

Management's Discussion and Analysis For the three months ended March 31, 2026

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Polaris Renewable Energy Inc. ("Polaris" or the "Company") for the quarter ended March 31, 2026, and reflects all material events up to May 6, 2026, 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 interim condensed consolidated financial statements for the three months ended March 31, 2026 (the "Consolidated Financial Statements"). This MD&A supplements, but does not form part of, the Company's interim 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 "FINANCIAL RISKS" AND "EXTERNAL RISKS" 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, 2025 available on SEDAR+ at www.sedarplus.ca

In this MD&A and in the Company's Consolidated Financial Statements, unless otherwise noted, all financial data is prepared in accordance with International Financial Reporting 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 Accounting Standards, 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. 2026 HIGHLIGHTS

Significant events during 2026 and through the date of this MD&A are described below:

- For the quarter ended March 31, 2026 consolidated energy production decreased by 5% compared to the same quarter in 2025, with total production of 205,317 MWh versus 216,344 MWh for the quarter ended March 31, 2025. The decrease was attributable to the scheduled major maintenance in Nicaragua, with no major maintenance in the comparative period, as well as higher curtailment in the Dominican Republic. This was partially offset by improved production in Peru and a full quarter of operating results from Puerto Rico, compared to only one month of contribution following its acquisition in 2025.
- The Company generated \$19.8 million in revenue for the quarter ended March 31, 2026, compared to \$20.3 million in 2025. The decrease in revenue is mainly attributable to lower energy production during the quarter.
- Adjusted EBITDA was \$13.5 million for the quarter ended March 31, 2026, compared to Adjusted EBITDA of \$15.0 million in the same period in 2025.
- Net loss attributable to shareholders, was \$0.6 million or \$(0.03) per share – basic for the quarter ended March 31, 2026, compared to net loss of \$10.4 million or \$(0.49) per share – basic in 2025.
- For the quarter ended March 31, 2026, the Company generated \$8.5 million in net cash flow from operating activities, ending with a cash position of \$97.5 million, including restricted cash of \$5.6 million.
- On February 19, 2026, the Governing Board of the Puerto Rico Electric Power Authority (“PREPA”) approved the Battery Energy Storage System Standard Offer (“SO1”) Agreement, and Polaris received formal written notice of such approval on February 27, 2026. The execution of the SO1 Agreement remains subject to approval from the Financial Oversight and Management Board (“FOMB”). Upon receipt of this last approval, the Battery Energy Storage System (“BESS”) project is expected to advance to construction, which is currently estimated to take approximately 12 months, after which Polaris would be entitled to receive monthly fixed and performance-based payments for providing energy storage, capacity and grid support services over a 20-year term. The project contemplates a total capacity of 71.4 MW and capital expenditure for the project is currently estimated at approximately \$70 million, subject to final engineering, procurement, and construction costs.
- The Company remains focused on maintaining a quarterly dividend. In respect to the three months ended March 31, 2026, the Company has declared and will pay a quarterly dividend of \$0.15 per outstanding common share on May 22, 2026, to shareholders of record as of May 14, 2026.

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2. OPERATIONS AND FINANCIAL HIGHLIGHTS

(Expressed in thousands of USD, unless otherwise indicated)	Three Months Ended	
	March 31, 2026	March 31, 2025
Energy production		
Consolidated Power MWh	205,317	216,344
Financials		
Total revenue	\$ 19,768	\$ 20,287
Net earnings (loss) attributable to owners	\$ (631)	\$ (10,441)
Adjusted EBITDA	\$ 13,464	\$ 15,031
Net cash flow from operating activities	\$ 8,531	\$ 11,767
Per share		
Net earnings (loss) attributable to owners - <i>basic and diluted</i>	\$ (0.03)	\$ (0.49)
Dividends declared per common share	\$ 0.15	\$ 0.15
Adjusted EBITDA per share- <i>basic</i>	\$ 0.64	\$ 0.71
Balance Sheet		
	As at March 31, 2026	As at December 31, 2025
Total cash and cash equivalents (Restricted and Unrestricted)	\$ 97,539	\$ 93,200
Total current assets	\$ 106,800	\$ 103,258
Total assets	\$ 533,256	\$ 535,569
Current and Long-term debt	\$ 217,637	\$ 217,344
Total liabilities	\$ 294,068	\$ 292,692

3. BUSINESS OVERVIEW AND STRATEGY

Polaris is a Toronto-based company engaged in the acquisition, development and operation of renewable energy projects in Latin America and the Caribbean. 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, 26 MW onshore wind project in Puerto Rico, 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 highly 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.

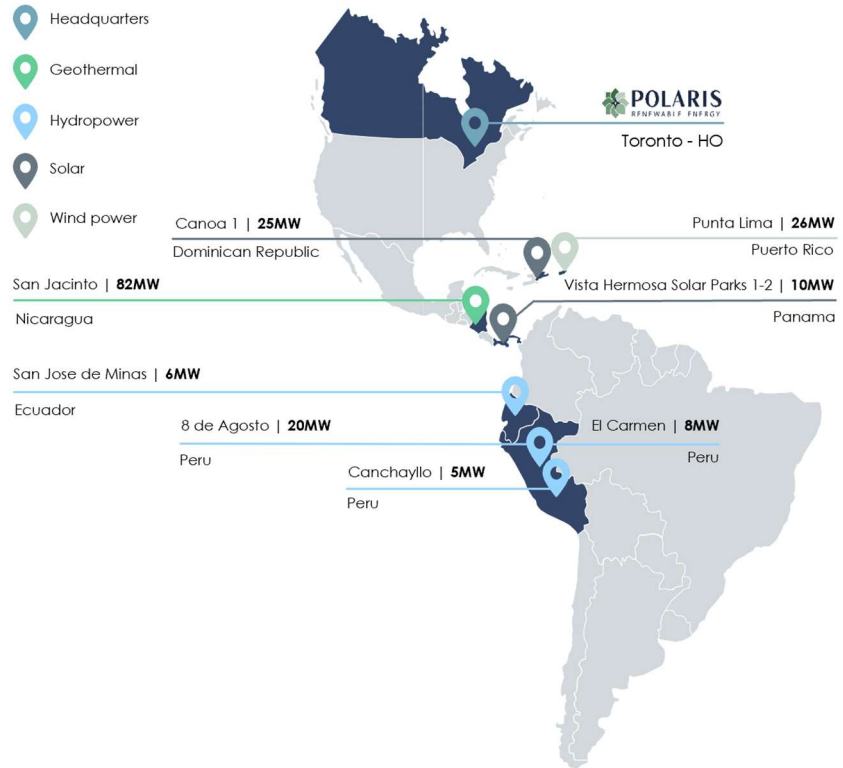
Senior management of the Company has extensive experience in critical areas of renewable energy, finance, development, governance and sustainable operations. The Board is comprised of individuals with a broad range of industry and business expertise who are well qualified to provide oversight and strategic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

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

Additionally, Polaris is committed to sustainable development by investing in the local communities surrounding its facilities.

The initiatives are aimed at improving, among other things, the quality of education, shared infrastructure, health of individuals, access to sports, local economy through effective agricultural enhancement and the environment.



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

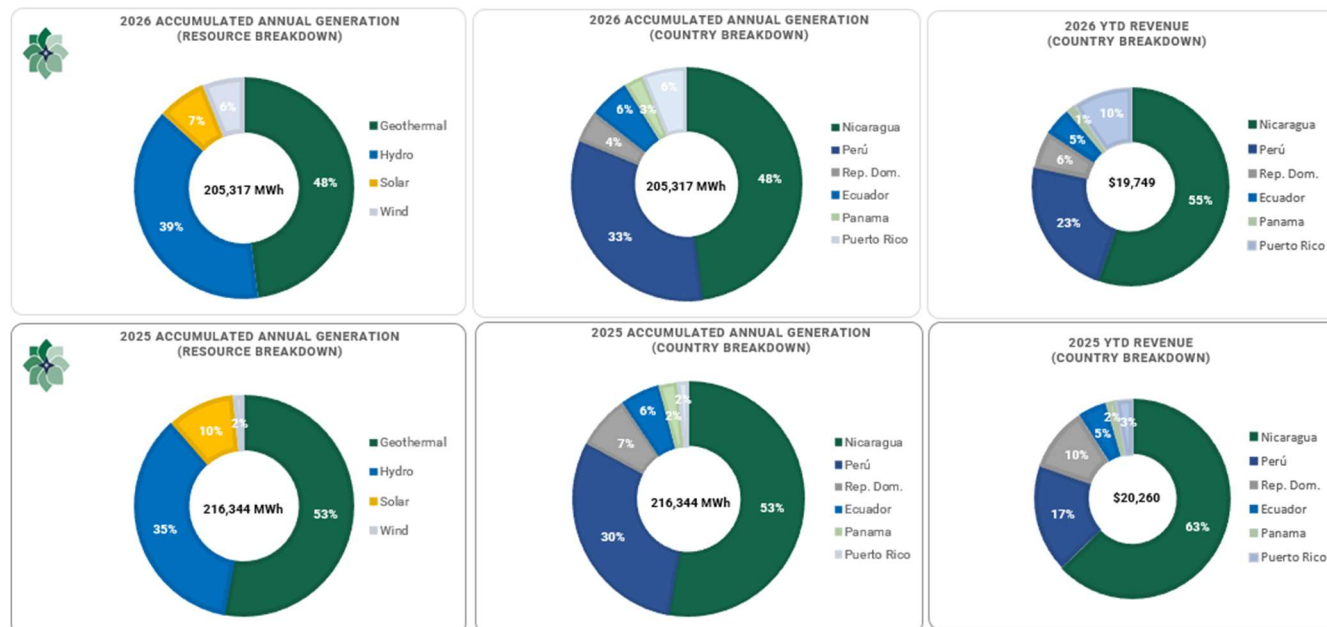
- continued progress on corporate development, acquisition initiatives and related integration;
- balancing sustainable or increased dividends with deploying excess cash flow into growth and diversification;
- continued deployment and improvements of the Company's responsible business strategy in all jurisdictions;
- maintenance of an excellent health and safety record 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 and the Caribbean region through renewable energy projects and energy storage 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 Caribbean and Latin American countries and territories that have not been developed. Furthermore, the emphasis on renewable energy and energy storage is growing and provides attractive, long-term return profiles and renewable energy credit options.

Further details around events, transactions and activities relating to Polaris's properties which occurred during the period ended March 31, 2026 and to the date of this MD&A are discussed below.

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4. OPERATING SEGMENT PERFORMANCE



CONSOLIDATED RESULTS

	Three Months Ended	
	March 31, 2026	March 31, 2025
Power production in MWh		
Nicaragua (Geothermal)	98,320	114,424
Peru (Hydroelectric)	68,159	64,848
Dominican Republic (Solar)	8,948	16,083
Puerto Rico (Wind)	12,698	3,558
Ecuador (Hydroelectric)	11,552	11,999
Panama (Solar)	5,640	5,433
Total consolidated power production in MWh	205,317	216,344

During the three months ending March 31, 2026, quarterly consolidated energy decreased to 205,317 MWh compared to 216,344 MWh in the same period of 2025. The decline was primarily attributable to a scheduled major maintenance outage in Nicaragua in February 2026, whereas no major maintenance activities were undertaken in the prior-year period together with a higher curtailment in the Dominican Republic. These factors were partially offset by improved production in Peru and the inclusion of a full quarter of operating results from Puerto Rico, compared to only one month of contribution following its acquisition in 2025.

In Peru, production increased compared to the same period in 2025, reflecting improved hydrological conditions and strong resource availability.

In the Dominican Republic, production decreased significantly due to elevated curtailment levels during the quarter. Curtailment was approximately 42% (6,775 MWh) in Q1 2026, compared to lower levels in the prior year period, which materially reduced realized generation despite adequate solar resource availability. While curtailment has moderated to approximately 30% quarter-to-date in Q2 2026, the timing of normalization is not yet clear.

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In Puerto Rico, production at the plant for the quarter was comparable to 2025. However, the prior year period only included generation from the March acquisition date, whereas the current year reflects a full quarter of operations.

In Ecuador and Panama, production was consistent with the comparative period in 2025, reflecting stable resource availability.

NICARAGUA – Geothermal Energy Production

	Three Months Ended	
	March 31, 2026	March 31, 2025
Power production		
San Jacinto - MWh	98,320	114,424
Financial		
Revenue	\$ 10,933	\$ 12,724

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

San Jacinto - Tizate – 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, that generates electricity using heat recovered from geothermal fluids through a closed-loop system.

San Jacinto is located in northwest Nicaragua, near the city of Leon which is approximately 90 km northwest of Managua. PENSA is party to the San Jacinto Power Purchase Agreement (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 San Jacinto PPA is \$111.20 per MWh.

During the three months ended March 31, 2026, power production decreased compared to the same period in 2025, primarily due to the planned bi-annual major maintenance of Unit 3 (no major maintenance was performed in 2025), which was out of service for approximately 16.5 days, as well as additional downtime in the binary system resulting from higher-than-anticipated sediment levels coming from production wells after being reopened. Plant availability remained otherwise consistently high during the period.

PERU – Hydroelectric Energy Production

	Three Months Ended	
	March 31, 2026	March 31, 2025
Power production		
8 de Agosto - MWh	42,157	38,998
El Carmen - MWh	15,746	15,913
Canchayllo - MWh	10,257	9,937
Total Peru in MWh	68,159	64,848
Financial		
Revenue	\$ 4,508	\$ 3,554

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. The Canchayllo facility, with a rated capacity of approximately 5 MW, is located in the Canchayllo district of Peru. The El Carmen and 8 de Agosto facilities ("Generacion Andina") with a capacity of approximately 8 MW and 20MW respectively, are located in the Huanuco region. These facilities are subject to contractual mechanisms where lower production results in reduced effective pricing. As such, a stronger hydrology not only boosts output but also contributes to maintaining favorable pricing levels.

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During the three months ended March 31, 2026, power production in Peru increased to 68,159 MWh compared to 64,848 MWh in the comparative period. The increase was due to improved resource availability.

Under the terms of the applicable 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 variance between monthly spot and PPA rates, whether favourable or unfavourable, is subject to 1% monthly interest to be compensated over 24 months.

During the first four weeks of March 2026, Peru experienced an energy supply shortage that led to a significant increase in spot market prices, averaging approximately \$125/MWh compared to the historical range of \$27–30/MWh. As a result, Canchayllo—having fulfilled all energy delivery obligations under its PPA for the current RER year—benefited from this pricing environment.

The RER year, which is the applicable regulatory year for the renewable energy sector in Peru, runs from May 1 to April 30. The expected adjustment to PPA prices for the RER year commencing May 1, 2026, is approximately an 8.7% increase for each plant.

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

Effective price \$/MWh	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
8 de Agosto (Hydroelectric)	\$ 63.50	\$ 63.50	\$ 63.50	\$ 62.00
El Carmen (Hydroelectric)	\$ 65.10	\$ 65.40	\$ 65.90	\$ 65.20
Canchayllo (Hydroelectric)	\$ 61.40	\$ 61.40	\$ 61.40	\$ 61.40
Effective price \$/MWh	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
8 de Agosto (Hydroelectric)	\$ 58.30	\$ 58.30	\$ 57.60	\$ 59.60
El Carmen (Hydroelectric)	\$ 61.60	\$ 61.60	\$ 62.40	\$ 63.80
Canchayllo (Hydroelectric)	\$ 61.40	\$ 61.40	\$ 61.40	\$ 61.40



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DOMINICAN REPUBLIC – Solar Energy Production

	Three Months Ended	
	March 31, 2026	March 31, 2025
Power production		
Canoa 1 - MWh	8,948	16,083
Financial		
Revenue	\$ 1,203	\$ 2,136

Emerald's Canoa 1 - Barahona, Dominican Republic

Through its subsidiary, Emerald Solar Energy SRL (“Emerald”), the Company owns and operates a 25 MW solar project (“Canoa 1”) located in the Barahona Province, Dominican Republic, with a PPA expiring in 2040.

Canoa 1 started commercial operations on March 7, 2020 and has a PPA in place with Edesur, denominated in US dollars, with an estimated price in 2022, the year of acquisition of \$128.10 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.

During 2026, curtailment of renewable generation in the Dominican Republic increased significantly, with the Company experiencing average curtailment of approximately 42% for the first quarter, compared to approximately 7% in the same period in 2025. As a result, power production decreased to 8,948 MWh in Q1 2026, compared to 16,083 MWh in Q1 2025. While curtailment has moderated to approximately 30% quarter-to-date in Q2 2026, the timing of normalization remains uncertain. The Company, together with other industry participants, is engaged in ongoing discussions with the government and the Ministry of Energy. Curtailment is primarily driven by system-level constraints, including limited grid flexibility, transmission bottlenecks, and the operational inflexibility of certain thermal generation units. The Government is pursuing the implementation of grid-scale storage to alleviate a significant part of the problem which we anticipate could be implemented in timeframe of approximately 18-24 months.

ECUADOR – Hydroelectric Energy Production

	Three Months Ended	
	March 31, 2026	March 31, 2025
Power production		
San Jose de Minas - MWh	11,552	11,999
Financial		
Revenue	\$ 902	\$ 936

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. The project has been selling at a PPA price of \$78.10 per MWh since the contract was signed in 2014. The current PPA has a 15-year term which expires in 2029. It is management's current expectation that at time HSJM will enter into an additional 15-year PPA that will be negotiated and at such time the pricing will be similar to the current pricing.

For Ecuador, production of 11,552 MWh for the quarter was consistent with Q1 2025 levels, reflecting similar resource availability in both periods. Performance exceeded management expectations, particularly given that 2025 represented the strongest hydrological year for HSJM since achieving commercial operation.



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PANAMA - Solar Energy Production

	Three Months Ended	
	March 31, 2026	March 31, 2025
Power production		
Vista Hermosa - MWh	5,640	5,433
Financial		
Revenue	\$ 300	\$ 380

Vista Hermosa Solar Park I & II, Panama

Located in the village of Vista Hermosa in Panama, Vista Hermosa Solar Parks have a combined installed capacity of 10 MW and currently operate without power purchase agreements, selling electricity directly into the spot market.

For the three months ended March 31, 2026 power production totaled 5,640 MWh, compared to 5,433 MWh in the same period of 2025, reflecting consistent solar resource availability and better plant availability year over year. Despite the modest increase in generation, revenue declined to \$300 from \$380 in the prior-year period, primarily due to lower realized spot prices. The effective average spot price for the quarter was \$53.19/MWh, compared to \$69.94/MWh in the comparative period.

PUERTO RICO - Wind Energy Production

	Three Months Ended	
	March 31, 2026	March 31, 2025
Power production		
Punta Lima - MWh	12,698	3,558
Financial		
Revenue	\$ 1,903	\$ 530

Punta Lima Wind Farm, Puerto Rico

On March 3, 2025, the Company, via a tax-equity structure, acquired controlling equity interest with respect to PLWF, a 26.0 MW onshore wind facility located in Naguabo, Puerto Rico. The project operates under a 20-year PPA with PREPA, expiring in March 2044. Under the current PPA, the price began at \$147.28 per MWh and increases annually for the first 11 years, reaching a peak of \$167.17 per MWh. After year 11, the price decreases to \$129.36 per MWh, then resumes annual escalations. This upward trend continues until the year 2040, at which point the price stabilizes at \$141.00 per MWh for the remainder of the contract term.

For the three months ended March 31, 2026, PLWF generated 12,698 MWh and recorded revenue of \$1,903, compared to 3,558 MWh and \$530 in the same period of 2025. The increase reflects a full quarter of operations in 2026, whereas the prior-year period included only one month of results following the acquisition.

5. DEVELOPMENT PROPERTIES

PUERTO RICO DEVELOPMENT, ACCELERATED STORAGE ADDITION PROGRAM (ASAP)

The Company is advancing a Battery Energy Storage System (“BESS”) project in Puerto Rico under the Accelerated Storage Addition Program (“ASAP”), an initiative aimed at expediting the integration of energy storage solutions to support grid reliability. The project contemplates a total capacity of 71.4 MW and is expected to generate additional revenue through the provision of energy storage, capacity, and ancillary grid services. The total capital expenditure for the project is currently estimated at approximately \$70 million, subject to final engineering, procurement, and construction costs.

On February 19, 2026, the Governing Board of the Puerto Rico Electric Power Authority (“PREPA”) approved the BESS Standard Offer (“SO1”) Agreement, with formal notice received on February 27, 2026. The SO1 Agreement remains subject to final approval from the Financial Oversight and Management Board (“FOMB”).

Upon receipt of all required approvals, the project is expected to proceed with construction, which is anticipated to take

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approximately 12 months, with commercial operations targeted thereafter. Once operational, the project is expected to generate stable revenues through monthly fixed and performance-based payments under a 20-year term.

DOMINICAN REPUBLIC DEVELOPMENT, CANOA 1 & 2 - BARAHONA

Canoa 1's current operating capacity is 25 MW with a PPA price of \$132.80 per MWh. To fully optimize the revenue opportunity at Canoa 1 within the current power sales contract the Company has begun initial work to explore the use of storage technology alongside solar panels.

On October 18, 2022, the National Energy Commission (CNE) issued the definitive concession for Canoa 2 project, also owned by the Company's subsidiary Emerald. The concession will allow for the capacity installed to be doubled from Canoa 1's current operating capacity of 25 MW to approximately 50 MW. On May 24, 2023, a PPA for Canoa 2 was signed with the local distributor. However, a key development milestone remains pending: the finalization and amendment of the interconnection agreement with the government-owned transmission company, which is necessary to connect the additional capacity to the grid. Progress on this front has been impacted by limited investment by the government in transmission infrastructure, which has also contributed to system-wide curtailment during 2025. These structural challenges may affect the timeline and commercial operation of Canoa 2 until adequate transmission capacity is secured.

MEXICO: DEVELOPMENT PIPELINE

Mexico represents a potential new market as part of Polaris' broader growth strategy. Mexico's current administration has prioritized expanding generation capacity and strengthening grid reliability, supported by constitutional reforms and a new regulatory framework. This includes renewable energy solicitations and BESS initiatives, enabling over 21 GW of planned capacity additions, with approximately 12 GW expected from private investment. Polaris is actively participating in CFE (Mexico's Federal Electricity Commission) mixed and private project processes, while advancing its development pipeline and positioning for upcoming opportunities to support near- and long-term growth.

6. RESPONSIBLE BUSINESS STRATEGY

As the Company continues to grow and diversify its renewable energy portfolio across Latin America and the Caribbean, responsible business remains embedded as a core component of its governance framework, risk management processes, and operational practices. These considerations support disciplined decision-making and alignment with long-term value creation.

The Company's responsible business framework is anchored by four pillars — Our Practice, Our People, Our Partners, and Our Planet — which address governance, workforce development, stakeholder engagement, and environmental management. These pillars are guided by the Company's materiality assessment and are implemented through defined policies, programs, and key performance indicators, which are monitored by management and overseen by the Board through its Human Resources & ESG Committee.

Key responsible business-related activities during the period included:

- **Workforce development and ethical governance:** The Company continued the delivery of mandatory training programs covering the Code of Business Conduct and Ethics, anti-corruption, cybersecurity and information security (including AI awareness), and operational policies. During the period, the Company recorded approximately 1,595 total training hours, representing an average of 7.6 hours per employee on an annualized basis. Governance practices were further supported through the continued rollout of updated corporate policies, cybersecurity enhancements, and implementation of audit recommendations. No cybersecurity breaches, human rights incidents, or whistleblower reports were recorded year-to-date.
- **Health, safety, and human capital management:** Continued implementation of health and safety programs across all sites, supported by hazard identification, near-miss reporting, safety training, and behavior-based safety initiatives.
- **Community engagement and social investment:** The Company continued to advance its community engagement programs across its jurisdictions, with initiatives focused on education, health, infrastructure, and local economic development. Activities during the quarter included the delivery of educational materials and school infrastructure improvements,

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healthcare equipment donations, and support for local development initiatives such as agricultural and entrepreneurship projects. These programs are aligned with stakeholder engagement plans and aim to support long-term community relationships and shared value creation.

- **Diversity, equity, and inclusion:** Continued implementation of diversity and equity awareness initiatives across the workforce, supporting representation, equal opportunity, and inclusion across organizational levels.
- **Environmental management:** Operation of a diversified renewable energy portfolio comprising geothermal, hydroelectric, solar, and wind assets. During the period, renewable energy generation contributed to the avoidance of greenhouse gas emissions through the displacement of fossil-fuel-based generation. Environmental management practices remain focused on water stewardship, waste management, regulatory compliance, and environmental awareness.

Responsible business considerations remain integrated into the Company's planning, governance, and performance management processes and support its ability to respond to evolving regulatory, environmental, and market conditions.

Readers are encouraged to consult the Company's Responsible Business Report for additional information regarding responsible business governance, programs, metrics, and activities, which is available on the Company's website at www.polarisREI.com.

7. CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended	
	March 31, 2026	March 31, 2025
Consolidated Statement of Operations and Comprehensive Earnings		
Revenue		
Power revenue	\$ 19,749	\$ 20,260
Carbon emission reduction credits revenue	19	27
Direct costs		
Direct costs	(4,050)	(3,357)
Depreciation and amortization of plant assets	(7,701)	(7,318)
General and administrative expenses	(2,356)	(1,958)
Operating income	\$ 5,661	\$ 7,654
Interest income	680	1,037
Tax-equity income	368	-
Finance costs	(5,672)	(15,884)
Other (loss) gains	(197)	(21)
Earnings (loss) and comprehensive earnings (loss) before income taxes	\$ 840	\$ (7,214)
Current and deferred income tax recovery (expense)	(1,395)	(3,195)
Total earnings (loss) and comprehensive earnings	\$ (555)	\$ (10,409)
Total earnings (loss) and comprehensive earnings attributable to:		
Owners of the Company	\$ (631)	\$ (10,441)
Non-controlling interests	\$ 76	\$ 32
Basic earnings (loss) per share	\$ (0.03)	\$ (0.49)

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Three months ended March 31, 2026 versus March 31, 2025

Revenue decreased by \$0.5 million compared to Q1 2025, due to lower consolidated energy production, mainly due to scheduled major maintenance in Nicaragua and higher curtailment in the Dominican Republic. This was partially offset by improved production in Peru and a full quarter of contributions from Puerto Rico.

Direct costs increased by \$0.7 million to \$4.1 million in Q1 2026, compared to \$3.4 million in Q1 2025. The increase was primarily attributable to the addition of a full quarter of operational costs in Puerto Rico versus only 1 month in the comparative period. Similarly, the depreciation and amortization increase reflects the inclusion of a full quarter of depreciation from Puerto Rico assets.

Consistent with the addition of PLWF to the Company’s portfolio, depreciation and amortization expense increased during the quarter, and direct costs of energy production were \$4.1 million for the three months ended March 31, 2026, compared to \$3.4 million in the same period of 2025. The increase reflects incremental operating and maintenance expenses associated with PLWF.

G&A expenses increased by \$0.4 million to \$2.4 million in Q1 2026, compared to \$2.0 million in Q1 2025. The increase was primarily driven by higher expenditures to advance the Company’s development pipeline, including professional fees and travel costs related to dedicated employees and consultants supporting project development activities. This was partially offset by efficiencies realized in the Puerto Rico procurement process compared to the prior-year period.

Interest income for the three months ended March 31, 2026, was \$0.7 million, compared to \$1 million in the same period of 2025. The comparative prior period benefited from higher interest rates and higher average cash balances following the issuance of the Green Bonds in December 2024.

For the three months ended March 31, 2026, finance costs were \$5.7 million, compared to \$15.9 million finance costs recorded in the same period of 2025. The early repayment of four credit facilities in 2025 drives the lack of comparability between the periods.

Other losses of \$0.2 million for three months ended March 31, 2026, reflect greater variability in foreign exchange.

The Company reported earnings before income taxes of \$0.8 million in Q1 2026, compared to a loss of \$7.2 million in Q1 2025, primarily reflecting the impact of a non-recurring financing event recognized in the prior year. Excluding this item, the underlying variance between periods would have generally tracked the change in operating income, which was approximately \$2.0 million lower in the current period due to lower revenues and higher expenses, as discussed above.

8. FINANCIAL CONDITION, LIQUIDITY AND SHARE CAPITAL INFORMATION

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

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net cash from (used in)		
Operating activities	\$ 8,531	\$ 11,767
Investing activities	(1,238)	(14,734)
Financing activities	(3,914)	(123,322)
Foreign exchange gain on cash held in foreign currency	(40)	-
Increase (decrease) in cash	\$ 3,339	\$ (126,289)

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- Net cash from operating activities for the three months ended March 31, 2026 was \$8.5 million, compared to \$11.8 million in Q1 2025. The decrease was primarily driven by lower operating income, reflecting reduced revenues and higher operating and administrative expenses during the period, as discussed above.
- Net cash used in investing activities for the three months ended March 31, 2026 was \$1.2 million, compared to \$14.7 million in the same period of 2025. The prior-year period included significantly higher capital expenditures, primarily related to acquisitions of PLWF in Puerto Rico. In the current period, investing outflows reflect lower capital spending, including additions related to major maintenance activities in Nicaragua.
- Net cash used in financing activities for three months ended March 31, 2026 is not directly comparable to the net cash from financing activities Q1 in 2025. The prior-year period was impacted by a non-recurring financing event, which did not recur in the current period.

As a result of the above, cash increased by \$3.3 million in Q1 2026, compared to a decrease of \$126.3 million in Q1 2025.

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

	March 31, 2026		As at December 31, 2025	
Total Cash (Restricted and Unrestricted)	\$	97,539	\$	93,200
Total current assets	\$	106,800	\$	103,258
Total assets	\$	533,256	\$	535,569
Current and Long-term debt	\$	217,637	\$	217,344
Total liabilities	\$	294,068	\$	292,692

The decrease in total assets compared to the prior period primarily reflects ongoing depreciation of property, plant and equipment, resulting in a net reduction in total assets, partially offset by an increase in current assets. Current assets increased mainly due to a \$4.3 million rise in total cash (restricted and unrestricted). Total liabilities increased slightly, primarily reflecting the accretion of the Company's green bonds, for which interest is paid semi-annually in June and December. The Company believes that it has adequate liquidity to fund routine capital expenditures associated with maintaining San Jacinto, Generación Andina facilities and Canchayllo, Canoa 1, HSJM, Vista Hermosa Solar Park and Punta Lima. 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 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.

Remaining contractual maturities of the Company's financial liabilities as of March 31, 2026 are as follows:

	Less than 1 Year		1-3 Years	4-5 Years	More than 5 Years	Total				
Accounts payable and accrued liabilities	\$	17,321	\$	-	\$	-	\$	17,321		
Debt, current and long-term		4,072		8,708		184,278		39,803	236,861	
Interest obligations		20,181		36,813		12,727		4,325	74,046	
Lease liabilities		392		814		856		348	2,410	
	\$	41,966	\$	46,335	\$	197,861	\$	44,476	\$	330,638

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The following are the principal obligations for the remaining terms of the loans as of March 31, 2026:

	<i>Generación Andina</i>	<i>Canoa 1</i>	<i>Green Bond</i>
2026	2,113	1,484	
2027	2,134	2,086	
2028	2,155	2,256	
2029	2,177	2,395	175,000
2030	2,198	2,423	
2031	2,220	2,484	
2032	2,243	2,531	
2033	2,265	2,592	
2034	2,288	2,662	
2035	2,310	2,738	
2036	2,334	2,807	
2037	4,726	2,692	
2038	3,548	-	
Total	\$ 32,711	\$ 29,150	175,000

In Peru, the Generación Andina credit facility bears no interest. A debt service coverage ratio of greater than 1.10:1 is the main financial covenant for Generación Andina. As at March 31, 2026, the Company is in compliance with covenants.

The Green Bonds mature on December 3, 2029, and have a fixed annual coupon rate of 9.5%, with interest payable in semi-annual installments. A debt service coverage ratio of greater than 1.75:1 is the main financial covenant for this facility. The proceeds of the Green Bond are and will be used to finance or refinance investments in renewable energy production and storage. As at March 31, 2026, the Company is in compliance with covenants.

For both of these loans, the Company plans to make debt service payments out of current cash and cash generated by operations.

The Canoa 1 loan in the Dominican Republic matures in 2037, has 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. As of March 31, 2026, the Company was in compliance with all covenants. Certain covenants, including the debt service coverage ratio, are assessed on a prospective basis and are not tested at the reporting date. Based on management's short-term cash flow projections, prospective debt service coverage ratio levels may be constrained in the subsequent reporting period ending June 30, 2026, depending on operating performance derived from curtailment levels.

The Company had no off-balance sheet arrangements as at March 31, 2026.

Additional discussion relating to the above financial instruments are included in Note 9 (Long Term debt) to the condensed consolidated financial statements for the period ended March 31, 2026. Readers are also encouraged to refer to discussion relating to the Company's Capital Management in Note 27 to the Consolidated Financial Statements for the year ended December 31, 2025.

OTHER CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Geothermal concessions: The Company enters into agreements for geothermal concessions with minimum annual payment requirements of \$30.

Land Leases: Punta Lima Wind Farm has three long-term land leases under one consolidated arrangement. Because the lease payments under this arrangement are variable in nature, IFRS 16 measurement rules result in \$nil lease liability and therefore, variable lease payments under this agreement are recognized as an expense in profit or loss in the period in which they are incurred. Assuming PLWF annual production will always be greater than 6,000 MWh, the minimum annual payments will be at least \$450 per year until the end of the PPA in 2044.

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CAPEX: Punta Lima Wind Farm has until March 2028 to complete the installation of a 1 MW BESS (battery for frequency regulation for the Punta Lima project pursuant to the amended PPA. The planned ASAP program BESS project (71 MW), once constructed, will be sufficient to meet operational requirements.

Maintenance Contract: The Company has entered into a multi-year Operations and Maintenance (O&M) agreement for PLWF. The contract, ending in 2034, includes fixed and variable components (CPI adjusted) based on plant availability and energy output. The fixed component liability of the O&M until its end in 2034 is \$7.0 million, as detailed in Note 13 to the condensed consolidated financial statements for the three months ended March 31, 2026.

Tax-Equity Liability: In connection with the acquisition of PLWF in Q1 2025 through a tax-equity financing structure, the Company contracted a tax-equity liability with Class A and Class investors. This liability is expected to be settled primarily through the allocation of tax benefits, supplemented by modest cash payments, and is anticipated to be fully settled by Q2 2029.

Tax-Equity Liability	March 31, 2026
Balance beginning of the year	\$ 3,616
Accretion finance charge	52
Tax benefit (Class A & C units) amortization	(368)
Cash distributions to Class A and Class C members	(24)
Balance end of the period	\$ 3,277

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	May 6, 2026	March 31, 2026
Common shares issued and outstanding	20,901,618	20,906,018
Share options outstanding (i)	223,099	223,099
Deferred share units ("DSUs")	54,251	54,251
Performance Share units ("PSUs") (ii)	268,785	268,785
Restricted share units ("RSUs") (iii)	111,119	111,119

- (i) The outstanding stock options as of the MD&A date have a weighted average exercise price of Cdn\$17.28 and weighted 2.18 year remaining contractual life. Exercise prices range from Cdn \$13.10 to Cdn\$19.80 and expire from August 2026 to February 2029. Of the outstanding stock options, 202,067 are exercisable at a weighted average exercise price of Cdn\$17.57.
- (ii) On September 16, 2025 and January 19, 2026, the Company granted 58,785 PSUs and 32,340 PSUs, respectively, with market conditions ("Market PSUs") vesting on December 31, 2027 and become eligible for vesting based on the Company achieving certain stock price target. The fair value of these Market PSUs was determined at the grant date using the Black Scholes method. Also 2,105,000 PSUs were granted and become eligible for vesting based on the Company's financial performance ("Performance PSUs") in December 31, 2029. Performance PSUs are valued at the market closing share price on the date of grant and compensation expense for PSUs is recognized when it is probable that the performance conditions will be achieved.
- (iii) RSUs granted on February 9, 2024 and February 7, 2025 vest one-third per year at the end of each period. RSUs awarded in September 2025 (6,750 RSUs) to certain employees, vest 50% on December 31, 2026 and 50% on December 2027. RSUs awarded to management (39,190 RSUs) on September 16, 2026 and on January 19, 2026 (32,667 RSU), vest on December 31, 2027 and December 31, 2028, respectively.

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9. SUMMARY OF UNAUDITED QUARTERLY RESULTS

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

	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Production MWh (i)	205,317	197,208	181,235	215,797
Total revenue	\$ 19,768	\$ 19,514	\$ 19,037	\$ 21,642
Direct cost of power production	\$ (11,751)	\$ (12,052)	\$ (11,710)	\$ (11,797)
Net earnings (loss) attributable to owners of the Company	\$ (631)	\$ 5,821	\$ (328)	\$ 2,203
Basic weighted average number of shares outstanding	20,956	21,025	21,053	21,070
Earnings (loss) per share attributed to owners of the Company - basic	\$ (0.03)	\$ 0.28	\$ (0.02)	\$ 0.10
Adjusted EBITDA (ii)	\$ 13,464	\$ 13,225	\$ 12,781	\$ 15,429
Total Cash (Unrestricted and Restricted)	\$ 97,539	\$ 93,200	\$ 99,131	\$ 90,663
Total equity attributable to Owners of the Company	\$ 239,402	\$ 243,167	\$ 241,177	\$ 244,863

	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Production MWh (i)	216,491	195,797	168,639	186,886
Total revenue	\$ 20,287	\$ 18,781	\$ 17,658	\$ 18,702
Direct cost of power production	\$ (10,675)	\$ (10,860)	\$ (10,758)	\$ (10,933)
Net earnings (loss) attributable to owners of the Company	\$ (10,441)	\$ (2,792)	\$ 451	\$ 985
Basic weighted average number of shares outstanding	21,093	21,088	21,103	21,101
Earnings per share attributed to owners of the Company - basic	\$ (0.49)	\$ (0.13)	\$ 0.02	\$ 0.05
Adjusted EBITDA (ii)	\$ 15,013	\$ 13,566	\$ 12,417	\$ 13,319
Total Cash (Unrestricted and Restricted)	\$ 91,593	\$ 217,882	\$ 46,363	\$ 45,243
Total equity attributable to Owners of the Company	\$ 245,992	\$ 259,747	\$ 265,743	\$ 268,507

(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 favourable wind conditions and solar irradiance) in those countries where the Company has solar plants (Dominican Republic and Panama) or wind projects (Puerto Rico).

(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 Accounting Standards measure. Adjusted EBITDA was \$13.5 million for the three months ended March 31, 2026, compared to a \$15.0 million for the same period in 2025, principally as a result of the acquisition of PLWF in Puerto Rico.

10. CRITICAL 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 significant accounting policies applied and recent accounting pronouncements are described in Note 2 (Basis of Preparation and Presentation) and Note 3(w) (Material Accounting Policies) to the Company's Consolidated Financial Statements for the year ended December 31, 2025.

The Company adopted the amendments to IFRS 9 and IFRS 7, effective in 2026, relating to the settlement of financial liabilities through cheques, wire transfers and other electronic payment methods. The adoption of these amendments has no material impact on the Company's financial statements. The Company has also reviewed new and revised accounting pronouncements

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that have been issued and are effective for periods beginning on or after January 1, 2026. There are currently no pronouncements that are expected to have a significant impact on the Company's Consolidated Financial Statements upon adoption, with the exception of IFRS Accounting Standards 18, superseding IAS 1 Presentation of Financial Statements and it is mandatorily effective for annual reporting periods beginning on or after January 1, 2027. IFRS Accounting Standards 18 will introduce significant changes to numerous requirements, primarily on presentation of financial statements. IFRS 18 will apply retrospectively with specific transition provisions. The Company is currently working to identify all impacts the amendments will have on the primary interim financial statements and notes to the financial statements.

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 3 to the audited consolidated financial statements and the notes thereto for the year ended December 31, 2025.

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, political, environmental, and economic conditions, as well as currency and inflation-related risks in the emerging market of Latin America and the Caribbean. 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 the Company's 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, credit facilities and other financial resources available to meet its 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 and receipt of any required approvals of the TSX, if any, 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. In addition, the Company has access to an undrawn \$3.5 million working capital facility and an unused \$10.0 million letter of credit facility, which provide additional liquidity flexibility.

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

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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, while a weakening will have an opposite effect. A reasonable change in foreign exchange rates against the US dollar would not have had a material impact on the Company's net loss and comprehensive loss for the period.

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 Company's cash flow exposure to interest rate risk is limited as management has mitigated this risk by entering into fixed-rate financing agreements. The Company may be exposed to interest rate risk in connection with future financings or refinancing activities, and management continues to monitor market conditions on an ongoing basis ended.

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 high turnover in positions,
- inability to complete critical work due to inability to fill 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:

- implementing various engagement and empowerment initiatives aimed at attracting, retaining and developing talent through special awards, celebrations, leadership development opportunities while supporting diversity;
- monitoring industry compensation and aligning salaries with those benchmarks,
- using performance evaluation and incentive pay to align employee goals with corporate goals;
- monitoring and managing target levels of employee turnover, and
- ensuring current and 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 Accounting Standards, based on all information currently available. The Company and the subsidiaries in which it holds 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 on the Company.

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12. EXTERNAL RISKS

ENVIRONMENTAL AND CLIMATE CHANGE RISKS

The Company is subject to various federal, provincial and municipal laws relating to environmental matters in the jurisdictions in which it operates. The Company undertakes operating expenditures as required to support compliance with applicable environmental, health, and safety regulations. As of the date of this MD&A, the Company is not aware of any material non-compliance with current environmental legislation.

Environmental regulation and climate change may present risks that could adversely affect the Company's operations, financial condition, or results of operations. Changes in environmental laws, regulations, or permitting requirements could result in more stringent compliance obligations, increased costs, or operational constraints.

Climate change is recognized as a potential operational and strategic risk, particular on the assets that are dependent on hydrological or meteorological conditions. Physical risks associated with climate change may include extreme weather events such as floods, droughts, landslides, or changes in precipitation patterns, which could disrupt operations, damage infrastructure, or reduce the availability of natural resources required for power generation. Reduced hydrological resources in certain jurisdictions, including Peru or Ecuador, could adversely impact hydroelectric or geothermal generation.

The Company integrates climate-related considerations into its risk management framework and operational planning processes. Mitigation and adaptation measures implemented to date include infrastructure reinforcement, environmental management practices, updated operational protocols, and ongoing monitoring through the Integrated Management System. Other assets remain subject to continuous monitoring and evaluation to inform future risk assessments.

In addition to physical risks, the Company may be exposed to transition risks associated with evolving climate-related policies, regulatory frameworks, and market expectations. Such changes could result in additional compliance requirements or operational challenges. Depending on market conditions, regulatory developments, and the Company's ability to respond, these changes may also present potential opportunities.

The Company continues to evaluate environmental and climate-related risks as part of its risk management processes and considers mitigation and adaptation measures where appropriate, with the objective of supporting operational continuity and asset integrity.

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.

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.

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.

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This MD&A include references to the Company’s 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’s results since the Company believes that the presentation of these measures will enhance an investor’s understanding of Polaris’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 Accounting Standards, 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 Accounting Standards but rather should be evaluated in conjunction with such IFRS Accounting Standards measures.

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

	Three Months Ended	
	March 31, 2026	March 31, 2025
Total earnings (loss) and comprehensive earning attributable to Owners of the Company	\$ (631)	\$ (10,441)
Add (deduct):		
Total earnings attributable to non-controlling interest	76	32
Current and deferred tax expense (recovery) and Minimum Asset Tax	1,514	3,195
Finance costs	5,672	15,884
Interest income	(680)	(1,037)
Tax Equity Income	(368)	-
Unrealized Foreign Exchange	3	21
Depreciation and amortization	7,701	7,318
Share-based compensation	177	59
Adjusted EBITDA	\$ 13,464	\$ 15,031
Basic weighted average number of shares outstanding	20,955,697	21,096,829
Adjusted EBITDA per share	\$ 0.64	\$ 0.71

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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 interim filings and the effectiveness of such disclosure controls and procedures as of March 31, 2026.

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 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 March 31, 2026 that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting.

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; the ability to successfully capitalize on expansion opportunities in Puerto Rico and the 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 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

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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 and global tariffs, 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 and global tariffs, 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 and territories in which the Company operates; uncertainty of the ability of Nicaragua, Peru, Panama, Dominican Republic, Ecuador and Puerto Rico to sell power to neighbouring countries; economic insecurity in Nicaragua, Peru, Panama, Dominican Republic, Ecuador and Puerto Rico; 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 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 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.



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Additional information about the Company, including the Company's AIF for the year ended December 31, 2025 is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.polarisREI.com.
