POLARIS RENEWABLE ENERGY ANNOUNCES Q1 2026 RESULTS

TORONTO, ON (May 07, 2026) – Polaris Renewable Energy Inc. (TSX: PIF) ("Polaris Renewable Energy" or the "Company"), is pleased to report its financial and operating results for the quarter ended March 31, 2026. This earnings release should be read in conjunction with the Company's consolidated financial statements and management's discussion and analysis, which are available on the Company's website at www.PolarisREI.com and have been posted on SEDAR+ at www.sedarplus.ca. The dollar figures below are denominated in US Dollars unless noted otherwise.

HIGHLIGHTS

- For the quarter ended 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, with a total capacity of 71.4 MW, 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 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.

OPERATING AND FINANCIAL OVERVIEW

(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 - *basic and diluted*	**$ (0.03)**	$ (0.49)
Dividends declared per common share	**$ 0.15**	$ 0.15
Adjusted EBITDA per share- *basic*	**$ 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

During the three months ended March 31, 2026, quarterly consolidated energy decrease 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 declined due to elevated curtailment levels during the quarter. Curtailment reached approximately 42% (6,775 MWh) in Q1 2026, compared to significantly lower levels in the prior year, materially impacting realized generation despite adequate solar resource availability. While curtailment has moderated to approximately 30% quarter-to-date in Q2 2026, the timing of a return to normalized levels is not yet clear. 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.

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.

“During the first quarter of 2026, Polaris delivered resilient operating performance despite temporary headwinds including scheduled maintenance in Nicaragua and elevated curtailment in the Dominican Republic, with impacts partially offset by strong results in Peru and contributions from our Puerto Rico wind asset, underscoring the strength of our underlying business and solid liquidity position. We continued to advance key strategic initiatives and we look forward to sharing positive developments from our pipeline in the coming quarter as we remain focused on disciplined growth and long-term value creation,” said Marc Murnaghan, Chief Executive Officer of Polaris Renewable Energy.

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

The Company’s operations include a geothermal plant (82 MW), four run-of river hydroelectric plants (39 MW), three solar (photovoltaic) projects (35 MW) and an onshore wind farm (26 MW).

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Cautionary Statements

This news release contains "forward-looking information" within the meaning of applicable Canadian securities laws, which may include*, but is not limited to, financial and other projections as well as statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, business prospects and opportunities. n addition, statements relating to estimates of recoverable energy "resources" or energy generation capacities are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that electricity can be profitably generated from the described resources in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "estimates", "goals", "intends", "targets", "aims", "likely", "typically", "potential", "probable", "projects", "continue", "strategy", "proposed", or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.*

Forward-looking information in this MD&A includes, but is not limited to: the expected production capacity of the Binary Unit at San Jacinto; additional changes to the wells and steamfield to increase production; the ability to successfully capitalize on expansion opportunities in 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 replacement of debt; the result of changes to the re-injection system over the long-term; and the verification process and timing regarding the sale of carbon emission credits.

A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others: failure to discover and establish economically recoverable and sustainable resources through exploration and development programs; imprecise estimation of probability simulations prepared to predict prospective resources or energy generation capacities; variations in project parameters and production rates; defects and adverse claims in the title to the Company's properties; failure to obtain or maintain necessary licenses, permits and approvals from government authorities; the impact of changes in foreign currency exchange and interest rates; changes in government regulations and policies, including laws governing development, production, taxes 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. These factors are not intended to represent a complete list of the risk factors that could affect us.

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.

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.

Non-GAAP Performance Measures

Certain measures in this press release do not have any standardized meaning as prescribed by IFRS and, therefore, are not considered GAAP measures. Where non-GAAP measures or terms are used, definitions are provided. In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

This news release includes references to the Company's adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and adjusted EBITDA per share, which are non-GAAP measures. These measures should not be considered in isolation or as an alternative to net earnings (loss) attributable to the owners of the Company or other measures of financial performance calculated in accordance with IFRS. Rather, these measures are provided to complement IFRS measures in the analysis of Polaris Renewable Energy's results since the Company believes that the presentation of these measures will enhance an investor's understanding of Polaris Renewable Energy's operating performance. Management's determination of the components of non-GAAP performance measures are evaluated on a periodic basis in accordance with its policy and are influenced by new transactions and circumstances, a review of stakeholder uses and new applicable regulations. When applicable, changes to the measures are noted and retrospectively applied.

Descriptions and reconciliations of the above noted non-GAAP performance measures are included in Section 13: Non-GAAP Performance Measures in the Company's MD&A for the quarter ended March 31, 2026 and on the Company's website **www.polarisREI.com/Non-GAAP**.