Condensed Consolidated Interim Financial Statements for the periods ended

March 31, 2025 and 2024

(*Unaudited)*

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Polaris Renewable Energy Inc.

Consolidated Balance Sheets

(expressed in thousands of United States dollars; unaudited)

	Note Ref	As at March 31, 2025	As at December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		**$ 87,017**	$ 213,306
Accounts receivable	9	**13,255**	11,279
Prepaid expenses and other current assets		**4,684**	3,978
		104,956	228,563
Restricted cash		**4,576**	4,576
Other assets, net		**6,313**	5,092
Property, plant and equipment, net	10	**370,517**	352,677
Intangible assets, net		**50,170**	50,842
Construction in progress		**5,156**	5,001
Goodwill, net		**9,311**	8,555
Deferred tax assets		**7,220**	6,799
Total assets		**$ 558,219**	$ 662,105
Liabilities and Total Equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 21,186**	$ 17,120
Current portion of long-term debt, net	11	**4,301**	16,267
Current portion of lease liabilities		**374**	428
Deferred Contribution liability	4	**4,802**	-
Other liabilities		**20**	20
		30,683	$ 33,835
Non-current liabilities			
Long-term debt, net	11	**214,721**	312,082
Lease liabilities		**2,060**	2,148
Decommissioning liabilities	4	**1,697**	-
Tax-Equity Liabilities	4	**6,528**	-
Deferred tax liability		**56,728**	54,514
Total liabilities		**312,416**	$ 402,579
Non-controlling interests		**(189)**	(221)
Equity attributable to the owners of the Company			
Share capital	12	**666,361**	666,380
Contributed surplus		**13,957**	14,092
Accumulated deficit		**(434,326)**	(420,725)
Total equity attributable to the owners of the Company		**245,992**	259,747
Total equity		**245,803**	$ 259,526
Total liabilities and total equity		**$ 558,219**	$ 662,105

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved by the Board of Directors

(signed) Marc Murnaghan
Chief Executive Officer

(signed) Jaime Guillen
Director

Polaris Renewable Energy Inc.

Consolidated Statements of Operations and Comprehensive Earnings

(expressed in thousands of United States dollars, except for shares and per share amounts; unaudited)

	Note Ref	Three Months Ended March 31, 2025	March 31, 2024
Revenue			
Power revenue	6	**$ 20,260**	$ 20,632
Carbon emission reduction credits revenue		**27**	-
Direct costs			
Direct costs	7(a)	**(3,357)**	(3,123)
Depreciation and amortization of plant assets	7(a)	**(7,318)**	(7,286)
General and administrative expenses	7(b)	**(1,815)**	(1,798)
Other operating costs		**(143)**	(1)
Operating income		**7,654**	8,424
Interest income		**1,037**	478
Finance costs	8	**(15,884)**	(5,251)
Other (losses) gains		**(21)**	(229)
Earnings and comprehensive earnings before income taxes		**(7,214)**	3,422
Current income tax expense		**(2,158)**	(238)
Deferred income tax recovery (expense)		**(1,037)**	1,224
Total earnings and comprehensive earnings		**$ (10,409)**	$ 4,408
Total earnings and comprehensive earnings attributable to:			
Owners of the Company		**$ (10,441)**	$ 4,346
Non-controlling interests		**$ 32**	$ 62
Basic earnings per share	13	**$ (0.49)**	$ 0.21
Diluted earnings per share	13	**$ (0.49)**	$ 0.21

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Polaris Renewable Energy Inc.

Consolidated Statements of Changes in Shareholders' Equity

(expressed in thousands of United States dollars, except for share information; unaudited)

	Common Stock Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total Attributable to the Owners of the Company	Non-Controlling Interest (Note 21)	Total Equity
Balance at January 1, 2024	**21,063,575**	**$ 666,394**	**$ 14,020**	**$ (411,072)**	**$ 269,342**	**$ 590**	**$ 269,932**
Dividends paid	-	-	-	(3,161)	(3,161)	-	(3,161)
Share-based compensation	-	-	97	-	97	-	97
Shares issued on vesting of RSUs	11,900	162	(181)	-	(19)	-	(19)
Total earnings and comprehensive earnings	-	-		4,346	4,346	62	4,408
Balance at March 31, 2024	**21,075,475**	**666,556**	**13,936**	**(409,887)**	**270,605**	**652**	**271,257**
Dividends paid	-	-	-	(9,482)	(9,482)	-	(9,482)
Share-based compensation			80		80		80
Shares issued on vesting of RSUs	3,167	37	-	-	37	-	37
Shares issued on conversion exercise of shares (NCIB)	(23,600)	(213)	76	-	(137)	-	(137)
Total earnings and comprehensive earnings	-	-	-	(1,356)	(1,356)	(873)	(2,229)
Balance, December 31, 2024	**21,055,042**	**666,380**	**14,092**	**(420,725)**	**259,747**	**(221)**	**259,526**
Dividends paid	-	-	-	(3,160)	(3,160)	-	(3,160)
Share-based compensation	-		65	-	65	-	65
Shares issued on vesting of RSUs	15,423	200	(200)	-	-	-	-
Shares issued on conversion exercise of shares (NCIB)	(26,300)	(219)	-	-	(219)	-	(219)
Total earnings and comprehensive earnings	-	-	-	(10,441)	(10,441)	32	(10,409)
Balance at March 31, 2025	**21,044,165**	**666,361**	**13,957**	**(434,326)**	**245,992**	**(189)**	**245,803**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Polaris Renewable Energy Inc.

Consolidated Statements of Cash Flows

(expressed in thousands of United States dollars; unaudited)

	Note	Three Months Ended	
	Ref	March 31, 2025	March 31, 2024
Net inflow (outflow) of cash related to the following activities			
Operating			
Total (loss) earnings and comprehensive earnings attributable to owners of the Company		$ **(10,441)**	$ 4,346
Add/(Deduct) items not affecting cash:			
Non-controlling interests in net earnings of subsidiary		**32**	62
Current and deferred income tax (recovery)		**3,195**	(986)
Finance costs/interest on debt recognized		**5,665**	4,819
Depreciation and amortization		**7,373**	7,348
Change in decommissioning liabilities		**-**	-
Accretion on debt	11	**370**	294
Accretion recorded as financing cost -extinguishment of debt	11	**4,219**	-
Share-based compensation		**59**	47
Unrealized foreign exchange loss (gain)		**0**	37
Changes in non-cash working capital:			
Accounts receivable	9	**(188)**	(1,195)
Prepaid expenses and other assets		**(354)**	259
Accounts payable and accrued liabilities		**2,359**	(1,085)
Interest paid	11	**(949)**	(3,733)
Unearned revenue		**166**	(1,782)
Change in other assets		**261**	256
Net cash flow from operating activities		**11,767**	8,687
Investing			
Additions to construction in progress		**(20)**	(1,198)
Additions to property, plant and equipment		**(49)**	(74)
Business acquisition, net	4	**(14,665)**	-
Net cash flow to investing activities		**(14,734)**	(1,272)
Financing			
Payments for extinguishment of debt	11	**(5,436)**	-
Dividends paid		**(3,160)**	(3,161)
Repayment of debt	11	**(114,316)**	(3,149)
Shares repurchase costs		**(219)**	-
Payments of the outstanding lease liability		**(191)**	(145)
Net cash flow to financing activities		**(123,322)**	(6,455)
Net (decrease) increase in cash		**(126,289)**	960
Cash, beginning of the year		**213,306**	40,053
Cash, end of the year.		$ **87,017**	$ 41,013

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Organization

The Company was incorporated under the British Columbia Business Corporations Act but completed the endorsement process to continue as an Ontario Corporation on July 5, 2022. The registered office of the Company is located at 7 St. Thomas Street, Suite 606, Toronto, Ontario M5S 2B7.

Polaris Renewable Energy Inc. is engaged in the acquisition, exploration, development, and operation of renewable energy projects in Latin America and the Caribbean.

The Company, through its subsidiaries Polaris Energy Nicaragua, S.A. (“PENSA”) and San Jacinto Power International Corporation (“SJPIC”), owns and operates a 82-megawatt (“MW”) capacity geothermal facility (the “San Jacinto Project”), located in northwest Nicaragua, near the city of Leon. PENSA entered into the San Jacinto Exploitation Agreement with the Nicaraguan Ministry of Energy and Mines to develop and operate the San Jacinto Project.

Through its subsidiary Empresa de Generación Eléctrica Canchayllo SAC (“EGECSAC”), the Company owns and operates a run-of-river hydroelectric project with a rated capacity of approximately 5 MW located in the Canchayllo district of Peru. Also in Peru, through its subsidiary Generación Andina SAC (“GASAC”), the Company owns and operates two run-of-river hydroelectric projects, with capacity of approximately 8 MW and 20 MW.

The Company, through its subsidiary Emerald Solar Energy SRL (“Emerald”), owns and operates a solar plant, Canoa 1, with 25 MW capacity, located in the Barahona Province, Dominican Republic.

The Company also owns 83.16% of the shares issued and outstanding of Hidroelectrica San Jose de Minas ("HSJM”), a subsidiary that operates a hydroelectric plant with 6 MW capacity, located along the Cubi river in San Jose de Minas, Ecuador.

Through its subsidiary Polaris Renewable Energy SA, the Company constructed, owns and operates two solar projects located in Vista Hermosa, in the Coclé Province in Panama. The solar projects, named Vista Hermosa Solar Park I and II, have a capacity of approximately 10 MW and began operations in April 2023.

On March 3, 2025, the Company closed on the Equity Capital Contribution Agreement and LLC Agreement with respect to Punta Lima Wind Farm LLC. The operating onshore wind farm with a nameplate capacity of 26 MW is located in the Municipality of Naguabo, Puerto Rico. The transaction was accounted for as a business combination, and it is described in Note 4 below.

2. Basis of preparation and presentation

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, under International Accounting Standard 34, Interim Financial Reporting. Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with IFRS Accounting Standards, have been omitted or condensed. Accordingly, the interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended December 31, 2024. In particular, the Company’s material accounting policies were presented in Note 3: Material Accounting Policies to the consolidated financial statements for the year ended December 31, 2024.

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. The critical judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were those applied and disclosed in Note 4: Critical Judgments and Estimation Uncertainties to the Company's consolidated financial statements for the year ended December 31, 2024. In addition to significant judgment in connection with the acquisition completed during the period where management was required to make estimates in determining the purchase price allocation. The purchase price allocation involves estimates of the fair value of identifiable assets acquired and liabilities assumed, including property, plant and equipment, intangible assets, and provisions. These estimates are based on information available as of the acquisition date and are subject to change as additional information becomes available. In accordance with IFRS 3, the Company has a measurement period of up to 12 months from the acquisition date to finalize these estimates. Adjustments to the provisional amounts recognized may be made during this period as new information is obtained about facts and circumstances that existed as of the acquisition date. Sources of estimation uncertainty include estimates to determine the recoverable amount of property, plant and equipment, construction in progress, the valuation of other assets and liabilities, and the determination of the accounting method for a business combinations.

In these condensed consolidated interim financial statements, unless otherwise indicated, all dollar amounts are expressed in United States ("US") dollars, the Company's and its subsidiaries functional and reporting currency.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of the Company (the "Board") on April 30, 2025.

2. Material Accounting Policies

Business combinations or asset acquisitions

When an entity is acquired, management is required to exercise its judgment to determine whether the transaction constitutes a business combination under IFRS 3, Business Combinations, or an asset acquisition. Management determines that a transaction is defined as a business combination by analyzing the inputs, processes and outputs existing at the moment of closing the transaction.

Business combinations are accounted for using the acquisition method. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred, liabilities assumed, and the equity instruments issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

When the Company acquires less than 100% of a controlled subsidiary, the Company elects on a transaction-by-transaction basis, whether to measure non-controlling interest at its fair value or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

When an Asset Retirement Obligation (ARO) or a decommissioning liability is acquired in a business combination, at the acquisition date, they are recognized at fair value in accordance with IFRS 3, and the related right-of-use (ROU) assets are recognized. Subsequent to initial recognition, AROs are remeasured in accordance with IAS 37, and any changes to the liability are reflected as adjustments to the carrying amount of the related ROU asset. The adjusted ROU asset is depreciated prospectively over the remaining term.

In the case of tax equity financing arrangements where the Company contributes capital in exchange for substantial economic returns in form of cash flows generated by the project, while obtaining operational control, the company also assesses the arrangement in accordance with IFRS 10 – Consolidated Financial Statements to determine whether it exercises control over the project entity, based on its power to direct

the relevant activities and its exposure to variable returns. In this case, the Group consolidates the project entity and accounts for the tax equity investor's interest as a liability in the consolidated financial statements. The Company's share of the profits and losses of the project are allocated in accordance with the contractual terms of the partnership agreement, which may differ from the legal ownership percentages.

Polaris applies the hypothetical liquidation at book value (HLBV) method to allocate income and distributions between the Company and the tax equity investor, reflecting the economic substance of the arrangement. The use of HLBV involves significant management judgment and estimates, including assumptions related to future taxable income, energy production, timing of cash outlays for asset retirement obligations and the timing of cash distributions.

Acquisition costs are expensed to earnings as incurred. The Company recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have previously been recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is determined after separate recognition of identifiable assets acquired. It is calculated as the excess of the sum of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets. If the fair values of identifiable net assets exceeds the sum mentioned above, the excess amount (gain on a bargain purchase) is recognized through earnings immediately.

If the business combination is achieved in stages, the acquisition-date carrying amount of the acquirer's previously held interest in the acquiree is re-measured at its acquisition-date fair value with any resulting gain or loss recognized in net earnings (loss).

4. Acquisition of Punta Lima Wind Farm LLC

On March 3, 2025, the Company closed on the Equity Capital Contribution Agreement ("ECCA") and Limited Liability Company Agreement ("LLCA") with respect to Punta Lima Wind Farm LLC ("PLWF", a wholly owned subsidiary of Santander Bank N.A. "Santander"). PLWF is an operating onshore wind farm with a nameplate capacity of 26.0 MW's located in the Municipality of Naguabo, Puerto Rico. PLWF was reconstructed and re-commissioned by Santander and has a 20-year power purchase agreement ("PPA") in place with Puerto Rico Electric Power Authority (PREPA) terminating in March 2044.

Puerto Rico does not operate a spot market for energy. All wind energy producers, including PLWF, sell their output under Power Purchase Agreements with the Puerto Rico Electric Power Authority (PREPA), the sole off-taker on the island through Luma, the responsible for transmission and distribution of electricity on the island. Given the limited supply of renewable energy and the regulatory emphasis on clean energy procurement, it is reasonable to expect that a project like PLWF would be able to secure a similar PPA under comparable terms if required. As such, the existing PPA does not confer a distinct economic advantage, and therefore no significant intangible value has been attributed to it in the purchase price allocation.

The transaction has been completed using a tax-equity structure which results in the Company becoming the manager and operator of the Project with a controlling equity interest and Santander retaining a tax equity interest in the Project. The total equity contribution of $20 million from Polaris had the following payment schedule: $15 million on March 3, 2025, the Closing Date, and $5 million on the earlier of (i) the nine (9) month anniversary of the Closing Date or (ii) the date upon which Polaris's subsidiary closes on any financing arrangement. The Company estimates the payment of the remaining $5 million will be

effected on December 3, 2025, therefore the payable part of the consideration has been adjusted to reflect its fair market value (FMV) of $4,780.5 using a 6.2% discount rate on acquisition date.

The acquisition has been accounted for as a business combination in accordance with IFRS 3 - Business Combinations, using the acquisition method whereby the assets acquired and liabilities assumed are recorded at fair value. The allocation of the purchase price was established based on fair values of assets acquired and liabilities assumed as at acquisition date, summarized as follows:

		Fair Value allocation as at March 3, 2025
Consideration	**$**	**19,780**
Identifiable assets acquired:		
Cash		335
Receivables and other assets		1,788
Prepaids		185
Property, plant and equipment		24,551
Right of use asset		560
Total assets acquired	**$**	**27,419**
Less liabilities assumed:		
Accounts payable and accrued liabilities		(551)
Decommissioning Liability		(560)
Deferred tax liability		(756)
Total liabilities assumed	**$**	**(1,867)**
Tax Equity Liability (Class A + C Units)		(6,528)
Net assets acquired	**$**	**19,024**
Goodwill	**$**	**756**

The trade and other receivables acquired as part of the acquisition with a fair value of $1,788 have been collected.

Punta Lima Wind Farm has in place three long-term land leases under one consolidated arrangement. However, because the lease payments of under this arrangement are variable in nature, based on land use and revenue generated, the arrangement does not meet the recognition criteria under IFRS 16 Leases. As such, payments will be expensed in the statement of operations and comprehensive earnings in the period the related activity occurs.

In addition, the lease agreement includes a decommissioning obligation requiring the removal of certain wind turbines at the end of the lease term. Its discounted value was calculated using a risk free rate of 3.8%.

The Company recognized a tax equity liability representing the present value of estimated future cash distributions and tax benefits to be provided to the tax equity partners under the terms of the ECCA and the LLCA. This liability reflects the expected allocation of returns to the investor based on the projected performance of the project and applicable tax attributes.

Transaction costs related to due diligence fees, legal costs and other professional fees of $370 were incurred in relation to the acquisition and were expensed as Other Operating Costs in the Consolidated Statements of Operations and Comprehensive Earnings throughout H2 2024 and Q1 2025.

Upon final determination of fair values as at the acquisition date, the Company expects that some balance sheet items such as Property, plant and equipment, Assumed liabilities and Deferred tax liability would change and therefore may result in changes to the Goodwill amount preliminarily recognized as of March 31, 2025. Furthermore, the final recognition of the business combination could differ from amounts

presented and could also result in favourable or unfavourable impacts, among others, on the currently recorded amortization and income tax expenses. These changes would be recorded retrospectively as at the acquisition date.

If the transaction had closed on January 1, 2025, the Company would have recognized $2.3 million in revenue, $2.0 million in operating costs and $0.3 million in net earnings and other comprehensive earnings as of March 31, 2025.

5. Segment Information

The Company currently operates in six reportable operating segments:

- Nicaragua - Acquisition, exploration, development and operation of a geothermal project;
- Peru - Acquisition, development and operation of hydroelectric projects;
- Dominican Republic - Acquisition, development and operation of solar projects;
- Ecuador - Acquisition, development and operation of hydroelectric projects;
- Puerto Rico - Acquisition, development and operation of onshore wind farm; and
- Panama - Acquisition, development and operation of solar projects.

The Company has designated its Chief Executive Officer as the chief operating decision maker, who evaluates the performance of the Company's reportable operating segments and makes recommendations to the Board to allocate available resources based on various criteria, including the availability of proven resources, costs of development, availability of financing, actual and expected financial performance, and existing debt covenants.

The reported segment earnings, including revenue and expenses, as well as assets and liabilities are presented below. Corporate represent expenses, assets and liabilities for Canada, not related to the Company's reportable operating segments.

Assets and liabilities		As at March 31, 2025		As at December 31, 2024
Corporate	**$**	**78,083**	$	200,265
Nicaragua		**260,023**		275,288
Peru		**97,534**		94,961
Dominican Republic		**61,948**		61,819
Ecuador		**19,767**		19,786
Panama		**9,898**		9,985
Puerto Rico		**30,967**		-
Total assets	**$**	**558,220**	**$**	**662,104**
Canada	**$**	**3,816**	$	4,128
United States		**-**		-
Corporate	**$**	**3,825**	$	4,137
Nicaragua		**246,855**		252,442
Peru		**89,184**		89,396
Dominican Republic		**57,185**		58,197
Ecuador		**18,685**		18,797
Panama		**10,457**		10,572
Puerto Rico		**27,073**		-
Total non-current assets	**$**	**453,264**	**$**	**433,541**
Corporate	**$**	**186,002**	$	172,718
Nicaragua		**52,993**		137,359
Peru		**26,914**		48,562
Dominican Republic		**39,810**		39,049
Ecuador		**1,101**		4,465
Panama		**267**		425
Puerto Rico		**5,329**		-
Total liabilities	**$**	**312,416**	**$**	**402,578**

	Nicaragua		Peru		Dominican Republic		Ecuador		Panama		Puerto Rico		Corporate		Total	
For the Three Months Ended March 31,	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Revenue																
Power revenue	**$ 12,724**	$ 13,118	**$ 3,554**	$ 4,035	**$ 2,136**	$ 1,907	**$ 936**	$ 798	**$ 380**	$ 774	**$ 530**	$ -	**$ -**	$ -	**$ 20,260**	$ 20,632
Carbon credits													**27**	$ -	**27**	$ -
Direct costs																
Direct costs	**(1,729)**	(1,758)	**(777)**	(832)	**(380)**	(327)	**(125)**	(108)	**(129)**	(124)	**(213)**	-	**(4)**	26	**(3,357)**	(3,123)
Depreciation and amortization of plant assets	**(5,698)**	(5,705)	**(656)**	(722)	**(551)**	(411)	**(177)**	(180)	**(124)**	(110)	**(111)**	-	(1)	(158)	**(7,318)**	(7,286)
General and administrative expenses	**(296)**	(311)	**(116)**	(124)	**(73)**	(49)	**(119)**	(124)	**(51)**	(25)	**(119)**	-	**(1,041)**	(1,165)	**(1,815)**	(1,798)
Other operating costs	-	-	-	-	-	-	-	-	-	-	**(10)**	-	**(133)**	(1)	**(143)**	(1)
Operating income	**5,001**	5,344	**2,005**	2,357	**1,132**	1,120	**515**	386	**76**	515	**77**	-	**(1,152)**	(1,298)	**7,654**	8,424
Interest income	**72**	242	**-**	-	**18**	14	**-**	-	-	1	-	-	**947**	221	**1,037**	478
Finance costs	**(9,323)**	(3,263)	**(3,124)**	(1,205)	**(644)**	(664)	**(139)**	(112)	**(1)**	(1)	-	-	**(2,653)**	(6)	**(15,884)**	(5,251)
Other (loses) gains	**-**	(1)	**(2)**	22	**(6)**	(17)	**-**	(2)	-	(2)	**(27)**	-	**14**	(229)	**(21)**	(229)
Earnings (loss) and comprehensive earnings (loss) before income taxes	**(4,250)**	2,322	**(1,121)**	1,174	**500**	453	**376**	272	**75**	513	**50**	-	**(2,844)**	(1,312)	**(7,214)**	3,422
Current Income Tax (expense)	**(1,571)**	-	**(41)**	(19)	**(246)**	(218)	**-**	-	**(3)**	1	-	-	**(297)**	(2)	**(2,158)**	(238)
Deferred Income Tax recovery (expense)	**(1,459)**	762	**421**	422	**-**	1	**-**	-	-	-	-	-	**1**	39	**(1,037)**	1,224
Total earnings (loss) and comprehensive earnings (loss)	**$ (7,280)**	$ 3,084	**$ (741)**	$ 1,577	**$ 254**	$ 236	**$ 376**	$ 272	**$ 72**	$ 514	**$ 50**	$ -	**$ (3,140)**	$ (1,275)	**$ (10,409)**	$ 4,408

6. Revenue

Revenue by project is summarized in the following table:

	Three Months Ended	
Project	**March 31, 2025**	**March 31, 2024**
Canada		
Carbon Credits	**$ 27**	$ -
Nicaragua *(i)*		
San Jacinto (Geothermal)	**12,724**	13,118
Peru *(ii)*		
Generación Andina (Hydroelectric)	**3,133**	3,640
Canchayllo (Hydroelectric)	**421**	395
Dominican Republic (iii)		
Canoa 1 (Solar)	**2,136**	1,907
Ecuador (iv)		
San Jose de Minas (Hydroelectric)	**936**	798
Panama (v)		
Vista Hermosa (Solar)	**380**	774
Puerto Rico (vi)		
Punt Lima (Wind)	**530**	-
Total power revenue	**20,260**	**20,632**
Total revenue	**$ 20,287**	**$ 20,632**

(i) *San Jacinto plant sells energy to two Nicaraguan power distributors Distribuidora De Electricidad del Norte, S.A. ("Disnorte") and Distribuidora De Electricidad del Sur, S.A. ("Dissur").*
(ii) *For Peru, under the terms of the PPAs, the Company bills at the spot rate for current energy generation. The difference between the spot rate and the PPA rate (plus an effective annual interest rate of 12%) is calculated annually each May for the previous 12 months and is paid evenly over the following 12 months.*
(iii) *In the Dominican Republic, the energy is sold to the power distributor Empresa Distribuidora de Electricidad del Sur ("EDESUR")*
(iv) *For Ecuador, under the terms of the PPA, the energy is delivered to the national grid and the Company bills to various clients as per regulator's monthly publication of payment settlement.*
(v) *In Panama, energy is sold at spot rate.*
(vi) *Punta Lima Wind Farm sells energy to Puerto Rico Electric Power Authority.*

The Company has determined that it has one performance obligation which is the delivery of electricity to its customers. There is no revenue recognized from unfulfilled performance obligations. Note 9 to these condensed consolidated interim financial statements provides details on the Company's contract balances and terms related to this revenue.

7. Direct Costs, General and Administrative and Other Expenses

(a) Direct costs related to the production of energy:

	Three Months Ended	
	March 31, 2025	**March 31, 2024**
Direct costs other than amortization:		
Employee costs	**1,343**	1,266
General liability insurance	**964**	749
Land, building and other Municipal and Federal Taxes	**537**	512
Maintenance	**315**	388
Other direct costs	**198**	208
	3,357	3,123
Depreciation and amortization	**$ 7,318**	$ 7,286
Direct Costs	**$ 10,675**	**$ 10,409**

(b) General and administrative expenses:

	Three Months Ended	
	March 31, 2025	March 31, 2024
Salaries and benefits	$ **861**	$ 947
Share-based compensation	**41**	31
Facilities and support	**252**	240
Professional fees	**429**	383
Insurance	**42**	45
Depreciation of other assets	**58**	61
Other general and administrative expenses	**132**	91
	$ **1,815**	$ 1,798

8. Finance Costs

	Three Months Ended	
	March 31, 2025	March 31, 2024
Interest on debt	$ **5,664**	$ 4,819
Extinguishment of debts/Accretion on debt	**10,051**	294
Banking fees and other finance costs	**168**	138
	$ **15,883**	$ 5,251

9. Accounts Receivable

	March 31, 2025	December 31, 2024
Nicaragua *(i)*		
San Jacinto (Geothermal)	$ **9,131**	$ 9,429
Peru *(ii)*		
Generación Andina (Hydroelectric)	**303**	179
Canchayllo (Hydroelectric)	**27**	5
Dominican Republic *(iii)*		
Canoa 1 (Solar)	**1,463**	1,161
Ecuador *(iv)*		
San Jose de Minas (Hydroelectric)	**491**	383
Panama (v)		
Vista Hermosa I (Solar)	**140**	61
Vista Hermosa II (Solar)	**136**	**61**
Puerto Rico *(vi)*		
Punta Lima Wind Farm	**1,564**	-
	$ **13,255**	$ **11,279**

(i) The balance is comprised of amounts due by Disnorte and Dissur, whith 45 days payment term from invoice date.
(ii) The average credit period granted to customers is 30 days from the invoice date.
(iii) The balance is due by EDESUR and has a credit period of 30 days from the issuance of the invoice (Note 6).
(iv) The average credit period granted to customers is 40 days from invoice date.
(v) The balance has a credit period of 15 days from the issuance of the invoice
(vi) The balance is due by Puerto Rico Electric Power Authority, which have 47 days payment term from invoice date.

The Company assessed the risk of credit losses for its accounts receivable and concluded it is immaterial, therefore it has not recorded a loss allowance (Note 14 (b) Credit Risk).

10. Property, Plant and Equipment, net

The following is a summary of the activity related to the Company's PP&E:

	December 31, 2024	2025 Acquisitions	2025 Activity	March 31, 2025
San Jacinto geothermal project	$ 547,847		$ (878)	$ 546,969
Generación Andina hydroelectric projects	64,913		3	64,916
Canchayllo hydroelectric project	10,418		4	10,422
Canoa 1 solar project	37,364		(29)	37,335
Vista Hermosa Solar Park, I and II	11,274		-	11,274
Punta Lima Wind Farm	-	25,826	-	25,826
Accumulated depreciation	(325,252)	(1,275)	(5,717)	(332,244)
Capital spares	6,113		(94)	6,019
	$ 352,677	$ 24,551	$ (6,711)	$ 370,517

PP&E assets currently in operation are being depreciated on a straight-line basis over the remaining term of their estimated useful lives.

11. Long-term Debt, net

	Green Bond	San Jacinto Debt	Generación Andina Debt	APG Debt	Canoa 1 Debt	HSJM Debt	Total
Loans and other borrowings – December 31, 2024	$ 169,021	$ 84,305	$ 19,044	$ 22,295	$ 30,218	$ 3,466	$ 328,349
Proceeds from loan	$ -						-
Accrued interest expense	-	-	400	-	-	-	400
Deferred transaction costs	-	2,774	-	1,445	-	-	4,219
Accretion of deferred transaction costs and debt discount	299	21	-	10	40	-	370
Repayments of debt principal		(87,100)	-	(23,750)	-	(3,466)	(114,316)
Loans and other borrowings – March 31, 2025	$ 169,320	$ -	$ 19,444	$ -	$ 30,258	$ -	$ 219,022
Current	$ -	$ -	$ 2,092	$ -	$ 2,209	$ -	$ 4,301
Non-current	169,320	-	17,352	-	28,049	-	214,721
Unamortized debt discount	5,680	-	15,359	-	1,100	-	22,139
Principal balance	$ 175,000	$ -	$ 34,803	$ -	$ 31,358	$ -	$ 241,161
Fair value as of March 31,2025 (i)	178,791	-	17,161	-	29,263	-	46,424
Annual Interest rate	**9.5% (fixed)**		**No interest**		**7.00% (fixed)**		
Maturity dates	**12/3/2029**		**6/15/2038**		**9/30/2037**		

(i) Fair value is calculated based on discounted future cash flow of debt service using average rate, published by the Central bank in each country the debt is held, for similar financial instruments.

	Three Months Ended	
	March 31, 2025	March 31, 2024
San Jacinto Debt Facility		
Interest paid & recorded as financing cost	**434**	3,027
Accretion recorded as financing cost	**21**	140
Accretion recorded as financing cost -extinguishment of debt	**2,774**	-
Generación Andina Debt		
Interest paid & recorded as financing cost	**400**	410
APG Debt		
Interest paid & recorded as financing cost	**46**	546
Accretion recorded as financing cost	**10**	112
Accretion recorded as financing cost -extinguishment of debt	**1,445**	
Green Bond		
Interest payable & recorded as financing cost	**4,156**	-
Accretion recorded as financing cost	**299**	-
Canoa Debt		
Interest paid & recorded as financing cost	**549**	584
Accretion recorded as financing cost	**40**	42
SJM Debt		
Interest paid & recorded as financing cost	**35**	106
Other		
Interest paid & recorded as financing cost	**52**	146
Total	10,261	5,113
Interest recorded as financing cost	**$ 5,672**	$ 4,819
Accretion recorded as financing cost	**370**	294
Accretion recorded as financing cost -extinguishment of debt	**4,219**	-

(i) Summary of early repayment of Credit Agreements

In January 2025 the Company settled four (4) of its outstanding debts. The early settlement was part of the terms and purpose of the $175 million Green Bonds issued on December 3, 2024 and part of the Company's debt optimization strategy to reduce borrowing costs and better align debt re-payment to PPA terms.

The early settlements were executed through the repayment of the outstanding principal amounts, plus accrued interest and a prepayment penalty, in accordance with the debt agreements.

	San Jacinto Credit Agreement	APG Credit Agreement	HSJM Credit Agreement 1	HSJM Credit Agreement 2	Total
Date of debt repayment in full	1/15/2025	1/08/2025	1/08/2025	1/08/2025	
Outstanding principal amount	87,100	23,750	1,917	1,473	114,240
Accrued interest	869	46	5	30	950
Premium for extinguishment of debt	4,248	1,188	-	-	5,436
Total paid	$ 92,217	$ 24,984	$ 1,922	$ 1,503	$ 120,626

(ii) Summary of Senior Secured Bond Agreement

On December 3, 2024, the Company closed a private placement of USD 175 million senior secured 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 includes a tap feature, allowing the Company to access up to an additional $50 million in funding for potential future uses.

Under the terms of the Green Bonds, the Company is required to comply with the following financial covenants at the end of each interim and annual reporting period:

- Debt Service Coverage Ratio (>= 1.75:1)
- Minimum liquidity >= $15.0 million

As of March 31, 2025, the Company is in line with all the covenants related to this Credit Agreement and there is no indication that it may have difficulties complying with the covenants when they will be tested at the end of the next reporting period.

(iii) Summary of Generación Andina Credit Agreement

As at March 31, 2025, the Generación Andina ("GA") loans bear no interest. No interest will be charged during the life of the loan, except for default interest on any overdue amount. The termination date of the loan is June 15, 2038. The loan is payable in 36 semi-annual installments, ending June 15, 2038. As of March 31, 2025, the Company is compliant with all the covenants required under the APG Credit Agreement.

Under the terms of the agreement, which has a carrying amount of $19,444 (2024-$19,672) GASAC is required to comply with the following financial covenants at the end of each interim and annual reporting period:

- Debt Service Coverage Ratio (>1.1:1)

As of March 31, 2025, GASAC is in line with all the covenants related to this Credit Agreement and there is no indication that it may have difficulties complying with the covenants when they will be tested at the end of the next reporting period.

(iv) Summary of Canoa 1 Credit Agreement

The Canoa 1 loan has a term of 17 years, a 7% fixed interest rate, and requires quarterly payments of principal and interest.

Under the terms of the agreement, which has a carrying amount of $30,258 (2024-$32,606) Emerald is required to comply with the following financial covenants at the end of each interim and annual reporting period:

- Debt Service Coverage Ratio (>1.20:1)
- Financial Debt to Equity Ratio (< =85:15)

As of March 31, 2025, Emerald is compliant with all the covenants related to this Credit Agreement and there is no indication that it may have difficulties complying with the covenants when they will be tested at the end of the next reporting period.

12. Share Capital

	Number of Shares Authorized, Issued and Fully Paid	Number of Shares Reserved for Issue Under LTIP (RSU.DSU)	Number of Shares Reserved for Issue Under Stock Options (Exercisable)
Balance at January 1, 2024	**21,063,575**	**200,000**	**110,000**
Shares issued in connection with RSUs vested	11,900	(11,900)	
Stock options vested	-	-	2,500
Repurchase and cancellation of shares (NCIB) (1)	-	-	-
Balance at March 31, 2024	**21,075,475**	**188,100**	**112,500**
Shares issued in connection with RSUs vested	3,167	(3,167)	-
Stock options vested	-	-	55,443
Repurchase and cancellation of shares (NCIB) (1)	(23,600)	-	-
Balance at December 31, 2024	**21,055,042**	**184,933**	**167,943**
Shares issued in connection with RSUs vested	15,423	(15,423)	-
Stock options vested	-	-	5,590
Repurchase and cancellation of shares (NCIB) (1)	(26,300)	-	-
Balance at March 31,2025	**21,044,165**	**169,510**	**173,533**

(i) During the year ended December 31, 2024, the Company purchased and cancelled 23,600 shares under its NCIB program. During the three months ended March 31, 2025 the Company purchased and cancelled 26,300 shares under its NCIB program.

(ii) On February 7, 2025, the Company granted 22,233 RSUs to certain employees, with a three years vesting period. On February 1 and 12, 2025, tranches of 10,900 and 4,523 RSUs, respectively, vested and the same number of shares were issued in their place.

(i) *Stock options*

The Company's Omnibus Long-Term Incentive Plan (the "LTIP") adopted in June 2012 and most recently amended and approved in June 2024, provides that stock options may be granted to directors, senior officers, employees and consultants of the Company or any of its affiliates and employees of management companies engaged by the Company. The LTIP was amended to convert the limit on the number of common shares in the capital of the Corporation issuable under the Omnibus Plan, from a rolling limit of 7.5% of the issued and outstanding Common Shares to a fixed number of 1,000,000 Common Shares (representing 4.7% of the issued and outstanding shares as of the amendment date). Options granted under the LTIP are for a contractual term not to exceed five years from the date of their grant, and vesting is determined by the Company's Board.

The table below summarizes the information related to stock options outstanding and exercisable as at March 31, 2025:

	Outstanding Options			Exercisable Options	
Range $CDN	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price ($CDN)	Number of Options Outstanding	Weighted Average Exercise Price ($CDN)
0.00 - 99.99	223,099	2.04	$ 17.28	173,533	$ 17.90

There has been no stock options granted during 2025. For the periods ended March 31, 2025 and 2024, the Company recognized shared-based compensation expense associated with options, with a corresponding increase in contributed surplus, of $0.1million.

(ii) *Restricted Share Units ("RSUs)*

On February 9, 2025, the Company granted 22,233 RSUs to certain officers, with a three year vesting period starting on the first anniversary of the grant.

	Number of RSUs Outstanding
Balance at January 1, 2024	**43,703**
RSU vested	(11,900)
RSUs awarded	13,570
Balance at March 31, 2024	**45,373**
RSU vested	(3,768)
Balance at December 31, 2024	**41,605**
RSUs vested	(15,423)
RSUs awarded	22,233
Balance at March 31,2025	**48,415**

(iii) Deferred Share Units ("DSUs")

	Number of DSUs Outstanding	Fair Value of DSU's end of period
Balance at January 1, 2024	**22,623**	**$ 226**
DSUs awarded in lieu of Directors Fees	1,950	
Dividend reinvestment DSUs	361	
Balance at March 31, 2024	**24,934**	**$ 195**
DSUs awarded in lieu of Directors Fees	6,390	
Dividend reinvestment DSUs	1,421	
Balance at December 31, 2024	**32,745**	**$ 303**
DSUs awarded in lieu of Directors Fees	8,340	
Dividend reinvestment DSUs	1,782	
Balance at March 31,2025	**42,867**	**$ 297**

13. Earnings per Share

The following table summarizes the common shares used in calculating net loss per common share. Basic and diluted weighted average number of shares outstanding includes RSUs and DSUs issued by the Company. Stock options have anti-dilutive effect in the calculation of earnings per share and therefore not included.

	Three Months Ended	
	March 31, 2025	March 31, 2024
Total earnings attributable to owners of the Company	**$ (10,441)**	$ 4,346
Basic weighted average number of shares outstanding	**21,096,829**	21,099,091
Basic earnings per share	**$ (0.49)**	$ 0.21

	Three Months Ended	
	March 31, 2025	March 31, 2024
Total earnings attributable to owners of the Company	**$ (10,441)**	$ 4,346
Diluted weighted average number of shares outstanding	**21,138,261**	21,149,205
Diluted earnings per share	**$ (0.49)**	$ 0.21

14. Financial Instruments and Risk Management

(a) Fair value of financial assets and liabilities

IFRS Accounting Standards requires disclosure about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The following are the three levels of the fair value hierarchy:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

- Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability.
- Level 3 – Inputs that are not based on observable market data.

As at March 31, 2025, the carrying amounts of accounts receivable, restricted cash, accounts payable and accrued liabilities which are measured at their amortized cost are considered similar to their fair value or approximate fair value due to their short-term maturity.

The fair value of the long-term debt is disclosed in note 11. The fair value of the tax-equity liability resulting from the acquisition of the operation in Puerto Rico, is disclosed in note 4.

(b) Financial risk management

The Company is exposed to financial risks arising from its financial assets and liabilities. The financial risks include market risks relating to interest rates, foreign exchange rates and commodity prices.

Interest rate risk

PENSA Debt Facility bore interest at 90-day SOFR plus 6.75%. The total rate as at January 8, 2025, its settlement date, was 11.96%. The Company has no credit facility with variable rate as of March 31, 2025.

Currency risk

The Company operates internationally and is exposed to risks from changes in foreign currency rates. The functional currency of the Company is the US dollar and currently most of the Company's transactions are denominated in US dollars. Further, the Company translates significant amounts received in local currency to US dollars immediately. As at March 31, 2025 and December 31, 2024, the Company had cash and accounts payable of CDN$345,558 and CDN$(178,169), respectively. The Company determined that a 10% change in the Canadian dollar against the US dollar would have impacted total earnings and comprehensive earnings by $0.0 million for the period ended March 31, 2025.

As at March 31, 2025, and December 31, 2024, the Company had current assets and accounts payable of PEN$8,581,020 and PEN$4,383,433 respectively held in its Peruvian subsidiaries. The Company determined that a 10% change in the Peruvian Soles against the US dollar would have impacted total earnings and comprehensive earnings by $0.2 million thousand for the period ended March 31, 2025.

As at March 31, 2025, and December 31, 2024, the Company had cash, current assets and accounts payable of DOP$51,465,530 and DOP$36,053,339 respectively held in its Dominican Republic subsidiaries. The Company determined that a 10% change in the Dominican Republic peso against the US dollar would have impacted total earnings and comprehensive earnings by 0.1 million for the period ended March 31, 2025.

The Company does not enter into any foreign exchange contracts to mitigate this risk.

Commodity prices

The Company's commodities mainly consist of power produced. The Company is not exposed to commodity price risk with respect to the power it produces as 98% of power currently produced is sold under the terms of a PPA which establishes a fixed price and escalator.

Credit risk

The Company is exposed to credit risk with respect to amounts receivable from its customers. Credit risk is the potential loss from the customer failing to perform payment of the amount receivable, defined in the invoice. The Company manages credit risk with policies and procedures for customer analysis, exposure measurement, and exposure monitoring and mitigation.

The Company considers that "default" may occur when the account receivable balance is 90 days past due, from the date of payment stated in the invoice.

Once a balance receivable has been identified as in default, the Company assesses the alternatives to recover such balances, with reasonable effort. If the Company concludes the balances cannot be recovered, the amounts are then written-off.

In estimating expected credit losses on trade receivables, the Company has estimated the probability of default is 0.1% based on the Company's historical default rates, as the Company does not expect these rates to significantly increase in the future. Historically, the Company has not suffered losses for balances identified as in default and does not expect to incur significant losses in the future due to the nature of its customers (distribution utilities). The Company applies the simplified approach to assess expected credit losses for trade receivables, whereby the loss allowance for the account receivable is measured at an amount equal to the lifetime expected credit losses. The Company shall recognize in the statements of earnings, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

From the credit risk assessment performed during the period, the Company has concluded that exposure to credit risk related to the amounts receivable from customers is not material, as of March 31, 2025.

The Company is also exposed to credit risk with respect to its amounts of cash and cash equivalents. The Company deposits its cash with reputable financial institutions, mostly based in North America, for which management believes the risk of loss to be remote.

Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash, credit facilities and other financial resources available to meet its obligations. The Company forecasts cash flows for a period of 12 months to identify financial requirements. These requirements are met through a combination of cash flows from operations, credit facilities and accessing capital markets.

The following are maturities for the Company's financial liabilities as at March 31, 2025:

	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	Total
Accounts payable and accrued liabilities	$ 21,186	$ -	$ -	$ -	$ 21,186
Debt, current and long-term	4,301	7,828	183,913	45,119	241,161
Interest obligations	18,252	36,894	36,653	6,422	98,221
Lease liabilities (i)	890	1,680	1,793	12,148	16,511
	$ 44,629	**$ 46,402**	**$ 222,359**	**$ 63,689**	**$ 377,079**

(i) Lease liabilities in the above table include Punta Lima Wind Farm minimum land lease payments assuming that PLWF will generate at least 6,000 MWh per year from 2025 to 2053.

15. Capital Management

The Company's capital structure is comprised of net long-term debt, as further disclosed in Note 11, and shareholders' equity (consisting of issued capital and contributed surplus offset by accumulated deficit). The Company's objectives when managing its capital structure are to:

i) maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations; and

ii) finance internally generated growth as well as potential acquisitions.

In order to facilitate the management of capital, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed by the Company's Board.

In preparing its budgets, the Company considers externally imposed capital requirements pursuant to the terms of the Senior Secured Green Bonds Agreements, the loan agreements for the GA projects and the Canoa Debt agreement (Note 11). These externally imposed capital requirements will affect the Company's approach to capital management. The Company's externally imposed capital requirements include maintaining minimum debt service coverage and solvency ratios for GASAC, Emerald, and the Company.

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