POLARIS RENEWABLE ENERGY ANNOUNCES Q4 AND ANNUAL 2023 RESULTS

TORONTO, ON (February 22, 2024) – Polaris Renewable Energy Inc. (TSX: PIF) ("Polaris Renewable Energy" or the "Company"), is pleased to report its financial and operating results for the year ended December 31, 2023. This earnings release should be read in conjunction with the Company's consolidated financial statements and management's discussion and analysis, which are available on the Company's website at www.PolarisREI.com and have been posted on SEDAR+ at www.sedarplus.ca. The dollar figures below are denominated in US Dollars unless noted otherwise.

HIGHLIGHTS

- Annual consolidated energy production increased by 151,195 MWh or 23% to 800,951 MWh for the year ended December 31, 2023 when compared to the year ended December 31, 2022. Of this increment, 60,040 MWh was contributed by the Company's geothermal facility in Nicaragua boosted by the start of the binary plant on January 2023; increased production of 23,066 MWh contributed by the Company's hydroelectric facilities in Peru; 13,122 MWh produced by the newly constructed solar plant in Panama, which began producing in April 2023; incremental production of 27,657 MWh from the solar facility in the Dominican Republic, which reflects a timing impact from its acquisition on June 28,2022, compared to full production in 2023, similar to the hydroelectric facility in Ecuador which was acquired on September 7, 2022, and contributed an additional 27,222 MWh to the annual consolidated energy production in 2023.
- The Company generated $78.5 million in revenue from energy sales for the year ended December 31, 2023, compared to $62.6 million in the same period in 2022. The increase was the net result of additional revenue from the Binary unit in Nicaragua as well as full year production from the three new facilities located in Dominican Republic, Panama and Ecuador, coupled with the increased prices with respect to the inflation adjustments in the power purchase agreement's ("PPA") for the Peruvian facilities.
- Net earnings attributable to owners was $11.7 million or $0.56 per share – basic for the year ended December 31, 2023, compared to net earnings of $2.5 million or $0.12 per share – basic in 2022.
- Adjusted EBITDA*(1)* increased to $57.7 million for the year ended December 31, 2023, compared to Adjusted EBITDA*(1)* of $44.9 million in the same period in 2022, principally as a result of revenue increases, as described above.
- For year ended December 31, 2023, the Company generated $44.0 million in net cash flow from operating activities, ending with a cash position of $44.7 million, including restricted cash.
- On March 31, 2023, the Company completed the construction of Vista Hermosa Solar Park, located in Panama. The plant was connected to the electrical grid on April 22, 2023
- The company installed a 630KW Battery Energy Storage System ("BESS"), at the 8 de Agosto hydroelectric facilities in Peru. This system, commonly used in power grids, consists of a set of batteries that store electrical energy that can then be drawn when needed to meet specific demands such as a primary frequency regulation.
- On August 21, 2023 the Company announced that the Toronto Stock Exchange accepted its notice of intention to proceed with a normal course issuer bid ("NCIB"), under which Polaris may purchase up to 2,048,273 of its common shares. During the year ended December 31, 2023, the Company repurchased and cancelled 22,200 common shares, for total consideration of $213,596 at an average price of $9.62 (C$13.21) per share.
- The Company remains focused on maintaining a quarterly dividend. For the year ended December 31, 2023, the Company declared and paid $12.6 million in dividends. The Company has declared and will pay a quarterly dividend of $0.15 per outstanding common share on February 23, 2024.
- The Company continued to advance its environmental, social and governance initiatives as part of its core strategy while continuing to maintain an excellent health and safety record. For additional details, readers are encouraged to refer to the Company's annual sustainability report, which is available on the Company's website.

OPERATING AND FINANCIAL OVERVIEW

	Three Months Ended				Year Ended			
		December 31, 2023		December 31, 2022		December 31, 2023		December 31, 2022
Energy production								
Consolidated Power MWh		**192,820**		174,220		**800,951**		649,756
Financials								
Total revenue	**$**	**18,748**	$	16,870	**$**	**78,522**	$	62,600
Net earnings attributable to owners	**$**	**1,408**	$	3,001	**$**	**11,744**	$	2,499
Adjusted EBITDA	**$**	**13,391**	$	11,658	**$**	**57,663**	$	44,921
Net cash flow from operating activities	**$**	**10,167**	$	12,846	**$**	**43,960**	$	33,506
Per share								
Net earnings attributable to owners - *basic and diluted*	**$**	**0.07**	$	0.14	**$**	**0.56**	$	0.12
Adjusted EBITDA - *basic*	**$**	**0.64**	$	0.55	**$**	**2.74**	$	2.23
Balance Sheet						**As at December 31, 2023**		**As at December 31, 2022**
Total Cash (Restricted and Unrestricted)					**$**	**44,683**	$	39,965
Total current assets					**$**	**54,042**	$	50,609
Total assets					**$**	**519,400**	$	535,102
Current and Long-term debt					**$**	**172,379**	$	184,408
Total liabilities					**$**	**249,468**	$	264,890

During the three months ended December 31, 2023 quarterly consolidated power production was higher than the same period in 2022, mainly driven by an increase in production in Peru due to better hydrology.

For Nicaragua, in the fourth quarter of 2023 production was comparable to the production in 2022. Incremental temporary instability in cycling wells was offset by the additional energy generated by the new Binary Plant.

Consolidated production in Peru for the three months ended December 31, 2023 was higher than the comparative period in 2022 due to greater water availability at both El Carmen and 8 de Agosto. The rainy season, which typically starts in October, brought higher than average rainfalls into the region in Q4 2023.

For Dominican Republic, the Canoa 1 facility, produced 12,830 MWh in the three months ended December 31, 2023. This is lower than the fourth quarter of 2022 due to resource availability, namely, a longer rainy season compared to the prior year.

For Ecuador, in the fourth quarter of 2023, HSJM's average production of 8,301 MWh is higher than the comparative period in 2022 (6969 MWh) due to resource availability. Overall, and similar to Peru, production in Ecuador is driven by the dry and wet season, with the rainy season generally starting in October-November and running until May-June.

For Panama, Vista Hermosa Solar Park production of 4,980 MWh for the three months ended December 31, 2023, was within the range of the Company's expectations.

"*2023 was a record for the Company in terms of Consolidated power production given the completion of the construction of the Vista Hermosa Solar Park in Panama, as well as first year of operations of the Binary unit in Nicaragua. Both of these projects were executed and constructed by the Company and have been running well since their respective commercial operation dates. We are also quite happy with the fact that operating costs in all jurisdictions remain flat despite the inflation* *pressures world-wide. In addition, the platform we have built can now take advantage of the opportunities to grow in the region through our own developments as well as through opportunistic acquisitions*" noted Marc Murnaghan, Chief Executive Officer of Polaris Renewable Energy.

About Polaris Renewable Energy Inc.

Polaris Renewable Energy Inc. is a Canadian publicly traded company engaged in the acquisition, development, and operation of renewable energy projects in the Americas. We are a high-performing and financially sound contributor in the energy transition.

The Company's operations are in 5 Latin American countries and include a geothermal plant (82 MW), 4 run-of-river hydroelectric plants (39 MW) and 3 solar (photovoltaic) projects in operation (35 MW).

For more information, contact :

Investor Relations
Polaris Renewable Energy Inc.

Phone: +1 647-245-7199
Email: info@PolarisREI.com

Cautionary Statements

This news release contains “forward-looking information” within the meaning of applicable Canadian securities laws, which may include, but is not limited to, financial and other projections as well as statements with respect to future events or future performance, management’s expectations regarding the Company’s growth, results of operations, business prospects and opportunities, construction plans in Panama, production in the fourth quarter in Nicaragua and synergies of the acquisitions discussed above, and the effects of the COVID-19 pandemic. In addition, statements relating to estimates of recoverable energy “resources” or energy generation capacities are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that electricity can be profitably generated from the described resources in the future. Such forward-looking information reflects management’s current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “estimates”, “goals”, “intends”, “targets”, “aims”, “likely”, “typically”, “potential”, “probable”, “projects”, “continue”, “strategy”, “proposed”, or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved.

A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others: failure to discover and establish economically recoverable and sustainable resources through exploration and development programs; imprecise estimation of probability simulations prepared to predict prospective resources or energy generation capacities; inability to complete hydro projects in the required time to meet COD; variations in project parameters and production rates; defects and adverse claims in the title to the Company’s properties; failure to obtain or maintain necessary licenses, permits and approvals from government authorities; the impact of changes in foreign currency exchange and interest rates; changes in government regulations and policies, including laws governing development, production, taxes, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; availability of government initiatives to support renewable energy generation; increase in industry competition; fluctuations in the market price of energy; impact of significant capital cost increases; the ability to file adjustments in respect of applicable power purchase agreements; unexpected or challenging geological conditions; changes to regulatory requirements, both regionally and internationally, governing development, geothermal or hydroelectric resources, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, project safety and other matters; economic, social and political risks arising from potential inability of end-users to support the Company’s properties; insufficient insurance coverage; inability to obtain equity or debt financing; fluctuations in the market price of Shares; inability to retain key personnel; the risk of volatility in global financial conditions, as well as a significant decline in general economic conditions; uncertainty of political stability in countries in which the Company operates; uncertainty of the ability of Nicaragua, Peru, Panama, Ecuador and Dominican Republic to sell power to neighbouring countries; economic insecurity in Nicaragua, Peru, Panama, Ecuador and Dominican Republic; and other development and operating risks, as well as those factors discussed in the section entitled “Risks and Uncertainties” in the Company’s annual and interim MD&A, copies of which are available on SEDAR. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These factors are not intended to represent a complete list of the risk factors that could affect us. These factors should be carefully considered, and readers of this press release should not place undue reliance on forward-looking information.

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 information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is provided as at the date hereof and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information due to the inherent uncertainty therein.

Additional information about the Company, including the Company's AIF and sustainability report for the year ended December 31, 2023, its annual and interim financial statements and related MD&A is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.PolarisREI.com.

Non-GAAP Performance Measures

Certain measures in this press release do not have any standardized meaning as prescribed by IFRS and, therefore, are not considered GAAP measures. Where non-GAAP measures or terms are used, definitions are provided. In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

This news release includes references to the Company's adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and adjusted EBITDA per share, which are non-GAAP measures. These measures should not be considered in isolation or as an alternative to net earnings (loss) attributable to the owners of the Company or other measures of financial performance calculated in accordance with IFRS. Rather, these measures are provided to complement IFRS measures in the analysis of Polaris Renewable Energy's results since the Company believes that the presentation of these measures will enhance an investor's understanding of Polaris Renewable Energy's operating performance. Management's determination of the components of non-GAAP performance measures are evaluated on a periodic basis in accordance with its policy and are influenced by new transactions and circumstances, a review of stakeholder uses and new applicable regulations. When applicable, changes to the measures are noted and retrospectively applied.

Descriptions and reconciliations of the above noted non-GAAP performance measures are included in Section 13: Non-GAAP Performance Measures in the Company's MD&A for the year ended December 31, 2023 and on the Company's website **www.polarisREI.com/Non-GAAP**.