

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Polaris Renewable Energy Inc. ("Polaris" or the "Company") for the period ended September 30, 2025, and reflects all material events up to October 29, 2025 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 condensed consolidated interim financial statements for the three and nine months ended September 30, 2025. This MD&A supplements, but does not form part of, the Company's condensed consolidated 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 "RISKS AND UNCERTAINTIES" 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, 2024 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, 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.

Contents

1. 2025 HIGHLIGHTS
2. OPERATIONS AND FINANCIAL HIGHLIGHTS
3. BUSINESS OVERVIEW AND STRATEGY
4. OPERATING SEGMENT PERFORMANCE
5. DEVELOPMENT PROPERTIES
6. SUSTAINABILITY STRATEGY
7. CONSOLIDATED FINANCIAL RESULTS
8. FINANCIAL CONDITION, LIQUIDITY AND SHARE CAPITAL INFORMATION
9. SUMMARY OF UNAUDITED QUARTERLY RESULTS
10. MATERIAL ACCOUNTING POLICIES AND ESTIMATES
11. FINANCIAL RISKS
12. EXTERNAL RISKS
13. NON-GAAP PERFORMANCE MEASURES
14. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

1. 2025 HIGHLIGHTS

- Third quarter consolidated energy production totaled 181,235 MWh, representing a 7% increase compared to 168,639 MWh in the same quarter last year. The increase is mainly attributable to the contribution from the Puerto Rican wind farm, acquired on March 3, 2025, which was not part of the portfolio in the comparative quarter of 2024, as well as stronger hydrological conditions in Peru.
- The Company generated \$19.0 million in revenue from energy sales for the three months ended September 30, 2025, compared to \$17.7 million in the same period in 2024.
- Adjusted EBITDA was \$12.8 million for the three-month period ended September 30, 2025, compared to \$12.4 million in the same period in 2024.
- Net losses attributable to shareholders of the Company for the quarter ended September 30, 2025 were \$328 or \$(0.02) per share – basic, compared to earnings of \$451 or \$0.02 per share – basic in the comparative period of 2024.
- For the nine months ended September 30, 2025, the Company generated \$29.2 million in net cash flow from operating activities, ending with a cash position of \$99.1 million, including restricted cash.
- On August 11, 2025 Polaris completed the submission of the Battery Energy Storage System Standard Offer ("BESS") Agreement to the Puerto Rico Energy Bureau ("PREB"). On September 30, 2025, PREB directed the Puerto Rico Electric Power Authority ("PREPA") to file the executed agreement within five days of receiving Financial Oversight and Management Board ("FOMB") approval. Final regulatory approvals from PREPA and FOMB are expected in the next 60 days. The BESS project is expected to be constructed and fully operational by the end of 2026, at which time Polaris will be entitled to receive monthly fixed and performance-based payments in exchange for providing energy storage services, including capacity and grid support.
- On October 14, 2025, the Company announced that it had entered into a US\$3.5 million Working Capital Facility and a US\$10.0 million Letter of Credit Facility, further enhancing Polaris' liquidity position as it continues to pursue growth across its operations in Latin America and the Caribbean.
- Maintaining a quarterly dividend remains a goal for the Company. In respect of the third quarter of 2025, the Company declared and expects to pay a quarterly dividend of \$0.15 per outstanding common share on November 21, 2025.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

2. OPERATIONS AND FINANCIAL HIGHLIGHTS

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Energy production				
Consolidated Power MWh	181,235	168,639	613,524	568,960
Financials				
Total revenue	\$ 19,037	\$ 17,658	\$ 60,966	\$ 56,992
Net earnings (loss) attributable to owners	\$ (328)	\$ 451	\$ (8,566)	\$ 5,782
Adjusted EBITDA	\$ 12,781	\$ 12,417	\$ 43,223	\$ 41,477
Net cash flow from operating activities	\$ 12,711	\$ 8,991	\$ 29,242	\$ 25,975
Per share				
Net earnings (loss) attributable to owners - <i>basic and diluted</i>	\$ (0.02)	\$ 0.02	\$ (0.41)	\$ 0.27
Adjusted EBITDA - <i>basic</i>	\$ 0.61	\$ 0.59	\$ 2.05	\$ 1.97
			As at	As at
			September 30, 2025	December 31, 2024
Balance Sheet				
Total cash and cash equivalents (Restricted and Unrestricted)			\$ 99,131	\$ 217,882
Total current assets			\$ 111,945	\$ 228,563
Total assets			\$ 551,006	\$ 662,105
Current and Long-term debt			\$ 218,013	\$ 328,349
Total liabilities			\$ 309,933	\$ 402,579

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.

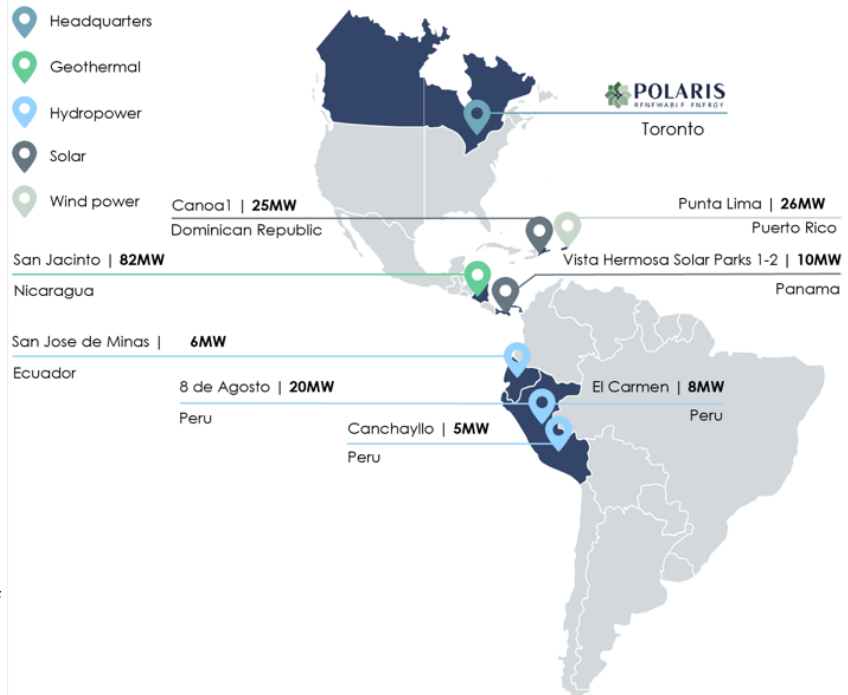
Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

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 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 sustainability 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.

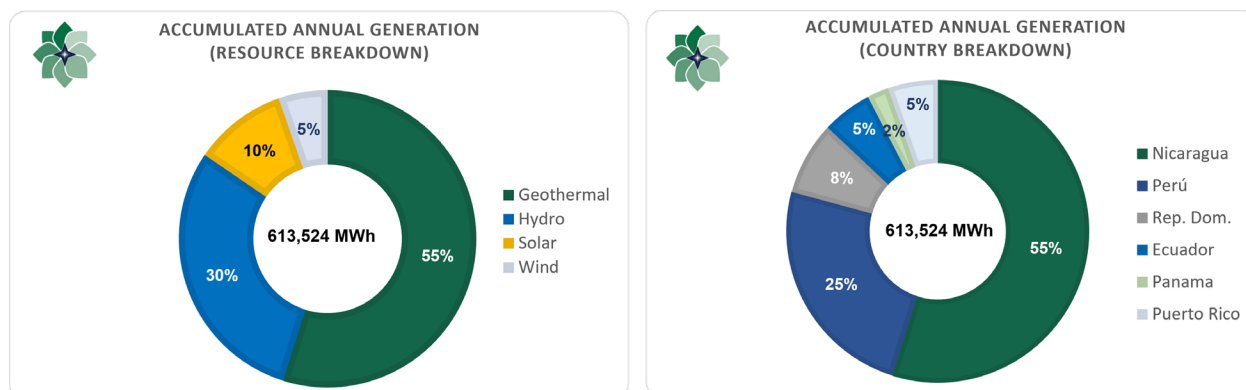
The Company's long-term goals are to continue to grow and diversify its operations in the Latin American region through renewable energy projects with attractive return profiles. Latin America hosts some of the world's most dynamic renewable energy markets. The Company firmly believes there is significant 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 is growing and provides attractive, long-term return profiles and renewable energy credit options.

Further details around events, transactions and activities relating to Polaris properties which occurred during the period ended September 30, 2025 and to the date of this MD&A are discussed below.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

4. OPERATING SEGMENT PERFORMANCE



CONSOLIDATED RESULTS

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Power production in MWh				
Nicaragua (Geothermal)	111,217	120,565	336,536	352,583
Peru (Hydroelectric)	29,732	20,616	149,359	127,568
Dominican Republic (Solar)	16,325	16,476	48,054	45,619
Puerto Rico (Wind)	11,329	-	32,701	-
Ecuador (Hydroelectric)	8,076	6,535	32,762	28,012
Panama (Solar)	4,556	4,447	14,112	15,178
Total consolidated power production in MWh	181,235	168,639	613,524	568,960

During the three months ended September 30, 2025, quarterly consolidated power production was 7% higher than the production in the same period of 2024. The growth was primarily driven by stronger hydrological conditions in Peru, which significantly boosted output across its hydroelectric portfolio and by the contribution of the Punta Lima Wind Farm, acquired in March 2025. These factors were partly offset by lower production in Nicaragua due to well instability in the period.

Production in both Ecuador and Peru surpassed prior-year levels, driven by favorable rainfall.

The Canoa 1 facility in the Dominican Republic recorded similar production for the three months ended September 30, 2025, compared to the three months ended September 30, 2024. While the project benefited from improved productivity following the full commissioning of the new solar panels (which only partially contributed in Q3 2024), these gains were partially offset by system-wide curtailment that persisted throughout the third quarter of 2025 and was not present in the prior year. Curtailment levels observed in Q3 2025 are expected to continue for the foreseeable future.

Production at the Vista Hermosa Solar Park in Panama was slightly lower compared to the same period of 2024, due to lower solar irradiation.

Generation at the Punta Lima Wind Farm reflected the unfavourable wind conditions typical of this time of the year.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

NICARAGUA – Geothermal Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Power production				
San Jacinto - MWh	111,217	120,565	336,536	352,583
Financial				
Revenue	\$ 12,368	\$ 13,407	\$ 37,423	\$ 39,207

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.

San Jacinto is located in northwest Nicaragua, near the city of Leon which is approximately 90 km northwest of Managua. PENSA has 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 PPA is \$111.20 per MWh.

During the nine months ended September 30, 2025, the production was lower compared to the same period in 2024. Similar to Q2 2025, a part of the quarter was affected by reduced output from a cycling well, instability in nearby wells and natural decline of the steamfield. Production in August and September averaged 51.1 MWs (net) which was within our expectations of 50 MWs (net) on a stable basis with expected future declines of 3% to 4% on an annual basis.

PERU – Hydroelectric Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Power production				
8 de Agosto - MWh	16,555	7,101	88,784	74,997
El Carmen - MWh	6,151	4,452	34,119	31,108
Canchayllo - MWh	7,026	9,063	26,455	21,463
Total Peru in MWh	29,732	20,616	149,359	127,568
Financial				
Revenue	\$ 1,936	\$ 1,216	\$ 8,813	\$ 7,764

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. El Carmen and 8 de Agosto ("Generacion Andina") with a capacity of approximately 8 MW and 20MW capacity respectively, are located in the Huanuco region. Canchayllo hydroelectric, with a rated capacity of approximately 5 MW, is located in the Canchayllo district of Peru.

For the three and nine months ended September 30, 2025, power production from the Company's hydroelectric facilities in Peru increased by 44% and 17%, respectively, compared to the same periods in 2024.

The increase was primarily driven by favorable hydrological conditions during this typically dry season and excellent plant availability and technical performance. Production at the Canchayllo plant was lower relative to the prior year, as its generation is counter-seasonal. Specifically, Canchayllo benefits from additional water flows only when an upstream hydro facility releases water through its floodgates during extremely dry periods. In years when the dry season is milder, these floodgates remain closed or open later in the season, resulting in reduced generation at Canchayllo.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

As a result of the increased generation, revenue from the Peruvian operations rose to \$1.9 million in Q3 2025, up from \$1.2 million in Q3 2024. For the nine-month period, revenue totaled \$8.8 million, compared to \$7.8 million in the same period in the prior year. The increase in revenue reflects both higher energy generation and improved effective prices, particularly at the 8 de Agosto and El Carmen plants. These facilities are subject to contractual mechanisms where lower production results in reduced effective pricing. As such, the stronger hydrology during the period not only boosted output but also helped maintain favorable pricing levels.

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

Effective price \$/MWh	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
8 de Agosto (Hydroelectric)	\$ 63.50	\$ 62.00	\$ 56.90	\$ 58.30
El Carmen (Hydroelectric)	\$ 65.90	\$ 65.20	\$ 61.60	\$ 61.60
Canchayllo (Hydroelectric)	\$ 61.40	\$ 61.40	\$ 61.40	\$ 61.40

Effective price \$/MWh	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
8 de Agosto (Hydroelectric)	\$ 57.60	\$ 59.60	\$ 61.70	\$ 61.30
El Carmen (Hydroelectric)	\$ 62.40	\$ 63.80	\$ 65.90	\$ 65.90
Canchayllo (Hydroelectric)	\$ 61.40	\$ 61.40	\$ 61.40	\$ 61.40

DOMINICAN REPUBLIC – Solar Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Power production				
Canoa 1 - MWh	16,325	16,476	48,054	45,619
Financial				
Revenue	\$ 2,168	\$ 2,162	\$ 6,382	\$ 5,986

Canoa 1 - Barahona, Dominican Republic

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

Production of 16,325 MWh for the quarter reflects the mitigating effect of the enhanced productivity from the solar panels installed in 2024, which partially offset the impact of system-wide curtailment. Management estimates that, absent the curtailment experienced during Q3, the Canoa facility would have generated approximately 1,000 additional MWh for the quarter (or 2,600 MWh YTD).

PUERTO RICO - Wind Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Power production				
Punta Lima - MWh	11,329	-	32,701	-
Financial				
Revenue	\$ 1,633	\$ -	\$ 4,820	\$ -

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

Punta Lima Wind Farm, Puerto Rico

On March 3, 2025, the Company closed on the Equity Capital Contribution Agreement ("ECCA") and Limited Liability Company Agreement ("LLCA") with respect to Punta Lima Wind Farm LLC ("PLWF", a subsidiary of Santander Bank N.A. "Santander"). Punta Lima is an operating onshore wind farm with a nameplate capacity of 26.0 MW's located in the Municipality of Naguabo, Puerto Rico. It had started production in October 2012 until it was rendered inoperative by hurricane Maria in 2017. The Project was re-constructed and re-commissioned by Santander and has a 20-year power purchase agreement ("PPA") in place with Puerto Rico Electric Power Authority (PREPA) terminating 20 years post-COD, that is, in March 2044. Under the current Power Purchase Agreement (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.

The transaction has been completed using a tax-equity structure which results in the Company becoming the manager and operator of the Project with a controlling equity interest and Santander retaining a tax equity interest in the Project. The total equity contribution of \$20 million from Polaris of which \$15 million cash was paid on March 3, 2025, the Closing Date, and \$5 million to be paid on December 3, 2025.

The acquisition has been accounted for as a business combination in accordance with IFRS 3 - Business Combinations, using the acquisition method whereby the assets acquired and liabilities assumed are recorded at fair value. The preliminary allocation of the purchase price is detailed in Note 4 – Acquisition of Punta Lima Wind Farm LLC, in the Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2025 and 2024.

Generation at the Punta Lima Wind Farm reflected a lower wind resource than expected during the quarter which is typically the lowest expected quarterly generation of the year. Year to date, Punta Lima remains somewhat above target.

Production from Punta Lima since the acquisition date of March 3, 2025 was 33,292 MWh, generating \$4.8 million in revenue. No comparative figures are available for 2024, as the facility was not yet part of the Company's portfolio.

ECUADOR – Hydroelectric Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Power production				
San Jose de Minas - MWh	8,076	6,535	32,762	28,012
Financial				
Revenue	\$ 631	\$ 511	\$ 2,558	\$ 2,188

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 project has been selling energy 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 our current expectation that we will enter into an additional 15-year PPA will be negotiated and at such time and that the pricing will be similar to our current pricing.

The production of HSJM for three and nine months ended September 30, 2025, increased 24% and 17% compared to both the same periods in the prior year and management expectations. This represents one of the strongest performances for the facility since it commenced operations (COD), reflecting greater resource availability.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

PANAMA - Solar Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Power production				
Vista Hermosa - MWh	4,556	4,447	14,112	15,178
Financial				
Revenue	\$ 299	\$ 362	\$ 941	\$ 1,847

Vista Hermosa Solar Park I & II, Panama

Located in the village of Vista Hermosa in Panama, Vista Hermosa Solar Parks have a total capacity of 10 MW.

The Vista Hermosa solar project does not currently have contracts but does have the ability to sell into the spot market. The effective average spot price obtained for the three months ended September 30, 2025 was \$65.62 per MWh (Q3 2024 \$81.40) which is in line with the long term expectation for energy prices in the country.

Production for the quarter was below the Company's expectations and the levels recorded in the nine month period in 2024. The decrease was driven by lower solar irradiation resulting from an extended rainy season.

5. DEVELOPMENT PROPERTIES

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.

PUERTO RICO DEVELOPMENT, ACCELERATED STORAGE ADDITION PROGRAM (ASAP)

In 2024 the Puerto Rican authorities approved the Accelerated Storage Addition Program (ASAP), an initiative launched to expedite the integration of Battery Energy Storage Systems at existing power generation facilities. On August 11, 2025, Polaris completed the submission of the BESS Standard Offer Agreement ("SO1 Agreement") to the Puerto Rico Energy Bureau ("PREB"). On September 30, 2025, PREB directed the Puerto Rico Electric Power Authority ("PREPA") to file the executed agreement within five days of receiving Financial Oversight and Management Board ("FOMB") approval. Final regulatory approvals from PREPA and FOMB are expected in the next 60 days.

By participating in ASAP, a producer can generate additional income through the provision of grid services facilitated by BESS. The SO1 Agreement has been submitted with a BESS capacity of 71.4 MW's (35.7 MW's x 2). The Commercial Operation date is forecast to begin early 2027 with the SO1 Agreement running for a 20-year term from the Commercial Operation date.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

6. SUSTAINABILITY STRATEGY

As the Company grows, it remains committed to creating long-term value through a balanced focus on all stakeholders—investors, employees, customers, communities, and the environment. Sustainability is integral to both our business strategy and corporate values.

Our Sustainability framework is built on four pillars: Our Practice, Our People, Our Partners, and Our Planet—addressing governance, social, and environmental priorities. The Company continues to advance this strategy with defined KPIs supporting its key commitments.

Key highlights of the Company's sustainability initiatives to date include:

- Training employees including Code of Business Conduct and Ethics; cybersecurity and information security awareness including AI and social media; acceptable use of assets, among others.
- Contributions to local schools and education through remodeling of schools, sponsorship of a useful holiday program, donation of school supplies, computer equipment, sports supplies, scholarships and donation of purified water dispensers to schools that did not have access to this valuable resource.
- Contribution to sports and healthy recreation at the community level through the donation of sports equipment for the organization of local sports leagues.
- Donation of materials for the restoration of community access roads, public bus shelter and donation of purified water filters to members of communities without access to drinking water in their homes.
- Diversity and Equity awareness campaigns with employees.
- Continued contribution to local community agricultural projects ranging from coffee production, beekeeping, and watermelon production.
- Continued development of the Company's Integrated Management System, stakeholder engagement and community grievance mechanisms.

Readers are encouraged to consult the Company's 2024 Sustainability Report available on the Company's website.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

7. CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Consolidated Statement of Operations and Comprehensive Earnings				
Revenue				
Power revenue	\$ 19,035	\$ 17,658	\$ 60,937	\$ 56,992
Carbon emission reduction credits revenue	\$ 2	\$ -	\$ 29	\$ -
Direct costs				
Direct costs	(4,176)	(3,403)	(11,756)	(10,142)
Depreciation and amortization of plant assets	(7,534)	(7,355)	(22,426)	(21,958)
General and administrative expenses	(2,146)	(1,908)	(5,953)	(5,572)
Other operating income (costs)	(40)	(266)	(213)	(269)
Operating income	\$ 5,141	\$ 4,726	\$ 20,618	\$ 19,051
Interest income	956	745	2,751	1,702
Tax-equity income	949	-	2,000	-
Finance costs	(5,804)	(5,122)	(27,513)	(15,542)
Other (losses) gains	(185)	131	(256)	280
Earnings (loss) and comprehensive earnings (loss) before income taxes	\$ 1,057	\$ 480	\$ (2,400)	\$ 5,491
Current Income Tax (expense)	(2,390)	(1,002)	(7,235)	(2,307)
Deferred Income Tax recovery	1,019	982	1,185	2,742
Total earnings (loss) and comprehensive earnings	\$ (314)	\$ 460	\$ (8,450)	\$ 5,926
Total earnings (loss) and comprehensive earnings attributable to:				
Owners of the Company	\$ (328)	\$ 451	\$ (8,566)	\$ 5,782
Non-controlling interests	\$ 14	\$ 9	\$ 116	\$ 144
Basic earnings (loss) per share	\$ (0.02)	\$ 0.02	\$ (0.41)	\$ 0.27

Three months ended September 30, 2025 versus September 30, 2024

Consolidated revenue for the three months ended June 30, 2025, totaled \$19,035, representing an 7% increase compared to \$17,658 in the same period in 2024. The increase was mainly driven by higher generation from the hydroelectric facilities in Peru, which benefited from favorable hydrological conditions, and from the HSJM plant in Ecuador, which achieved one of its strongest performances since commissioning. These positive results more than offset lower production from Nicaragua, where output was affected by well cycling and natural steamfield decline, and from Panama, where solar generation decreased due to an extended rainy season. The addition of the Punta Lima wind facility in Puerto Rico, acquired in March 2025, also contributed incremental revenue, partially offset by slightly lower-than-expected wind conditions during the quarter.

Direct costs for the period were \$4.2 million, up from \$3.4 million in Q3 2024, primarily reflecting the inclusion of Punta Lima's operating expenses. Excluding this impact, direct costs for Q3 2025 would have been lower than the prior-year quarter, reflecting cost savings achieved through renegotiated insurance premiums following the extinguishment of certain project-level debt facilities. These savings offset inflationary pressures and help maintain stable cost performance.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

General and administrative expenses were \$2.1 million, comparable to the \$1.9 million reported in Q3 2024, reflecting some timing effect on the ERP implementation fees and continued cost discipline despite the expanded asset base.

Operating income rose to \$5.1 million, up from \$4.7 million in Q3 2024, supported by increased revenue and continuing cost containment.

Interest income increased to \$1.0 million from \$0.7 million in Q3 2024, benefiting from higher average cash balances.

Tax-equity income of \$1.0 million was recognized for the three months ended September 30, 2025, compared to nil in the same periods in 2024. This income reflects the amortization of the tax equity liability associated with the Punta Lima Wind Farm, which was acquired in March 2025. The recognition of this income began in Q2 2025, following the asset's inclusion in consolidated financial results. Under the tax equity financing structure, the tax equity investor (Santander) receives a return through allocated tax benefits such as accelerated depreciation. As these benefits are realized over time, the related liability decreases. Since no cash or equity is used to settle the obligation, the reduction in the liability is recognized as non-cash income in the statement of operations.

Nine months ended September 30, 2025 versus September 30, 2024

Revenue was \$60.9 million during the nine months ended September 30, 2025, compared to \$57.0 million in the same period of 2024. This 7% increase, similar to quarterly results, was mainly attributable to higher energy production in Peru and Ecuador driven by favorable hydrological conditions, and the addition of PLWF to the Company's portfolio, as explained above.

For the nine months ended September 30, 2025 direct costs increased by \$1.6 million, largely due to the inclusion of Punta Lima's operating expenses. Excluding Punta Lima, cost performance across jurisdictions remained stable to slightly improved compared to the prior year, reflecting effective cost management and operational efficiencies achieved despite inflationary pressures and higher activity levels.

General and administrative expenses for the nine months ended September 30, 2025 rose by \$0.4 million, mainly attributable to higher professional fees associated with the ASAP program and the integration of Puerto Rico operations.

For the nine months ended September 30, 2025, finance costs were \$27.5 million, up from \$15.5 million recorded in the same period of 2024, largely due to the early repayment of credit facilities in Ecuador, Nicaragua, and Peru and the corresponding liquidation of accrued interest and pre-payment penalty fees (Note 11). However, Interest income for the three and nine months ended September 30, 2025 was higher than interest earned in the same period in 2024, due to higher cash balances held in higher interest savings accounts.

Current and deferred income taxes for nine months ended September 30, 2025 were \$6.0 million versus \$0.4 million for the same period in 2024. This increase reflects the end of the tax holidays in Nicaragua. Since February 28, 2025 approximately 80% of revenue in Nicaragua is taxable (in 2024 starting March 27, 40% of the revenue shifted to taxable).

Losses attributable to owners for the nine months ended September 30, 2025 compared to earnings attributable to the owners for the same period in 2024, is fundamentally a reflection of the finance costs expenses incurred for debt settlement in January 2025 and lower income tax recovery, partly offset by higher operating, tax-equity and interest income.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

8. FINANCIAL CONDITION, LIQUIDITY AND SHARE CAPITAL INFORMATION

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

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net cash from (used in)				
Operating activities	\$ 12,711	\$ 8,991	\$ 29,242	\$ 25,975
Investing activities	(69)	(1,159)	(15,076)	(3,203)
Financing activities	(4,174)	(6,612)	(132,917)	(21,038)
Increase (decrease) in cash	\$ 8,468	\$ 1,220	\$ (118,751)	\$ 1,734

- Net cash from operating activities for the three and nine months ended September 30, 2025, exceeded the same periods of 2024 by \$3.7 million and \$3.3 million respectively. The increase primarily reflects the collection in Q3 2025 of strong Puerto Rican revenues generated in Q2, which followed a 47-day collection cycle. In addition, the timing of interest payments contributed to the variance: in 2025, the Company has semi-annual interest payment obligations on its Green Bonds, whereas in 2024, interest payments on most regional loans were made quarterly.
- Net cash used in investing activities for the nine months ended September 30, 2025, mainly reflects the initial \$15 million payment for the acquisition of Punta Lima Wind Farm, while there was no comparative transactions in 2024. Investing outflows for the quarter were minimal at \$0.1 million.
- Net cash used in financing activities for the nine months ended September 30, 2025 was higher than the comparative period of 2024 reflecting the early debt repayment of four credit facilities totaling \$120.6 million, including \$114.2 million of principal and \$6.4 million of accrued interest and pre-payment penalties. Lower financing outflows for the quarter primarily reflect the transition to the Green Bonds, under which no principal repayments are required until maturity, compared to the local loans outstanding in 2024 that were amortized on a quarterly basis.

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

	September 30, 2025	As at December 31, 2024
Total Cash (Restricted and Unrestricted)	\$ 99,131	\$ 217,882
Total current assets	\$ 111,945	\$ 228,563
Total assets	\$ 551,006	\$ 662,105
Current and Long-term debt	\$ 218,013	\$ 328,349
Total liabilities	\$ 309,933	\$ 402,579

Total assets were \$551.0 million as at September 30, 2025, compared to total assets of \$662.1 million as of December 31, 2024. The decrease is primarily due to a decrease in cash which was used to repay four credit facilities, partly offset by an increase in property, plant and equipment from the acquisition of Punta Lima Wind Farm in Puerto Rico. The Company believes that it has adequate liquidity to fund the 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 monetization of assets 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.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

Total liabilities as at September 30, 2025 were \$309.9 million, a \$92.6 million decrease from December 31, 2024, mainly reflecting settlement of debt.

Remaining contractual maturities of the Company's financial liabilities as at September 30, 2025, are as follows:

	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	Total
Accounts payable and accrued liabilities	\$ 22,982	\$ -	\$ -	\$ -	22,982
Debt, current and long-term	3,971	7,869	184,177	42,648	238,665
Interest obligations not included in accruals	18,705	36,701	22,683	5,324	83,413
Lease liabilities (i)	390	746	852	414	2,402
	\$ 46,048	\$ 45,316	\$ 207,712	\$ 48,386	\$ 347,462

The following are the annual principal obligations on project credit facilities for the remaining terms of the loans:

	Generación Andina	Canoa 1	Green Bond
2025	1,051	315	
2026	2,113	1,924	
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	2,688	
2038	3,550	-	
Total	\$ 33,764	\$ 29,901	\$ 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.

The Canoa 1 loan in the Dominican Republic has a term of 17 years maturing in 2037, 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.

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 Bonds, most of which are administered by a trustee working as an intermediary between the Company and the bondholders, are and will be used to finance or refinance investments in renewable energy production and storage.

As at September 30, 2025, the Company is in compliance with all of its covenants. The Company plans to make payments of interest on the Green Bonds, Canoa 1 and Generación Andina credit facilities out of current cash and cash generated by operations.

The Company has no off-balance sheet arrangements as at September 30, 2025.

Additional discussion relating to the above financial instruments are included in Note 14 to the condensed consolidated financial statements for the period ended September 30, 2025. Readers are also encouraged to refer to discussion relating to the Company's Capital Management in Note 26 to the Consolidated Financial Statements for the year ended December 31, 2024.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

OTHER CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Land Leases: Punta Lima Wind Farm has three long-term land leases under one consolidated arrangement. Because the lease payments of under this arrangement are variable in nature, based on land use and revenue generated, the arrangement does not meet the recognition criteria under IFRS 16 Leases.

Assuming PLWF annual production will always be greater than 6,500 MWh, the minimum annual payments, as at September 30, 2025, will be as follows:

	September 30, 2025
Less than one year	\$ 461
For years 2 - 5	1,905
Thereafter	11,709
Total commitments for expenditures	\$ 14,075

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 agreement is shown below:

	September 30, 2025
Less than one year	\$ 747
For years 2 - 5	3,349
Thereafter	2,855
Total operating lease commitments	\$ 6,951

Battery System: In accordance with the Power Purchase Agreement signed in Puerto Rico, the Company is contractually obligated to install a battery energy storage system (BESS) by March 2026. However, the Company has submitted a request for a three-year extension, which is currently pending regulatory approval. This requirement aligns with recently established regulatory compliance measures introduced by PREPA, including the "Minimum Technical Requirements" framework, which aims to enhance the stability and reliability of the electrical grid. While the final scope and design of the project are still being evaluated, preliminary estimates suggest that the associated capital investment could be material.

Concessions: The Company enters into agreements for geothermal concessions with minimum annual payments, as at September 30, 2025, shown below:

	September 30, 2025
Less than one year	\$ 30
For years 2 - 5	120
Thereafter	300
Total commitments for expenditures	\$ 450

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	October 29, 2025	September 30, 2025
Common shares issued and outstanding	20,984,033	20,992,033
Share options outstanding (i)	223,099	223,099
Deferred share units ("DSUs")	43,464	43,464
Performance Share units ("PSUs") (ii)	373,785	373,785
Restricted share units ("RSUs") (iii)	91,817	91,817

- (i) As of the day of this MD&A, the outstanding stock options have a weighted average exercise price of Cdn\$17.28 and weighted 1.48 year remaining contractual life. Exercise prices range from Cdn\$13.10 to Cdn\$18.44 and expire from August 2026 to August 2028. Of the outstanding stock options, 198,976 are exercisable at a weighted average exercise price of Cdn\$17.64.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

- (ii) On September 16, 2025 the Company granted 58,785 PSUs 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 315,000 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) 22,233 Restricted share units were granted on February 7, 2025 and vest one third per year at the end of each period. On January 31, 2025 and February 12, 2025 a total of 15,243 shares were issued as the equivalent number of RSUs vested. On September 16, 2025, the Company granted 46,070 RSUs vesting on December 31, 2027. All stock based compensations are contingent upon continued service of the holder of the award during the vesting period.

9. SUMMARY OF UNAUDITED QUARTERLY RESULTS

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

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Production MWh (i)	181,235	215,797	216,344	195,797
Total revenue	\$ 19,037	\$ 21,642	\$ 20,287	\$ 18,781
Direct cost of power production	\$ (11,710)	\$ (11,797)	\$ (10,675)	\$ (10,860)
Net earnings (loss) attributable to owners of the Company	\$ (328)	\$ 2,203	\$ (10,441)	\$ (2,792)
Basic weighted average number of shares outstanding	21,053	21,070	21,093	21,088
Earnings (loss) per share attributed to owners of the Company - basic	\$ (0.02)	\$ 0.10	\$ (0.49)	\$ (0.13)
Adjusted EBITDA (ii)	\$ 12,781	\$ 15,429	\$ 15,013	\$ 13,566
Total Cash (Unrestricted and Restricted)	\$ 99,131	\$ 90,663	\$ 91,593	\$ 217,882
Total equity attributable to Owners of the Company	\$ 241,177	\$ 244,863	\$ 245,992	\$ 259,747

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Production MWh (i)	168,639	186,886	213,434	192,820
Total revenue	\$ 17,658	\$ 18,702	\$ 20,632	\$ 18,748
Direct cost of power production	\$ (10,758)	\$ (10,933)	\$ (10,409)	\$ (10,977)
Net earnings (loss) attributable to owners of the Company	\$ 451	\$ 985	\$ 4,346	\$ 1,408
Basic weighted average number of shares outstanding	21,103	21,101	21,099	21,069
Earnings per share attributed to owners of the Company - basic	\$ 0.02	\$ 0.05	\$ 0.21	\$ 0.07
Adjusted EBITDA (ii)	\$ 12,417	\$ 13,319	\$ 15,741	\$ 13,391
Total Cash (Unrestricted and Restricted)	\$ 46,363	\$ 45,243	\$ 45,643	\$ 44,683
Total equity attributable to Owners of the Company	\$ 265,743	\$ 268,507	\$ 270,605	\$ 269,342

- (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 irradiation) in those countries where the Company operates solar plants (Dominican Republic and Panama).
- (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 measure. Adjusted EBITDA was \$43.2 million for the nine months ended September 30, 2025, compared to a \$41.5 million for the same period in 2024, as a result of increased operating income after the acquisition of Punta Lima Wind Farm.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

10. MATERIAL 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 material accounting policies applied and recent accounting pronouncements are described in Note 2 and Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2024. There are currently no other pronouncements that are expected to have a significant impact on the Company's consolidated financial statements upon adoption.

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 4 to the audited consolidated financial statements and the notes thereto for the year ended December 31, 2024.

In connection with the acquisition of PLWF completed during the period, the Company applied significant judgment in determining that the transaction constitutes a business combination under IFRS 3 *Business Combinations*. The purchase price allocation involves estimates of the fair value of identifiable assets acquired and liabilities assumed, including property, plant and equipment, intangible assets, and provisions. These estimates are based on information available as of the acquisition date and are subject to change as additional information becomes available. In accordance with IFRS 3, the Company has a measurement period of up to 12 months from the acquisition date to finalize these estimates. Adjustments to the provisional amounts recognized may be made during this period as new information is obtained about facts and circumstances that existed as of the acquisition date.

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. 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 our 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:

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

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, available credit facilities and other financial resources to meet 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, 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.

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 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, which could materially and adversely affect the Company's earnings and financial condition. The Company may enter into forward contracts or other risk management strategies, from time to time, to hedge against the risk of an increase in the value of these foreign currencies.

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 risk that the Company will realize a loss due to a decline in the fair value of any short-term securities included in cash and cash equivalents and short-term investments is limited because these investments, although readily convertible into cash, are generally held to maturity. The Company's cash flow exposure to interest rate risk relates principally to its floating rate senior facilities and other debt. Management mitigates this risk by entering into fixed-rate financing agreements.

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

- monitoring industry compensation and aligning salaries with those benchmarks,
- using incentive pay to align employee goals with corporate goals;
- monitoring and managing target levels of employee turnover, and
- ensuring new employees have the appropriate training and qualifications to perform their job.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

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, based on all information currently available. The Company and the subsidiaries in which we hold economic interests are subject to changing laws, treaties and regulations in and between countries. Various tax proposals in the countries and territories 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 to the Company.

12. EXTERNAL RISKS

ENVIRONMENTAL AND CLIMATE CHANGE RISKS

The Company is subject to various federal, provincial and municipal laws relating to environmental matters, and takes all the required steps, including capital and operating expenditures to ensure compliance with environmental laws and regulations in each of the jurisdictions where it operates. The failure to comply with existing environmental laws and regulations could limit the Company's ability to produce energy and carry normal operations in those countries and territories. As of the date of this report, the Company is fully compliant with the current environmental legislation.

Climate change could pose significant environmental, social and operational risks. If environmental laws and regulations change, the Company could be subject to more stringent environmental laws and regulations in the future, including the reduction of the hydrology resources necessary to produce energy in Peru or Ecuador, which could have an adverse effect on the Company's business, financial condition or results of operation.

Physical risks resulting from climate change may include natural disasters and severe weather, such as floods, forest fires or drought, or changing weather patterns, which could have a negative impact to the Company's plants and facilities, or their inputs and processes required to produce geothermal, hydroelectric, wind or solar power, disrupting the business or diminishing its financial condition or results of operations.

The Company is committed to evaluating potential impacts to its business on an ongoing basis and to making investments to mitigate potential identified impacts.

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. 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.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

This MD&A include 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 Accounting Standards. Rather, these measures are provided to complement IFRS Accounting Standards measures in the analysis of Polaris Renewable's results since the Company believes that the presentation of these measures will enhance an investor's understanding of Polaris Renewable'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, 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, but rather should be evaluated in conjunction with such IFRS 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		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Total earnings (loss) and comprehensive earning attributable to Owners of the Company	\$ (328)	\$ 451	\$ (8,566)	\$ 5,782
Add (deduct):				
Total earnings attributable to non-controlling interest	14	9	116	144
Current and deferred tax expense (recovery) and Minimum Asset Tax	1,371	20	6,050	(435)
Finance costs	5,804	5,122	27,513	15,542
Interest income	(956)	(745)	(2,751)	(1,702)
Tax Equity Income	(949)	-	(2,000)	-
Unrealized Foreign Exchange	38	4	38	(41)
Other losses (gains)	147	(135)	177	(239)
Depreciation and amortization	7,534	7,355	22,426	21,958
Transaction Costs	-	248	-	248
Share-based compensation	106	88	220	220
Adjusted EBITDA	\$ 12,781	\$ 12,417	\$ 43,223	\$ 41,477
Basic weighted average number of shares outstanding	21,052,685	21,103,064	21,070,542	21,101,004
Adjusted EBITDA per share	\$ 0.61	\$ 0.59	\$ 2.05	\$ 1.97

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

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 annual filings and the effectiveness of such disclosure controls and procedures as of September 30, 2025.

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 September 30, 2025, that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting.

Limitation on the scope and design of disclosure controls and procedures and internal controls over financial reporting

The limitation on the scope and design of the Company's disclosure of controls and procedures and internal controls over financial reporting as of September 30, 2025, did not cover the controls and procedures of the PLWF project, acquired on March 03, 2025, which was accounted for as a business combination in the September 30, 2025 consolidated financial statements, including revenues of \$3.2 million and \$2.4 million as profit for the interim period. The Company has elected to apply section 3.3(1)(b) of Regulation 52-109, which allows these acquisitions to be excluded from the evaluation of the design of controls and procedures and internal controls over financial reporting for a maximum of 365 days from their acquisition date, respectively. The limitation on the scope is based primarily on the time required to assess design of controls and procedures and internal controls over financial reporting with respect to information relating to the PLWF. As of September 30, 2025, current assets and current liabilities each represented 6% and 7% of consolidated current assets and liabilities, respectively. Non-current assets and non-current liabilities each represented 6% and 3% of consolidated non-current assets and liabilities, respectively.

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

Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

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; and other development and operating risks, as well as those factors discussed in the section entitled “Risks and Uncertainties” 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

Management's Discussion and Analysis
For the three and nine months ended September 30, 2025

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, 2024 is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.polarisREI.com.
