



## POLARIS RENEWABLE ENERGY ANNOUNCES Q2 2024 RESULTS

TORONTO, ON (August 1, 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 and six months ended June 30, 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](http://www.PolarisREI.com) and have been posted on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The dollar figures below are denominated in US Dollars unless noted otherwise.

### HIGHLIGHTS

- Consolidated energy production of 186,887 MWh in the second quarter was 11% lower than the same period last year. The reduction is primarily as a result of the scheduled major maintenance of the Company’s geothermal facility in Nicaragua in April. In addition, hydrology in Peru was lower compared with last year.
- The Company generated \$18.7 million in revenue from energy sales for the quarter ended June 30, 2024, compared to \$20.8 million in the same period in 2023. Lower revenue resulted from lower production in the Company’s geothermal facility in Nicaragua due to the major maintenance of April 2024.
- Net earnings attributable to shareholders of the Company in the second quarter of 2024 were \$985 or \$0.05 per share – basic, compared to net earnings attributable to shareholders of the Company of \$4,622 or \$0.22 per share – basic in the comparative quarter of 2023.
- Adjusted EBITDA was \$13.3 million for the three-month period ended June 30, 2024, compared to Adjusted EBITDA of \$15.4 million in the same period in 2023 as a result of revenue decrease, as explained above.
- Consolidated Direct Costs and General and Administrative expenses remained flat during the first half of 2024 when compared to the same period in 2023, despite the inclusion of a full quarter of operating costs for Vista Hermosa Solar Park in Panama (which was under construction in April 2023).
- For the six-month period ended June 30, 2024, the Company generated \$17.0 million in net cash flow from operating activities, ending with a cash position of \$45.2 million, including restricted cash.
- Maintaining a quarterly dividend remains a goal for the Company. In respect of the second quarter of 2024, the Company declared and expects to pay a quarterly dividend of \$0.15 per outstanding common share on August 23, 2024.
- The Company continued to advance its Corporate Sustainability Strategy including maintaining high standards in Occupational Health and Safety. 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		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Energy production</b>				
Consolidated Power MWh	186,886	211,765	400,320	429,378
<b>Financials</b>				
Total revenue	\$ 18,702	\$ 20,817	\$ 39,334	\$ 40,932
Net earnings attributable to owners	\$ 985	\$ 4,622	\$ 5,331	\$ 9,318
Adjusted EBITDA	\$ 13,319	\$ 15,386	\$ 29,060	\$ 30,711
Net cash flow from operating activities	\$ 8,297	\$ 10,254	\$ 16,984	\$ 20,342
<b>Per share</b>				
Net earnings attributable to owners - <i>basic and diluted</i>	\$ 0.05	\$ 0.22	\$ 0.25	\$ 0.44
Adjusted EBITDA - <i>basic</i>	\$ 0.63	\$ 0.73	\$ 1.38	\$ 1.46
<b>Balance Sheet</b>				
			As at June 30, 2024	As at December 31, 2023
Total cash and cash equivalents (Restricted and Unrestricted)			\$ 45,243	\$ 44,683
Total current assets			\$ 55,176	\$ 54,042
Total assets			\$ 509,138	\$ 519,400
Current and Long-term debt			\$ 165,927	\$ 172,379
Total liabilities			\$ 239,906	\$ 249,468

During the three months ended June 30, 2024 quarterly consolidated power production was lower than the same period in 2023. This was mainly driven by the decrease in production from the geothermal facility in Nicaragua due to scheduled major maintenance conducted in the month of April requiring units 4 and 5 to temporarily shut -off during the process..

Consolidated production in Peru for the three months ended June 30, 2024 was 18% lower than the comparative period in 2023 due to less resource availability as well as a temporary shutdown of Canchayllo hydroelectric production from March 10, 2024 to May 6, 2024. A minor landslide resulted in rocks and mud blocking the water 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 was resumed on May 6, 2024. .

The Canoa 1 facility in the Dominican Republic increased generation by 9% to 14,613 MWh in the three months ended June 30, 2024 versus the three months ended June 30, 2023. This increase reflects the enhanced productivity of the newly installed solar panels.

For Ecuador, in the second quarter of 2024, HSJM's expected production of 11,253 MWh was in line with the production of the comparative 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 June 30, 2024, the solar facility produced 4,600 MWh, which was in line with Company's expectations for the period.

*"I am pleased that, despite lower hydrology in Peru for the second quarter, the EBITDA year to date is in line with our expectations. This has been possible through continued cost control measures and decreased G&A expenses - worth highlighting in this macro-economic environment. Our generation expectations for the remainder of the year and longer term remain intact",* said 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 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 :**

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## 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](http://www.sedarplus.ca) and on the Company's website at [www.PolarisREI.com](http://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 period ended June 30, 2024 and on the Company's website [www.polarisREI.com/Non-GAAP](http://www.polarisREI.com/Non-GAAP).