

RE Royalties Provides CAD \$4.3 Million Secured Loan to Switch Power for Five Battery Storage Projects

All amounts in Canadian dollars unless otherwise stated

November 8, 2021, Vancouver, BC – [RE Royalties Ltd.](#) (TSX.V: RE) (“RE Royalties” or the “Company”), a global leader in renewable energy royalty-based financing, has entered into an equipment procurement loan agreement with Switch Power Ontario Battery Operations Corp. (“Switch OpCo”), a wholly owned subsidiary of Switch Power Corporation (“Switch Power”), for \$4.3 Million (the “EP Loan”).

The EP Loan will allow Switch OpCo to procure Battery Energy Storage Systems (“BESS”) for five projects owned by Switch OpCo (the “2022 Projects”), located in Ontario. The EP loan is RE Royalties’ third transaction with Switch Power following the previously announced \$2.3 million Acquisition Loan and \$0.8 million Development Acquisition Loan, which were used by Switch Power to acquire the portfolio of 4 operating and 10 development energy storage projects located in Ontario and will be used to fund the first 5 development projects.

The 2022 Projects will have a total storage capacity of 3.5MW and are expected to reach commercial operations in the summer of 2022. The 2022 Projects are located adjacent to existing buildings owned by large industrial and financial institutions, and Switch OpCo will receive revenue from several sources, with the majority coming from Energy Services Agreements (“ESAs”) with the building owners. Under the ESAs, Switch OpCo will receive a percentage of the cost savings generated by the BESS systems, primarily through reducing the charges related to Global Adjustment, under the Independent Electricity System Operator’s Industrial Conservation Program.

The EP Loan will be provided in two draws: \$2.8 million at closing, and the remaining \$1.5 million in March 2022. The EP Loan will have a term of 24 months and will be repayable at maturity, bear interest at 8.6% on drawn funds, with interest payable during the term. The Company will also receive a sliding scale royalty of between 3% to 5% on gross revenues generated by the 2022 Projects for the life of the ESAs, for a 10-to-15-year initial term, with options to extend.

Bernard Tan, CEO of RE Royalties, commented, “We are very pleased to grow our relationship with Switch Power with this third transaction. Trevor White and his team at Switch continue to make incredible progress in building out their clean energy portfolio, and we look forward to seeing these projects reach commercial operations in the coming months.”

“The timing, flexibility, and structure of RE Royalties’ financing instruments and this loan allow for us to move forward with the procurement of critical storage systems to meet next year’s in service dates and generate meaningful energy solutions for our customers. This, alongside the previous two transactions with RE Royalties are the foundation of a great financing partnership. We look forward to the success of these projects,” said Trevor White, President and CEO of Switch Power.

On Behalf of the Board of Directors,

Bernard Tan
CEO



About RE Royalties Ltd.

RE Royalties Ltd. acquires revenue-based royalties from renewable energy generation facilities by providing a non-dilutive financing solution to privately held and publicly traded renewable energy generation and development companies. RE Royalties is the first to apply this proven business model to the renewable energy sector. The Company currently owns 98 royalties on solar, wind, storage and hydro projects in Canada, Europe, and the United States. The Company's business objectives are to provide shareholders with a strong growing yield, robust capital protection, high rate of growth through re-investment and a sustainable investment focus.

About Switch Power Corporation

Switch Power Corporation is a developer and Independent Power Producer headquartered in Calgary, Alberta, that focuses on capital deployment in long-term infrastructure assets in underserved geographic and customer segments. Switch Power develops, builds, owns, and operates bespoke sustainable power generation projects consisting of distributed energy resources, with inherent value propositions to customers through physical supply. Switch Power currently has a pipeline of 680MWs, across varying geographical, technology, and customer segments, with an estimated capital deployment of \$220M over the next 24 months.

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