



RE ROYALTIES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2026 AND 2025

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

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

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

(Unaudited – Expressed in Canadian Dollars)

	Note	March 31, 2026	December 31, 2025
ASSETS			
Non-current assets			
Secured loans and royalty interests	5	\$ 13,481,792	\$ 13,577,204
Property, plant and equipment	6	2,870,439	2,929,866
Intangible assets	7	632,213	649,350
Deferred transaction costs		133,686	131,305
Derivative financial asset and marketable securities	8	97,389	113,334
Right-of-use asset		1,592	6,462
		17,217,111	17,407,521
Current assets			
Secured loans and royalty interests	5	9,833,573	9,050,041
Amounts receivable and prepaid expenses	9	513,735	909,766
Interest reserve account	10	1,464,797	1,461,185
Income taxes recoverable		34,283	55,900
Cash and cash equivalents, including restricted cash	4	816,574	2,745,954
		12,662,962	14,222,846
TOTAL ASSETS		\$ 29,880,073	\$ 31,630,367
Deficiency			
Share capital	12	\$ 30,455,182	\$ 30,455,182
Reserves	12(b)	3,109,703	2,962,926
Accumulated deficit		(40,677,854)	(39,282,404)
Deficiency attributable to owners of the Company		(7,112,969)	(5,864,296)
Non-controlling interests		1,886,944	1,756,525
Total Deficiency		(5,226,025)	(4,107,771)
LIABILITIES			
Non-current liabilities			
Green bonds	10	23,926,751	23,766,890
Decommissioning liabilities	11	264,700	264,521
		24,191,451	24,031,411
Current liabilities			
Green bonds	10	10,590,674	10,830,677
Lease liability		161	6,511
Cash-settled share-based payment liability		6,746	2,740
Distribution payable	12(c)	-	435,220
Trade payables and accrued liabilities		317,066	431,579
		10,914,647	11,706,727
Total liabilities		35,106,098	35,738,138
TOTAL EQUITY AND LIABILITIES		\$ 29,880,073	\$ 31,630,367

Nature of operations (note 1)

Events after the reporting period (note 15(f))

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

These condensed consolidated interim financial statements are approved for issuance by the Audit and Risk Committee of the Company's Board of Directors on June 1, 2026 and are signed on the Company's behalf by the following:

/s/ Bernard Tan

Bernard Tan
Director

/s/ Rene Carrier

Rene Carrier
Director

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss

(Unaudited – Expressed in Canadian Dollars, except for weighted average number of common shares)

	Note	Three months ended March 31,	
		2026	2025
Revenue and income			
Royalty revenue		\$ 234,739	\$ 180,485
Finance income		686,842	1,369,071
Energy revenue		785	178,343
		922,366	1,727,899
Cost of sales			
Operating expenses – BESS and solar			
Amortization and depreciation		(76,564)	(156,021)
Other operating expenses		(118,269)	(84,375)
Depletion of royalty interests	5	(89,278)	(87,069)
		(284,111)	(327,465)
Gross profit		638,255	1,400,434
Loss on revaluation of derivative financial asset/marketable securities		(15,945)	-
Gain on revaluation of other financial asset at FVTPL		12,262	12,401
Gross profit, changes in fair value of financial assets		634,572	1,412,835
Expenses			
Salaries and benefits		333,159	315,003
Administration		69,060	163,394
Marketing and stakeholder communication		100,115	53,171
Audit and audit related		195,291	89,862
Consulting – other		59,451	42,390
Regulatory and transfer agency		15,785	48,795
Office lease and information technology		9,205	13,406
Legal		13,167	5,960
Equity-settled share-based payments	12(b)	110,773	9,862
Change in fair value of cash-settled share-based payments	12(b)	4,006	171
Depreciation of right-of-use asset		4,870	4,870
		(914,882)	(746,884)
Other items			
Finance expenses		903,946	1,108,335
Foreign exchange loss		84,669	2,429
Recovery of expected credit loss	9	(25,251)	-
		(963,364)	(1,110,764)
Net loss before income tax		\$ (1,243,674)	\$ (444,813)
Income tax expense			
Current income tax expense		22,068	34,385
		(22,068)	(34,385)
Net loss after income tax		\$ (1,265,742)	\$ (479,198)
Other comprehensive income			
Items that may be subsequently reclassified to net income			
Foreign exchange translation difference		61,585	1,953
Total other comprehensive income		61,585	1,953
Total comprehensive loss		\$ (1,204,157)	\$ (477,245)
Net loss after income tax attributable to:			
Owners of the Company		(1,395,450)	(635,959)
Non-controlling interests		129,708	156,761
		(1,265,742)	(479,198)
Total comprehensive loss attributable to:			
Owners of the Company		(1,359,446)	(634,067)
Non-controlling interests		155,289	156,822
		(1,204,157)	(477,245)
Basic and diluted loss per share attributable to shareholders of the Company	14	\$ (0.03)	\$ (0.01)
Weighted average number of common shares outstanding	14	43,521,967	43,376,804

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

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)

(Unaudited – Expressed in Canadian Dollars, except for number of shares)

	Note	Share capital		Reserves				Accumulated deficit	Total equity (deficiency) attributable to shareholders of the Company	Non-controlling interests	Total equity (deficiency)
		Number of shares	Amount	Equity-settled share-based payments	Share purchase warrants	Other reserve	Foreign currency translation reserve				
Balance at January 1, 2025		43,376,804	\$30,418,381	\$ 1,774,540	\$ 648,913	\$ 87,000	\$ 943,437	\$ (28,672,711)	\$ 5,199,560	\$ 1,799,501	\$ 6,999,061
Net (loss) income for the period		-	-	-	-	-	-	(635,959)	(635,959)	156,761	(479,198)
Other comprehensive income for the period		-	-	-	-	-	1,892	-	1,892	61	1,953
Total comprehensive (loss) income for the period		-	-	-	-	-	1,892	(635,959)	(634,067)	156,822	(477,245)
Distribution to shareholders	12(c)	-	-	-	-	-	-	(433,768)	(433,768)	-	(433,768)
Equity-settled share-based payments	12(b)	-	-	9,862	-	-	-	-	9,862	-	9,862
Distribution to non-controlling interests - OCEP		-	-	-	-	-	-	-	-	(19,948)	(19,948)
Balance at March 31, 2025		43,376,804	30,418,381	1,784,402	648,913	87,000	945,329	(29,742,438)	4,141,587	1,936,375	6,077,962
Balance at January 1, 2026		43,521,967	\$30,455,182	\$ 1,768,047	\$ 648,913	\$ 87,000	\$ 458,966	\$ (39,282,404)	\$ (5,864,296)	\$ 1,756,525	\$ (4,107,771)
Net (loss) income for the period		-	-	-	-	-	-	(1,395,450)	(1,395,450)	129,708	(1,265,742)
Other comprehensive income for the period		-	-	-	-	-	36,004	-	36,004	25,581	61,585
Total comprehensive (loss) income for the period		-	-	-	-	-	36,004	(1,395,450)	(1,359,446)	155,289	(1,204,157)
Equity-settled share-based payments	12(b)	-	-	110,773	-	-	-	-	110,773	-	110,773
Distribution to non-controlling interests - OCEP		-	-	-	-	-	-	-	-	(24,870)	(24,870)
Balance at March 31, 2026		43,521,967	\$30,455,182	\$ 1,878,820	\$ 648,913	\$ 87,000	\$ 494,970	\$ (40,677,854)	\$ (7,112,969)	\$ 1,886,944	\$ (5,226,025)

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

RE Royalties Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended March 31,	
		2026	2025
Operating activities			
Net loss		\$ (1,265,742)	\$ (479,198)
Adjustments for:			
Depreciation, depletion, and amortization		170,712	247,960
Finance income for the period, in excess of interest received		–	(117,000)
Interest received in excess of finance income for the period		66,698	–
Gain on revaluation of financial asset at FVTPL		(12,262)	(12,401)
Loss on revaluation of derivative financial asset/marketable securities		15,945	–
Finance expenses		903,946	1,108,335
Equity-settled share-based payments		110,773	9,862
Change in fair value of cash-settled share-based payments		4,006	171
Unrealized foreign exchange loss (gain)		97,963	(1,764)
Changes in working capital items:			
Amounts receivable and prepaid expenses		396,036	(77,706)
Income taxes recoverable		21,617	–
Interest reserve account		–	(315,890)
Income tax payable		–	34,385
Trade payables and accrued liabilities		(114,513)	(642,407)
Cash generated by (used in) operating activities		395,179	(245,653)
Investing activities			
Acquisition of royalty interests and secured loans, net of repayments	5	(1,104,160)	–
Proceeds from repayment of secured loan		331,548	3,675,880
Deferred transaction costs, net of recoveries		(2,381)	(7,600)
Cash (used in) provided by investing activities		(774,993)	3,668,280
Financing activities			
Repayment of Series 1 Green Bonds		(364,000)	–
Cash distribution to shareholders	12(c)	(435,220)	(433,768)
Distributions to non-controlling interests – OCEP		(24,870)	(19,948)
Interest on Green Bonds paid		(717,981)	(870,873)
Other finance expenses paid		(7,352)	–
Lease payments		(6,396)	(6,396)
Cash used in financing activities		(1,555,819)	(1,330,985)
(Decrease) increase in cash and cash equivalents		(1,935,633)	2,091,642
Effects of exchange rate fluctuations on cash held		6,253	1,223
Cash and cash equivalents, opening balance		2,745,954	16,547,940
Cash and cash equivalents, closing balance		\$ 816,574	\$ 18,640,805

Supplemental cash flow information (note 4)

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

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

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

1 . NATURE OF OPERATIONS

RE Royalties Ltd. ("RER" or the "Company") is a public company whose common shares are listed on the TSX Venture Exchange ("TSXV"), under the trading symbol "RE" and on the OTCQX under the trading symbol "RROYF". In September 2025, the Company obtained a listing of its common shares on the Frankfurt Stock Exchange under the trading symbol "Y2V". The Company was incorporated on November 2, 2016 under the laws of the Province of British Columbia, Canada. The address of the Company's corporate office is 14th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

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

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

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

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

These Financial Statements are prepared on the basis that the Company will continue as a going concern which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. During the three months ended March 31, 2026, the Company recorded a net loss of \$1,265,742 (for the three months ended March 31, 2025: \$479,198). At March 31, 2026, the Company's shareholders' equity was negative \$7.1 million (December 31, 2025 - \$5.9 million), and the Company had working capital of \$1.7 million (December 31, 2025 -\$2.5 million). 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 a material uncertainty that raises substantial doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements (the "Financial Statements") are comprised of RER and its subsidiaries (note 2(c)) (together referred to as the "Company" or the "Group") and are prepared for the three months ended March 31, 2026 and 2025. RE Royalties Ltd. is the ultimate legal parent entity in the Company.

2 . MATERIAL ACCOUNTING POLICY INFORMATION

(a) *Statement of compliance*

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

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

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

These Financial Statements should be read in conjunction with the Company's consolidated financial statements as at and for the year ended December 31, 2025. Accounting policies applied herein are the same as those applied in the Company's annual financial statements.

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

(b) *Restatement of prior year's comparatives*

At November 1, 2024, the Company provisionally completed the purchase price allocation upon acquisition of SPOBOC (note 3(a)) and SPOSOC (note 3(b)). Subsequent to the finalization of the Company's consolidated financial statements for the year ended December 31, 2024, the Company hired an independent appraiser to ascertain the value of equipment to finalize the purchase price allocation as of the acquisition date, and restated its consolidated statement of financial position as at December 31, 2024 to reflect the revised purchase price allocation.

The effects of the restatement on the individual line items within the Company's consolidated statement of financial position as at December 31, 2024:

	Note	Property, plant and equipment	Intangible assets
Cost, as previously reported		\$ 2,455,859	\$ 3,623,000
Reallocation due to revision to purchase price allocation			
SPOBOC	3(a)	1,377,000	(1,377,000)
SPOSOC	3(b)	(273,734)	273,734
As restated, cost		3,559,125	2,519,734
Amortization, as previously reported		24,709	79,304
Revision to amortization and depreciation due to the reallocation above		23,787	(23,787)
		48,496	55,517
As restated, net carrying value as at December 31, 2024		\$ 3,510,629	\$ 2,464,217

The effects of the restatement on the individual line items within the Company's consolidated statement of financial position as at March 31, 2025:

	Note	Property, plant and equipment	Intangible assets
Cost, as previously reported		\$ 2,455,859	\$ 3,623,000
Reallocation due to revision to purchase price allocation			
SPOBOC	3(a)	1,377,000	(1,377,000)
SPOSOC	3(b)	(273,734)	273,734
As restated, cost		3,559,125	2,519,734
Accumulated amortization, as previously reported		61,773	198,261
Revision to amortization and depreciation due to the reallocation above		50,320	(50,320)
		112,093	147,941
As restated, net carrying value as at March 31, 2025		\$ 3,447,032	\$ 2,371,793

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

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

(c) Basis of presentation and consolidation

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

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

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

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

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

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

(d) Significant accounting estimates and judgements

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

There was no change in the use of estimates and judgments during the current period as compared to those described in Note 2 in the Company's consolidated financial statements for the year ended December 31, 2025.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

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

3 . BUSINESS COMBINATIONS

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

The Company's acquisition of SPOBOC, pursuant the Switch Loan settlement, in November 2024 was accounted for as a business combination using the acquisition method where the acquired assets and liabilities assumed are recorded at their estimated fair values, which are measured in accordance with the Company's accounting policies. Details of the business combination are as follows:

Consideration (full and final settlement of the Switch Power Loan)		\$ 3,797,127		
Note	As originally reported	Adjustments note 3(c)	As revised	
Recognised amounts of identifiable net assets:				
Property, plant and equipment – Battery	\$ 1,561,080	\$ 1,377,000	\$ 2,938,080	
Intangible assets – contracts with clients	3,177,000	(1,377,000)	1,800,000	
Amounts receivable and prepaid expenses	768,759	-	768,759	
Trade payables	(473,889)	-	(473,889)	
Loan payable	(385,117)	-	(385,117)	
Government grant payable	(170,350)	-	(170,350)	
Deferred government grants	(570,000)	-	(570,000)	
Decommissioning liabilities	(110,356)	-	(110,356)	
Net identifiable assets and liabilities	\$ 3,797,127	\$ -	\$ 3,797,127	

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

The Company's acquisition of SPOSOC, pursuant the Switch Solar Loan settlement, in November 2024 has been accounted for as a business combination using the acquisition method where the acquired assets and liabilities assumed are recorded at their estimated fair values, which are measured in accordance with the Company's accounting policies. Details of the business combination are as follows:

Consideration (full and final settlement of the Switch Solar Loan)		\$ 1,197,862		
Note	As originally reported	Adjustments note 3(c)	As revised	
Recognised amounts of identifiable net assets:				
Property, plant and equipment – Solar	\$ 894,779	\$ (273,734)	\$ 621,045	
Intangible assets – contract with client	446,000	273,734	719,734	
Amounts receivable	44,926	-	44,926	
Trade payables	(12,172)	-	(12,172)	
Decommissioning liabilities	(175,671)	-	(175,671)	
Net identifiable assets and liabilities	\$ 1,197,862	\$ -	\$ 1,197,862	

(c) Finalization of purchase price allocation

In the Company's Consolidated Financial Statements for the year ended December 31, 2024, the fair value estimate of equipment of SPOBOC and SPOSOC was provisionally completed, whereas the fair value estimate of all other assets and liabilities was finalized. Subsequent to the issuance of the Company's consolidated financial statements for the year ended December 31, 2024, the Company hired an independent appraiser to ascertain the value of equipment to finalize the purchase price allocation as of the acquisition date, and restated its consolidated statement of financial position as at December 31, 2024 to reflect the revised purchase price allocation (note 2(b)).

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

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

4 . CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH

	Note	March 31, 2026	December 31, 2025
Components of cash and cash equivalents and restricted cash:			
Cash held in business accounts			
Denominated in Canadian Dollars		\$ 356,441	\$ 2,454,446
Denominated in US Dollars		460,133	291,508
Total		\$ 816,574	\$ 2,745,954
Cash and cash equivalents and restricted cash subject to restrictions on use by the Company:			
Cash held as collateral against a letter of credit			
		\$ -	\$ 1,575,000
Net proceeds from the Green Bonds pending deployment (i)		816,574	1,170,954
		\$ 816,574	\$ 2,745,954

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

5 . SECURED LOANS AND ROYALTY INTERESTS

	Note	March 31, 2026	December 31, 2025
Secured Loans – Amortized Cost			
OCEP		\$ 5,770,988	\$ 5,731,166
Delta		3,515,918	3,515,918
CleanLight		3,328,692	3,328,692
Clean Communities		1,625,090	1,556,655
Abraxas		1,344,669	1,338,958
Alpin Sun Sol Aurora		281,750	577,198
Clear Blue Technologies		362,205	358,544
Solar High Yields		3,063,325	3,051,820
Revolve consolidated		2,521,691	2,676,806
		21,814,328	22,135,757
Allowance for lifetime expected losses due to credit impairment (stage 3 ECL)		(8,138,726)	(8,121,136)
Total secured loans at amortized cost, net of allowance(s) for expected credit losses		13,675,602	14,014,621
Secured Loans – FVTPL			
Aeolis Wind Power Corporation	15(e)	836,371	824,115
Royalty Interests			
Northland Power Inc.		981,746	1,014,471
OntarioCo		204,504	208,753
Scotian Windfields		1,007,144	1,031,123
Revolve CBS Mexico		58,755	60,823
Revolve Cancun		61,051	63,138
AlbertaCo		704,707	724,847
Clean Communities		128,028	129,806
Revolve Windriver		238,657	240,479
Revolve Rooftop Solar		22,805	23,235
Abraxas		33,591	33,591
Solar High Yields		117,642	117,642
Clear Blue Technologies		1	1
Solaris Energy		5,244,760	4,140,600
		8,803,391	7,788,509
Total		\$ 23,315,364	\$ 22,627,245
Non-current portion			
		\$ 13,481,792	\$ 13,577,204
Current portion			
		9,833,572	9,050,041
Total		\$ 23,315,364	\$ 22,627,245

Secured Loans measured at amortized cost are presented net of their allowance for expected credit losses within the consolidated statements of financial position.

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

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

Reconciliation of lifetime expected credit losses (stage-3) and loss upon derecognition relating to secured loans

For the three months ended March 31, 2026	Beginning balance	Credit losses for the period	Write-off during the period	Revaluation difference	Ending balance
Note					
OCEP	\$ 1,276,526	\$ -	\$ -	\$ 17,590	\$ 1,294,116
Delta	3,515,918	-	-	-	3,515,918
CleanLight	3,329,221	-	-	(529)	3,328,692
Total	\$ 8,121,665	\$ -	\$ -	\$ 17,061	\$ 8,138,726

For the three months ended March 31, 2025	Beginning balance	Credit losses for the period	Write-off during the period	Revaluation difference	Ending balance
Note					
FuseForward Solutions	\$ 3,551,279	\$ -	\$ -	\$ -	\$ 3,551,279
OCEP	923,348	-	-	-	923,348
Delta	1,362,654	-	-	-	1,362,654
CleanLight	1,901,221	-	-	529	1,901,750
Total	\$ 7,738,502	\$ -	\$ -	\$ 529	\$ 7,739,031

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

Secured Loans - Amortized Cost

For the three months ended March 31, 2026

	Balance as at January 1, 2026	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Gross Carrying amount at March 31, 2026	Expected lifetime credit losses - Stage 3	Net Carrying amount at March 31, 2026
OCEP	\$ 5,731,166	\$ 289,653	\$ (326,648)	\$ 76,817	\$ 5,770,988	\$ (1,294,116)	\$ 4,476,872
Delta	3,515,918	-	-	-	3,515,918	(3,515,918)	-
CleanLight	3,328,692	-	-	-	3,328,692	(3,328,692)	-
Clean Communities	1,556,655	68,435	-	-	1,625,090	-	1,625,090
Abraxas	1,338,958	49,999	(44,288)	-	1,344,669	-	1,344,669
Solar High Yields	3,051,820	97,296	(85,791)	-	3,063,325	-	3,063,325
Alpin Sun Sol Aurora	577,198	54,552	(350,000)	-	281,750	-	281,750
Clear Blue Technologies	358,544	16,875	(13,214)	-	362,205	-	362,205
Revolve Consolidated	2,676,806	82,338	(237,453)	-	2,521,691	-	2,521,691
Total	\$ 22,135,757	\$ 659,148	\$ (1,057,394)	\$ 76,817	\$ 21,814,328	\$ (8,138,726)	\$ 13,675,602

For the three months ended March 31, 2025

	Balance as at January 1, 2025	Accretion and accrued interest	Cash payments received	Foreign currency revaluation adjustment	Gross Carrying amount at March 31, 2025	Expected lifetime credit losses - Stage 3	Net Carrying amount at March 31, 2025
FuseForward Solutions	3,551,279	-	-	-	3,551,279	(3,551,279)	-
OCEP	6,309,922	350,064	(152,696)	(5,516)	6,501,774	(923,348)	5,578,426
Revolve	1,652,812	54,941	(36,270)	-	1,671,483	-	1,671,483
Revolve Cancun	1,539,526	60,741	(34,980)	-	1,565,287	-	1,565,287
Delta	3,684,353	-	-	645	3,684,998	(1,362,654)	2,322,344
Cleanlight	3,369,511	69,769	-	1,070	3,440,350	(1,901,750)	1,538,600
Clean Communities	1,701,446	74,260	-	-	1,775,706	-	1,775,706
Revolve Windriver	4,024,324	230,075	(4,254,399)	-	-	-	-
Revolve Rooftop Solar	412,214	15,468	(48,523)	-	379,159	-	379,159
Abraxas	1,026,324	36,573	-	-	1,062,897	-	1,062,897
Solar High Yields	2,973,617	115,721	(32,370)	-	3,056,968	-	3,056,968
Alpin Sun	154,443	197,481	(204,735)	-	147,189	-	147,189
Total	\$ 30,399,771	\$ 1,205,093	\$ (4,763,973)	\$ (3,801)	\$ 26,837,090	\$ (7,739,031)	\$ 19,098,059

RE Royalties Ltd.

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For the three months ended March 31, 2026 and 2025

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The continuity schedules for royalty interests are as follows:

Royalty Interests	Cost			Depletion / Impairment			Carrying Amount
	Beginning Balance	Additions/ (disposal)	Ending Balance	Beginning Balance	Depletion for the period	Ending Balance	
Three months ended March 31, 2026							
Northland Power Inc.	\$ 1,871,864	\$ –	\$ 1,871,864	\$ 857,393	\$ 32,725	\$ 890,118	\$ 981,746
OntarioCo	316,559	–	316,559	107,806	4,249	112,055	204,504
Scotian Windfields	1,598,626	–	1,598,626	567,503	23,979	591,482	1,007,144
Revolve	85,624	–	85,624	24,801	2,068	26,869	58,755
Revolve Cancun	84,010	–	84,010	20,872	2,087	22,959	61,051
AlbertaCo	939,669	–	939,669	214,822	20,140	234,962	704,707
Clean Communities	133,362	–	133,362	3,556	1,778	5,334	128,028
Revolve Windriver	253,232	–	253,232	12,753	1,822	14,575	238,657
Revolve Rooftop Solar	24,956	–	24,956	1,721	430	2,151	22,805
Abraxas	33,591	–	33,591	–	–	–	33,591
Solar High Yields	117,642	–	117,642	–	–	–	117,642
Clear Blue Technologies	1	–	1	–	–	–	1
Solaris Energy (i)	4,140,600	1,104,160	5,244,760	–	–	–	5,244,760
Total	\$9,599,736	\$ 1,104,160	\$10,703,896	\$1,811,227	\$ 89,278	\$ 1,900,505	\$8,803,391

(i) In January 2026, the Company paid the second tranche of the purchase price for the Solaris royalty interest.

Three months ended March 31, 2025							
Northland Power Inc.	\$ 1,871,864	\$ –	\$ 1,871,864	\$ 726,493	\$ 32,725	\$ 759,218	\$ 1,112,646
OntarioCo	316,559	–	316,559	90,810	4,249	95,059	221,500
Scotian Windfields	1,598,626	–	1,598,626	471,587	23,979	495,566	1,103,060
NOMAD	932,665	–	932,665	328,506	–	328,506	604,159
Revolve	85,624	–	85,624	16,411	2,070	18,481	67,143
Revolve Cancun	84,010	–	84,010	12,407	2,087	14,494	69,516
AlbertaCo	939,669	–	939,669	134,265	20,138	154,403	785,266
Clean Communities	133,362	–	133,362	–	–	–	133,362
Revolve Windriver	253,232	–	253,232	5,466	1,821	7,287	245,945
Revolve Rooftop Solar	24,956	–	24,956	–	–	–	24,956
Abraxas	28,345	–	28,345	–	–	–	28,345
Solar High Yields	72,456	–	72,456	–	–	–	72,456
Total	\$6,341,368	\$ –	\$ 6,341,368	\$1,785,945	\$ 87,069	\$ 1,873,014	\$4,468,354

6 . PROPERTY, PLANT AND EQUIPMENT

Equipment

	Solar	Battery	Total
Cost			
As at January 1, 2026	\$ 621,045	\$ 2,938,080	\$ 3,559,125
Additions	–	–	–
Balance at March 31, 2026	\$ 621,045	\$ 2,938,080	\$ 3,559,125
Accumulated Depreciation and Impairment			
As at January 1, 2026	\$ 32,705	\$ 596,554	\$ 629,259
Depreciation	7,962	51,465	59,427
Balance at March 31, 2026	\$ 40,667	\$ 648,019	\$ 688,686
Carrying value			
As at March 31, 2026	\$ 580,378	\$ 2,290,061	\$ 2,870,439

RE Royalties Ltd.

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For the three months ended March 31, 2026 and 2025

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	Note		Solar	Battery	Total
Cost					
As at January 1, 2025 – Restated	2(b)	\$	621,045	\$ 2,938,080	\$ 3,559,125
Additions			-	-	-
Balance at March 31, 2025	3	\$	621,045	\$ 2,938,080	\$ 3,559,125
Accumulated Depreciation and Impairment					
As at January 1, 2025 – Restated	2(b)	\$	4,672	\$ 43,824	\$ 48,496
Depreciation – Restated	2(b)		6,733	56,864	63,597
Balance at March 31, 2025		\$	11,405	\$ 100,688	\$ 112,093
Carrying value					
As at March 31, 2025	2(b)	\$	609,640	\$ 2,837,392	\$ 3,447,032

7 . INTANGIBLE ASSETS

			Solar	Battery	Total
Cost					
As at January 1, 2026		\$	719,734	\$ 1,800,000	\$ 2,519,734
Additions			-	-	-
Balance at March 31, 2026		\$	719,734	\$ 1,800,000	\$ 2,519,734
Accumulated Amortization and Impairment					
As at January 1, 2026		\$	70,384	\$ 1,800,000	\$ 1,870,384
Amortization			17,137	-	17,137
Balance at March 31, 2026		\$	87,521	\$ 1,800,000	\$ 1,887,521
Carrying value					
As at March 31, 2026		\$	632,213	\$ -	\$ 632,213

	Note		Solar	Battery	Total
Cost					
As at January 1, 2025 – Restated	2(b)	\$	719,734	\$ 1,800,000	\$ 2,519,734
Additions			-	-	-
Balance at March 31, 2025		\$	719,734	\$ 1,800,000	\$ 2,519,734
Accumulated Amortization and Impairment					
As at January 1, 2025	2(b)	\$	10,055	\$ 45,462	\$ 55,517
Amortization – Restated	2(b)		14,491	77,933	92,424
Balance at March 31, 2025		\$	24,546	\$ 123,395	\$ 147,941
Carrying value					
As at March 31, 2025	2(b)	\$	695,188	\$ 1,676,605	\$ 2,371,793

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8 . DERIVATIVE FINANCIAL ASSET AND MARKETABLE SECURITIES

Continuity of derivative financial asset and marketable securities	Three months ended	Year ended
	March 31, 2026	December 31, 2025
Beginning Balance	\$ 113,334	\$ 1
Initial recognition of the Clear Blue Units (i)	-	176,111
Loss on revaluation of derivative financial asset	(15,945)	(62,778)
Ending Balance (ii)	\$ 97,389	\$ 113,334

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

(ii) At March 31, 2026, the fair value of the Clear Blue shares was determined using the market price of the shares as of the March 31, 2026 and the fair value of the Clear Blue warrants was determined using the Black-Scholes Option Valuation model and the following assumptions: risk-free interest rate of 2.59%; expected annual volatility of 166%; exercise price of \$0.30; market price of \$0.055; and time to expiry of 1.06 years.

9 . AMOUNTS RECEIVABLE AND PREPAID EXPENSES – CURRENT

	March 31, 2026	December 31, 2025
Accrued revenue receivable - royalty revenue	\$ 993,990	\$ 966,101
Accrued revenue receivable - energy revenue	96,542	180,752
Prepaid expenses	73,426	113,476
Interest and transaction cost recoverable pursuant to Revolve LOI	-	338,835
Other amounts receivable	95,562	81,638
	1,259,520	1,680,802
Expected lifetime credit losses - stage 3	(745,785)	(771,036)
Total	\$ 513,735	\$ 909,766

At December 31, 2025, the Company recorded an expected credit loss of \$641,195 against the amount receivable from NOMAD with respect to accrued royalty revenue. Subsequent to March 31, 2026, the Company received \$25,251 from NOMAD against accrued royalty, which amount was recorded as recovery of expected credit losses at March 31, 2026.

10 . GREEN BONDS

In August 2020, the Company announced the inaugural offering of its 5-year green bonds ("Green Bonds"), and has issued four series of Green Bonds. The following Green Bonds were outstanding at March 31, 2026:

Series	Interest rate	Maturity	No. of bonds denominated in:	
			CAD	USD
Series-2	6% p.a.	December 2026	5,166	4,000
Series-3	9% p.a.	January 2028	16,423	1,242
Series-4	9% p.a.	August 2029	6,529	340
Total outstanding at March 31, 2026			28,118	5,582

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

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

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

RE Royalties Ltd.

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For the three months ended March 31, 2026 and 2025

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

	Three months ended March 31, 2026	Year ended December 31, 2025
Senior Secured Green Bonds		
Beginning balance	\$ 34,597,567	\$ 44,085,035
Repayment of Series-1 Green Bonds	(364,000)	(9,802,000)
Amortization of financing costs	178,388	876,918
Foreign exchange translation difference	105,470	(562,386)
Ending balance	\$ 34,517,425	\$ 34,597,567
Non-current portion	23,926,751	23,766,890
Current portion	10,590,674	10,830,677
Ending balance (i)	\$ 34,517,425	\$ 34,597,567
Carrying amount of the Green Bond liability by series:		
Series-1 6% Green Bonds	\$ -	\$ 362,128
Series-2 6% Green Bonds	10,590,674	10,468,549
Series-3 9% Green Bonds	17,448,887	17,333,303
Series-4 9% Green Bonds	6,477,864	6,433,587
Ending balance	\$ 34,517,425	\$ 34,597,567

(i) Includes USD-denominated Green Bonds for an aggregate principal sum of US\$5,242,000 (\$7,540,617) (note 15(c))

Interest reserve account

Pursuant to the Green Bonds indenture, the Company is required to maintain, with the Bond Trustee, a deposit equivalent to interest payments for six months. The balance of the interest reserve account is as follows:

	March 31, 2026	December 31, 2025
Interest reserve account	\$ 1,464,797	\$ 1,461,185

11 . DECOMMISSIONING LIABILITIES

Decommissioning liabilities represent the present value of future cash outflows required to dismantle BESS and solar assets and restore the sites per legal and regulatory requirements. The amount recognized as a provision is the best estimate of the expenditures required to settle the provision. The reclamation provision related to the BESS and Solar assets has been recorded using a discount rate of 3.23% and an inflation factor of 2% (December 31, 2025: discount rate of 3.85% and an inflation factor of 2%). As at March 31, 2026, the undiscounted estimated reclamation costs of SPOBOC and SPOSOC are approximately \$127,275 (December 31, 2025: \$127,275) and \$209,755 (December 31, 2025: \$209,755), respectively. The aggregate carrying amount of the obligation is:

	March 31, 2026	December 31, 2025
Beginning balance	\$ 264,521	\$ 294,659
Accretion and remeasurement	179	(30,138)
Ending balance	\$ 264,700	\$ 264,521

12 . SHARE CAPITAL AND RESERVES

(a) Share capital

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

RE Royalties Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

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

(b) Reserves

	March 31, 2026	March 31, 2025
Share-based payment reserve	\$ 1,878,820	\$ 1,784,402
Share warrants reserve	648,913	648,913
Other reserves	87,000	87,000
Foreign currency translation reserve	494,970	945,329
Total reserves	\$ 3,109,703	\$ 3,465,644

Share-based payment expense

	Three months ended March 31,	
	2026	2025
Expense arising from equity-settled share-based payment transactions		
Share purchase options	\$ 78,164	\$ -
Restricted Share Units ("RSUs")	32,609	9,862
	110,773	9,862
Changes in the fair value of cash-settled share-based awards	4,006	171
Total	\$ 114,779	\$ 10,033

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

Continuity of share purchase options:

	Three months ended March 31, 2026		Three months ended March 31, 2025	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding Options – beginning balance	2,030,000	\$ 1.00	2,030,000	\$ 1.00
Granted during the period	1,195,000	\$ 0.30	-	\$ -
Expired	(1,070,000)	\$ 1.32	-	\$ -
Outstanding Options – ending balance	2,155,000	\$ 1.00	2,030,000	\$ 1.00
Options Exercisable – ending balance	1,358,333	\$ 0.55	1,502,000	\$ 1.13

Remaining contractual life of the Company's common share purchase options:

	March 31, 2026		December 31, 2025	
Exercise price	Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
\$ 1.32	-	-	1,070,000	0.13
\$ 0.65	960,000	0.08	960,000	0.33
\$ 0.30	1,195,000	2.80	-	-
	2,155,000	1.59	2,030,000	0.22

RE Royalties Ltd.

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Deferred share units and restricted share units

Continuity of DSUs and RSUs:	Three months ended March 31, 2026		Three months ended March 31, 2025	
	DSUs	RSUs	DSUs	RSUs
Outstanding at the beginning of the period	153,334	-	180,501	157,000
Granted during the period (i)	-	800,000	-	-
Outstanding at the end of the period	153,334	800,000	180,501	157,000
Units vested – ending balance	153,334	-	180,501	-

(i) The grant date fair value for these RSUs was \$0.29 per unit.

Share purchase warrant reserve

The continuity of the Company's share purchase warrants for the three months ended March 31, 2026 is as follows:

Expiry date	Exercise price	January 1, 2026	Warrants issued	Warrants exercised	Warrants expired	March 31, 2026
August 29, 2027	\$ 0.50	297,780	-	-	-	297,780
November 13, 2027 (i)	\$ 0.50	130,550	-	-	-	130,550
December 10, 2027 (i)	\$ 0.50	45,500	-	-	-	45,500
		473,830	-	-	-	473,830

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

The continuity of the Company's share purchase warrants for the three months ended March 31, 2025 is as follows:

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

(i) These represent the warrants issued to the underwriters for the Series-3 Public offering and Series -3 Private placement of Series-3 Green Bonds (note 12), and their weighted average fair value as of the date of issuance was \$0.2296 per warrant, which fair value was determined using the Black-Scholes Option Valuation model and the following assumptions: weighted average risk-free interest rate of 3.45% ; expected volatility of 55%; exercise price of \$0.75; underlying weighted average market price of \$0.76 per share; and time to expiry of 3 years.

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

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(c) Distribution to shareholders

No dividend was declared during the three months ended March 31, 2026. During three months ended 2025, the Company's declared the following cash distributions to its shareholders:

Declaration date	Record date	Payment date	Amount	
			Per share	Total
Three months ended March 31, 2025				
January 8, 2025	January 29, 2025	February 19, 2025	\$ 0.01	\$ 433,768

In December 2025, the Company's Board of Directors declared a cash distribution for the total amount of \$435,220 to its shareholders, which distribution was paid during the three months ending March 31, 2026.

13 . RELATED PARTY TRANSACTIONS

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

Remuneration for services rendered	Three months ended	
	March 31, 2026	March 31, 2025
Short-term employment benefits (i)	\$ 89,082	\$ 127,918
Equity-settled share-based compensation	41,700	1,508
Cash-settled share-based compensation	4,006	171
Total	\$ 134,788	\$ 129,597

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

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

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares that were outstanding during the period. Diluted loss per share does not adjust loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. For purposes of the calculation of diluted loss per share for the three months ended March 31, 2026 and March 31, 2025, the share purchase options, DSUs, RSUs, and warrants were excluded from the calculation of diluted loss per share as they were anti-dilutive.

15 . FINANCIAL RISK MANAGEMENT

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

(a) Credit Risk

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

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

The group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past due amounts	Stage 1 - 12-month ECL
Doubtful	There has been a significant increase in credit risk	Stage 2 - Lifetime ECL - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Stage 3 - Lifetime ECL - credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery	Amount is written off

The table below presents the Company's financial assets measured at amortized cost, the stages they are in for ECL measurement and the balance of the ECL as at March 31, 2026. The gross carrying value of the financial asset best represents the maximum exposure to credit risk at the reporting date:

March 31, 2026	ECL Stage	Gross Carrying Value	Allowance for Credit Loss	Net Carrying Value
Secured loans				
Cleanlight	3	\$ 3,328,692	\$ (3,328,692)	\$ -
OCEP	3	5,770,988	(1,294,116)	4,476,872
Delta	3	3,515,918	(3,515,918)	-
		12,615,598	(8,138,726)	4,476,872
Amounts receivable				
NOMAD	3	641,195	(615,944)	25,251
Cleanlight	3	129,841	(129,841)	-
		771,036	(745,785)	25,251
		13,386,634	(8,884,511)	4,502,123
Secured loans, under Stage 3 as mentioned	1	9,198,730	-	9,198,730
Total		\$ 22,585,364	\$ (8,884,511)	\$ 13,700,853

(i) Considering a negligible probability of default, as well as collateral available to the Company, no ECL provision has been recorded for the secured loans classified under stage 1.

RE Royalties Ltd.

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The table below presents the Company's financial assets measured at amortized cost, the stages they are in for ECL measurement and the balance of the ECL as at December 31, 2025. The gross carrying value of the financial asset best represents the maximum exposure to credit risk at the reporting date:

December 31, 2025	ECL Stage	Gross Carrying Value	Allowance for Credit Loss	Net Carrying Value
Secured loans				
Cleanlight	3	\$ 3,328,692	\$ (3,328,692)	\$ -
OCEP	3	5,731,166	(1,276,526)	4,454,640
Delta	3	3,515,918	(3,515,918)	-
		12,575,776	(8,121,136)	4,454,640
Amounts receivable				
NOMAD	3	641,195	(641,195)	-
Cleanlight	3	129,841	(129,841)	-
		771,036	(771,036)	-
		13,346,812	(8,892,172)	4,454,640
Secured loans, under Stage 3 as mentioned	1	9,559,981	-	9,559,981
Total		\$ 22,906,793	\$ (8,892,172)	\$ 14,014,621

(i) Considering a negligible probability of default, as well as collateral available to the Company, no ECL provision has been recorded for the secured loans classified under stage 1.

(b) Liquidity Risk

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

The Company's 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 are gross and undiscounted, and include contractual interest payments.

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

RE Royalties Ltd.

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For the three months ended March 31, 2026 and 2025

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(c) Foreign exchange risk

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

	Note	March 31, 2026		December 31, 2025	
		US Dollars	Canadian Dollars	US Dollars	Canadian Dollars
Cash	4	330,657	\$ 460,140	212,361	\$ 291,508
Secured loans	5	3,217,080	4,476,872	3,245,166	4,454,640
		3,547,737	4,937,012	3,457,527	4,746,148
Green Bonds	10	(5,582,000)	(7,767,882)	(5,582,000)	(7,662,411)
Net exposure, including foreign operations		(2,034,263)	\$ (2,830,870)	(2,124,473)	(2,916,263)
Less: Cash and Secured loans held in foreign operations		(3,261,359)	(4,538,490)	(3,422,143)	(4,697,576)
Net exposure, excluding foreign operations		\$ (5,295,622)	\$ (7,369,360)	\$ (5,546,616)	\$ (7,613,839)
Exchange rate as of the reporting date (Canadian Dollar per US Dollar)			\$ 1.3916		\$ 1.3727

The average exchange rate for the three months ended March 31, 2026 is \$1.3717 (March 31, 2025 - \$1.4359). The average exchange rate for the 12 months ended December 31, 2025 was \$1.3802.

Sensitivity

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

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

	\$	(74,000)	\$	(76,000)
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Exchange loss that would have been recorded in other comprehensive

income/loss with a 1% increase in the value of the U.S. dollar relative to

the Canadian dollar

	\$	45,000	\$	47,000
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The Company does not have any hedging arrangement with respect to its net exposure to foreign currency risks.

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

(d) Interest rate risk

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

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

The Company is subject to interest rate fair value risk with respect to the secured loan to Aeolis, which is carried at fair value (note 15(e)). An increase of 25 basis points in discount rates will result in a decrease of approximately \$8,000 in the fair value of the secured loan to Aeolis.

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

RE Royalties Ltd.

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(e) Fair Value

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

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

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

The following table sets forth the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2026 and December 31, 2025:

Three months ended March 31, 2026

	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
ASSETS				
Secured loans - FVTPL	\$ 836,371	\$ -	\$ -	\$ 836,371
Derivative financial asset and marketable securities	\$ 97,389	\$ 76,389	\$ 21,000	\$ -
LIABILITIES				
Cash-settled share-based payment liability	\$ 6,746	\$ 6,746	\$ -	\$ -
Total	\$ 940,506	\$ 83,135	\$ 21,000	\$ 836,371

Year ended December 31, 2025

	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
ASSETS				
Secured loans - FVTPL	\$ 824,115	\$ -	\$ -	\$ 824,115
Derivative financial asset and marketable securities	\$ 113,334	\$ 83,334	\$ 30,000	\$ -
LIABILITIES				
Cash-settled share-based payment liability	\$ 2,740	\$ 2,740	\$ -	\$ -
Total	\$ 940,189	\$ 86,074	\$ 30,000	\$ 824,115

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Aeolis Loan

The Aeolis Loan is classified as a financial asset at fair value through profit and loss (note 5). At March 31, 2026, the fair value of the Aeolis Loan was determined by discounting future cash flows using annual discount rates in the range of 6.46% - 7.97% (December 31, 2025: 6.40% - 7.93%) applicable to the term of each cash flow and average annual long term inflation rate of 3% (December 31, 2025: 3%).

At the end of the reporting period, the fair value measurement of the Aeolis Loan (note 5) has been categorized within level 3 of the fair value hierarchy. The Company has assessed the fair value of the instrument based on a valuation technique using unobservable discounted future cash flows. Significant inputs used in the valuation of the Aeolis Loan that are not observable market data were the credit spread and other elements constituting the discount rates and inflation rates used; these inputs require judgement. An increase in average future annual inflation rate used in valuation of the Aeolis Loan from 3.0% to 3.1% would increase its fair value by approximately \$1,800.

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

(f) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the following: a) equity, comprising share capital, net of reserves and accumulated deficit; and b) debt, comprising the Green Bonds. There has been no change in management's approach since December 31, 2025.

At the end of the current reporting period, the Company was required to maintain a debt to equity ratio of 3:1 under certain covenants in the Green Bonds indenture (note (10)), respectively.

The Green Bond indenture also requires the Company to maintain, subject to a cure period, a minimum debt coverage ratio ("Debt Coverage Ratio") as determined pursuant to the Indenture by dividing its quarterly earnings, before certain items such as interest, taxes, depreciation, amortization, and extraordinary items, by total interest expenses for a fiscal quarter. As per the Indenture, various financial covenants, including Debt Coverage Ratio, are subject to a cure period ("Cure Period"), whereby an event of default will only occur if the Company fails to comply with such covenants by the end of the second fiscal quarter following the occurrence of non-compliance. However, the Indenture allows the Company to obtain a waiver for a breach of the financial covenant relating to Debt Coverage Ratio from bondholders holding at least an aggregate of 50% of the principal sum for each series of outstanding Green Bonds.

As of March 31, 2026, the minimum Debt Coverage Ratio was not achieved. However, pursuant to the Cure Period, no event of default was deemed to have occurred at 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.

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16 . SEGMENT INFORMATION

During the three months ended March 31, 2026, the Company operated in the following three reportable segments:

	RER (i)	SPOBOC	SPOSOC	Total
Segment revenue and income (no internal revenue is generated)				
Royalty revenue	\$ 234,739	\$ -	\$ -	\$ 234,739
Finance income	685,579	455	808	686,842
Energy revenue	-	(24,528)	25,313	785
	920,318	(24,073)	26,121	922,366
Segment cost of sales				
Amortization and depreciation	-	(51,465)	(25,099)	(76,564)
Other operating expenses	-	(110,874)	(7,395)	(118,269)
Depletion of royalty interests	(89,278)	-	-	(89,278)
	(89,278)	(162,339)	(32,494)	(284,111)
Segment gross (loss) profit	\$ 831,040	\$ (186,412)	\$ (6,373)	\$ 638,255
Segment net (loss) profit	\$ (1,072,467)	\$ (186,837)	\$ (6,438)	\$ (1,265,742)

(i) RER segment in the table above includes all other activities of the Company besides SPOBOC and SPOSOC.

At March 31, 2026, total assets and liabilities of the Company's reportable segments were as follows:

	RER	SPOBOC	SPOSOC	Total
Total segment assets	\$ 26,280,879	\$ 2,363,792	\$ 1,235,402	\$ 29,880,073
Total segment Liabilities	\$ 34,728,700	\$ 211,451	\$ 165,947	\$ 35,106,098

During the three months ended March 31, 2025, the Company operated in the following three reportable segments:

	RER (i)	SPOBOC	SPOSOC	Total
Segment revenue and income (no internal revenue is generated)				
Royalty revenue	\$ 180,485	\$ -	\$ -	\$ 180,485
Finance income	1,368,531	383	157	1,369,071
Energy revenue	-	152,237	26,106	178,343
	1,549,016	152,620	26,263	1,727,899
Segment cost of sales				
Amortization and depreciation	-	(134,797)	(21,224)	(156,021)
Other operating expenses	-	(79,026)	(5,349)	(84,375)
Depletion of royalty interests	(87,069)	-	-	(87,069)
	(87,069)	(213,823)	(26,573)	(327,465)
Segment gross (loss) profit	\$ 1,461,947	\$ (61,203)	\$ (310)	\$ 1,400,434
Segment net (loss) profit	\$ (417,685)	\$ (61,203)	\$ (310)	\$ (479,198)

At December 31, 2025, total assets and liabilities of the Company's reportable segments were as follows:

	RER	SPOBOC	SPOSOC	Total
Total segment assets	\$ 27,594,316	\$ 2,649,206	\$ 1,386,845	\$ 31,630,367
Total segment Liabilities	\$ 35,363,283	\$ 186,182	\$ 188,673	\$ 35,738,138

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

	Three months ended	
	March 31, 2026	March 31, 2025
North America		
Royalty revenue	\$ 234,739	\$ 180,485
Finance income	686,842	1,299,302
Energy revenue	785	178,343
	<u>\$ 922,366</u>	<u>\$ 1,658,130</u>
South America		
Royalty revenue	\$ -	\$ -
Finance income	-	69,769
	<u>\$ -</u>	<u>\$ 69,769</u>
Total	<u>\$ 922,366</u>	<u>\$ 1,727,899</u>

The geographical breakdown of the Company's non-current assets, other than financial assets, is as follows:

	March 31,	December 31,
	2026	2025
North America		
Canada	\$ 6,918,672	\$ 7,103,164
United States	5,244,760	4,140,600
Mexico	142,611	123,961
Total	<u>\$ 12,306,043</u>	<u>\$ 11,367,725</u>

17 . COMMITMENT

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