POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES 2019 FIRST QUARTER RESULTS

TORONTO, ON (May 6, 2019) – Polaris Infrastructure Inc. (TSX: PIF) ("Polaris Infrastructure" or the "Company"), a Toronto-based company engaged in the operation, acquisition and development of renewable energy projects in Latin America, is pleased to report its financial and operating results for the quarter ended March 31, 2019. This earnings release should be read in conjunction with Polaris Infrastructure's financial statements and management's discussion and analysis ("MD&A"), which are available on the Company's website at www.polarisinfrastructure.com and have been posted on SEDAR at www.sedar.com. The dollar figures below are denominated in US Dollars unless noted otherwise.

HIGHLIGHTS

- **Strong power generation:** The San Jacinto project generated 139 GWh (net) (an average of 64.3 MW (net)), resulting in revenue of $18.6 million for the three months ended March 31, 2019, versus revenue of $14.7 million on generation of 116 GWh (net) (an average of 53.9 MW (net)) in the prior year period. The 27% revenue increase was due to higher average production in the first quarter of 2019, the impact of the 3% annual tariff increase and a $0.4 million contribution from Canchayllo. The 5 MW capacity Canchayllo facility produced total net 8.86 MWh for the quarter.

- **Strong cash flow generation:** The Company generated Adjusted EBITDA (a non-GAAP measure) of $15.9 million in the three months ended March 31, 2019, a 30% increase from the prior year period, reflecting revenue growth with ongoing control of costs. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total income (loss) and comprehensive income (loss).*

- **Continued construction progress in Peru**: The Company continues to execute on its build-out and completion of the El Carmen and 8 de Agosto projects acquired October 30, 2018. Progress continues towards a COD of October 30, 2019 with ongoing progress involving tunnel, transmission line easement & installation, forced penstock, powerhouse, access road and valves chamber completion. Both projects are currently at approximately total 80% completion.

- **Successful conclusion of annual turbine maintenance:** Comprehensive preventative maintenance was completed on the Unit 4 turbine at the San Jacinto project over the course of approximately two and a half weeks in April 2019. This exercise was completed on schedule and on budget and leaves the Company well-positioned for consistent turbine performance throughout the balance of fiscal 2019, given that the Unit 3 turbine was serviced in early 2018.

FINANCIAL OVERVIEW

The financial results of Polaris Infrastructure for the three months ended March 31, 2019 and 2018 are summarized below:

	Three months ended	
(all $ figures in thousands except income (loss) per share)	March 31, 2019	March 31, 2018
Average production	64.3 MW (net)	53.9 MW (net)
Total revenue	$ 18,601	$ 14,730
Adjusted EBITDA [1]	15,875	12,329
Finance costs	(4,571)	(4,239)
Total earnings attributable to Owners of the Company	3,380	512
Basic earnings per share attrbutable to owners of the Company	$0.21	$0.03
Diluted earnings per share attrbutable to owners of the Company	$0.20	$0.03
	As at March 31, 2019	As at December 31, 2018
Total assets	$ 463,636	$ 467,858
Long-term debt	169,194	172,743
Total liabilities	263,950	269,409
Cash	33,011	37,809
Working capital	16,204	13,755

(1) Refer to *Use of Non-GAAP Measures* section for further details with respect to calculation of Adjusted EBITDA.

For the three months ended March 31, 2019, the Company reported revenue of $18.6 million and Adjusted EBITDA of $15.9 million, compared to revenue of $14.7 million and Adjusted EBITDA of $12.3 million, for the same period in 2018. The increase in revenue resulted from the 3% annual tariff increase combined with a 20% increase in net power generation at the San Jacinto project as well as contribution from our newest Peruvian facility Canchayllo. The improvement in Adjusted EBITDA reflects increased contribution from the San Jacinto and Canchayllo plants combined with continued management of costs. *See Use of Non-GAAP Measures section below for reconciliation of Adjusted EBITDA to Total loss and comprehensive loss.*

For the quarter ended March 31, 2019, the Company had net operating cash inflows of $8.1 million, net investing cash outflows of $6.9 million and net financing cash outflows of $5.9 million. At March 31, 2019, the Company had cash of $33.0 million.

The continued growth in cash flow generation at San Jacinto is reflected in these numbers and will provide the basis to continue to grow and diversify" noted Marc Murnaghan, Chief Executive Officer of Polaris Infrastructure. "The construction of the two projects in Peru is in full mobilization now and we expect to complete construction by the end of the year, which will be another significant milestone for the Company."

Polaris Infrastructure will hold its earnings call to discuss financial and operating results for the quarter ended March 31, 2019 on Monday, May 6, 2019 at 4:15 pm EST.
To listen to the call, please dial +1 (647) 427-7450 or +1 (888) 231-8191.

A digital recording of the earnings call will be available for replay two hours after the call's completion, until May 13, 2019. Please dial +1 (416) 849-0833 or +1 (855) 829-2056; Conference ID: 1161728.

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 72MW geothermal project located in Nicaragua and a 5MW 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.

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USE OF NON-GAAP MEASURES

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. The table below reconciles between Adjusted EBITDA and Net income (loss) and comprehensive Income (loss), calculated in accordance with IFRS.

	Three months ended	
(in thousands)	March 31, 2019	March 31, 2018
Total earnings (loss) attributable to Owners of the Company	$ 3,380	$ 512
Add (deduct):		
Net loss attributable to non-controlling interest	-	7
Income tax (expense) recovery	1,423	2,045
Finance costs	4,571	4,239
Interest income	(227)	(131)
Other losses	588	36
Acquisition costs	135	-
Decommissioning liabilities adjustments	34	(19)
Depreciation and amortization of plant assets	5,835	5,546
Share-based compensation	136	94
Adjusted EBITDA	$ 15,875	$ 12,329

Cautionary Statements

This news release contains certain “forward-looking information” which may include, but is not limited to, statements with respect to future events or future performance, management’s expectations regarding the Company’s growth, results of operations, estimated future revenue, requirements for additional capital, revenue and production costs, future demand for and prices of electricity, business prospects and opportunities. In addition, statements relating to estimates of recoverable geothermal energy “reserves” or “resources” or energy generation are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the geothermal resources and reserves described can be profitably produced 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”, “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 geothermal energy production, development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective geothermal 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 industry; 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.