Aug 4, 2022 | St. John's, Newfoundland

Altius Renewable Royalties Reports Q2 2022 Financial Results

All $ references in US unless otherwise indicated

Altius Renewable Royalties Corp. (TSX: ARR) (OTCQX: ATRWF) ("ARR" or the "Company"), is pleased to report its financial results for the quarter ended June 30, 2022 with a conference call to follow August 5, 2022 at 9:30 am EST.

For the quarter ended June 30, 2022, ARR reported attributable revenue[(1)(2)] of $0.7 million and a net loss of $0.5 million. This compares to attributable revenue $0.07 million and a net loss of $0.7 million in Q2 2021. For the six months ended June 30, 2022, ARR reported attributable revenue of $1.4 million and a net loss of $0.7 million. This compares to attributable revenue $0.1 million and a net loss of $0.8 million for the first six months of 2021.

Based on the performance of the Company's operating royalties to date and the expectations for production and pricing for the remainder of the year, the Company wishes to reaffirm guidance for 2022 revenue at the Great Bay Renewables ("GBR") level of $4.5 million to $5.5 million expected from its six operating royalties.

During the three and six months ended June 20, 2022, the Corporation recognized attributable royalty revenue of $460,000 and $986,700, respectively, from the Northleaf investment royalties which were acquired on September 30, 2021. Attributable royalty revenue of $85,800 and $141,000 was recognized from the Prospero 2 solar project during the three and six months ended June 30, 2022, respectively. Production at Prospero 2 was lower during the quarter as the operator reported damage from a hail storm in early June, which has now largely been repaired. The lower production was partially offset by increased pricing during the period.

New Royalty Investments

On May 4, 2022, ARR announced a $32.5 million investment into a new global renewables platform, Bluestar Energy Capital LLC and its U.S. development subsidiary, Nova Clean Energy, LLC . Subsequent to quarter end, on July 29, 2022, the Corporation announced that GBR has entered into a $40 million transaction with U.S. renewable energy developer, Hodson Energy, LLC ("Hodson"), to gain future royalties related to Hodson's portfolio of solar plus battery storage development projects.

As of June 30, 2022 the Corporation held cash of US$61.9 million and an additional US$1.8 million was held by the 50% owned GBR joint venture.

Commenting on the quarter and recently announced transactions, Frank Getman, CEO of GBR, said *"We are pleased to add two developer royalty portfolio transactions, giving us additional exposure to solar generation and introducing a significant component of battery storage in the case of Hodson, and in both cases, backing teams who have excellent track records in building robust development project pipelines and advancing projects through sales and construction."*

Brian Dalton, CEO of ARR added that *"During the quarter and subsequently we saw a substantial increase in market based power pricing in the regions we currently hold royalty exposure marking a sharp reversal of several years of declining market based and contracted industrial power purchase agreement prices. The higher prices are reflecting higher costs of generation in the power industry generally; however, our top line royalties are not impacted by cost inflation, while we benefit from resulting higher prices."*
https://www.arr.energy/press-releases/altius-renewable-royalties-announces-new-us-40mm-financing-of-u-s-solar-plus-battery-storage-developer-with-1-8-gw-pipeline

Non-GAAP Financial Measures

1. Management uses the following non-GAAP financial measures: attributable revenue, attributable royalty revenue, and adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA).

2. Management uses these measures to monitor the financial performance of the Corporation and its operating segments and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (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. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. Further information on the composition and usefulness of each non-GAAP financial measure, including reconciliation to their most directly comparable IFRS measures, is included in the non-GAAP financial measures section of our MD&A.

Conference Call Details

A conference call and webcast will be held August 5, 2022 at 9:30 am EST to provide an update and to offer an open Q&A session for analysts and investors. Access details are as follows:

DATE	August 5, 2022 at 9:30 am ET
EVENT	ARR Q2 2022 Financial Results, ID 3043354
DIAL IN	1-888-440-2069 OR 1-438-803-0525
WEBCAST	https://app.webinar.net/LNX7YGWYj1p

About ARR

ARR is a recently formed renewable energy company whose business is to provide long-term, royalty level investment capital to renewable power developers, operators, and originators. ARR has 16 renewable energy royalties representing 3,510 MW of renewable power, diversified by wind, solar, stage of development or operations and regional power pool in the U.S. The Corporation combines industry expertise with innovative, partner-focused solutions to further the growth of the renewable energy sector as it fulfills its critical role in enabling the global energy transition.

Forward-looking information

This news release contains forward-looking information. The statements are based on reasonable assumptions and expectations of management and ARR provides no assurance that actual events will meet management's expectations. In certain cases, forward-looking information may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Although ARR believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those projected. Readers should not place undue reliance on forward-looking information. ARR does not undertake to update any forward-looking information contained herein except in accordance with securities regulation.

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