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POLARIS INFRASTRUCTURE ANNOUNCES Q1 2021 RESULTS

TORONTO, ON (May 6, 2021) – 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 three-month period ended March 31, 2021. This earnings release should be read in conjunction with Polaris Infrastructure's consolidated financial statements and management's discussion and analysis, 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

- Quarterly consolidated energy production of 180,984 MWh (net) for the period ended March 31, 2021, of which 119,854 MWh (net) was contributed by the Company's geothermal facility in Nicaragua, known as the San Jacinto facility ("San Jacinto"), and an aggregate of 61,130 MWh (net) was contributed by the Company's hydroelectric facilities in Peru, being the Canchayllo facility ("Canchayllo"), the El Carmen facility ("El Carmen") and the 8 de Agosto facility ("8 de Agosto").

- The Company generated $15.7 million in revenue from energy sales for the three months ended March 31, 2021, lower compared to the same period in 2020. This quarter was the first full quarter under the amended Power Purchase Agreement's ("PPA") price in respect of San Jacinto, which was the largest contributor to the decline in revenue. The lower PPA price was part of the broader negotiation with the Government which included an extension of the concession period and inclusion of the binary unit. Lower production at San Jacinto was offset by higher production from the hydroelectric facilities in Peru.

- During the period ended March 31, 2021, the Company generated $17.1 million in net cash flow from operating activities and $9.4 million in operating cash flow[(1)], ending with a strong cash position of $109.7 million.

- There was a net loss attributable to owners of $0.9 million or $(0.05) per share – basic for the three months ended March 31, 2021, compared to net earnings of $4.4 million or $0.28 per share – basic in 2020. Net earnings were negatively impacted by lower revenue and higher general and administrative expenses and other non-cash losses resulting from the mark-to-market accounting adjustment on certain liabilities from the 21% share price increase during the three months ended March 31, 2021. Adjusted EBITDA[(1)] was $11.9 million for the period ended March 31, 2021, compared to Adjusted EBITDA[(1)] of $17.0 million in the same period in 2020.

- On February 25, 2021, the Company completed an upsized bought deal offering (the "Offering"), under which a total of 2,556,450 common shares (the "Common Shares") were sold at a price of $20.25 CAD per Common Share for aggregate net proceeds to the Company of $38.2 million. The capital strengthens the Company's balance sheet and provides additional capital as the Company continues to look to execute on its growth plan and maintain strong momentum. Additionally, the net proceeds of the Offering are to be used for working capital and general corporate purposes.

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- On March 25, 2021, the Company divested its 100% ownership interest in Meager Creek Development Corporation ("MCDC") in British Columbia for proceeds of $0.4 million CAD. MCDC has a lease concession with commitments until 2037, related decommissioning liability and other insignificant carrying costs. The assets and liabilities were derecognized and resulted in a gain of $1.4 million (net of transaction costs), which was recognized as other income.

- Consistent with its plans of maintaining a quarterly dividend, the Company declared and paid $2.4 million in dividends during the period ended March 31, 2021. The Company will pay the twenty-first consecutive quarterly dividend of $0.15 per outstanding common share on May 28, 2021.

- The Company made advancements in environmental, social and governance ("ESG") initiatives in both Nicaragua and Peru while continuing to maintain an excellent health and safety record. For the fifth consecutive year, San Jacinto has achieved the "Great Place to Work" certification, raising its ranking to 34th overall in the Latin America & Caribbean region.

OPERATING AND FINANCIAL OVERVIEW

		Three Months Ended		
		March 31, 2021		**March 31, 2020**
Energy production				
Consolidated Power (MWh) net		**180,984**		183,332
Consolidated Power, average (MW) net		**83.79**		86.80
Financials				
Revenue	**$**	**15,679**	$	20,272
Net earnings attributable to owners		**(912)**		4,360
Adjusted EBITDA *(i)*		**11,851**		17,000
Net cash flow from operating activities		**17,069**		8,898
Operating cash flow *(i)*		**9,368**		11,625
		As at		**As at**
Balance Sheet		**March 31, 2021**		**December 31, 2020**
Cash		**107,962**		60,058
Restricted cash		**1,782**		1,785
Total current assets		**119,875**		80,344
Total assets		**524,134**		491,118
Current and Long-term debt *(ii)*		**183,002**		189,295
Total liabilities		**257,618**		264,349
Working Capital *(iii)*		**87,309**		45,303
Per share				
Net earnings attributable to owners - basic	**$**	**(0.05)**	$	0.28
Net earnings attributable to owners - diluted	**$**	**(0.05)**	$	0.27
Adjusted EBITDA *(i)*	**$**	**0.70**	$	1.08
Operating cash flow *(i)*	**$**	**0.56**	$	0.74

(i) *A Non-GAAP measure used by the Company. A cautionary note regarding non-GAAP performance measures is included in the 'Non-GAAP Performance Measures' section below.*

(ii) *Net of transaction costs.*

(iii) *Working capital is the excess of current assets over current liabilities including the current portion of debt.*

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During the three months ended March 31, 2021, quarterly consolidated power production was lower than the same period in 2020, due to somewhat higher than budgeted declines in steam availability. For comparative purposes, it is important to note that the first quarter of 2020 was higher than expected as the prior two quarters in 2019 delivered production of 60.0 MW average (net). Management anticipates that, in the absence of further drilling, declines from current levels of production will lower over time. This is due to the fact that changes were made in 2018 to the reinjection system, which have resulted in higher declines in the short-term but should result in lower net declines over the long-term. Increasing “outfield” injection in 2018 into the recently drilled Well 11-2 was done to promote enthalpy in the reservoir, which had the effect of reduced pressure support. It is management’s view that this is the best strategy for the long-term management of the resource, particularly in light of the recently extended contract.

Production in Peru reached a record high due to the fact that it was the rainy season in Peru and the El Carmen and 8 de Agosto plants had high levels of availability. Production was marginally impacted by planned maintenance on one of the units in Canchayllo.

“Polaris continued to deliver operationally and generate strong cash flow. Strategic developments in the first quarter, such as the offering and the divestment of a non-producing asset, position us on the path to accelerate on our plan to grow and diversify. The binary unit tender process is well underway, as is the finalization of the acquisition of the Chuspa project in Panama. In addition, the Company is actively pursuing further diversification of its portfolio through strategic acquisitions given the strong balance sheet.” noted *Marc Murnaghan*, Chief Executive Officer of Polaris Infrastructure.

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(1) A Non-GAAP measure used by the Company. A cautionary note regarding non-GAAP performance measures and their respective reconciliations is included in Section 11: Non-GAAP Performance Measures in the Company's MD&A for the three months ended March 31, 2021. A cautionary note regarding non-GAAP performance measures is included in the 'Non-GAAP Performance Measures' section below.

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 average (net) geothermal project located in Nicaragua and three run-of-river hydroelectric facilities in Peru, with approximately 20 MW average (net), 8 MW average (net), and 5 MW average (net) of capacity.

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Cautionary Statements

This news release contains certain “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 and 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.

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; 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 and Warrants; impact of issuance of additional equity securities on the trading price of Shares and Warrants; 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 and Peru to sell power to neighbouring countries; economic insecurity in Nicaragua and Peru; and other development and operating risks, as well as those factors discussed in the section entitled “Risks and Uncertainties” in this news release. 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 news release should not place undue reliance on forward-looking information.

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 news release and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or

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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, 2020 is available on SEDAR at www.sedar.com and on the Company's website at www.polarisinfrastructure.com.

Non-GAAP Performance Measures

Certain measures in this MD&A 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.

This news release includes references to the Company's adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), adjusted EBITDA per share, cash flow from operations and cash flow from operations 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, cash flow from operating activities 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 Infrastructure's results since the Company believes that the presentation of these measures will enhance an investor's understanding of Polaris Infrastructure's operating performance. Management's determination of the components of non-GAAP performance measures are evaluated on a periodic basis in accordance with its policy and are influenced by new transactions and circumstances, a review of stakeholder uses and new applicable regulations. When applicable, changes to the measures are noted and retrospectively applied.

Descriptions and reconciliations of the above noted non-GAAP performance measures are included in Section 11: Non-GAAP Performance Measures in the Company's MD&A for the three months ended March 31, 2021 and in the Company's website www.polarisinfrastructure.com/Non-GAAP.