



POLARIS RENEWABLE ENERGY ANNOUNCES Q1 2024 RESULTS

TORONTO, ON (May 2, 2024) – Polaris Renewable Energy Inc. (TSX: PIF) (“Polaris Renewable Energy” or the “Company”), is pleased to report its financial and operating results for the three months ended March 31, 2024. This earnings release should be read in conjunction with the Company’s condensed consolidated interim 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

- Consolidated energy production decreased by 2% to 213,434 MWh for the period ended March 31, 2024 when compared to the period ended March 31, 2023. This was mainly driven by lower production by the Company’s geothermal facility in Nicaragua, combined lower production of the hydroelectric facilities in Peru. The decrease was partly offset by the production of the solar plant in Panama, which started operations in April 2023 and did not contribute to energy production during the comparative quarter of 2023.
- The Company generated \$20.6 million in revenue from energy sales for the period ended March 31, 2024, compared to \$20.1 million in the same period in 2023. The comparative revenue increase, despite lower production, is the result of increased prices with respect to the inflation adjustments in the power purchase agreement’s (“PPA”) for the Peruvian facilities, coupled with the high spot prices received in the Panamanian spot market.
- Despite current inflationary pressures, Direct Costs remained flat during the first quarter of 2024, when compared to the same period in 2023 and while considering the addition of Operating Costs from the Vista Hermosa Solar Park in Panama.
- Net earnings attributable to owners was \$4.3 million or \$0.21 per share – basic for the period ended March 31, 2024, compared to net earnings of \$4.7 million or \$0.22 per share – basic in 2023.
- Adjusted EBITDA was \$15.7 million for the quarter ended March 31, 2024, compared to Adjusted EBITDA of \$15.3 million in the same period in 2023, principally as a result of revenue increases, as described above.
- For the period ended March 31, 2024, the Company generated \$8.9 million in net cash flow from operating activities, ending with a cash position of \$45.6 million, including restricted cash.
- The Company remains focused on maintaining a quarterly dividend. For the period ended March 31, 2024, the Company has declared and will pay a quarterly dividend of \$0.15 per outstanding common share on May 24, 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	
	March 31, 2024	March 31, 2023
Energy production		
Consolidated Power MWh	213,434	217,613
Financials		
Total revenue	\$ 20,632	\$ 20,115
Net earnings attributable to owners	\$ 4,346	\$ 4,696
Adjusted EBITDA	\$ 15,741	\$ 15,325
Net cash flow from operating activities	\$ 8,687	\$ 10,088
Per share		
Net earnings attributable to owners - <i>basic and diluted</i>	\$ 0.21	\$ 0.22
Adjusted EBITDA - <i>basic</i>	\$ 0.75	\$ 0.73
Balance Sheet		
	As at March 31, 2024	As at December 31, 2023
Total cash and cash equivalents (Restricted and Unrestricted)	\$ 45,643	\$ 44,683
Total current assets	\$ 55,574	\$ 54,042
Total assets	\$ 515,227	\$ 519,400
Current and Long-term debt	\$ 169,934	\$ 172,379
Total liabilities	\$ 243,970	\$ 249,468

During the three months ended March 31, 2024 quarterly consolidated power production was lower than the same period in 2023. This was mainly driven by a decrease in production from the geothermal facility in Nicaragua due to higher instability in cycling wells, which was caused by the stabilization period of the Binary Unit's brine re-injection scheme. The instability also negatively impacted the generation from the Binary Unit, which received less brine generated from cycling wells.

Consolidated production in Peru for the three months ended March 31, 2024 was lower than the comparative period in 2023 due to a temporary shutdown of Canchayllo hydroelectric production since March 10, 2024. A minor landslide resulted in rocks and mud blocking the intake tunnel and impacting one of the chamber walls. Although no injuries or significant damage to equipment occurred, the clean-up work performed was extensive and had to be concluded before the repairs and other maintenance could be executed. Production resumed on April 30, 2024.

The Canoa 1 facility in the Dominican Republic produced 14,530 MWh in the three months ended March 31, 2024. This is 5% lower than the first quarter of 2023 due to lower irradiance in the first quarter of 2024.

In the first quarter of 2024, Ecuador's HSJM average production of 10,223 MWh was comparable to the production of the same period in 2023.

The Vista Hermosa Solar Park in Panama was connected to the electrical grid in April 2023, upon construction completion in March 2023. For the three months ended March 31, 2024, the solar facility produced 6,130 MWh, which was above the Company's expectations for the period.

"I am pleased that we have started the year with a strong quarter in line with our expectations on a consolidated basis" said Marc Murnaghan, Chief Executive Officer of Polaris Renewable Energy, "(...) continued cost control is also worth highlighting in this macro-economic environment".

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 Latin America. 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 March 31, 2024 and on the Company's website www.polarisREI.com/Non-GAAP.