

Management's Discussion and Analysis For the three and nine-month period ended September 30, 2024

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Polaris Renewable Energy Inc. ("Polaris" or the "Company") for the period ended September 30, 2024, and reflects all material events up to October 30, 2024 the date on which this MD&A was approved by the board of directors of the Company (the "Board"). This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2024. This MD&A supplements, but does not form part of, the Company's condensed consolidated financial statements. All amounts in this MD&A, unless specifically identified as otherwise, are expressed in U.S. dollars.

This MD&A contains forward-looking information and, as such, is based on an assumed set of economic conditions and courses of action. Please refer to the cautionary note at the end of this MD&A regarding the risks associated with the forward-looking information and the risk factors set out under the headings "RISKS AND UNCERTAINTIES" in this MD&A, and "Forward-Looking Statements" and "Risk Factors" in the Company's annual information form ("AIF") for the year ended December 31, 2023 available on SEDAR+ at www.sedarplus.ca

In this MD&A and in the Company's condensed interim consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Certain financial measures in this MD&A do not have any standardized meaning as prescribed by IFRS Accounting Standards and, therefore, are not considered generally accepted accounting principles ("GAAP") measures. The Company uses non-GAAP financial measures, which the Company believes, that together with measures in accordance with IFRS Accounting Standards, provide investors with a wholesome ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have a standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures used by other companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. The non-GAAP financial measures in this MD&A include adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and adjusted EBITDA per share. Reconciliations and definitions associated with the above-noted non-GAAP financial measures can be found in Section 13: Non-GAAP Performance Measures in this MD&A.

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1. 2024 HIGHLIGHTS

- Consolidated energy production of 168,639 MWh in the third quarter compared to 178,877 MWh in the third quarter last year. The reduction was a combination of lower hydrology in Peru compared with last year as well as expected declines and lower Binary unit throughput in Nicaragua.
- The Company generated \$17.7 million in revenue from energy sales for the quarter ended September 30, 2024, compared to \$18.8 million in the same period in 2023. Lower revenue resulted from, principally, lower production in the Company's geothermal facility in Nicaragua.
- Net earnings attributable to shareholders of the Company in the second quarter of 2024 were \$451 or \$0.02 per share – basic, compared to net earnings attributable to shareholders of the Company of \$1,018 or \$0.05 per share – basic in the comparative quarter of 2023.
- Adjusted EBITDA was \$12.4 million for the three-month period ended September 30, 2024, compared to Adjusted EBITDA of \$13.7 million in the same period in 2023 as a result of the revenue decrease, as explained above.
- Consolidated Direct Costs and General and Administrative expenses remained flat during the nine months ended September 30, 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 until April 2023).
- For the nine-month period ended September 30, 2024, the Company generated \$26.0 million in net cash flow from operating activities, ending with a cash position of \$46.4 million, including restricted cash.
- The Company concluded its phase 1 optimization project in the Dominican Republic, consisting of replacing 50% of its photovoltaic ("PV") panels at the solar plant Canoa 1. The replaced panels are expected to boost productivity of the plant by at least 15%.
- On August 20, 2024 the Company announced that the Toronto Stock Exchange accepted its notice of renewal of its normal course issuer bid ("NCIB"), under which Polaris may purchase up to 2,048,273 of its common shares, providing the Company with flexibility to manage its capital position. To October 29, 2024, the Company has repurchased 19,000 shares for an aggregate value of CAD\$230,500.
- Maintaining a quarterly dividend remains a goal for the Company. In respect of the third quarter of 2024, the Company declared and expects to pay a quarterly dividend of \$0.15 per outstanding common share on November 22, 2024.
- Subsequent to quarter end, on October 29, 2024, the Company announced it had signed an Equity Capital Contribution Agreement ("ECCA") with respect to Punta Lima Wind Farm LLC ("PLWF" or the "Project"), a wholly owned subsidiary of Santander Bank N.A. ("Santander"). The Project operates an onshore wind farm with a nameplate capacity of 26.0 MW's located in the Municipality of Naguabo, Puerto Rico. The transaction is being completed using a tax-equity structure which will result in Polaris, through a wholly owned subsidiary, operating the Project and Santander retaining a tax equity interest in the Project. The agreed upon equity contribution is \$20 Million. The transaction is subject to customary closing conditions, including the approval of the acquisition by local regulatory bodies. The transaction is expected to close in the first quarter of 2025.
- Subsequent to quarter end, on October 30, 2024, the Company signed an offtake agreement for the operations in Panama. Under the terms of the 5-year agreement, the off-taker will purchase 100% of the energy produced by Vista Hermosa solar plant at an initial price of \$80.00/MWh, subject to an annual escalation price of \$0.50 per year. The agreement is subject to approval by regulatory bodies in Panama, which is expected in December 2024.

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2. OPERATIONS AND FINANCIAL HIGHLIGHTS

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Energy production				
Consolidated Power MWh	168,639	178,753	568,959	608,131
Financials				
Total revenue	\$ 17,658	\$ 18,842	\$ 56,992	\$ 59,774
Net earnings attributable to owners	\$ 451	\$ 1,018	\$ 5,782	\$ 10,336
Adjusted EBITDA	\$ 12,417	\$ 13,734	\$ 41,477	\$ 44,445
Net cash flow from operating activities	\$ 8,991	\$ 13,451	\$ 25,975	\$ 33,793
Per share				
Net earnings attributable to owners - <i>basic and diluted</i>	\$ 0.02	\$ 0.05	\$ 0.27	\$ 0.49
Adjusted EBITDA - <i>basic</i>	\$ 0.59	\$ 0.65	\$ 1.97	\$ 2.11
Balance Sheet				
Total cash and cash equivalents (Restricted and Unrestricted)			As at September 30, 2024	As at December 31, 2023
			\$ 46,363	\$ 44,683
Total current assets			\$ 57,605	\$ 54,042
Total assets			\$ 505,204	\$ 519,400
Current and Long-term debt			\$ 163,316	\$ 172,379
Total liabilities			\$ 238,727	\$ 249,468

3. BUSINESS OVERVIEW AND STRATEGY

Polaris Renewable Energy is a Toronto-based company engaged in the acquisition, development and operation of renewable energy projects in Latin America. The Company operates an 82 MW geothermal facility in Nicaragua, three run-of-river hydroelectric facilities in Peru, with combined capacity of approximately 33 MW, a 25 MW solar plant facility in Dominican Republic, a 6 MW run-of-river hydroelectric facility in Ecuador, and a 10 MW solar plant in Panama.

The Company's mission is to be a high performing Renewable Energy company, while creating sustainable stakeholder value. Our vision is to become a leader in the Renewable Energy industry, contributing to a greener future, driven by our values.

Senior management has extensive experience in critical areas of renewable energy, finance, development, governance and sustainable operations. The Board is comprised of individuals with a broad range of industry and business expertise who are well qualified to provide oversight and strategic direction to the Company and who, as a group, have deep knowledge and extensive experience operating in Latin America.

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The Company currently operates in Nicaragua, Peru, Dominican Republic, Ecuador, and Panama, which are Latin America nations with rapidly growing energy needs and governments that have stated mandates and economic policies aimed at supporting the growth of domestic renewable energy sources. Polaris Renewable Energy is committed to its strategic goals of continued growth, both organically and through acquisitions, and diversification of its renewable energy portfolio.

Additionally, the Company is committed to investing in the local communities surrounding its facilities through social programs aimed at improving the quality of education, sustainability of the environment, health of individuals, access to sports and agricultural processes.



While continuing to pursue opportunities to enhance its current operations, the Company also has the following key near-term goals:

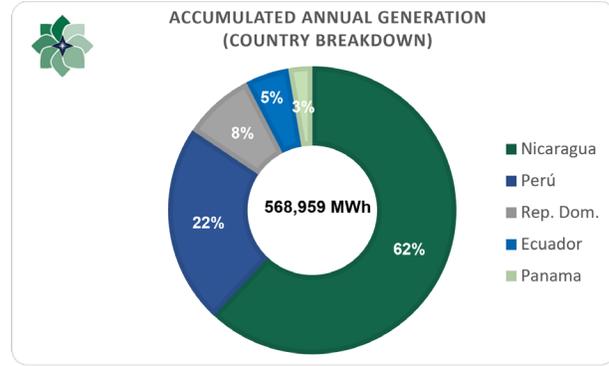
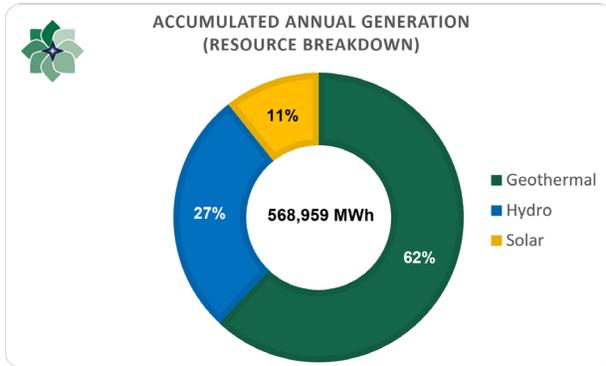
- continued progress on corporate development, acquisition initiatives and related integration;
- finalize carbon credit certification at all operating facilities;
- balancing sustainable dividends with deploying excess cash flow into growth and diversification;
- continued implementation and alignment of the Company's sustainability strategy in all jurisdictions;
- maintaining high standards in health and safety at all operating facilities; and
- continued back-office IT and cyber security related enhancements.

The Company’s long-term goals are to continue to grow and diversify its operations in the Latin American region through renewable energy projects with attractive return profiles. Latin America hosts some of the world’s most dynamic renewable energy markets. The Company firmly believes there is significant potential for renewable energy projects in various Latin American countries that have not been developed. Furthermore, the emphasis on renewable energy is growing and provides attractive, long-term return profiles and renewable energy credit options.

Further details around events, transactions and activities relating to Polaris properties which occurred during the period ended September 30, 2024 and to the date of this MD&A are discussed below.

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4. OPERATING SEGMENT PERFORMANCE



CONSOLIDATED RESULTS

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Power production in MWh				
Nicaragua (Geothermal)	120,565	129,475	352,583	386,934
Peru (Hydroelectric)	20,616	23,078	127,568	141,398
Dominican Republic (Solar)	16,476	14,596	45,619	43,229
Ecuador (Hydroelectric)	6,535	6,903	28,012	28,339
Panama (Solar)	4,447	4,702	15,178	8,231
Total consolidated power production in MWh	168,639	178,753	568,959	608,131

During the three months ended September 30, 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 and a below normal dry season in Peru.

Production in Nicaragua was lower year over year as a result of typical declines in steam production as well as lower production from the Binary unit. The Company made the decision to lower the throughput of the Binary unit in order to maintain declines from the steam field in our targeted range. It is important to note that the current quarter still represents the highest production from the San Jacinto plant in the last four quarters.

Consolidated production in Peru for the three months ended September 30, 2024 was 11% lower than the comparative period in 2023 due to less resource availability. Q3 coincides with the dry season in Peru, and this year hydrology has been the lowest since the company started operations.

The Canoa 1 facility in the Dominican Republic increased generation by 9% to 16,476 MWh in the three months ended September 30, 2024 versus the three months ended September 30, 2023. This increase reflects the enhanced productivity of the new solar panels for the which the company finalized installation at the end of Q3 2024.

For Ecuador, in the third quarter of 2024, HSJM's expected production of 6,535 MWh was in line with the production of the comparative period in 2023.

Similarly, Vista Hermosa Solar Park in Panama, connected to the electrical grid in April 2023, produced 4,447 MWh, which was in line with Company’s expectations for the three months ended September 30, 2024.

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NICARAGUA – Geothermal Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Power production				
San Jacinto - MWh	120,565	129,475	352,583	386,934
Financial				
Revenue	\$ 13,407	\$ 14,398	\$ 39,207	\$ 43,028

(i) Production is net of plant use and plant downtime both planned and unplanned.

San Jacinto, Nicaragua

Through its subsidiary, Polaris Energy Nicaragua S.A. ("PENSA"), the Company owns and operates an 82 MW capacity geothermal facility, including the Binary Unit.

San Jacinto is located in northwest Nicaragua, near the city of Leon which is approximately 90 km northwest of Managua. PENSA has the San Jacinto PPA in place with Nicaraguan power distributors Distribuidora De Electricidad del Norte, S.A. and Distribuidora De Electricidad del Sur, S.A. PENSA entered into the San Jacinto exploitation agreement with the Nicaraguan Ministry of Energy and Mines to develop and operate San Jacinto. The current effective price of the PPA is \$111.20 per MWh.

During the three and nine months ended September 30, 2024, and isolating the major maintenance for Units 4 and 5 performed during April 2024, power production was lower as a result of typical declines in steam production as well as lower production from the Binary unit. The Company made the decision to lower the throughput of the Binary unit in order to avoid instability in two of its cycling wells arising as a result of colder fluids entering the production zone of these wells. This results in the Binary unit running at approximately 8MWs in the short term. We will continue to monitor the enthalpy of the field, which has been improving, to assess whether we can increase the production of the Binary unit to 10MWs without impacting the broader field.

PERU – Hydroelectric Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Power production				
8 de Agosto - MWh	7,101	8,192	74,997	82,659
El Carmen - MWh	4,452	4,283	31,108	31,450
Canchayllo - MWh	9,063	10,602	21,463	27,289
Total Peru in MWh	20,616	23,078	127,568	141,398
Financial				
Revenue	\$ 1,216	\$ 1,390	\$ 7,764	\$ 7,796

8 de Agosto, El Carmen and Canchayllo, Peru

The Company operates three run-of-river hydroelectric facilities in central Peru with approximately 33 MW combined capacity.

El Carmen and 8 de Agosto ("Generacion Andina" or "GASAC") with a capacity of approximately 8 MW and 20 MW capacity respectively, are located in the Huanuco region.

Canchayllo hydroelectric, with a rated capacity of approximately 5 MW, is located in the Canchayllo district of Peru.

Under the terms of the PPAs, the Company bills at the spot rate for current energy generation with the difference between PPA price for the year and spot price being compensated in the following year. The RER year is the applicable fiscal year to

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the Renewable Energy sector in Peru. There was no inflation adjustment to the PPA price for the RER year commenced May 1, 2024.

For the three and nine months ended September 30, 2024, total production at the Peruvian facilities decreased compared to the same periods in 2023. The dry season started on May and extended throughout October, had less rainfall than prior year (“El Niño” effect), resulting in lower production on the Generacion Andina facilities and precluding other hydro plants up-stream to release excess waters as in previous year. According to the Peruvian Ministry of Environment, 2024 has been the driest season in the region since 1978. Additionally, impacting the year-to-date lower production in Peru, Canchayllo hydroelectric facility was inactive from March 10, 2024 to May 6, 2024 as a consequence of minor landslide.

Notwithstanding the lower production, total revenue from the sale of energy in Peru is in line with revenue during the nine months ended September 30, 2024, due to higher effective prices for the first four months of 2024 vs same period in 2023.

The following tables summarize the final PPA prices adjusted for inflation for our three hydro facilities in Peru:

Effective price \$/MWh	September 30,			December 31,	
	2024	June 30, 2024	March 31, 2024	2023	
8 de Agosto (Hydroelectric)	\$ 57.60	\$ 59.60	\$ 61.70	\$ 61.30	
El Carmen (Hydroelectric)	\$ 62.40	\$ 63.80	\$ 65.90	\$ 65.70	
Canchayllo (Hydroelectric)	\$ 61.40	\$ 61.40	\$ 61.40	\$ 61.40	

Effective price \$/MWh	September 30,			December 31,	
	2023	June 30, 2023	March 31, 2023	2022	
8 de Agosto (Hydroelectric)	\$ 61.80	\$ 61.80	\$ 47.30	\$ 47.30	
El Carmen (Hydroelectric)	\$ 65.90	\$ 65.90	\$ 62.50	\$ 62.50	
Canchayllo (Hydroelectric)	\$ 61.40	\$ 61.40	\$ 58.20	\$ 58.20	

DOMINICAN REPUBLIC – Solar Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Power production				
Canoa 1 - MWh	16,476	14,596	45,619	43,229
Financial				
Revenue	\$ 2,162	\$ 1,892	\$ 5,986	\$ 5,604

Canoa 1 - Barahona, Dominican Republic

Through its subsidiary, Emerald Solar Energy SRL (“Emerald”), the Company owns and operates a 25 MW solar project located in the Barahona Province, Dominican Republic.

Canoa 1 started commercial operations on March 7, 2020, and has a PPA in place with Edesur, denominated in US dollars, and a current PPA price of \$131.20 per MWh. The PPA has an inflator of 1.22% per annum until the price reaches \$142.80 per MWh at which point the price remains fixed until the end of the PPA in 2040. The PPA can be subsequently renewed for a five-year term, at a price 20% lower than the PPA price in place in 2040.

Production of 16,476 MWh for the quarter reflects the benefits of the recently completed optimization program which replaced certain panels with newer, more efficient technology.

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ECUADOR – Hydroelectric Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Power production				
San Jose de Minas - MWh	6,535	6,902	28,012	28,339
Financial				
Revenue	\$ 511	\$ 539	\$ 2,188	\$ 2,213

San Jose de Minas, Ecuador

Through its subsidiary Hidroelectrica San Jose de Minas (“HSJM”), the Company owns 83.16% of the issued and outstanding common shares of a hydroelectric project located along the river Cubi, in San Jose de Minas, Ecuador. HSJM represents approximately 6.0 MW capacity and has been operating since July 1, 2020.

As expected by the Company, the production of HSJM for three and nine months ended September 30, 2024, was mostly in line with the comparative periods of 2023.

PANAMA - Solar Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Power production				
Vista Hermosa - MWh	4,447	4,702	15,178	8,231
Financial				
Revenue	\$ 362	\$ 623	\$ 1,847	\$ 1,133

Vista Hermosa Solar Park I & II, Panama

In March 2023, the Company completed the construction of the solar plant with total capacity of 10 MW, located in the village of Vista Hermosa, Corregimiento de Pueblos Unidos, Aguadulce district, Coclé Province, in Panama. Upon completing construction, in April 2023, the plant was connected to the national transmission network (National Interconnected System) at the ETESA Substation (Electric Transmission Company) of Llano Sánchez through an air-underground electric sub-transmission line of about 3 Km in length.

The Vista Hermosa solar project does not currently have contracts but does have the ability to sell into the spot market. The effective average spot price obtained for the third quarter of 2024 was \$81.40 per MWh (YTD \$121.69). Refer to Note 15 *Subsequent events* of the Financial Statements for the period ended September 30, 2024 and 2023 for changes of the selling target market.

Production for the quarter was in the range of the Company’s expectations.

5. DEVELOPMENT PROPERTIES

DOMINICAN REPUBLIC DEVELOPMENT, CANOA 1 - BARAHONA

Canoa 1’s current operating capacity is 25 MW with a PPA price of \$131.20 per MWh. In order to optimize production, the Company executed phase 1 of the replacement of new and more efficient solar panels. In addition, the Company has commenced the development process to employ storage technology, in addition to solar panels, in order to fully optimize the revenue opportunity at Canoa 1 within the current power sales contract.

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6. SUSTAINABILITY STRATEGY

As the Company continues to grow, it remains committed to the belief that long-term returns are bolstered by a healthy balance among all stakeholders including equity and debtholders, employees, customers, the communities our business operates in, and the environment. Our commitment to sustainability is rooted in our business strategy and our corporate values.

The Company's four (4) pillars of Sustainability, by which our strategy is governed, are "Our Practice", "Our People", "Our Partners", "Our Planet". The Company's Sustainability strategy is divided into these four key areas, which address governance, social (internal and external), and environmental aspects that are relevant to the business as well as to internal and external stakeholders. The Company continues to implement its strategy including specific KPIs to support its commitments to material topics. See annual Sustainability Report of the Company.

Key highlights of the Company's sustainability initiatives to date include:

- Training employees including Code of Business Conduct and Ethics, Harassment and Violence at the Workplace; Cybersecurity & Ransomware awareness; Environmental Education & Health and Safety education; diversity and inclusion, among others.
- Contributions to local educational organizations such as sponsorship of a robotics project, laptops and server donations, monthly internet payment for local schools, donations of school and sports supplies.
- Continuing the support for local water and sanitation committees, through technical workshops and assistance to strengthen their management; in addition to the donation of water consumption meters to new houses in the communities, to guarantee the sustainability of the water system that was donated several years ago.
- Awareness campaigns with employees and the local communities in connection with International Women's Day, Earth Day, World Day for Safety and Health at Work; and World Environmental Day, including tree donation and reforestation campaigns, waste management awareness and hosting Environmental Fairs in some of the jurisdictions where we operate.
- Continued contribution to local community agricultural projects ranging from coffee production, beekeeping, and watermelon production.
- Donations of infrastructure improvements and medical supplies to certain communities including renovations to local schools.
- Engaging our employees and local communities by hosting activities including reforestation and cleaning campaigns; and sports tournaments.
- Continued development of the Company's Integrated Management System, stakeholder engagement and community grievance mechanisms.

Readers are encouraged to read the Company's Annual Sustainability Report available on the Company's website.

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7. CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Consolidated Statement of Operations and Comprehensive Earnings				
Revenue				
Power revenue	\$ 17,658	\$ 18,842	\$ 56,992	\$ 59,774
Direct costs				
Direct costs	(3,403)	(3,427)	(10,142)	(9,962)
Depreciation and amortization of plant assets	(7,355)	(7,229)	(21,958)	(21,666)
General and administrative expenses	(1,908)	(1,955)	(5,572)	(6,020)
Other operating costs	(266)	(18)	(269)	(21)
Operating income	\$ 4,726	\$ 6,213	\$ 19,051	\$ 22,105
Interest income				
Interest income	745	603	1,702	1,264
Finance costs				
Finance costs	(5,122)	(5,582)	(15,542)	(16,128)
Other (losses) gains				
Other (losses) gains	131	(119)	280	(793)
Earnings and comprehensive earnings before income taxes	\$ 480	\$ 1,115	\$ 5,491	\$ 6,448
Current Income Tax (expense)				
Current Income Tax (expense)	(1,002)	(75)	(2,307)	(405)
Deferred Income Tax recovery				
Deferred Income Tax recovery	982	(29)	2,742	4,429
Total earnings and comprehensive earnings	\$ 460	\$ 1,011	\$ 5,926	\$ 10,472
Total earnings and comprehensive earnings attributable to:				
Owners of the Company	\$ 451	\$ 1,018	\$ 5,782	\$ 10,336
Non-controlling interests	\$ 9	\$ (7)	\$ 144	\$ 136
Basic earnings per share	\$ 0.02	\$ 0.05	\$ 0.27	\$ 0.49

Three months ended September 30, 2024 versus September 30, 2023

Revenue was \$17.7 million during the three months ended September 30, 2024, compared to \$18.8 million in the same period of 2023, impacted by the lower revenues in Nicaragua.

For the three months ended September 30, 2024, direct costs of energy production, depreciation and amortization, as well as General and administrative expenses were comparable with those costs in the same period of 2023.

For the three months ended September 30, 2024, finance costs were \$5.1 million, compared to \$5.6 million finance costs recorded in the same period of 2023 due to lower rates on those facilities carrying a variable rate. However, despite lower rates, Interest income for the three months ended September 30, 2024 was comparable to the interest earned in the same period in 2023, due to higher cash balances held on high interest savings accounts.

Current income taxes for the quarter were \$1,002 versus \$75 for the same quarter in 2023. March 27, 2024 marked the end of the income tax exemption period ("tax holiday") for generating Unit 3 of the Nicaraguan geothermal plant. Unit 3 represents, approximately, 40% of the revenue generated in Nicaragua. A proportionate tax expense has been recognized for the three-month period ended September 30, 2024. Similarly, as Unit 4 also approaches the end of its tax holiday (February 2025), the deferred income tax recovery will be lower when compared to the same quarter in 2023.

Earnings attributable to owners of \$451 for the three months ended September 30, 2023, compared to \$1,018 for the same period in 2023 is a reflection of lower income tax recovery, greater income tax expense and lower operating income.

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Nine months ended September 30, 2024 versus September 30, 2023

Revenue was \$57.0 million during the nine months ended September 30, 2024, compared to \$59.8 million in the same period of 2023, lower mainly because of lower production of the Nicaraguan facility as explained previously.

For the nine months ended September 30, 2024, direct costs of energy production, as well as depreciation and amortization, were comparable with those costs in the same period of 2023. Although salary expenses increased slightly during 2024 when compared to 2023, it was offset by lower property tax expense for the Binary Unit.

General and administrative expenses, for the nine months ended September 30, 2024, were \$5.6 million, compared to \$6.0 million in the same period of 2023, as 2023 was impacted by some non-recurring ERP set up charges.

Of note, despite current Inflationary pressures, Direct Costs and General and Administrative expenses remained flat during the first nine months of 2024 when compared to the same period in 2023, in spite of the addition to our Operating Costs of Vista Hermosa Solar Park in Panama (under construction until April 2023).

Interest income for the nine months ended September 30, 2024 increased by \$0.4 million, due to higher cash balances held on high interest savings accounts compared to the same period of 2023.

For the nine months ended September 30, 2024, finance costs were \$15.5 million, comparable to \$16.1 million finance costs recorded in the same period of 2023.

Current income taxes and deferred income tax recovery variance for the comparing periods, are driven by the end of tax holiday event explained above.

Earnings attributable to owners of \$5.8 million for the nine months ended September 30, 2024 compared to \$10.3 million for the same period in 2023 is a reflection of increased income tax expense, lower revenue and income tax recovery, partly offset by an increase in Other gains and decline in General and Administrative expenses.

8. FINANCIAL CONDITION, LIQUIDITY AND SHARE CAPITAL INFORMATION

The following is a summary and explanation of cash inflows and outflows for the following periods:

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net cash from (used in)				
Operating activities	\$ 8,991	\$ 13,451	\$ 25,975	\$ 33,793
Investing activities	(1,159)	(2,648)	(3,203)	(7,585)
Financing activities	(6,612)	(6,489)	(21,038)	(20,543)
Foreign exchange gain on cash held in foreign currency	-	9	-	11
Increase (decrease) in cash	\$ 1,220	\$ 4,323	\$ 1,734	\$ 5,676

- Net cash from operating activities for the three and nine months ended September 30, 2024, was lower than the comparative periods in 2023, mainly due to lower cash received from Nicaragua, as expected, due to decline in production and scheduled down-time for major maintenance of the facility during Q2, as well as recognition of unearned revenue in Peru.
- Net cash used in investing activities for the three and nine months ended September 30, 2024, was lower when compared to the same periods in 2023. While the cash usage in the current year relates to the Canoa 1 optimization project with a budget of \$5.0 million and the major maintenance of the geothermal facility in Nicaragua, cash usage

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in investing activities in the same period of 2023 relates to disbursements linked to projects such as the construction of the Binary Unit in Nicaragua and the Vista Hermosa Solar Park, in Panama.

- Net cash used in financing activities for three and nine months ended September 30, 2024 and 2023 are comparable.

The following is a summary of key balance sheet items as at the following period ends:

	September 30, 2024	As at December 31, 2023
Total Cash (Restricted and Unrestricted) (i)	\$ 46,363	\$ 44,683
Total current assets	\$ 57,605	\$ 54,042
Total assets	\$ 505,204	\$ 519,400
Current and Long-term debt	\$ 163,316	\$ 172,379
Total liabilities	\$ 238,727	\$ 249,468

(i) Cash in the amount of \$14.4 million and (December 31, 2023 - \$17.8 million) held by the Company for use in the San Jacinto project and governed by the terms of the trust and the credit agreements, where the process to withdraw funds is considered perfunctory to the agreement, as long as the required covenants and balances are met. The credit agreements require certain amounts to be held in reserve for future debt service as well as for future investment in the San Jacinto project through the major maintenance reserve account. Therefore, as these amounts are demand deposits that are held for the purpose of meeting short-term cash commitments of the San Jacinto project, the Company considers them as available cash, since they are available for current use.

Total assets were \$505.2 million as at September 30, 2024 compared to total assets of \$519.4 million as of December 31, 2023. The slight decrease is mainly due to a net decrease in the carrying value of property, plant and equipment and intangible assets, partly offset by the increase in cash. The Company believes that it has adequate liquidity to fund the routine capital expenditures associated with maintaining San Jacinto, Generación Andina facilities and Canchayllo, Canoa 1, HSJM and, Vista Hermosa Solar Park. The Company believes that its current working capital and future cash flows will be sufficient to allow it to fulfill current obligations (including those obligations and commitments noted below), and allow it to continue to operate for the foreseeable future. Should additional capital requirements or the replacement of debt be necessary, the Company expects to satisfy these requirements through financing or monetization of assets or undertake activities as appropriate under specific circumstances. However, additional funding requirements or the outcome of these matters cannot be predicted with certainty at this time.

Total liabilities as at September 30, 2024 were \$238.7 million, a \$10.7 million decrease from December 31, 2023, mainly reflecting settlement of payables, debt and unearned revenues.

Remaining contractual maturities of the Company's financial liabilities as at September 30, 2024, are as follows:

	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	Total
Accounts payable and accrued liabilities	\$ 14,959	\$ -	\$ -	\$ -	14,959
Debt, current and long-term	13,742	31,724	44,952	94,741	185,159
Interest obligations	11,960	26,051	18,925	27,732	84,668
Lease liabilities	432	825	826	497	2,580
	\$ 41,093	\$ 58,600	\$ 64,703	\$ 122,970	\$ 287,366

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For the three and nine-month period ended September 30, 2024

The following are the annual principal obligations on project credit facilities for the remaining terms of the loans:

	<i>San Jacinto debt</i>	<i>Generación Andina</i>	<i>APG Ltd. (BVI)</i>	<i>Canoa 1</i>	<i>San Jose de Minas</i>
2024	2,500	1,040	550	263	327
2025	10,000	2,092	950	1,770	1,456
2026	10,000	2,113	1,300	1,924	1,010
2027	8,010	2,134	1,300	2,086	600
2028	7,421	2,155	20,199	2,256	400
2029	7,065	2,177	-	2,395	-
2030	6,846	2,198	-	2,423	-
2031	6,736	2,220	-	2,484	-
2032	6,703	2,243	-	2,531	-
2033	6,749	2,265	-	2,592	-
2034	6,854	2,288	-	2,662	-
2035	7,002	2,310	-	2,738	-
2036	3,714	2,334	-	2,807	-
2037	-	4,726	-	2,690	-
2038	-	3,551	-	-	-
Total	\$ 89,600	\$ 35,846	\$ 24,299	\$ 31,621	\$ 3,793

The San Jacinto debt in Nicaragua has the following terms:

- 15-year term began in 2022 and ends in 2037.
- 90-day SOFR plus a 7.01% spread.
- The two main financial covenants are maintaining a debt service coverage ratio of greater than 1.40:1 and Debt to Assets less than 50%.

In Peru, the Generación Andina credit facility bears no interest while interest on the APG Ltd. credit facility of fixed 8.75% interest rate is due and payable semi-annually. A Debt Service Coverage Ratio of greater than 1.10:1 and 1.05:1 are the main financial covenant for Generación Andina and APG Ltd. respectively.

The Canoa 1 loan in the Dominican Republic has a term of 17 years maturing in 2037, a 7% fixed interest rate, and requires quarterly payments of principal and interest while keeping a Debt Service Coverage Ratio of greater than 1.20:1 and Financial Debt to Equity ratio of 85:15 or less.

San Jose de Minas (HSJM in Ecuador) has two credit facilities with no covenants, due in 2026 and 2028. These loans have a fixed rate (7.95%) and variable rate (10.70%) respectively and require monthly payments of principal and interest.

As at September 30, 2024, the Company is in compliance with all of its covenants. The Company plans to make payments of interest on the San Jacinto, APG Ltd. (BVI), Canoa 1 and HSJM credit facilities out of current cash and cash generated by operations.

The Company had no off-balance sheet arrangements as at September 30, 2024.

Additional discussion relating to the above financial instruments are included in Note 10 to the condensed consolidated financial statements for the period ended September 30, 2024. Readers are also encouraged to refer to discussion relating to the Company's Capital Management in Note 26 to the Consolidated Financial Statements for the year ended December 31, 2023.

OTHER CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company enters into agreements for geothermal concessions. Below are the minimum annual payments required as at September 30, 2024:

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	September 30, 2024	
No later than one year	\$	30
For years 2 - 5		120
Thereafter		300
Total commitments for expenditures	\$	450

OUTSTANDING SHARE INFORMATION

The following table summarizes the Company's common shares and securities potentially convertible into common shares as at the following dates:

As at	October 30, 2024	September 30, 2024
Common shares issued and outstanding	21,061,942	21,067,042
Share options outstanding (i)	223,099	223,099
Deferred share units (fully vested)	30,084	30,084
Restricted share units ("RSUs") (ii)	41,605	41,605

- (i) As of the day of this MD&A, the outstanding stock options have a weighted average exercise price of Cdn\$17.28 and weighted 2.47 year remaining contractual life. Exercise prices range from Cdn\$13.10 to Cdn\$18.44 and expire from August 2026 to August 2028. Of the outstanding stock options, 167,943 are exercisable at a weighted average exercise price of Cdn\$18.37. On February 9, 2024, 9,271 options vesting over 3 years and with exercise price of Cdn\$13.10 were granted.
- (ii) Restricted share units were granted in January 31, and August 10, 2023, and vest one third per year at the end of each period. On January 31, 2024 and August 10, 2024 a total of 11,900 shares and 3,168 shares were issued, respectively as the equivalent number of RSUs vested. Additionally, on February 9, 2024, a total of 13,570 RSUs were granted with the same vesting period described above.

9. SUMMARY OF UNAUDITED QUARTERLY RESULTS

The information provided below highlights unaudited quarterly results for the past two years:

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Production MWh (i)	168,639	186,886	213,434	192,820
Total revenue	\$ 17,658	\$ 18,702	\$ 20,632	\$ 18,748
Direct cost of power production	\$ (10,758)	\$ (10,933)	\$ (10,409)	\$ (10,977)
Net earnings (loss) attributable to owners of the Company	\$ 451	\$ 985	\$ 4,346	\$ 1,408
Basic weighted average number of shares outstanding	21,103	21,101	21,099	21,069
Earnings per share attributed to owners of the Company - basic	\$ 0.02	\$ 0.05	\$ 0.21	\$ 0.07
Adjusted EBITDA (ii)	\$ 12,417	\$ 13,319	\$ 15,741	\$ 13,391
Total Cash (Unrestricted and Restricted)	\$ 46,363	\$ 45,243	\$ 45,643	\$ 44,683
Total equity attributable to Owners of the Company	\$ 265,743	\$ 268,507	\$ 270,605	\$ 269,342

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	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Production MWh (i)	178,753	211,765	217,613	174,220
Total revenue	\$ 18,842	\$ 20,817	\$ 20,115	\$ 16,870
Direct cost of power production	\$ (10,656)	\$ (10,630)	\$ (10,342)	\$ (10,305)
Net earnings (loss) attributable to owners of the Company	\$ 1,018	\$ 4,622	\$ 4,696	\$ 3,001
Basic weighted average number of shares outstanding	21,044	21,080	21,026	21,026
Earnings per share attributed to owners of the Company - basic	\$ 0.05	\$ 0.22	\$ 0.22	\$ 0.14
Adjusted EBITDA (ii)	\$ 13,734	\$ 15,386	\$ 15,325	\$ 11,658
Total Cash (Unrestricted and Restricted)	\$ 45,641	\$ 41,904	\$ 40,600	\$ 39,965
Total equity attributable to Owners of the Company	\$ 270,784	\$ 272,839	\$ 271,288	\$ 269,677

- (i) Production is lower in the third quarter of the year which coincides with the dry season in those countries where the Company has hydroelectric plants and therefore there is less resource available for energy generation (Peru and Ecuador) as well as the hurricane or rainy season (and therefore less irradiation) in those countries where the Company operates solar plants (Dominican Republic and Panama).
- (ii) Refer to Section 13: Non-GAAP Performance Measures in this MD&A for a cautionary note regarding their use, descriptions and reconciliations to the most directly comparable IFRS measure. Adjusted EBITDA was \$41.5 million for the nine months ended September 30, 2024, compared to a \$44.4 million for the same period in 2023, as a result of lower revenue discussed in Note 9.

10. MATERIAL ACCOUNTING POLICIES AND ESTIMATES

RECENT PRONOUNCEMENTS ISSUED AND EARLY ADOPTION OF STANDARDS

The Company's consolidated financial statements are prepared in accordance with IFRS Accounting Standards. The material accounting policies applied and recent accounting pronouncements are described in Note 2 and Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2023.

The Company reviewed new and revised accounting pronouncements that have been issued and are effective for periods beginning on or after January 1, 2024. The Company adopted amendment to IAS 1, Presentation of Financial Statements, related to the clarifications and requirements of the assessment of covenants related to financial liabilities and associated disclosures. There are currently no other pronouncements that are expected to have a significant impact on the Company's consolidated financial statements upon adoption.

CRITICAL ACCOUNTING ESTIMATES

In preparing the consolidated financial statements in accordance with IFRS Accounting Standards, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates represent estimates that are uncertain, and for which changes in those estimates could materially impact the Company's consolidated financial statements. Such estimates primarily relate to unsettled transactions and events as at the date of the consolidated financial statements. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

Significant estimates and judgments made by management in the application of accounting policies are outlined in Note 4 to the audited consolidated financial statements and the notes thereto for the year ended December 31, 2023.

11. FINANCIAL RISKS

The acquisition, development and operation of renewable energy projects involves numerous risks due to the inherent nature of the business and influence by global economic trends. Additionally, there are also risks related to local social,

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political, environmental, and economic conditions, as well as currency and inflation-related risks in the emerging market of Latin America. As such, the Company is subject to several financial and operational risks that may significantly impact on its production, profitability, financial instruments, and levels of cash flows from operations. The Company believes that it has undertaken prudent measures, policies, practices and procedures to manage such risks and uncertainties but there can be no assurance that such challenges will not impact the Company's financial condition in the future.

The risks and uncertainties discussed in our current AIF and other filings with Canadian provincial securities regulatory authorities should be read in conjunction with the risks and uncertainties discussed throughout this MD&A. The AIF and other filings with Canadian provincial securities regulatory authorities are available on SEDAR+ at www.sedarplus.ca.

The following discussion summarizes the Company's principal financial risks and related uncertainties:

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by seeking to arrange to have sufficient cash, available credit facilities and other financial resources to meet obligations. The Company forecasts cash flows for a period of at least 12 months to identify financial requirements and ensure that these are met. To maintain or adjust its capital structure, the Company, upon approval by the Board, may issue shares, pay dividends, or undertake activities as appropriate under specific circumstances. As part of its capital allocation strategy, the Company examines opportunities to divest non-core assets that fail to meet the Company's investment portfolio criteria.

CURRENCY RISK

Currency fluctuations may affect the Company's capital costs and the costs incurred as a result of the Company's operations. Although all of the Company's power purchase agreements are denominated in US dollars, a portion of the Company's operating and capital expenses are incurred in Nicaraguan Córdoba, Peruvian Nuevo Sol, Dominican Peso and Canadian dollars. The appreciation of these foreign currencies against the US Dollar would increase the costs of production and administration, which could materially and adversely affect the Company's earnings and financial condition. The Company may enter into forward contracts or other risk management strategies, from time to time, to hedge against the risk of an increase in the value of these foreign currencies.

CREDIT RISK

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial instrument. The Company is exposed to various counterparty risks including, but not limited to financial institutions that hold the Company's cash and short-term investments, companies/government entities that have payables to the Company, insurance providers and lenders. The Company seeks to limit counterparty risk by entering into business arrangements with high credit-quality counterparties, limiting the amount of exposure, and monitoring their financial condition.

INTEREST RATE RISK

Interest rate risk is the risk that the future cash flow or fair value of a financial instrument will fluctuate due to changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. The risk that the Company will realize a loss due to a decline in the fair value of any short-term securities included in cash and cash equivalents and short-term investments is limited because these investments, although readily convertible into cash, are generally held to maturity. The Company's cash flow exposure to interest rate risk relates principally to its floating rate senior facilities and other debt. Management mitigates this risk by entering into fixed-rate financing agreements.

HUMAN RESOURCE RISK

Human resource risk relates to the potential impact upon our business as a result of changes in the workplace. Human resource risk can occur in several ways:

- potential disruption as a result of labour action at our generating facilities,
- reduced productivity due to turnover in positions,

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- inability to complete critical work due to vacant positions;
- failure to maintain fair compensation with respect to market rate changes, and
- reduced competencies due to insufficient training, failure to transfer knowledge from existing employees, or insufficient expertise within current employees.

The human resources risk is managed by:

- monitoring industry compensation and aligning salaries with those benchmarks,
- using incentive pay to align employee goals with corporate goals;
- monitoring and managing target levels of employee turnover, and
- ensuring new employees have the appropriate training and qualifications to perform their job

INCOME TAX RISK

Our operations are complex and located in several jurisdictions. The computation of the provision for income taxes involves tax interpretations, regulations and legislation that are continually changing. Our tax filings are subject to audit by taxation authorities. Management believes that it has adequately provided for income taxes as required by IFRS, based on all information currently available. The Company and the subsidiaries in which we hold economic interests are subject to changing laws, treaties and regulations in and between countries. Various tax proposals in the countries we operate in could result in changes to the basis on which deferred taxes are calculated or could result in changes to income or non-income tax expense. There has recently been an increased focus on issues related to the taxation of multinational corporations. A change in tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher income or non-income tax expense that could have a materially adverse impact to the Company.

12. EXTERNAL RISKS

ENVIRONMENTAL AND CLIMATE CHANGE RISKS

The Company is subject to various federal, provincial and municipal laws relating to environmental matters, and takes all the required steps, including capital and operating expenditures to ensure compliance with environmental laws and regulations in each of the jurisdictions where it operates. The failure to comply with existing environmental laws and regulations could limit the Company's ability to produce energy and carry normal operations in those countries. As of the date of this report, the Company is fully compliant with the current environmental legislation.

Climate change could pose significant environmental, social and operational risks. If environmental laws and regulations change, the Company could be subject to more stringent environmental laws and regulations in the future, including the reduction of the hydrology resources necessary to produce energy in Peru or Ecuador, which could have an adverse effect on the Company's business, financial condition or results of operation. Physical risks resulting from climate change may include natural disasters and severe weather, such as floods or drought, or changing weather patterns, which could have a negative impact to the Company's plants and facilities, or their inputs and processes required to produce geothermal, hydroelectric or solar power, disrupting the business or diminishing its financial condition or results of operations. The Company is committed to evaluating potential impacts to its business on an ongoing basis and to making investments to mitigate potential identified impacts.

VOLUME RISK

Volume risk relates to the variances from our expected production. The financial performance of our hydro, geothermal and solar operations is highly dependent upon the availability of their input resources in a given year. Shifts in weather or climate patterns, seasonal precipitation and the timing and rate of melting and runoff may impact the water flow to our facilities. The strength and consistency of the wind resource at our facilities impacts production. The operation of thermal facilities can also be impacted by ambient temperatures and the availability of water and fuel. Where we are unable to produce sufficient quantities of output in relation to contractually specified volumes, we may be required to pay penalties or purchase replacement power in the market.

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The volume risk is managed by the Company by:

- actively managing our assets and their condition in order to be proactive in facility maintenance so that our facilities are available to produce when required;
- placing our facilities in locations we believe to have adequate resources to generate electricity to meet the requirements of our contracts. However, we cannot guarantee that these resources will be available when we need them or in the quantities that we require; and
- diversifying our fuels and geography as one way of mitigating regional or fuel-specific events.

13. NON-GAAP PERFORMANCE MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed by IFRS Accounting Standards 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 Accounting Standards.

This MD&A include 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 Accounting Standards. Rather, these measures are provided to complement IFRS Accounting Standards measures in the analysis of Polaris Renewable's results since the Company believes that the presentation of these measures will enhance an investor's understanding of Polaris Renewable'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.

The Company complies with National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure ("NI 52-112") and its companion policy (the "Companion Policy"). NI 52-112 and the Companion Policy sets out disclosure requirements for non-GAAP financial measures, non-GAAP ratios, and other financial measures and replaces the previous guidance in CSA Staff Notice 52-306 (Revised). Upon adoption of NI 52-112, the Company reviewed its related policies and use of non-GAAP measures by stakeholders and determined that it would no longer disclose Operating Cash Flow and Working Capital.

ADJUSTED EBITDA

The Company uses Adjusted EBITDA and Adjusted EBITDA per share to assess its operating performance without the effects of the following items (*as applicable in a given period*): current and deferred tax expense, finance costs, interest income, depreciation and amortization of plant assets, other gains and losses, impairment loss, share-based compensation, decommissioning liabilities adjustments and other non-recurring items. The Company adjusts for these factors as they may be non-cash, unusual in nature, items not related to or having a disproportionate effect on results for a particular period, and not reflective of operating performance. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use Adjusted EBITDA and Adjusted EBITDA per share to evaluate the Company's performance. The presentation of Adjusted EBITDA and Adjusted EBITDA per share is not meant to be a substitute for Net Earnings/Loss and Net Earnings/Loss per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures.

The following table reconciles net earnings and comprehensive earnings (loss) attributable to owners of the Company to Non-GAAP Performance Measures Adjusted EBITDA:

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For the three and nine-month period ended September 30, 2024

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Total earnings and comprehensive earning attributable to Owners of the Company	\$ 451	\$ 1,018	\$ 5,782	\$ 10,336
Add (deduct):				
Total earnings attributable to non-controlling interest	9	(7)	144	136
Current and deferred tax expense (recovery)	20	258	(435)	(3,767)
Finance costs	5,122	5,582	15,542	16,128
Interest income	(745)	(603)	(1,702)	(1,264)
Other losses (gains)	(131)	119	(280)	793
Depreciation and amortization	7,355	7,287	21,958	21,839
Transaction Costs	248	-	248	-
Share-based compensation	88	79	220	244
Adjusted EBITDA	\$ 12,417	\$ 13,734	\$ 41,477	\$ 44,445
Basic weighted average number of shares outstanding	21,103,064	21,043,630	21,101,004	21,043,371
Adjusted EBITDA per share	\$ 0.59	\$ 0.65	\$ 1.97	\$ 2.11

14. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate disclosure controls and internal controls over financial reporting as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators ("NI 52-109").

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the Company's annual filings, interim filings, or other reports filed with Canadian securities regulatory authorities is recorded, processed, summarized and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that information required to be disclosed in such reports is then accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

The Company has filed certificates as required in Canada under NI 52-109, signed by its Chief Executive Officer and Chief Financial Officer certifying certain matters with respect to the design of disclosure controls and procedures, and the design of internal controls over financial reporting including as to the appropriateness of the financial disclosures in the Company's annual filings and the effectiveness of such disclosure controls and procedures as of September 30, 2024.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Internal controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. Internal controls over financial reporting include those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS Accounting Standards, and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the annual or interim financial statements.

There has been no change in the internal controls over financial reporting during the period ended September 30, 2024, that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A 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. 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.

Forward-looking information in this MD&A includes, but is not limited to: the expected production capacity of the Binary Unit at San Jacinto; additional changes to the wells and steamfield to increase production; the ability to successfully capitalize on expansion opportunities in Dominican Republic and to increase the load factor on Canoa Solar Park in Dominican Republic; future dividends; expected annual energy production; sufficiency of cash flows from operations; the ability to satisfy capital requirements and the replacement of debt; the result of changes to the reinjection system over the long-term; and the verification process and timing regarding the sale of carbon emission credits.

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; 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 the common 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, Dominican Republic and Ecuador to sell power to neighbouring countries; economic insecurity in Nicaragua, Peru, Panama, Dominican Republic and Ecuador; and other development and operating risks, as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A. 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 MD&A should not place undue reliance on forward-looking information.

Such forward-looking information is based on a number of material factors and assumptions, including: the Company's historical financial and operating performance; that contracted parties provide goods and/or services on

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For the three and nine-month period ended September 30, 2024

the agreed timeframes; the success and timely completion of planned exploration and expansion programs, including the Company's ability to comply with local, state and federal regulations dealing with operational standards and environmental protection measures; the Company's ability to negotiate and obtain PPAs on favourable terms; the Company's ability to obtain necessary regulatory approvals, permits and licenses in a timely manner; the availability of materials, components or supplies; the Company's ability to solicit competitive bids for drilling operations and obtain access to critical resources; the growth rate in net electricity consumption; continuing support and demand for renewables; continuing availability of government initiatives to support the development of renewable energy generation; the accuracy of volumetric reserve estimation methodology and probabilistic analysis used to estimate the quantity of potentially recoverable energy; environmental, administrative or regulatory barriers to the exploration and development of geothermal or hydroelectric resources of the Company's properties; geological, geophysical, geochemical and other conditions at the Company's properties; the reliability of technical data, including hydrological, extrapolated temperature gradient, geophysical and geochemical surveys and geothermometer calculations; the accuracy of capital expenditure estimates; availability of all necessary capital to fund exploration, development and expansion programs; the Company's competitive position; the ability to continue as a going concern and general economic conditions.

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 of this MD&A 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 for the year ended December 31, 2023 is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.polarisREI.com.
