



POLARIS RENEWABLE ENERGY ANNOUNCES Q3 2024 RESULTS

TORONTO, ON (October 31, 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 September 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 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 of 168,639 MWh in the third quarter compared to 178,877 MWh in the third quarter of last year.
- 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.
- 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.
- 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.
- 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).
- The reduction in production year over year was a combination of lower hydrology in Peru compared with the same period last year as well as expected declines and lower Binary unit output in Nicaragua. While production in Nicaragua was down year over year, it was sequentially higher than fourth quarter 2023 and first quarter 2024.
- 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%.
- 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.
- 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.

OPERATING AND FINANCIAL OVERVIEW

	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				
			As at September 30, 2024	As at December 31, 2023
Total cash and cash equivalents (Restricted and Unrestricted)			\$ 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

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.

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.

"I am pleased with the EBITDA and cash flow generation in the current quarter despite that fact that it is always a seasonally weak quarter for us due to seasonality in Peru, which was even lower than normal. This has also been made possible through continued cost control measures and decreased G&A expenses - worth highlighting in the current economic environment. In addition, I am very excited about the recent acquisition announcement with respect to Punta Lima. It rounds out our generation mix, accelerates our diversification strategy and increases our ability to grow organically", 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).

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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 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 period ended September 30, 2024 and on the Company's website www.polarisREI.com/Non-GAAP.