

# POLARIS

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## **Polaris Infrastructure Announces Private Placement Offering of Convertible Debentures**

April 30, 2019 – Toronto, ON - Polaris Infrastructure Inc. (“**Polaris Infrastructure**” or the “**Company**”) (TSX:PIF) announced today its launch of a private placement offering currently anticipated to raise \$12,000,000 aggregate principal amount of convertible debentures (the “**Convertible Debentures**”). The offering is being conducted through a syndicate of agents, co-led by Cormark Securities Inc. and Clarus Securities Inc. (collectively, the “**Agents**”). The Company has granted the Agents an option to sell an additional \$3,000,000 in Convertible Debentures under the Offering for total gross proceeds of \$15,000,000 (if exercised in full).

The Company intends to use the net proceeds of the Offering for general corporate purposes and to provide the flexibility to pursue further corporate development opportunities in Peru and similar jurisdictions in Latin America.

The Convertible Debentures will bear interest from the date of closing at 7.0% per annum, payable semi-annually in arrears and will mature on May 31, 2024 (the “**Maturity Date**”).

The Convertible Debentures will be unsecured obligations of the Company and rank *pari passu* in right of payment of principal and interest with all other previously existing unsecured indebtedness of the Company.

The Convertible Debentures will be convertible into common shares in the capital of the Company (“**Common Shares**”) at the option of the holder at any time prior to the close of business on the earlier of: (i) the last business day immediately preceding the Maturity Date, and (ii) the date fixed for redemption, at a conversion price of \$15.00 per Common Share (the “**Conversion Price**”), subject to adjustment in certain events. Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion.

The Convertible Debentures and any Common Shares issuable upon conversion or exercise thereof, as applicable, will be subject to a statutory hold period lasting four months and one day following the Closing Date. Closing of the Offering is expected to occur on or about May 28, 2019 (the “**Closing Date**”). The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Toronto Stock Exchange.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration

requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

## Q1 Financial & Operational Highlights

The Company intends to announce its full financial results for the three month period ended March 31, 2019 on Monday, May 6, 2019. Certain key financial and operational results of the Company for the three months ended March 31, 2019 are summarized below:

<i>(all US\$ figures in thousands except average production)</i>	Three Months Ended
Total Revenue	<u>March 31, 2019</u>
Adjusted EBITDA <sup>(1)</sup>	US\$18,601
Average Production – San Jacinto	US\$15,875
Average Production – Canchayllo	64.3MW (net)
	4.0 MW (net)

Note:

(1) See Non-GAAP Measure

## About Polaris Infrastructure

Polaris Infrastructure is a Toronto-based company engaged in the operation, acquisition and development of renewable energy projects in Latin America. Currently, the Company operates a 72 MW geothermal project located in Nicaragua and a 5 MW run-of-river project in Peru. The Company is also completing the construction of another 28 MW of run-of-river projects also located in Peru.

## Non-GAAP Measure

Certain measures in this document do not have any standardized meaning as prescribed by International Financial Reporting Standards (“IFRS”) and, therefore, are not considered generally accepted accounting principles (“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. EBITDA is a non-GAAP metric used by many investors to compare companies on the basis of ability to generate cash from operations. The Company uses Adjusted EBITDA to assess its operating performance without the effects of (as applicable): current and deferred tax expense, finance costs, interest income, other gains and losses, impairment loss, depreciation and amortization of plant assets, share-based compensation and other non-recurring items. The Company adjusts for these factors as they may be non-cash, unusual in nature and are not factors used by management for evaluating the performance of the Company. The Company believes the presentation of this measure will enhance an investor’s understanding of its operating performance. Adjusted EBITDA is not intended to be representative of cash provided by operating activities or results of operations determined in accordance with GAAP.

## **Forward Looking Statements**

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. These statements may relate to anticipated events or results and include, but are not limited to, expectations regarding the terms the Offering and receipt of related regulatory approvals, the Closing Date and other statements that are not historical facts. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “predicts”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. 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, general business, economic, competitive, political and social uncertainties; the actual results of current energy production, development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective energy resources; changes in project parameters as plans continue to be refined; possible variations of production rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the geothermal and hydroelectric industries; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals or in the completion of development or construction activities, or in the commencement of operations; the ability of the Company to continue as a going concern and general economic conditions, as well as those factors discussed in the section entitled “Risk Factors” in the Company’s Annual Information Form. These factors should be considered carefully and readers of this news release should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this news release is based upon what management believes to be reasonable assumptions, there can be no assurance that such 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. The information in this news release, including such forward-looking information, is made as of the date of this news release and, other than as required by applicable securities laws, Polaris Infrastructure assumes no obligation to update or revise such information to reflect new events or circumstances.

## **Contact Information**

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