than 20 potential clients across the United States, Canada, Mexico, Colombia, and select international markets. Based on currently identified opportunities, indicative potential deployment across the pipeline ranges from approximately \$693 million to \$958 million, reflecting variability in deal size and the early-stage nature of certain opportunities.

Several opportunities were at advanced stages during the period, including:

- One transaction classified as committed (expected to close in Q2 2026),
- Multiple opportunities under framework or final agreements with diligence ongoing,
- Additional transactions at draft-terms or initial diligence stages.

Management expects that, subject to availability of required capital, a portion of advanced-stage opportunities may close during the second half of 2026 and 2027; however, there can be no assurance that any specific transaction will be completed on expected terms or timelines.

#### *Investment Structures and Expected Returns*

Pipeline opportunities generally align with the Company's established investment structures, consisting primarily of senior-secured construction, acquisition, or bridge loans coupled with long-dated royalty interests, and in some cases, standalone royalty investments. Indicative target returns on pipeline opportunities typically range from approximately 12% to 20% or higher, depending on project stage, geography, client credit profile, and structure. Actual realized returns may differ materially from expectations.

Short-term loans are generally intended to be repaid and redeployed, while royalty interests are designed to provide long-term recurring cash flows. Management considers capital recycling to be an important component of portfolio growth; however, the timing of repayments and redeployment is subject to borrower performance and market conditions.

#### *Outlook*

Management believes the Company's current pipeline reflects continued demand for non-dilutive financing solutions among small- and mid-sized renewable energy developers. The ability to convert pipeline opportunities into completed investments will depend on, among other factors, access to capital, macroeconomic and interest-rate conditions, successful due diligence, and regulatory and market developments.

The Company will continue to prioritize disciplined deployment, preservation of capital, and risk-adjusted returns over growth in asset count alone.

### **1.2.3 DISCLOSURE OF ENVIRONMENTAL AND SOCIAL DATA**

The Company's vision is to provide capital to an underserved section of the renewable energy market and enable significant GHG emissions reductions. With climate change a pressing issue globally, the Company has become an important source of capital for the low carbon energy transformation. In addition, the Company has a positive impact on the local community in which it operates, through local hiring, charitable programs and other events.

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**A. Environmental Impact Summary**

The following table summarizes the estimated total positive environmental impact generated (or expected) by the projects in the Company's portfolio (not pro-rated) as of the date of this MD&A, including clean power capacity, average annual generation, and average annual carbon emissions reduction for the associated projects. Environmental impacts projected are ex-ante estimates from the time of investment.

Client	Location	Projects	Energy Type	Clean Power Capacity (MW <sub>AC</sub> )	Annual Clean Generation (MWh)	Annual GHG Offset (tCO <sub>2</sub> e)	Annual Homes Powered
<b>Operational</b>							
Aeolis Wind	BC, Canada	1	Wind	102	193,000	2,393	21,578
OntarioCo	ON, Canada	59	Solar	18	25,566	639	3,099
Northland Power	ON, Canada	4	Solar	40	59,413	1,485	7,202
Scotian Windfields	NS, Canada	12	Wind	40	131,700	88,239	12,510
Switch (RE subs)	ON, Canada	10	Battery, Solar	6	623	242	76
FuseForward	BC, Canada	1	Energy Efficiency	0	0	0	0
OCEP*	WI, USA	1	RNG	2.1	18,170	17,989	2,794
NOMAD	VT, USA	6	Battery	28	11,397	4,852	1,675
Revolve	Canada, Mexico	11	Solar, Hydro, Wind, Battery	25	73,185	12,740	10,651
AlbertaCo	AB, Canada	1	Wind	145	498,600	294,174	73,867
Cleanlight	Chile	1	Solar	1.7	2,370	1,903	1,531
Clean Communities	AB, Canada	1	Solar	3.3	6,310	3,723	935
Abraxas	Maldives	2	Solar	0.8	1,257	993	687
Clear Blue**	Global	1	Solar, Battery	1	1,300	1,044	840
<b>Operational Subtotal</b>		<b>111</b>		<b>413</b>	<b>1,022,892</b>	<b>430,416</b>	<b>137,442</b>

\* Equivalent energy production capacity based on annual energy content of fuel produced, presented for consistency against electricity projects.

\*\* Approximate preliminary estimates based on historical deployments, to be updated.

<b>Development Stage</b>							
Switch (RE subs)	ON, Canada	3	Battery	12	502	452	61
Delta	Puerto Rico	1	Solar	0.5	949	565	188
Revolve	Mexico	1	Battery	0.7	264	140	129
PowerBank	Ontario	3	Battery	15	639	305	77
Solaris	US	1	Solar	8	15,053	6,513	2,276
<b>Development Subtotal</b>		<b>9</b>		<b>36</b>	<b>17,406</b>	<b>7,975</b>	<b>2,731</b>

<b>PORTFOLIO TOTAL</b>		<b>120</b>	<b>108 royalties + 12 assets</b>	<b>450</b>	<b>1,040,297</b>	<b>438,391</b>	<b>140,174</b>
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#### Emission Reduction Equivalents

<b>94,712</b>	<b>135,273</b>	<b>7,248,892</b>
Passenger Vehicles	Tonnes of waste recycled	Trees planted

#### Methodology

##### Annual Energy

The estimated annual energy produced is determined ex-ante (prior to investment) by reviewing project-specific technical studies, designs and/or operating forecasts specific to a given project. In the case of projects with operating history, an annual average may be used, but is still an ex-ante estimate of future performance that is not guaranteed.

##### Greenhouse Gas Avoided Emissions

For projects in development, the data is based on the planned installed capacity and resource assessment or operational forecast for the project. For electricity generation projects, the GHG offset is calculated based on the estimated annual energy delivered by the project or products in a year, multiplied by the GHG intensity of the electricity grid where the project is based (less any emissions generated if applicable), leveraging grid carbon intensities from individual regions (individual Canadian provinces and US states) and national government databases or the IFI GHG Harmonized Dataset for national grids. Energy storage projects follow a similar approach but also consider the GHG intensity of the electricity source required to charge the batteries (for example off-peak periods with lower carbon emissions intensity) when determining the net avoided GHG emissions for energy delivered to the grid (or facility). For projects or products that are not grid-connected, the calculation is based on the GHG emissions intensity of the project versus the energy source being displaced (such as diesel generators). In the case of renewable fuels, the avoided emissions data is sourced from a lifecycle carbon intensity pathway for the fuel and its use where available, relative to the benchmark fuel (such as diesel, natural gas or gasoline). Additional demonstrative equivalencies are based on available data for residential electricity consumption by region (homes powered) and the US EPA GHG Equivalencies dataset (for equivalent trees planted, vehicle kilometres traveled, or waste recycled).

#### Environmental Data Sources:

##### Annual GHG Emissions Offset

The Company uses the following emission intensity data sources to estimate annual GHG emissions offset depending on region:

- Canada's Official Greenhouse Gas Inventory, Provincial data  
<https://data-donnees.ec.gc.ca/data/substances/monitor/canada-s-official-greenhouse-gas-inventory/>
- US EPA Emissions & Generation Resource Integrated Database, Subregion Level 2023 Data (eGRID) <https://www.epa.gov/egrid>
- International Financial Institutions Technical Working Group on GHG Accounting Default Grid Factors 2021 v3.2  
[https://unfccc.int/sites/default/files/resource/Harmonized\\_IFI\\_Default\\_Grid\\_Factors\\_2021\\_v3.2\\_0.xlsx](https://unfccc.int/sites/default/files/resource/Harmonized_IFI_Default_Grid_Factors_2021_v3.2_0.xlsx)
- Switch Battery Projects: SDTC Environmental Benefits Report 2021 (specific to project)
- OCEP RNG: Project-specific emissions intensity pathway for delivery to California LCFS market.
- Diesel Offgrid (Cleanlight, Clear Blue): World Resources Institute GHG Protocol Emission Factors  
[https://ghgprotocol.org/sites/default/files/2023-03/Stationary\\_combustion\\_tool\\_%28Version4-1%29.xlsx](https://ghgprotocol.org/sites/default/files/2023-03/Stationary_combustion_tool_%28Version4-1%29.xlsx)

##### Homes Powered

The table presents an estimate of the number of homes that could be powered based on the annual energy delivered (or projected to be delivered) by the projects or products, divided by the average annual residential electricity consumption in the project's local region. The Company uses the following datasets on regional energy consumption to perform this calculation:

- Canada: Statistics Canada. Table 25-10-0060-01 Household energy consumption, Canada and provinces  
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2510006001>
- US: US Energy Information Agency Average Residential Monthly Bills  
[https://www.eia.gov/electricity/sales\\_revenue\\_price/pdf/table5\\_a.pdf](https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf)
- Mexico: Gobierno de Mexico Balance Nacional de Energia 2021  
<https://www.gob.mx/cms/uploads/attachment/file/805509/BNE-2021.pdf>
- Puerto Rico: NREL Puerto Rico Energy Efficiency Scenario Analysis Tool  
<https://www.nrel.gov/state-local-tribal/preesat.html>
- Chile: C. Agostini et al 2015. "Elasticities Of Residential Electricity Demand In Chile," ILADES-UAH Working Papers  
<https://EconPapers.repec.org/RePEc:ila:ilades:inv312>
- Maldives: A. Laila 2019 "Housing and Housing Characteristics – Household Income & Expenditure Survey 2019," National Bureau of Statistics Maldives  
<https://statisticsmaldives.gov.mv/nbs/wp-content/uploads/2021/04/Housing-Household-Characteristics-Updated.pdf>

## RE ROYALTIES LTD.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

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#### *Emission Reduction Equivalents*

- US EPA Greenhouse Gas Equivalencies Calculator <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

#### ***Environmental Risks***

Specific environmental factor risks are discussed in the Risk Factors section of this MD&A, within the following categories:

- *General Risks Involved in the Operations of a Power Generation Facility*
- *Natural Disasters and Other Catastrophic Events*
- *Environmental Laws and Regulations*
- *Changes in Supply of Water, Levels of Winds, Irradiation and Other Natural Variables*
- *Health, Safety and Environmental Risks*

#### **B. Social Summary**

Giving back, in the form of volunteering, donating to charitable causes, or attending community-led charitable events, is an integral part of the culture at RE Royalties. All permanent staff, including senior management, were hired from the local region and/or local universities.

#### ***Gender Diversity***

Board of Directors: The Company has two (2) female board members of 7 (29%)

Team: The Company has nine (9) team members, of which three (3) are female (33%)

#### ***Charitable Activity***

We believe in supporting organizations with causes that resonate with our values.

In Q4 2025, the Company made a charitable contribution of \$25,000 to the Small Change Fund in support of the Energy Mix project. This donation will support independent climate journalism by empowering original news reporting as well as analysis. The Energy Mix Publications project provides in-depth journalism to combat disinformation and greenwashing to highlight the urgency of the climate crisis and shine a light on the methods employed by various communities to reduce the impact of climate change.

In Q3 2025 as of the date of this MD&A, the Company donated \$25,000 to the Eric Hamber Griffins program. This program, founded by head coach, Bobby Gibson in 2010, at the Eric Hamber Secondary School, is the last football program in Vancouver, offering community, support, and personal growth for student athletes. The Eric Hamber Griffins program believes that football is a key instrument in teaching students skills valuable both on and off the field, including teamwork, resilience, grit, and leadership. The Company's donation will be used to ensure the team does not lose access to essentials such as equipment and safety supplies.

In Q2, 2025, the company donated \$25,000 (in addition to prior donations) to Zajac Ranch for Children, which is committed to improving the lives of children and young adults with medical conditions and disabilities. Zajac's programs and activities aim to empower campers, boost their confidence and self-esteem, and enhance their social and life skills as they experience the joys of the outdoors and recreation in a safe, all-inclusive and adaptable camp environment.

In Q3 2024, the Company donated \$36,000 to the Bring Back Hope initiative which supports life-saving spine and heart surgeries for vulnerable Ethiopian children, capacity-building in trauma care, and the development

## RE ROYALTIES LTD.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

of a national Spine Centre in Ethiopia. Contributions also strengthen local medical training through a partnership with UBC's Branch for International Surgical Care.

In Q2 2024, the Company donated \$25,000 to Zajac Ranch for Children, in addition to prior donations.

In Q4 2023 and Q1 2024, the Company donated \$5,000 and \$25,000 respectively to the Holy Trinity Romanian Orthodox Parish Society to help fund the construction of an annex, which will provide safe space, meals and accommodation to individuals and families facing hardship in the local community.

#### **Social Risks**

Specific social factor risks are discussed in the Risk Factors section of the Company's Annual MD&A as publicly filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), within the following categories:

- *Local Public Opposition*
- *Negative Public or Community Response*
- *Health, Safety and Environmental Risks*

#### **1.2.4 DISTRIBUTION TO SHAREHOLDERS**

On December 11, 2025, the Board approved a change in the Company's dividend policy from a quarterly declaration to an annual declaration. This proactive decision is designed to enhance the Company's financial flexibility to capitalize on the growing number of high-quality renewable energy opportunities in its investment pipeline. This focused capital allocation is expected to deliver stronger long-term outcomes for both the Company and its shareholders. To the date of this MD&A, no distribution to the Company's shareholders was declared in the current fiscal year.

The following table summarizes the distributions made in the fiscal year 2025 to the date of this MD&A:

Declaration date	Record date	Payment date	Amount	
			Per share (\$)	Total (\$)
<b>Fiscal Year 2025</b>				
December 10, 2025	December 31, 2025	January 21, 2026	0.01	\$ 435,220
July 23, 2025	August 13, 2025	September 3, 2025	0.01	433,768
April 9, 2025	April 30, 2025	May 21, 2025	0.01	433,768
<b>Total for 2025</b>				<b>\$ 1,302,756</b>

(1) In the Financial Statements, the dividends are recorded based on the date of declaration, as opposed to the fiscal quarter to which dividend pertains.

The declaration, timing, amount, and payment of future dividends will be subject to the discretion and approval of the Board of Directors. The Company will review the dividend program on an ongoing basis and may amend it at any time depending on the Company's then current financial position, capital allocation framework, profitability, cash flow, debt covenant compliance, legal requirements and other factors considered relevant. As such, no assurances can be made that any future dividends will be declared and/or paid.

## RE ROYALTIES LTD.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

#### 1.2.5 GRANT OF SHARE-BASED AWARDS

In January 2026, the Board authorized the grant of 1,195,000 share purchase options under the Company's Stock Option Plan to its directors, officers, employees and consultants of the Company. The options have an exercise price of \$0.30 per share and are exercisable for a three-year period from the date of grant.

In addition, the Board also authorized the grant of an aggregate of 800,000 restricted share units ("RSUs"), under the Company's RSU Plan, to its officers, employees and consultants of the Company. The RSUs have a three-year term and will vest and be paid out in three equal tranches over their term.

#### 1.3 SELECTED ANNUAL INFORMATION

Not required.

#### 1.4 SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's accompanying Financial Statements which have been prepared in accordance with IFRS Accounting Standards effective for the respective reporting periods of the Company and are expressed in thousands of Canadian dollars.

	Fiscal Quarter Ending							
	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024
Royalty revenue	\$ 235	\$ 182	\$ 209	\$ 442	\$ 180	\$ 691	\$ 314	\$ 254
Finance income	687	746	1,173	1,048	1,369	1,470	1,378	1,574
Energy revenue	1	127	181	394	178	269	-	-
Total revenue and income	923	1,055	1,563	1,884	1,727	2,430	1,692	1,828
Net (loss) income after tax	(1,266)	(7,168)	(577)	(564)	(479)	(9,079)	(195)	(657)
Net (loss) income attributable to the Company's shareholders	(1,395)	(6,876)	(722)	(713)	(636)	(8,309)	(444)	(958)
Net (loss) income per share	\$ (0.03)	\$ (0.16)	\$ (0.02)	\$ (0.02)	\$ (0.01)	\$ (0.19)	\$ (0.01)	\$ (0.02)

#### Trends with respect to the Company's Financial Results

##### General

Since its inception in 2016, the Company has been pursuing its growth strategy as reflected in the increasing trends in its total assets and revenue. The timing difference between sourcing of capital and its deployment is inherent in the Company's business. The Company's operating results follow a similar trend whereby the Company would incur various expenses (salaries, consulting, etc.) with respect to asset evaluation and due diligence activities for several months leading up to the completion of a new investment transaction and before any revenue or income from such investment can be recorded.

##### Royalty Revenue

The Company earns royalty revenue from several sustainable energy generation sources and through energy efficiency projects, 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. Similarly, within a given renewable power generation source, geographical diversification across the Northern and Southern Hemispheres reduces overall seasonality. Currently, the majority of the Company's royalty interests are held in renewable assets located in the Northern Hemisphere.

## RE ROYALTIES LTD.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

The Company also earns revenue from certain royalty interests on business operations that involve manufacturing and/or sale of energy efficiency/storage equipment, and the timing of the Company's royalty revenue earned from these royalty interests is driven by the underlying manufacturing and sales activities of these businesses.

#### **Finance Income**

The company's finance income generally follows the same trend as the size of its portfolio of performing secured loans.

Other factors that may impact the Company's finance income in a fiscal quarter include: a) prepayment of secured loans; and b) changes in the Company's estimates with respect to the timing of the future cash flows associated with its secured loans, as further described below:

The Company typically enters into secured loans and royalty acquisition agreements concurrently in a single transaction. Accordingly, as per its accounting policy, the Company records financial assets representing secured loans and non-financial assets for royalty interests acquired. Upon initial recognition of the Company's investment in such transactions, the Company allocates total investment amounts to the secured loans to the extent of their fair value, determined using the investees' borrowing rates (effective interest rates), and records any residual amounts as royalty interests.

The aforementioned accounting treatment generally results in the secured loan recorded at a discount off the principal sum of the loan, which discount is accreted over the term of the loan. When a loan is prepaid (before its contractual maturity date), if allowed under the loan agreement, any unrecorded accretion is recognized at the time of prepayment. Moreover, when the Company's estimates for the future cash flows attributable to a loan change after its initial recognition, the Company records an adjustment within finance income due to the difference between the effective interest rate and the stated rate as per the loan agreement.

#### **Energy Revenue**

The Company earns energy revenue by operating a portfolio of Battery Energy Storage Systems (BESS) and rooftop solar systems.

The level of activity in the Canadian independent power and Ontario Global Adjustment industries are influenced by seasonal weather patterns related to the natural resource or commercial or market structure relative to the technology deployed. Seasonal factors and unexpected weather patterns may lead to declines in power related activities and result in corresponding declines in the demand for power.

SPOBOC's energy revenue primarily comprises its share of savings generated through Global Adjustment ("GA") abatement, which savings are a function of the following:

- Reduction in the peak demand factor ("PDF") for SPOBOC's customers;
- Actual GA costs, as determined by Independent Electricity System Operator (IESO) and published on their website ([www.ieso.ca](http://www.ieso.ca)), to which the PDF is applied; and
- Ratios applied to the GA abatement amount under respective ESAs to determine SPOBOC's share of savings generated through GA abatement.

#### **Operating Expenses**

The Company's operating expenses are mostly incurred evenly through a fiscal year. However, the timing of certain expenses is driven by the underlying activities. For instance, the Company's activities and related expenses with respect to its annual audited financial statements and other annual reports, and annual general meetings are higher in the second fiscal quarter.

Moreover, certain expenses are incurred to support the Company's marketing, financing and investing activities and accordingly fluctuate with the timing of such activities.

#### **Finance Expenses**

The Company's finance expenses vary with changes in its outstanding debt capital, mainly Green Bonds, and related borrowing rates.

## RE ROYALTIES LTD.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

#### Analysis of Quarterly Results

Quarter ended	Analysis
<b>March 2026 (Q1/2026)</b>	<p>The Company recorded a net loss of \$1.26 million in Q1/2026, which was significantly higher as compared to net losses recorded during the first three quarters of fiscal year 2025. In Q4/2025, the Company substantially repaid Series-1 Green Bonds that led to a decrease in the Company's capital base and the size of its portfolio of secured loans, which in turn led to a decrease in the Company's finance income. Moreover, the Company's energy revenue decreased significantly in Q1/2026 due to negative GA prices for January and February 2026. Refer to the following section (1.5 Results of Operations) for a detailed analysis of this quarter's results.</p>
<b>December 2025 (Q4/2025)</b>	<p>The decrease in the royalty revenue in Q4/2025, compared to Q3/2025, is due to the seasonal nature of different sources of renewable energy generation, as discussed above. Moreover, the decrease in royalty revenue as compared to Q4/2024 is due to royalty revenue recorded for NOMAD in Q4/2024, which was not recorded in Q4/2025.</p> <p>The decrease in the finance income in Q4/2025, compared to Q3/2025, was due to higher income recorded in the prior quarter mainly from the Revolve LOI transaction.</p> <p>The decrease in the energy revenue in Q4/2025 was due to lower Global Adjustment prices during the quarter.</p> <p>In Q4/2025, the Company recorded a net loss of \$7.20 million mainly due to expected credit losses and impairment losses recorded in the quarter.</p>
<b>September 2025 (Q3/2025)</b>	<p>The decrease in the royalty revenue in Q3/2025, compared to Q2/2025, was due to higher revenue recorded in the prior quarter mainly from the NOMAD royalty.</p> <p>The decrease in the Energy revenue is due to the decrease in the Global Adjustment revenue for SPOBOC.</p>
<b>June 2025 (Q2/2025)</b>	<p>During Q2/2025, the Company completed a loan and royalty transaction with Clear Blue amounting to \$500,000.</p> <p>The increase in the royalty revenue in Q2/2025 was mainly due to revenue from the NOMAD royalty recorded in this quarter. However, the decrease in the finance income, as compared to Q1/2025, is mainly on account of repayment of the Windriver loan in January 2025.</p>
<b>March 2025 (Q1/2025)</b>	<p>No additional investment transactions were closed during Q1/2025.</p>
<b>December 2024 (Q4/2024)</b>	<p>During Q4/2024, the Company completed three transactions deploying approximately \$10.3 million of its available capital, thereby further expanding its loan and royalty portfolio as well as its revenue and income base. Moreover, commencing in Q4/2024, energy revenue was added to the Company's revenue base. However, in Q4/2024, the Company recorded a net loss of \$9.08 million mainly due to credit losses recorded in the quarter.</p> <p>In Q4/2024, the Company closed the second and the final tranche of its Series-4 Green Bonds.</p>
<b>September 2024 (Q3/2024)</b>	<p>No additional investment transactions were closed during Q3/2024.</p>

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### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

<b>June 2024 (Q2/2024)</b>	<p>During Q2/2024, the Company provided the second advance to Cleanlight amounting to US\$800,000.</p> <p>The royalty revenue increased as compared to the Prior Year Quarter due to new transactions closed by the Company in fiscal year 2023 and till Q2/2024.</p> <p>The finance income decreased as compared to Q1/2024 due to additional income accrued on account of early repayment of the NOMAD loan in Q1/2024.</p>
<b>March 2024 (Q1/2024)</b>	<p>During Q1/2024, the Company closed three additional royalty-based investments and deployed approximately \$6.12 million to expand the existing portfolio.</p> <p>In February 2024, the Company received an early repayment of the NOMAD loan.</p>

### 1.5 RESULTS OF OPERATIONS

The analysis herein is based on total expenditure, including amounts attributable to non-controlling interests. The Company recorded a net loss of \$1,266,000 for the three months ended March 31, 2026 ("Current Quarter"), compared to a net loss of \$479,000 recorded for the three months ended March 31, 2025 ("Prior Year Quarter"). During the Current Quarter, net loss attributable to shareholders of the Company was \$1,395,000, compared to a net loss of \$636,000 attributable to shareholders of the Company for the Prior Year Quarter.

Additional details regarding the Company's operating results are provided below.

### REVENUE AND INCOME

	Note	<b>Three months ended March 31,</b>		Change (\$)	Change (%)
		2026	2025		
Royalty revenue	(1)	\$ 234,739	\$ 180,485	\$ 54,254	30%
Finance income	(2)	686,842	1,369,071	(682,229)	(50%)
Energy revenue - Rooftop Solar Systems	(3)	25,313	26,106	(793)	(3%)
Energy revenue - BESS	(4)	(24,528)	152,237	(176,765)	(116%)
Revenue and income		\$ 922,366	\$ 1,727,899	\$ (805,533)	(47%)
Loss on revaluation of derivative financial asset/marketable securities	(5)	\$ (15,945)	\$ -	\$ (15,945)	-
Gain on revaluation of other financial asset at FVTPL	(6)	\$ 12,262	\$ 12,401	\$ (139)	(1%)

The above-mentioned changes in the Company's revenue and income are summarized below:

- (1) Royalty revenue for the Current Quarter increased, compared to the Prior Year Quarter, mainly due to the timing of royalty revenue earned from the Windriver royalty, which revenue increased after repayment of the Windriver loan.
- (2) The decrease in finance income in the Current Quarter was mainly due to the following: 1) decrease in the interest income from bank after repayment of Series-1 Green Bonds; 2) expected credit losses recorded in FY 2025 and the finance income is recorded on the amount net of expected credit losses; 3) repayment of the Windriver loan in Q1/2025 which led to the Company recording

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accelerated accretion in the Prior Year Quarter; and 4) cancellation of the original letter of credit for the Alpin Sun transaction and replaced by a new letter of credit with a reduced amount.

- (3) The energy revenue from Rooftop Solar Systems in the Current Quarter has remained consistent as compared to the Prior Year Quarter.
- (4) Energy revenue from BESS was lower in the Current Quarter because of lower GA prices, compared to GA prices in the Prior Year Quarter, as found on [www.ieso.ca](http://www.ieso.ca)
- (5) The loss on revaluation of derivative financial asset represents a mark-to-market adjustment relating to the warrants and equity investment in Clear Blue Technologies.
- (6) Gain on revaluation of Aeolis Loan mainly resulted from changes in risk-free interest rates in the Current Quarter.

#### OPERATING EXPENSES – BESS AND SOLAR PROJECTS

	Note	<u>Three months ended March 31,</u>		Change (\$)	Change (%)
		2026	2025		
Operating expenses – BESS					
Software maintenance services	(1)	\$ 25,200	\$ 27,374	\$ (2,174)	(8%)
Operations and maintenance	(2)	73,823	28,447	45,376	160%
Insurance		11,850	23,205	(11,355)	(49%)
Depreciation and amortization		51,465	133,930	(82,465)	(62%)
		\$ 162,338	\$ 212,956	\$ (50,618)	(24%)
Operating expenses – Rooftop Solar Systems					
Leases, and operations and maintenance	(3)	\$ 6,219	\$ 5,349	\$ 870	16%
Insurance		1,177	–	1,177	N/A
Depreciation and amortization		25,099	22,091	3,008	14%
		\$ 32,495	\$ 27,440	\$ 5,055	18%
		\$ 194,833	\$ 240,396	\$ (45,563)	(19%)

- (1) 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 and consists of an annual fixed fee of \$92,300 and an additional variable fee based on the energy discharged each month. The operating expenses pertaining to software maintenance services in the Current Quarter remained consistent with the Prior Year Quarter.
- (2) Operations and maintenance services mainly include the annual maintenance charges and charges for system upgrades for the sites. The increase in the Current Quarter is mainly on account of some studies pertaining to energy. An engineering consultant was engaged to complete a one-time arc flash study on some of the BESS sites to provide a minimum safety equipment rating, which O&M providers use to make sure they are wearing and using the appropriate safety gear. Regulation requires a refreshed study every 5 years, and the BESS sites in concern were reaching the end of this period.

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### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

- (3) Operating expenses for SPOSOC mainly include lease payments, operations & maintenance (O&M) contract expenses, and insurance. These expenses remained consistent with the Prior Year Quarter.

#### EXPENSES – OTHERS

	Note	<u>Three months ended March 31,</u>		Change (\$)	Change (%)
		2026	2025		
Salaries and benefits	(1)	\$ 333,159	\$ 315,003	\$ 18,156	6%
Administration	(2)	69,060	163,394	(94,334)	(58%)
Marketing and stakeholder communication	(3)	100,115	53,171	46,944	88%
Audit and audit related	(4)	195,291	89,862	105,429	117%
Consulting – Other	(5)	59,451	42,390	17,061	40%
Regulatory and transfer agency	(5)	15,785	48,795	(33,010)	(68%)
Office lease and information technology	(5)	9,205	13,406	(4,201)	(31%)
Legal	(5)	13,167	5,960	7,207	121%
<b>Total</b>		<b>\$ 795,233</b>	<b>\$ 731,981</b>	<b>\$ 63,252</b>	<b>9%</b>

The above-mentioned changes in the Company's operating expenses are summarized below:

- (1) The increase in salaries and benefits in the Current Quarter was mainly due to the hiring of additional resources by the Company to support its growing business that entailed a decrease in its administrative expenses (see (2) below), as the new hiring reduced the Company's reliance on services that were previously provided by a consultant.
- (2) The administration expenses during the Prior Year Quarter were mainly attributable to the initial setup and transition-related matters with respect to the Company's acquisition of SPOBOC and SPOSOC, which led to a decrease in the Current Quarter as no such expenses were incurred in the Current Quarter. Additionally, the administration expenses have decreased during the Current Quarter, compared to the Prior Year Quarter, as mentioned in (1) above.
- (3) The marketing and stakeholder communication expenses increased in the Current Quarter, compared to the Prior Year Quarter, mainly because the Company engaged the services of an entity to help with its marketing initiatives in the European market.
- (4) The audit and audit related expenses were higher in the Current Quarter, compared to the Prior Year Quarter, due to the timing of work completed with respect to the audit of the Company's Financial Statements.
- (5) Other items of expenses in the table above vary with the timing of underlying activities/services.

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### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

#### FINANCE EXPENSES

	<u>Three months ended March 31,</u>		Change (\$)	Change (%)
	2026	2025		
Finance expenses relating to:				
Green Bonds	\$ 896,369	\$ 1,096,694	(200,325)	(18%)
Loan payable (BESS)	-	5,966	(5,966)	(100%)
Accretion and remeasurement of decommissioning liabilities	179	5,142	(4,963)	(97%)
Office Lease	46	533	(487)	(91%)
Other finance expenses	7,352	-	7,352	N/A
<b>Total</b>	<b>\$ 903,946</b>	<b>\$ 1,108,335</b>	<b>\$ (204,389)</b>	<b>(18%)</b>

In the Current Quarter, there was a decrease in finance expenses relating to Green Bonds, compared to the Prior Year Quarter, as the Company substantially repaid Series-1 Green Bonds in the fourth quarter of 2025.

Decommissioning liabilities relating to the BESS and solar assets are remeasured at each reporting date, with changes in the liabilities recorded as finance expenses.

#### DEPLETION OF ROYALTY INTERESTS, FOREIGN EXCHANGE DIFFERENCES, AND SHARE-BASED PAYMENTS

	<u>Three months ended March 31,</u>		Change (\$)	Change (%)
	2026	2025		
Depletion of royalty interests	\$ 89,278	\$ 87,069	\$ 2,209	3%
Foreign exchange loss	84,669	2,429	82,240	3386%
Equity-settled share-based payments	110,773	9,862	100,911	1023%
Change in fair value of cash-settled share-based payments	4,006	171	3,835	2243%
<b>Total</b>	<b>\$ 288,726</b>	<b>\$ 99,531</b>	<b>\$ 189,195</b>	<b>190%</b>

The depletion of royalty interests in the Current Quarter has remained consistent with the Prior Year Quarter.

Foreign exchange losses recorded in the Current Quarter and the Prior Year Quarter represents the net effect of translation of the Company's US-Dollar denominated assets and liabilities (mainly USD-denominated Green Bonds), and due to the depreciation of the Canadian Dollar.

The equity-settled share-based payment expense for the Current Quarter represents amortization of the fair value of the share-based awards granted by the Company in Jan 2026. The equity-settled share-based payment expense in the Prior Period represents amortization of the fair value of share purchase options granted by the Company in 2023, and to the extent those options vested during the Prior Year Quarter.

#### CURRENT AND DEFERRED INCOME TAX

	<u>Three months ended March 31,</u>		Change (\$)	Change (%)
	2026	2025		
Current income tax expense	\$ 22,068	\$ 34,385	\$ (12,317)	(36%)
<b>Total income tax expense</b>	<b>\$ 22,068</b>	<b>\$ 34,385</b>	<b>\$ (12,317)</b>	<b>(36%)</b>

## RE ROYALTIES LTD.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

The total income tax expense during the Current Quarter as well as the Prior Year Quarter related to the Company's wholly-owned subsidiary – RE Royalties (USA) Inc. – which owns equity interests in FP OCEP Invest, LLC and FP Puerto Rico Invest, LLC.

#### 1.5.1 NON-GAAP FINANCIAL MEASURES

This MD&A includes the following non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS:

- Earnings Before Interest, Taxes, Depreciation, and Amortization (“**EBITDA**”) is a measure that may differ from, and may not be comparable to, similar measures used or reported by other issuers. The Company believes that EBITDA is commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance.
- Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“**Adjusted EBITDA**”) is presented as a supplemental measure of the Company's performance and ability to service debt. Adjusted EBITDA is frequently used by certain investors and other interested parties for evaluation of the Company's results and measuring its ability to meet debt service obligations. Adjusted EBITDA eliminates the impact of a number of items that are not considered indicative of ongoing operating performance. Certain items of expense are added and certain items of income are deducted from net income that are not likely to recur or are not indicative of the Company's underlying operating results for the reporting periods presented or for future operating performance.

These non-GAAP measures have been derived from the Company's financial statements and applied on a consistent basis. These measures are intended to provide additional information, not to replace IFRS measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The tables below reconcile net loss as per the Financial Statements to EBITDA and Adjusted EBITDA:

	Three months ended March 31,	
	2026	2025
Net loss after income tax, as presented in the Financial Statements	\$ (1,265,742)	\$ (479,198)
Adjustments:		
Finance expenses	903,946	1,108,335
Income tax expense	22,068	34,385
Depletion of royalty interests	89,278	87,069
Depreciation and amortization - BESS and solar	76,564	156,021
Depreciation of right-of-use asset	4,870	4,870
EBITDA	\$ (169,016)	\$ 911,482
Additional adjustments:		
Equity-settled share-based payments	110,773	9,862
Change in fair value of cash-settled share-based payments	4,006	171
Recovery of expected credit loss	(25,251)	-
Net income attributable to non-controlling interests	(129,708)	(156,761)
Adjusted EBITDA	\$ (209,196)	\$ 764,754

## RE ROYALTIES LTD.

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2026

#### 1.6 LIQUIDITY

At March 31, 2026, the Company had a cash and cash equivalents balance of \$0.8 million (December 31, 2025 – \$2.7 million), subject to various restrictions as described in the Financial Statements. At March 31, 2026, the Company had working capital of approximately \$1.7 million (December 31, 2025: \$2.5 million).

During the Current Quarter, the Company generated \$0.4 million cash from its operating activities, compared to \$0.20 million cash used in the Prior Year Quarter. Cash generated from operating activities in the Current Quarter was attributable mainly to interest accrued pursuant to the Revolve LOI in 2025 and received in the Current Quarter.

The Company used \$0.8 million in cash from investing activities in the Current Quarter, mainly due to the Solaris Royalty acquisition, offset by the partial repayments of loans by OCEP and Revolve. During the Prior Year Quarter, the Company generated \$3.7 million cash in investing activities mainly with respect to the amount received from the repayment of the Windriver Loan by Revolve.

The Company's financing activities during Current Quarter used \$1.6 million cash, mainly due to the repayment of final tranche of Series-1 Green Bonds (\$0.4 million), cash distributions (\$0.4 million) to the Company's shareholders which were declared in December 2025, and interest payments (\$0.7 million) on Green Bonds. During the Prior Year Quarter, the Company's financing activities used \$1.3 million cash, mainly due to cash distributions (\$0.43 million) to the Company's shareholders and interest payments (\$0.87 million) on Green Bonds.

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

As of March 31, 2026	Carrying Amount	Contractual Cash Flows (i)			
		Total	Less than 12 months	Between 1 - 3 years	Between 4 - 5 years
Green Bonds (ii)					
Principal sum	\$34,517,425	\$ 35,885,912	\$ 10,732,400	\$ 18,151,368	\$ 7,002,144
Interest payments		5,639,595	2,747,215	2,631,670	260,710
	34,517,425	41,525,507	13,479,615	20,783,038	7,262,854
Lease liability	161	198	198	-	-
Trade payables and accrued liabilities	317,066	317,066	317,066	-	-
	\$69,352,077	\$ 83,368,278	\$ 27,276,494	\$ 41,566,076	\$ 14,525,708

- (i) The amounts presented in the table above are gross and undiscounted. These amounts 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.

Additionally, the BESS projects are subject to an annual fixed fee of \$92,300 and an additional variable fee based on the energy discharged each month, under the software service agreements with Peak Power Inc., as described herein (see section 1.5 *Results of operations*).

#### 1.7 CAPITAL RESOURCES

The Company has no lines of credit or other sources of financing.

Further advancement of the Company's business strategies and operations will require additional funding. The Company intends to pursue additional funding either through one or a combination of the following:

- Issuance of additional equity from treasury;

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- Issuance of debt such as green bonds or convertible notes;
- Debt facilities from financial institutions; and/or
- Establishment of co-investment structures or funds, whereby the Company receives a portion of the royalties and interest income generated from the co-investment structures or funds.

Although management has a reasonable expectation that it can continue to raise funds, there can be no assurances that the Company will be successful in obtaining additional financing when required. If the Company is unable to raise the necessary equity and/or debt capital and generate sufficient revenue and income, the Company may, at some point, consider curtailing its operations, or liquidating certain of its assets. As such, there is material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern.

The Company is required to maintain a debt-to-equity ratio of 3:1 as per the Green Bond indenture (the "Indenture"). For purposes of this financial covenant, the Indenture defines equity as paid-in capital.

The Indenture also required the Company to maintain, subject to a cure period, a minimum interest coverage ratio (the "Interest Coverage Ratio Covenant"), which is determined, under the Indenture, by dividing its quarterly earnings, before certain items such as interest, taxes, depreciation, amortization, and extraordinary items, by total interest expense for a fiscal quarter, less interest expense relating to the Green Bond proceeds that remain undeployed by the Company during the quarter.

As per the Indenture, various financial covenants, including the Interest Coverage Ratio Covenant, are subject to a cure period ("Cure Period"), whereby an event of default only occurs if the Company fails to rectify a breach of covenant by the end of the second fiscal quarter following the first occurrence of non-compliance. However, the Indenture allows the Company to obtain a waiver for a breach of covenant from bondholders holding at least an aggregate of 50% of the total principal sum for each series of outstanding Green Bonds.

For the quarter ended March 31, 2026, the Company was in breach of the Interest Coverage Ratio Covenant. However, pursuant to the Cure Period, no event of default occurred as of March 31, 2026.

After the end of the reporting period, on May 28, 2026, an extraordinary resolution was approved in the special meeting of bondholders to amend the Indenture thereby removing the Interest Coverage Ratio covenant and increasing the principal payable, at the option of the bondholders, by the Company to 102% of principal value to the bondholders in the event of a change of control of the Company.

At March 31, 2026, the Company's shareholders' equity was negative \$7.1 million, approximately.

At March 31, 2026, except for the annual fixed fee payable under the software service agreements (see section 1.6 *Liquidity*), the Company has no material capital lease obligations, or "Purchase Obligations" defined as any agreements to purchase goods or services that is enforceable and legally binding on the Company that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

#### 1.8 OFF-BALANCE SHEET ARRANGEMENTS

None.

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#### 1.9 TRANSACTIONS WITH RELATED PARTIES

This disclosure can be found in the accompanying Financial Statements of the Company, with additional details provided below.

The Company's related party transactions are comprised of remuneration for the Company's key management personnel ("KMP"), 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 during the Current Quarter include the following:

- Directors' fees for the Company's non-executive directors, namely: Rene Carrier, Stephen Cheeseman, Gord Fretwell, Alexa Blain, Jill Leversage, and Marchand Snyman;
- Compensation for the Company's executive officers, including salaries and benefits of Bernard Tan, Chief Executive Officer, and Peter Leighton, Chief Operating Officer;
- Share-based payments in the form of share purchase options, granted to the Company's directors and officers, which share-based payments represent amortization of the grant date fair value of the options granted over their vesting term.

Related party transactions	Three months ended March 31,			
	2026	2025	Change (\$)	Change (%)
Short-term employment benefits (i)	\$ 89,082	\$ 127,918	\$ (38,836)	(30%)
Equity-settled share-based compensation	41,700	1,508	40,192	2665%
Cash-settled share-based compensation	4,006	171	3,835	2243%
Total	\$ 134,788	\$ 129,597	\$ 5,191	4%

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

During the three months ending March 31, 2026, the Company's Board of Directors decided to suspend their fees indefinitely to help reduce the Company's operating expenses. The decrease in short-term employment benefits in the Current Quarter, compared to the Prior Year Quarter, was mainly due to the suspension of directors' fees. Moreover, the compensation (short-term employment benefits) for the Company's executive officers also decreased in the Current Quarter, due to a decrease in expenses recorded with respect to benefits utilized.

The equity-settled share-based payment expense for the Current Quarter represents amortization of the fair value of the share-based awards granted by the Company in January 2026.

Cash-settled share-based compensation represents the fair value of the Company's Deferred Share Units (DSU) granted to non-executive directors. No new cash-settled DSUs or RSUs were granted during the Current Quarter.

#### 1.10 FOURTH QUARTER

Not required.

#### 1.11 PROPOSED TRANSACTIONS

Except as discussed in this MD&A, there are no proposed transactions requiring disclosure under this section.

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**1.12 CRITICAL ACCOUNTING ESTIMATES**

This disclosure can be found in the accompanying Financial Statements of the Company.

**1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

This disclosure can be found in the accompanying Financial Statements of the Company.

**1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

This disclosure can be found in the accompanying Financial Statements of the Company.

**1.15 ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Not applicable.

**1.16 DISCLOSURE OF OUTSTANDING SHARE DATA**

The following table details the share capital structure as of the date of this MD&A:

	<b>Number</b>
Common shares	43,521,967
Share-purchase options	1,195,000
Share-purchase warrants	473,830
Deferred Share Units	153,334
Restricted Share Units	800,000

**1.17 INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS**

The required disclosure is provided in the "Risk Factors" section of the Company's Annual MD&A as publicly filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).