Management's Discussion and Analysis
For the period ended September 30, 2023
(expressed in thousands of United States dollars)

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Polaris Renewable Energy Inc. (formerly Polaris Infrastructure Inc., "Polaris Renewable", or the "Company") for the three and nine months ended September 30, 2023, and reflects all material events up to November 1, 2023 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 consolidated financial statements for the period ended September 30, 2023. This MD&A supplements, but does not form part of, the Company's annual 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 or future-oriented financial 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, 2022 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"), including IAS 34, "Interim Financial Reporting". Certain financial measures in this MD&A do not have any standardized meaning as prescribed by IFRS 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, 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. 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. 2023 HIGHLIGHTS

- Consolidated energy production increased by 33% to 178,753 MWh for the quarter ended September 30, 2023 from 134,652 MWh in the same quarter of 2022. The increase resulted from higher production of 129,475 MWh contributed by the Company's geothermal facility in Nicaragua ("San Jacinto") and an aggregate of 23,078 MWh contributed by the Company's hydroelectric facilities in Peru. Furthermore, the Company's facilities acquired in 2022 contributed an additional 26,200 MWh split as follows: 14,596 MWh in Dominican Republic ("Canoa 1"); 6,902 MWh in Ecuador ("San Jose de Minas" or "HSJM"), while the recently constructed facilities in Panama ("Vista Hermosa Solar Park I & II"), contributed 4,702 MWh during this quarter.

- The Company generated $18.8 million in revenue for the three months ended September 30, 2023, compared to $14.5 million in the same period in 2022. The 30% increase was due to additional energy revenue sales from the increase in production mentioned above coupled with the increased prices due to inflation adjustments in the power purchase agreements ("PPA") from our Peruvian facilities.

- Net earnings attributable to owners was $1.0 million or $0.05 per share – basic for the three months ended September 30, 2023, compared to a net loss of $1.49 million or $(0.07) per share – basic in 2022.

- Adjusted EBITDA[(1)] was $13.7 million for the three months ended September 30, 2023, compared to Adjusted EBITDA[(1)] of $10.0 million in the same period in 2022, principally as a result of revenue increases, as described above.

- For the three months ended September 30, 2023, the Company generated $13.5 million in net cash flow from operating activities, ending with a cash position of $45.6 million, including restricted cash.

- The Company remains focused on maintaining a quarterly dividend. For the three months ended September 30, 2023, the Company has declared and will pay a quarterly dividend of $0.15 per outstanding common share on November 24, 2023.

- The Company concluded several optimization projects at its operating plants, including a battery project in Peru and well enhancements in Nicaragua.

- On August 21, 2023 the Company announced that the Toronto Stock Exchange accepted its notice of intention to proceed with a normal course issuer bid ("NCIB"), under which Polaris may purchase up to 2,048,273 of its common shares, providing the Company with flexibility to manage its capital position.

- The Company continued to advance its environmental, social and governance ("ESG") initiatives as part of its core strategy while continuing to maintain an excellent health and safety record. For additional details, readers are encouraged to refer to the Company's annual sustainability report, which is available on the Company's website.

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(1) A Non-GAAP measure used by the Company. 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.

(expressed in thousands of United States dollars)

2. OPERATIONS AND FINANCIAL HIGHLIGHTS

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Energy production				
Consolidated Power MWh	**178,753**	134,652	**608,131**	475,536
Financials				
Total revenue	**$ 18,842**	$ 14,512	**$ 59,774**	$ 45,762
Net earnings (loss) attributable to owners	**$ 1,018**	$ (1,491)	**$ 10,336**	$ (502)
Adjusted EBITDA	**$ 13,734**	$ 10,010	**$ 44,445**	$ 33,265
Net cash flow from operating activities	**$ 13,451**	$ (1,101)	**$ 33,793**	$ 20,660
Per share				
Net earnings (loss) attributable to owners - *basic and diluted*	**$ 0.05**	$ (0.07)	**$ 0.49**	$ (0.03)
Adjusted EBITDA - *basic*	**$ 0.65**	$ 0.49	**$ 2.11**	$ 1.68

Balance Sheet	**As at September 30, 2023**	**As at December 31, 2022**
Total Cash (Restricted and Unrestricted)	**$ 45,641**	$ 39,965
Total current assets	**$ 56,952**	$ 50,609
Total assets	**$ 525,807**	$ 535,102
Current and Long-term debt	**$ 175,876**	$ 184,408
Total liabilities	**$ 254,352**	$ 264,890

3. BUSINESS OVERVIEW AND STRATEGY

Polaris Renewable is a Toronto-based company engaged in the acquisition, development and operation of renewable energy projects in Latin America. The Company operates a 72 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, 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 Latin America focused renewable power leader, while providing superior shareholder returns.

Senior management 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. Two new members were added to the Board at the Company's annual meeting of shareholders held on June 22, 2023. These two new members, Catherine Fagnan and Adarsh P. Mehta, add to the diversity on the Board and bring specialized expertise to the Board.

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

Additionally, the Company is committed to investing in the local communities surrounding its facilities through social programs aimed at improving the quality of education, sustainability of the environment, health of individuals, access to sports and agricultural processes.

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;
- finalize carbon credit certification at all operating facilities;
- balancing sustainable or increased dividends with deploying excess cash flow into growth and diversification;
- deployment of the Company's sustainability strategy in all jurisdictions; and
- continued back-office IT related enhancements.

(expressed in thousands of United States dollars)

The Company's long-term goals are to continue to grow and diversify its operations in the Americas region through renewable energy projects with attractive return profiles. The Company firmly believes there is significant potential for renewable energy projects in various Latin American countries that have not been fully developed. Furthermore, the emphasis on renewable energy is growing and provides attractive, long-term return profiles and potential for the sale of carbon emission reduction ("CER") credits.

Events, transactions and activities relating to Polaris Renewable's properties which occurred during the quarter ended September 30, 2023 and to the date of this MD&A are discussed below.

4. OPERATING SEGMENT PERFORMANCE

CONSOLIDATED RESULTS

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Power production in MWh				
Nicaragua (Geothermal)	**129,475**	98,949	**386,934**	325,901
Peru (Hydroelectric)	**23,078**	18,992	**141,398**	132,924
Dominican Republic (Solar)	**14,596**	14,262	**43,229**	14,262
Ecuador (Hydroelectric)	**6,902**	2,449	**28,339**	2,449
Panama (Solar)	**4,702**	-	**8,231**	-
Total consolidated power production in MWh	**178,753**	134,652	**608,131**	475,536

During the three months ended September 30, 2023, quarterly consolidated power production was 30% higher than consolidated power production for the three months ended September 30, 2022 due to higher production from our existing facilities in Nicaragua and Peru, coupled with additional production from the facilities in Dominican Republic and Ecuador, acquired in 2022, and Vista Hermosa Solar Park which began operations in Panama in April 2023.

For Nicaragua, the increase in production for the three months ended September 30, 2023 is a combination of the additional production from the Binary Unit (as defined below) which started operating December 31, 2022, and additionally, the lower than average production in July 2022, as a result of the planned major maintenance at the plant.

Consolidated production in Peru for the three months ended September 30, 2023 was higher than the comparative period in 2022 due to somewhat better hydrology coupled with less down time and lower frequency of technical issues.

For Dominican Republic, the Canoa 1 facility, acquired on June 28, 2022, produced 14,596 MWh in the three months ended September 30, 2023. This is marginally higher than the results for the same period in 2022, mainly due to better irradiance.

For Ecuador, the HSJM facility, acquired on September 7, 2022, produced 6,902 MWh in the three months ended September 30, 2023. This is in line with production from historical results and management expectations. Overall, and similar to Peru, production in Ecuador is driven by the dry and wet season, with the rainy season generally starting in November and running until May-June.

For Panama, the Vista Hermosa Parks produced 4,702 MWh in the three months ended September 30, 2023. Vista Hermosa began operations on April 22, 2023, with this being the first full quarter of production reported, in line with budget and management expectations.

During the nine months ended September 30, 2023, quarterly consolidated power production was 608,131 MWh, higher than the 475,536 MWh consolidated power production for the nine months ended September 30, 2022, due to additional production from the Binary Unit in Nicaragua, which began operating on December 30, 2022, as well as additional production from the Dominican Republic, Panama and Ecuador facilities, acquired in 2022, coupled with improved production in Peru.

(expressed in thousands of United States dollars)

NICARAGUA – Geothermal Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Power production				
San Jacinto - MWh	**129,475**	98,949	**386,934**	325,901
Financial				
Revenue	**$ 14,398**	$ 11,003	**$ 43,028**	$ 36,240

San Jacinto - Tizate – San Jacinto, Nicaragua

Through its subsidiary, Polaris Energy Nicaragua S.A. ("PENSA"), the Company owns and operates a 72 MW capacity geothermal facility. 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, 2023, power production was higher compared to the nine months ended September 30, 2022, due to the additional production provided by the Binary Unit, that began operating in December 2022, which offset the lower steam production from Units 3 and 4, given the expected natural decline of the field. Total combined production came in within our expected range for the period.

The Company thoroughly assessed the ability to extract waste heat from the brine that is currently generated from the production wells at San Jacinto, and then re-inject it into the field. Such brine is of a sufficient temperature that the Organic Rankine Cycle Power Plant ("Binary Unit" or "Binary Project") can be used. Construction of the Binary Unit was completed in December 2022. Initial start-up, tests and deliveries of energy commenced on December 30, 2022, and full capacity was achieved on December 31, 2022. Production from the Binary unit has met expectations and is producing an average of approximately 10 MW of additional power.

The commissioning of the Binary Unit provides the Company the ability and flexibility to implement an injection strategy that is essentially 100% outfield given that the outfield injection wells can accept more brine given the reduced temperature. However, management is also of the view that a certain level of infield injection is required to provide short term pressure support to certain wells. With this flexibility, we will test certain configurations to optimize the field output over the long term.

PERU – Hydroelectric Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Power production				
8 de Agosto - MWh	**8,192**	7,780	**82,659**	81,528
El Carmen - MWh	**4,283**	5,705	**31,450**	31,942
Canchayllo - MWh	**10,602**	5,507	**27,289**	19,454
Total Peru in MWh	**23,077**	18,992	**141,398**	132,924
Financial				
Revenue	**$ 1,390**	$ 1,024	**$ 7,796**	$ 6,559

(expressed in thousands of United States dollars)

El Carmen and 8 de Agosto – Huanuco, Perú:

El Carmen (approximately 8 MW capacity) and 8 de Agosto (approximately 20 MW capacity) are two run-of-river hydroelectric facilities in the Huanuco region of Peru.

For the three and nine months ended September 30, 2023, production at 8 de Agosto and El Carmen facilities was similar to those periods in 2022, since slightly lower hydrology was offset by no down time at the facilities.

Canchayllo – Canchayllo, Perú:

Canchayllo is a run-of-river hydroelectric facility with a rated capacity of approximately 5 MW located in the Canchayllo district of Peru. Canchayllo has a US dollar denominated PPA effective until December 31, 2034.

For the three and nine months ended September 30, 2023, production at Canchayllo was higher than in the three and nine months ended September 30, 2022, as a result of higher water volumes.

Typically, the dry season in Peru begins in May and ends in October, which impacts energy production levels to various degrees at the Company's operating facilities located in the country.

Total revenue from the sale of energy by the Peruvian facilities increased during the three and nine months ended September 30, 2023 due to overall higher production coupled with higher effective prices, adjusted in May of each year, compared to the three and nine months ended September 30, 2022.

The following tables summarize the final effective prices for our three hydro facilities in Peru, which increase reflects the adjustment to the PPA price due to the inflation factor applied as stated in the contract:

Effective price $/MWh	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
8 de Agosto (Hydroelectric)	**$ 61.80**	**$ 61.80**	**$ 47.30**	**$ 47.30**
El Carmen (Hydroelectric)	**$ 65.90**	**$ 65.90**	**$ 62.50**	**$ 62.50**
Canchayllo (Hydroelectric)	**$ 61.40**	**$ 61.40**	**$ 58.20**	**$ 58.20**

Effective price $/MWh	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
8 de Agosto (Hydroelectric)	$ 47.30	$ 47.30	$ 41.90	$ 41.90
El Carmen (Hydroelectric)	$ 62.50	$ 62.50	$ 55.90	$ 55.90
Canchayllo (Hydroelectric)	$ 58.20	$ 58.20	$ 53.60	$ 53.60

Based on the terms of each PPA, the Company has the right to file a one-time request to reduce the committed energy by up to 15% to reduce the risk that penalties are applied and, as such, receive the defined PPA prices. In January 2023 the Company made the formal application to reduce the committed energy at 8 de Agosto, which was approved by the authority on April 27, 2023. The change in committed energy as well as the adjusted PPA price was applied to the RER year started on May 1, 2023.

DOMINICAN REPUBLIC – Solar Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Power production				
Canoa 1 - MWh	**14,596**	14,262	**43,229**	14,262
Financial				
Revenue	**$ 1,892**	$ 1,857	**$ 5,604**	$ 1,857

(expressed in thousands of United States dollars)

Canoa 1 - Barahona, Dominican Republic

On June 28, 2022, the Company completed the acquisition of all of the issued and outstanding common shares of Emerald Solar Energy SRL ("Emerald"), which owns 100% of a 25 MW operational solar project located in the Barahona Province, Dominican Republic, in exchange for $20.3 million paid in cash.

Canoa 1 started commercial operations on March 7, 2020 and has a PPA in place with Edesur, denominated in US dollars, with a deemed price for 2022 of $128.10 per MWh. The PPA has an inflator of 1.22% per annum until the price reaches $142.80 per MWh at which point the price remains fixed until the end of the PPA in 2040. The PPA can be subsequently renewed for a five-year term, at a price 20% lower than the PPA price in place in 2040.

Production of 14,596 MWh and 43,229 MWh for the three and nine month period of 2023 respectively was essentially in line with expectations.

ECUADOR – Hydroelectric Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Power production				
San Jose de Minas - MWh	**6,902**	**2,449**	**28,339**	**2,449**
Financial				
Revenue	**$ 539**	**$ 191**	**$ 2,213**	**$ 191**

San Jose de Minas, Ecuador

On September 7, 2022, the Company acquired 83.16% of the issued and outstanding common shares of Hidroelectrica San Jose de Minas, an operational hydro 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 current effective price of the PPA is $78.10 per MWh.

For the three and nine months ended September 30, 2023, HSJM produced 6,902 MWh and 28,339 MWh, which is in line with historical production and our expectation. Overall, and similar to Peru, production in Ecuador is driven by the dry and wet season, with the rainy season generally starting in November and running until May/June.

(expressed in thousands of United States dollars)

PANAMA - Solar Energy Production

	Three Months Ended		Nine Months Ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Power production				
Vista Hermosa - MWh	**4,702**	-	**8,231**	-
Financial				
Revenue	**$ 623**	$ -	**$ 1,133**	$ -

Vista Hermosa Solar Park I & II, Panama

On March 17, 2022, the Company completed the acquisition of a solar project, with total capacity of 10 MW. Construction activities began in the second quarter of 2022 and were completed in March 2023. Formal connection approval was received from local Government authorities and the plant was connected to the electrical grid on April 22, 2023. The solar plant is located in the village of Vista Hermosa, Corregimiento de Pueblos Unidos, Aguadulce district, Coclé Province, in Panama, approximately three and a half hours by car from Panama City. Upon completing construction, the plant was connected to the national transmission network (National Interconnected System) at the ETESA Substation (Electric Transmission Company) of Llano Sánchez through an air-underground electric sub-transmission line of about 3 Km in length.

At the date of this report, the solar project does not have contracts but does have the ability to sell into the spot market. The Company is assessing the benefits of securing long-term contracts versus selling into the spot market. The Company currently believes that a combination of both is a likely outcome, however it has commenced operations purely selling on a spot basis, given the current strength in the that market. The effective spot price obtained for the period July to September 2023 was $132.51 per MWh. This spot price is above long-term expectations and is largely due to the fact that the dry season in Panama lasted longer than normal which has resulted in a higher percentage of fossil fuel generation required to satisfy demand.

5. DEVELOPMENT PROPERTIES

NICARAGUA, WELL OPTIMIZATIONS

During Q3 2023, the Company conducted a technical process to clean out two of its lower production wells, namely SJ4-2 and SJ6-3. These wells produce approximately 0.25 MWs and 2.5 MWs respectively. Both wells showed signs that permeability was lower than otherwise could be as a result of events during the latest drilling campaign. Based on numerous consultations with technical advisors, a program was developed and deployed during August and September to clean out the wells and improve the permeability and resulting production. The program, with a cost of $0.7 million, is targeting an improvement of 1-2 MWs per well. It has taken more than a few weeks after the cleanse for the wells to recover their original temperature and restart anticipated production.

ECUADOR DEVELOPMENT

HSJM has one expansion opportunity consisting of the introduction of a conduction channel from the adjacent Perlabi river that would increase the load factor of the existing plant from approximately 65% to approximately 85%. Such expansion does not require any amendments to the current PPA. Although the company had initiated construction efforts on the Perlabi project in April 2023, given the inflationary pressures, the construction was halted and the execution of the project construction has been postponed.

DOMINICAN REPUBLIC DEVELOPMENT, CANOA 2 - BARAHONA

On October 18, 2022, the National Energy Commission ("CNE") issued the definitive concession for Canoa 2, which 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. The Company is currently revisiting the final permits and expansion plan before proceeding with construction. The key development milestone to finalize and amend is the inter-connection agreement with the Government owned transmission company to enable the additional capacity to be connected to the current network. Once this is finalized we will proceed to ramp up the construction activities. And expect a total construction timeline of approximately 15 months.

6. SUSTAINABILITY STRATEGY

As the Company continues to grow, it remains committed to the belief that long-term returns are bolstered by a healthy balance among all stakeholders including equity and debtholders, employees, customers, the communities our business operates in, and the environment. Our commitment to sustainability is rooted in our business strategy and our corporate values. The Company's four (4) pillars of sustainability, by which our strategy is governed, are "Our Practice", "Our People", "Our Partners", "Our Planet". The Company's sustainability strategy is divided in these four key areas, which address governance, social (internal and external), and environmental aspects that are relevant to the business as well as to internal and external stakeholders. The Company continues to implement its strategy including specific KPIs to support its commitments to material topics.

For the nine months of 2023, key highlights of the Company's initiatives in the jurisdictions in which it operates include:

- Training to all employees including Code of Business Conduct and Ethics, Harassment and Violence at the Workplace, Cybersecurity & Ransomware awareness, environmental education & Health and Safety education, among others
- Health and Safety initiatives including the start of near-miss programs and Healthy Employee fitness and nutrition initiatives.
- Awareness campaigns in connection with International Forests Day, World Environmental Day, World Day for Safety and Health at Work and Mental Health Awareness Week.
- Reforestation Campaigns that involve our employees and local communities.
- Continued contributions to local education, community agricultural projects, ranging from coffee production, beekeeping, watermelon production, always in harmony with the environment. Additionally, contributed with local infrastructure, such as the improvement of an access road and a rural bridge.

Readers are encouraged to read the Company's Annual Sustainability Report available on the Company's website.

(expressed in thousands of United States dollars)

7. CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Consolidated Statement of Operations and Comprehensive Earnings				
Revenue				
Power revenue	**$ 18,842**	$ 14,075	**$ 59,774**	$ 44,847
Carbon emission reduction credits revenue	**$ -**	$ 437	**-**	915
Direct costs				
Direct costs	**(3,427)**	(2,827)	**(9,962)**	(8,253)
Depreciation and amortization of plant assets	**(7,229)**	(6,564)	**(21,666)**	(18,880)
General and administrative expenses	**(1,955)**	(2,032)	**(6,020)**	(4,944)
Other operating costs	**(18)**	(476)	**(21)**	(800)
Operating income	**$ 6,213**	$ 2,613	**$ 22,105**	$ 12,885
Interest income	**603**	256	**1,264**	405
Finance costs	**(5,582)**	(5,586)	**(16,128)**	(16,871)
Other (losses) gains	**(119)**	2,356	**(793)**	1,894
Earnings and comprehensive earnings before income taxes	**$ 1,115**	$ (361)	**$ 6,448**	$ (1,687)
Current Income Tax (expense)	**(75)**	-	**(405)**	-
Deferred Income Tax recovery	**(29)**	(1,122)	**4,429**	1,205
Total earnings and comprehensive earnings	**$ 1,011**	$ (1,483)	**$ 10,472**	$ (482)
Total earnings and comprehensive earnings attributable to:				
Owners of the Company	**$ 1,018**	$ (1,491)	**$ 10,336**	$ (502)
Non-controlling interests	**$ (7)**	$ 8	**$ 136**	$ 20
Basic earnings per share	**$ 0.05**	$ (0.07)	**$ 0.49**	$ (0.03)

Three months ended September 30, 2023 versus September 30, 2022

Total Revenue increased by 30% to $18.8 million during the three months ended September 30, 2023, compared to $14.5 million in the same period of 2022. The increase was the combined result of a 30% increase in production contributed by the Company's facilities, coupled with an increase in the effective PPA prices applied to our Peruvian facilities.

Direct costs of energy production (other than depreciation and amortization) were $3.4 million for the three months ended September 30, 2023, compared to $2.8 million in the same period of 2022. The 20% increase in direct costs is mostly due to the inclusion of $0.4 million in direct costs from our operation in Ecuador, and $0.2 million in direct costs from our operation in Panama.

The depreciation and amortization expense associated with energy production (included in direct costs) for the three months ended September 30, 2023, was $7.2 million, 10% higher than the $6.6 million expense in the same period in 2022 mainly due to additional depreciation and amortization charges from the facilities in Ecuador, acquired in Q3 2022, and Panama that began operating in April 2023.

General and administrative expenses for both the three months ended September 30, 2023, and 2022, was $2.0 million. While Q3 2022 included an increase in G&A costs due to the inclusion of Panama and Ecuador, Q3 2022 included legal and other fees related to the acquisition of Canoa, in the Dominican Republic.

Interest income for the three months ended September 30, 2023, increased to $0.6 million from $0.3 million in the same period of 2022, as the Company has benefited from higher interest rates offered by financial institutions in 2023.

For the three months ended September 30, 2023, finance costs were $5.6 million compared to $5.6 million finance costs recorded in the same period of 2022.

Other losses for the three months ended September 30, 2023, were $0.1 million compared to $2.4 million during the 2022 period. The 2022 loss was higher due to the revaluation of the conversion option liability from the convertible debenture that was redeemed in the third quarter of 2022.

Earnings attributable to owners was $1.0 million for the three months ended September 30, 2023, compared to a loss of $1.5 million for the same period in 2022. The loss of 2022 was driven by the "Other losses" and "Deferred income tax expense" previously discussed and not applicable for the 2023 period.

Adjusted EBITDA was $13.7 million for the three months ended September 30, 2023, compared to $10.0 million for the same period in 2022, principally as a result of higher revenues and operating margin as discussed above. *(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).*

Nine months ended September 30, 2023 versus September 30, 2022

Total Revenue was $59.8 million during the nine months ended September 30, 2023, compared to $45.8 million in the same period of 2022. The 31% increase was the combined result of the additional revenue from energy sales from the Binary Unit in Nicaragua, the facilities in Ecuador, acquired in 2022, the facilities in Panama that started production in Q2 2023, coupled with higher PPA prices applied to our Peruvian facilities.

Direct costs of energy production (other than depreciation and amortization) were $10.0 million for the nine months ended September 30, 2023, compared to $8.3 million in the same period of 2022. The increase in direct costs is the result of: $0.7 million direct costs from our operation in Dominican Republic, acquired on June 28, 2022; $0.3 million direct costs from our operation in Ecuador, acquired on September 7, 2022; $0.2 million direct costs from our facilities in Panama that began operating in April 2023, and $0.5 million from operations in Nicaragua resulting from the addition of the binary plant in 2023 and the associated increase in costs. Direct costs of energy production for Peru was consistent on a year-over-year basis.

The depreciation and amortization expense associated with energy production (included in direct costs) for the nine months ended September 30, 2023 was $21.7 million, higher than the $18.9 million expense in the same period in 2022 mainly due to additional depreciation and amortization charges from the new facilities in Dominican Republic, Ecuador and Panama.

General and administrative expenses for the nine months ended September 30, 2023 was $6.0 million compared to $4.9 million in first nine months of 2022. Administrative expenses for Dominican Republic, Panama and Ecuador of $0.5 million are included in the nine months ended September 30, 2023, which had not yet been acquired by the Company in the comparative period of 2022, as detailed above. Furthermore, expenses for the implementation of a new ERP system of $0.6 million were also incurred in the 2023 period. The remainder of the increase is a combination of certain one-time, non-recurring items and a general increase in the consolidated overheads as a result of the growth in the business.

Interest income for the nine months ended September 30, 2023 increased to $1.3 million, from $0.4 million in the same period of 2022, due to higher interest rate offered by the financial institutions in 2023 and additional balances held as short term deposits in the 2023 period.

For the nine months ended September 30, 2023, finance costs were $16.1 million, compared to $16.9 million finance costs recorded in the same period of 2022. The decrease was the net result of prepayment fees, for approximately $3.0 million, incurred in the first quarter of 2022 from the settlement of San Jacinto's Senior and Subordinated loans, coupled with the $0.7 million of financing costs that were capitalized to Vista Hermosa Solar Park, a qualifying asset in the first quarter of 2023. The decrease in finance costs was partly offset by added costs related to the new debt facilities assumed with the acquisitions of HSJM and Canoa 1 and the increase in effective interest rates applicable to the Nicaragua refinanced debt in the 2023 period.

(expressed in thousands of United States dollars)

Other losses for the nine months ended September 30, 2023 were $0.8 million compared to $1.9 million gains during the 2022 period, mainly due to foreign exchange losses recognized during 2023 versus foreign exchange gains in 2022.

Deferred income tax (DIT) recovery of $4.4 million for the nine months ended September 30, 2023 increased compared to deferred income tax recovery of $1.2 million in the same period of 2022. This variance is primarily related to the movements in Nicaragua's DIT since certain components of the Phase I and Phase II plant have been fully depreciated for tax purposes, resulting in a decrease of the temporary differences and a higher DIT recovery in Q3 2023.

Earnings attributable to owners was $10.3 million for the nine months ended September 30, 2023, compared to $0.5 million earnings for the same period in 2022. The increase was driven by higher operating margin, coupled with the deferred income tax recovery and lower finance costs recognized in the 2023 period, partly offset by the increase in Other (losses) gains compared to the first half of 2022.

Adjusted EBITDA was $44.4 million for the nine months ended September 30, 2023, compared to a $33.3 million for the same period in 2022, principally as a result of higher operating margin discussed above. *(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).*

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 September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net cash from (used in)				
Operating activities	$ **13,451**	$ (1,101)	$ **33,793**	$ 20,660
Investing activities	**(2,648)**	(16,783)	**(7,585)**	(57,305)
Financing activities	**(6,489)**	(4,786)	**(20,543)**	(24,438)
Foreign exchange gain on cash held in foreign currency	**9**	6	**11**	1
Increase (decrease) in cash	$ **4,323**	$ (22,664)	$ **5,676**	$ (61,082)

- Net cash from operating activities for the three months ended September 30, 2023 of $13.5 million was greater than the $1.1 million for the same period in 2022, mainly due to greater revenue-duly collected- and higher payables held at September 30, 2023 compared to the same period in 2022. The same rationale applies for the 9 months ended September 2023 and 2022.
- Net cash used in investing activities for the three months ended September 30, 2023 was $2.6 million compared to $16.8 million spent in the same period of 2022, since Q3 2022 had a large outflow of funds related to the acquisition of Canoa 1, in Dominican Republic, construction of the Binary Unit -completed in December 2022- and construction of Vista Hermosa Solar Parks -substantially completed on March 31, 2023-. The same rationale applies for the 9 months ended September 2023 and 2022.
- Net cash used in financing activities for the three months ended September 30, 2023 of $6.5 million compared to $4.8 million net cash used in financing activities reported in the same period in 2022. However, for the nine months ended September 30, 2023, net cash used in financing activities was $20.5 million , that is, lower than the $24.4 million for the same period in 2022 since current year's increase in rates of the Company refinanced PENSA's senior debt, was more than offset by $9.5 million in issuance costs paid in 2022.

(expressed in thousands of United States dollars)

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

	September 30, 2023	December 31, 2022
Total Cash (Restricted and Unrestricted)	**$ 45,641**	$ 39,965
Total current assets	**$ 56,952**	$ 50,609
Total assets	**$ 525,807**	$ 535,102
Current and Long-term debt	**$ 175,876**	$ 184,408
Total liabilities	**$ 254,352**	$ 264,890

(i) Cash in the amount of $18.1 million and (December 31, 2022 - $15.6 million) held by the Company is restricted for use in the San Jacinto project and governed by the terms of the Trust and the Credit Agreements, where the process to withdraw funds is considered perfunctory to the agreement, as long as the required covenants and balances are met. The Credit Agreements require certain amounts to be held in reserve for future debt service as well as for future investment in the San Jacinto project through the major maintenance reserve account. Therefore, as these amounts are demand deposits that are held for the purpose of meeting short-term cash commitments of the San Jacinto project, the Company considers them as available cash, since they are available for current use.

Total assets were $525.8 million as at September 30, 2023 compared to total assets of $535.1 million as of December 31, 2022. The decrease is mainly due to the depreciation and amortization of plant and equipment as well as intangibles, partly offset by an increase in cash, accounts receivable and deferred tax asset recognized in the period. The Company believes that it has adequate liquidity to fund the routine capital expenditures associated with maintaining San Jacinto, the Generación Andina SAC facilities and Canchayllo, Canoa 1, HSJM and Vista Hermosa Solar Park. 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.

Total liabilities as at September 30, 2023 were $254.4 million, a $10 million decrease from December 31, 2022, due to a decrease in long-term debt from principal payments made, coupled with the decrease in deferred tax liability. During the nine months ended September 30, 2023, PENSA repaid $7.5 million of principal on its San Jacinto credit facilities, the Peruvian facilities repaid a total of $1.1 million of APG and Generación Andina's debt, Emerald repaid $1.3 million of the Canoa 1 debt and HSJM paid $0.8 million of its credit facility. As at September 30, 2023, the total principal balance outstanding of all the credit facilities was $200.5 million.

As at September 30, 2023, the Company is in compliance with all of its operating and financial covenants.

Remaining contractual maturities of the Company's financial liabilities as at September 30, 2023 are as follows:

	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	Total
Accounts payable and accrued liabilities	$ 16,225	$ -	$ -	$ -	$ 16,225
Debt, current and long-term	15,361	32,715	47,823	104,643	200,542
Interest obligations	18,004	29,163	22,762	35,185	105,114
Lease liabilities	50	1,087	806	815	2,758
	$ 49,640	**$ 62,965**	**$ 71,391**	**$ 140,643**	**$ 324,639**

(expressed in thousands of United States dollars)

The following are the annual principal obligations on project credit facilities for the remaining terms of the loans and credit facilities from the new entities acquired in the year:

	San Jacinto debt	Generación Andina	APG Ltd. (BVI)	Canoa 1	San Jose de Minas
2023	2,500	1,030	200	214	343
2024	10,000	2,071	950	1,621	1,183
2025	10,000	2,092	950	1,770	1,456
2026	10,000	2,113	1,300	1,924	1,010
2027	8,011	2,134	1,300	2,086	600
2028	7,421	2,155	20,200	2,256	349
2029	7,065	2,177	-	2,395	-
2030	6,846	2,198	-	2,423	-
2031	6,736	2,220	-	2,484	-
2032	6,703	2,243	-	2,531	-
2033	6,749	2,265	-	2,592	-
2034	6,854	2,288	-	2,662	-
2035	7,002	2,310	-	2,738	-
2036	3,714	2,334	-	2,807	-
2037	-	4,726	-	2,690	-
2038	-	3,551	-	-	-
Total	***$ 99,601***	***$ 37,907***	***$ 24,900***	***$ 33,193***	***$ 4,941***

Interest on the APG Ltd. (BVI) credit facility is due and payable semi-annually and is currently estimated to be $1.2 million each period. The Company plans to make payments of interest on the San Jacinto, APG Ltd. (BVI), Canoa 1 and HSJM credit facilities out of current cash and cash generated by operations. The Generación Andina credit facility bears no interest.

Additional discussion relating to the above financial instruments as well as Capital Management are included in Note 14 to the Condensed Consolidated Interim Financial Statements as of September 30, 2023, and 2022.

OTHER CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company enters into agreements for geothermal concessions. Below are the minimum annual payments required as at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
No later than one year	**$ 30**	$ 30
For years 2 - 5	**120**	120
Thereafter	**300**	300
Total commitments for expenditures	**$ 450**	$ 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:

(expressed in thousands of United States dollars)

As at	November 1, 2023	September 30,2023
Common shares issued and outstanding	**21,025,775**	21,025,775
Share options outstanding (i)	**273,828**	291,828
Deferred share units (fully vested)	**19,987**	19,987
Restricted share units (ii)	**43,703**	43,703

(i) The outstanding stock options have a weighted average exercise price of Cdn$15.67 and 2.59 year remaining contractual life. Exercise prices range from Cdn$9.93 to Cdn$18.44 and expire from December 2023 to August 2028. On October 16, 2023, 18,000 options with exercise price of Cdn$13.50 were forfeited.

(ii) Restricted share units were granted on January 31, and August 10, 2023, and vest one third per year at the end of each period. 2,400 restricted share units were forfeited on July 5, 2023.

9. SUMMARY OF UNAUDITED QUARTERLY RESULTS

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

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Production MWh	**178,753**	211,765	217,613	174,220
Total revenue	**$ 18,842**	$ 20,817	$ 20,115	$ 16,870
Direct cost of power production	**$ (10,656)**	$ (10,630)	$ (10,342)	$ (10,305)
Net earnings (loss) attributable to owners of the Company	**$ 1,018**	$ 4,622	$ 4,696	$ 3,001
Basic weighted average number of shares outstanding	**21,044**	21,080	21,026	21,026
Earnings per share attributed to owners of the Company - basic	**$ 0.05**	$ 0.22	$ 0.22	$ 0.14
Adjusted EBITDA	**$ 13,734**	$ 15,386	$ 15,325	$ 11,658
Total Cash (Unrestricted and Restricted)	**$ 45,641**	$ 41,904	$ 40,600	$ 39,965
Total equity attributable to Owners of the Company	**$ 270,784**	$ 272,839	$ 271,288	$ 269,677

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Production MWh	**134,652**	163,119	177,765	162,543
Total revenue	**$ 14,512**	$ 15,184	$ 16,066	$ 14,871
Direct cost of power production	**$ (9,391)**	$ (9,063)	$ (8,679)	$ (9,039)
Net earnings (loss) attributable to owners of the Company	**$ (1,491)**	$ (1,542)	$ 2,531	$ (921)
Basic weighted average number of shares outstanding	**20,254**	19,626	19,589	19,489
Earnings per share attributed to owners of the Company - basic	**$ (0.07)**	$ (0.08)	$ 0.13	$ (0.05)
Adjusted EBITDA	**$ 10,010**	$ 11,188	$ 12,097	$ 11,067
Total Cash (Unrestricted and Restricted)	**$ 41,638**	$ 64,292	$ 87,224	$ 101,765
Total equity attributable to Owners of the Company	**$ 269,786**	$ 258,038	$ 262,412	$ 262,759

10. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

RECENT PRONOUNCEMENTS ISSUED AND EARLY ADOPTION OF STANDARDS

The Company's consolidated financial statements are prepared in accordance with IFRS. The significant accounting policies applied, and recent accounting pronouncements are described in Note 2 and Note 3 to the Company's consolidated financial statements for the year ended December 31, 2022.

The Company reviewed new and revised accounting pronouncements that have been issued and are effective for periods beginning on or after January 1, 2023. There are currently no 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, 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 consolidated financial statements and the notes thereto for the year ended December 31, 2022.

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.sedar.com.

The following discussion summarizes the Company's principal financial risks and related uncertainties:

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by seeking to arrange to have sufficient cash, 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 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 or, from time-to-time, may enter into hedging 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.

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 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 material 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. 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 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 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 and solar operations is highly dependent upon the availability of their input resources in a given year. Shifts in weather or climate patterns, seasonal precipitation and the timing and rate of melting and runoff may impact the water flow to our facilities. The strength and consistency of the wind resource at our facilities impacts production. The operation of thermal facilities can also be impacted by ambient temperatures and the availability of water and fuel. Where we are unable to produce sufficient quantities of output in relation to contractually specified volumes we may be required to pay penalties or purchase replacement power in the market.

The volume risk is managed by the Company by:

- actively managing our assets and their condition in order to be proactive in facility maintenance so that our facilities are available to produce when required;
- placing our facilities in locations we believe to have adequate resources to generate electricity to meet the requirements of our contracts. However, we cannot guarantee that these resources will be available when we need them or in the quantities that we require; and
- diversifying our fuels and geography as one way of mitigating regional or fuel-specific events.

13. NON-GAAP PERFORMANCE MEASURES

Certain measures in this MD&A 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 MD&A include references to the Company's adjusted EBITDA and adjusted EBITDA per share, which are non-GAAP measures. These measures should not be considered in isolation or as an alternative to net earnings (loss) attributable to the owners of the Company or other measures of financial performance calculated in accordance with IFRS. Rather, these measures are provided to complement IFRS 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).

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, hybrid taxes presented within general and administrative expenses, 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:

(expressed in thousands of United States dollars)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Total earnings and comprehensive earning attributable to Owners of the Company	**$ 1,018**	$ (1,491)	**$ 10,336**	$ (502)
Add (deduct):				
Total earnings attributable to non-controlling interest	**(7)**	8	**136**	20
Current and deferred tax expense (recovery)	**258**	1,122	**(3,767)**	(1,205)
Finance costs	**5,582**	5,586	**16,128**	16,871
Interest income	**(603)**	(256)	**(1,264)**	(405)
Other losses (gains)	**119**	(2,356)	**793**	(1,894)
Costs incurred in business acquisition	**-**	476	**-**	800
Decommissioning liabilities adjustments	**-**	9	**-**	23
Depreciation and amortization	**7,288**	6,681	**21,839**	19,166
Share-based compensation	**79**	231	**244**	391
Adjusted EBITDA	**$ 13,734**	$ 10,010	**$ 44,445**	$ 33,265
Basic weighted average number of shares outstanding	**21,043,630**	20,253,570	**21,043,371**	19,825,079
Adjusted EBITDA per share	**$ 0.65**	$ 0.49	**$ 2.11**	$ 1.68

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, 2023.

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.

Internal controls over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and

(iii) 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, 2023 that has materially affected, or is reasonably likely to materially affect, the internal controls over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

Forward-looking information in this MD&A includes, but is not limited to: the future development of and costs related to the Binary Unit at San Jacinto; 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 Dominican Republic and to increase the load factor on Canoa Solar Park in Dominican Republic; timing for completion of the Canoa 2 project expansion, timing for COD in relation to Vista Hermosa Solar Park, in Panama; future development of and costs related to the Perlabi project, in Ecuador; 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 reinjection 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, 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, 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 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 in which the Company operates; uncertainty of the ability of Nicaragua, Peru, Panama, Dominican Republic and Ecuador to sell power to neighbouring countries; economic insecurity in Nicaragua, Peru, Panama, Dominican Republic and Ecuador; 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 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, 2022 is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.polarisREI.com.

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