POLARIS RENEWABLE ENERGY ANNOUNCES Q2 2026 RESULTS

TORONTO, ON (July 30, 2026) – Polaris Renewable Energy Inc. (TSX: PIF) ("Polaris Renewable Energy" or the "Company"), is pleased to report its financial and operating results for the three and six months ended June 30, 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

- Second quarter consolidated energy production totaled 199,130 MWh, representing a 8% decrease from 215,797 MWh in the same quarter last year. The decrease was consistent with management's expectations and primarily reflects higher curtailment in the Dominican Republic and the return to normalized hydrological conditions in Peru and Ecuador. The comparative period benefited from exceptionally strong hydrology, resulting in the highest annual hydroelectric production since those facilities commenced operations, a level that management did not expect to recur.
- The Company generated $19,935 in revenue from energy sales for the three-month period ended June 30, 2026, compared to $21,642 in the same period in 2025. The decrease in revenue is mainly attributable to lower energy production during the quarter partly offset by higher energy prices in Peru and Panama.
- Adjusted EBITDA was $13.7 million for the quarter ended June 30, 2026, compared to Adjusted EBITDA of $15.4 million in the same period in 2025.
- Net loss attributable to shareholders was $0.8 million or $(0.04) per share for the quarter ended June 30, 2026, compared to earnings of $2.2 million or $0.10 per share in the same period in 2025.
- For the six months ended June 30, 2026, the Company generated $15.0 million in net cash flow from operating activities, ending with a cash position of $98.8 million, including restricted cash of $5.6 million.
- During the quarter the company continued to invest in expanding its renewable energy development pipeline, particularly in Mexico and Puerto Rico. Development expenditures, presented under G&A, increased as the Company advanced multiple utility-scale solar and battery energy storage opportunities that are expected to support future long-term growth.
- On June 5, 2026, Polaris through its wholly owned subsidiary Polaris Power US Inc. ("PPUS"), executed the Battery Energy Storage System Standard Offer Agreement ("SO1 Agreement") with the Puerto Rico Electric Power Authority ("PREPA") for the development of a 71.4 MW battery energy storage system ("BESS") project at the Company's Punta Lima Wind Farm site in Puerto Rico. Prior to execution, the SO1 Agreement received all required approvals, including approval by the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("PREB"); PREPA's Governing Board and the Financial Oversight and Management Board ("FOMB"). Closing of the transaction remains subject to the satisfaction or waiver, as applicable, of certain conditions precedent under the SO1 Agreement, primarily relating to customary legal and administrative matters. The Company expects Closing to occur no later than Q3 2026. The SO1 Agreement forms part of Puerto Rico's Accelerated Storage Addition Program ("ASAP"), an initiative designed to enhance grid reliability through the deployment of utility-scale energy storage systems. Under the agreement, PPUS will be responsible for the installation, operation and maintenance of the BESS and, upon commencement of commercial operations, is expected to receive monthly fixed and performance-based payments for providing energy storage, capacity

and grid support services over a 20-year term. Gross capital expenditures are currently estimated at $70 million to $75 million, before giving effect to any available Investment Tax Credits ("ITCs"), subject to final engineering, procurement and construction costs. The Company expects the project to qualify for applicable U.S. ITCs, which, if realized, could be monetized and offset approximately 30% to 40% of eligible project costs representing an estimated benefit of $20 million to $25 million.

- On June 5, 2026, three Polaris-owned projects submitted under the Mexico Mixed Development Program were selected to advance to the final contract negotiation stage with the Mexico Comisión Federal de Electricidad ("CFE"). As part of this process on July 3, 2026, the Company executed the Mixed Investment Agreement ("CIM") with CFE, through its fiduciary trustee, for these three renewable energy projects. The CIM establishes the 30-year contractual framework governing the development, financing, construction, ownership and operation of the projects, representing approximately 250 MWdc of solar generation capacity and 61.6 MW / 192.0 MWh of battery energy storage, with an aggregate estimated CAPEX of approximately US$240 million. Execution of the CIM represents a significant milestone toward project development, with the parties continuing to finalize the remaining definitive agreements, including the power purchase agreements, trust agreement, and operation and maintenance arrangements, prior to financial close and commencement of construction.

- The Company remains focused on maintaining a quarterly dividend. In respect to the three months ended June 30, 2026, the Company has declared and will pay a quarterly dividend of $0.15 per outstanding common share on August 21, 2026, to shareholders of record as of August 10, 2026.

OPERATING AND FINANCIAL OVERVIEW

	Three Months Ended		Six Months Ended	
(Expressed in thousands of USD, unless otherwise indicated)	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Energy production				
Consolidated Power MWh	**199,130**	215,797	**404,447**	432,289
Financials				
Total revenue	**$ 19,935**	$ 21,642	**$ 39,703**	$ 41,929
Net earnings (loss) attributable to owners	**$ (848)**	$ 2,203	**$ (1,479)**	$ (8,238)
Adjusted EBITDA	**$ 13,667**	$ 15,429	**$ 27,131**	$ 30,442
Net cash flow from operating activities	**$ 6,486**	$ 4,764	**$ 15,017**	$ 16,531
Per share				
Net earnings (loss) attributable to owners - *basic and diluted*	**$ (0.04)**	$ 0.10	**$ (0.07)**	$ (0.39)
Dividends declared per common share	**$ 0.15**	$ 0.15	**$ 0.15**	$ 0.15
Adjusted EBITDA per share- *basic*	**$ 0.65**	$ 0.73	**$ 1.29**	$ 1.44

Balance Sheet	**As at June 30, 2026**	**As at December 31, 2025**
Total cash and cash equivalents (Restricted and Unrestricted)	**$ 98,801**	$ 93,200
Total current assets	**$ 109,342**	$ 103,258
Total assets	**$ 528,092**	$ 535,569
Current and Long-term debt	**$ 216,751**	$ 217,344
Total liabilities	**$ 292,899**	$ 292,692

During the three months ended June 30, 2026, quarterly consolidated energy was 199,130 MWh compared to 215,797 MWh in the same period of 2025 representing a decrease of 16,667 MWh (7.7%). This performance was consistent with management's expectations, reflecting anticipated operating conditions, including increased curtailment in the Dominican Republic and the normalization of hydrological conditions in Peru and Ecuador following the exceptionally favorable water availability experienced in the prior-year period. As previously anticipated, the comparative quarter benefited from unusually strong hydrology, which resulted in record hydroelectric generation levels that were not expected to be sustained. For the six-month period ended June 30, 2026, consolidated generation totaled 404,447 MWh, down 27,842 MWh (6.4%) from 432,289 MWh in the prior-year period. The year-over-year decrease primarily reflects lower production in the Company's geothermal and hydroelectric operations, as well as the curtailment impact in the Dominican Republic, partially offset by stronger performance in Panama.

In Nicaragua, although the steam units operated in line with expectations, had lower production from the binary unit due to constraints to the brine reinjection capacity and lower steam production in one of the cycling wells. In the Dominican Republic, production continued to be significantly impacted by grid curtailment, although curtailment levels during the second quarter (29%) improved compared to the first quarter of 2026. Puerto Rico reported a modest decrease for the three months period in wind generation due to lower wind resource, while Panama delivered higher production as a result of improved solar resource and plant performance.

Overall, the Company's diversified portfolio continued to mitigate the impact of localized resource variability and operational events across individual assets.

"Our second quarter results were consistent with management's expectations, reflecting resilient operating performance despite higher curtailment in the Dominican Republic," said Marc Murnaghan, Chief Executive Officer of Polaris Renewable Energy. *"We continued to generate strong cash flows and make meaningful progress on our strategic growth initiatives. Most notably, we executed the Mixed Investment Agreement with CFE for three renewable energy projects in Mexico, establishing the contractual framework for approximately 250 MWdc of solar generation and battery energy storage. Combined with the execution of our BESS agreement in Puerto Rico, these milestones significantly strengthen our development pipeline and position Polaris to deliver long-term contracted growth while maintaining our disciplined approach to capital allocation and financial management."*

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 June 30, 2026 and on the Company's website **www.polarisREI.com/Non-GAAP**.