POLARIS RENEWABLE ENERGY ANNOUNCES Q4 AND ANNUAL 2024 RESULTS

TORONTO, ON (February 20, 2025) – Polaris Renewable Energy Inc. (TSX: PIF) ("Polaris Renewable Energy" or the "Company"), is pleased to report its financial and operating results for the year ended December 31, 2024. This earnings release should be read in conjunction with the Company's consolidated financial statements and management's discussion and analysis, which are available on the Company's website at www.PolarisREI.com and have been posted on SEDAR+ at www.sedarplus.ca. The dollar figures below are denominated in US Dollars unless noted otherwise.

HIGHLIGHTS

- For the quarter ended December 31, 2024 consolidated energy production increased by 2% when compared to the same quarter in 2023, while annual consolidated energy production was 764,756 MWh for the year ended December 31, 2024 versus 800,951 for the year ended December 31, 2023.
- The Company generated $75.8 million in revenue from energy sales for the year ended December 31, 2024, compared to $78.5 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 $55.0 million for the year ended December 31, 2024, compared to Adjusted EBITDA of $57.7 million in the same period in 2023, principally due to lower revenue from the Company's geothermal facility in Nicaragua.
- During the quarter ended December 31, 2024, the Company closed a private placement of $175 million senior secured green bonds (the "Green Bonds"). The Green Bonds have a tenor of five years and a fixed coupon rate of 9.5% percent per annum, with interest payable in semi-annual installments. The Green Bonds include a tap feature, allowing the Company access to an additional $50 million in funding for potential future uses. Net proceeds of the Green Bonds will be used to refinance certain existing debt facilities and fund other investments in renewable energy assets.
- For the year ended December 31, 2024, the Company generated $35.1 million in net cash flow from operating activities, ending with a cash position of $217.9 million, including $120 million used in January 2025 to settle the existing debt facilities, as mentioned above, and including restricted cash of $4.6 million.
- Net earnings attributable to shareholders, was $3.0 million or $0.14 per share – basic for the year ended December 31, 2024, compared to net earnings of $11.7 million or $0.56 per share – basic in 2023.
- During the year, the Company concluded its phase 1 optimization project in the Dominican Republic, consisting of replacing approximately 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 (the "TSX") accepted its notice of intention to renew its normal course issuer bid ("NCIB"), under which Polaris may purchase up to 2,045,613 of its common shares during the twelve-month period commencing August 23, 2024. During the year ended December 31, 2024, the Company repurchased and cancelled 23,600 common shares, for total consideration of $0.2 million at an average price of C$12.16 per share.
- 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 and it is expected to close in the first quarter of 2025.

- The Company remains focused on maintaining a quarterly dividend. For the year ended December 31, 2024, the Company declared and paid $12.6 million in dividends. The Company has declared and will pay a quarterly dividend of $0.15 per outstanding common share on February 28, 2025, to shareholders of record as of February 17, 2025.

OPERATING AND FINANCIAL OVERVIEW

	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Energy production				
Consolidated Power MWh	**195,797**	192,820	**764,756**	800,951
Financials				
Total revenue	**$ 18,781**	$ 18,748	**$ 75,773**	$ 78,522
Net earnings (loss) attributable to owners	**$ (2,792)**	$ 1,408	**$ 2,990**	$ 11,744
Adjusted EBITDA	**$ 13,566**	$ 13,391	**$ 55,042**	$ 57,663
Net cash flow from operating activities	**$ 9,079**	$ 10,167	**$ 35,054**	$ 43,960
Per share				
Net earnings (loss) attributable to owners - *basic and diluted*	**$ (0.13)**	$ 0.07	**$ 0.14**	$ 0.56
Adjusted EBITDA - *basic*	**$ 0.64**	$ 0.64	**$ 2.60**	$ 2.74
Balance Sheet			**As at December 31, 2024**	**As at December 31, 2023**
Total cash and cash equivalents (Restricted and Unrestricted)			**$ 217,882**	$ 44,683
Total current assets			**$ 228,563**	$ 54,042
Total assets			**$ 662,105**	$ 519,400
Current and Long-term debt			**$ 328,349**	$ 172,379
Total liabilities			**$ 402,579**	$ 249,468

During the three months ended December 31, 2024,quarterly consolidated power production was higher than the same period in 2023, mainly driven by an expected increase in production in Nicaragua driven by greater stability in the geothermal wells compared to the same period in 2023, as well as better generation in Dominican Republic resulting from the repowering project executed during 2024, partly offset by lower production in Ecuador.

For Nicaragua, the fourth quarter of 2023 saw an incremental temporary instability in cycling wells that depressed production. In 2024 the Company made the decision to lower the throughput of the Binary unit by approximately 2.0 MWh in order to maintain declines from the steam field within a targeted range, hence the stabilization of production and better results when compared with the same quarter of the prior year.

Consolidated production in Peru for the three months ended December 31, 2024, was in line with the comparative period in 2023 due to greater water availability at both Canchayllo and El Carmen, partially offsetting a lower hydrology resource for 8 de Agosto.

The Canoa 1 facility in the Dominican Republic, produced 14,315 MWh in the three months ended December 31, 2024. This is a 12% increase versus the fourth quarter of 2023 despite lower irradiation. This increase reflects the enhanced productivity of the new solar panels for which the company finalized installation at the end of Q3 2024.

For Ecuador, in the fourth quarter of 2024, HSJM's production of 6,395 MWh was lower than the comparative period in 2023 (8,301 MWh) due to resource availability. Overall, and similar to Peru, production in Ecuador is driven by the dry and rainy season, with the rainy season generally starting in October-November and running until May-June.

In Panama, Vista Hermosa Solar Park production of 4,389 MWh for the three months ended December 31, 2024, was marginally lower than the same period 2023 and below management's expectations due to resource (irradiation) availability.

"In 2024, we are proud to report that despite ongoing inflationary pressures, we successfully managed to reduce our combined direct costs and General & Administrative expenses slightly compared to 2023. This reflects our commitment to operational efficiency and prudent financial management. Additionally, we strengthened our capital position by completing a $175 million in Bond issue and signing an Equity Capital Contribution agreement for Punta Lima Wind Farm in Puerto Rico. Looking ahead, we are excited to be on track to finalize the acquisition of the wind farm. The combined effect of the Bond issuance and the wind farm acquisition sets us up to accelerate our growth initiatives and drive long-term value", noted Marc Murnaghan, Chief Executive Officer of Polaris Renewable Energy.

About Polaris Renewable Energy Inc.

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

The Company's operations include a geothermal plant (~82 MW), four run-of river hydroelectric plants (~39 MW), three solar (photovoltaic) projects in operation (~35 MW) and one wind park (26 MW) following closing of the Puerto Rico acquisition.

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Cautionary Statements

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 development of and costs related to the Perlabi project, in Ecuador; the completion and timing of the Project pursuant to the ECCA; receipt of regulatory approval in respect of the offtake agreement for the 10MW solar plan operation in Panama; execution of agreements with respect to annual and monthly bids for Firm Rights; 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 " Financial Risks" and "External Risks" 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 forwardlooking 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 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 forwardlooking information due to the inherent uncertainty therein.

Descriptions and reconciliations of the above noted non-GAAP performance measures are included in Section 13: NonGAAP Performance Measures in the Company's MD&A for the year ended December 31, 2024 and on the Company's website **www.polarisREI.com/Non-GAAP**.