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POLARIS INFRASTRUCTURE ANNOUNCES Q2 2021 RESULTS

TORONTO, ON (August 5, 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- and six-months period ended June 30, 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 150,676 MWh (net) for the period ended June 30, 2021, of which 111,848 MWh (net) was contributed by the Company's geothermal facility in Nicaragua, known as the San Jacinto facility ("San Jacinto"), and an aggregate of 38,828 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 $14.2 million in revenue from energy sales for the three months ended June 30, 2021, lower compared to the same period in 2020. This was the second 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 of Nicaragua which included an extension of the concession period and inclusion of the binary unit. Lower production at San Jacinto was partly offset by higher production from the hydroelectric facilities in Peru.

- Net earnings attributable to owners was $0.2 million or $0.01 per share – basic for the three months ended June 30, 2021, compared to net loss of $1.0 million or $(0.07) per share – basic in 2020. Net earnings increased due to other gains recorded during the period compared to other losses in 2020 partly offset by lower revenue. Adjusted EBITDA(1) was $10.0 million for the three months ended June 30, 2021, compared to Adjusted EBITDA(1) of $15.1 million in the same period in 2020.

- For the six months ended June 30, 2021, the Company generated $24.2 million in net cash flow from operating activities and $16.3 million in operating cash flow*(1)*, ending with a strong cash position of $106.5 million*(2)*.

- Consistent with its plans of maintaining a quarterly dividend, the Company declared and paid $2.9 million in dividends during the period ended June 30, 2021. The Company will pay the twenty-second consecutive quarterly dividend of $0.15 per outstanding common share on August 27, 2021.

- On June 9, 2021, the Company announced that it had entered into an agreement to sell two tranches of Certified Emission Reductions ("CERs") generated in 2017 from San Jacinto for aggregate gross proceeds of approximately $400,000. A total deposit of $100,000 was received. The sales are conditional upon receiving verification per the United Nation's Convention on Climate Change ("UNFCCC") protocols. The

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Company is in the process of finalizing the verification of CERs and anticipates completion by the fourth quarter of 2021, at which time, the Company will be able to sell any past, present or future verified CERs.

- The Company continued to advance its environmental, social and governance ("ESG") initiatives while continuing to maintain an excellent health and safety record. During the second quarter, in Nicaragua, the Company signed a cooperation agreement with the American Nicaraguan Foundation to support small farmers to take advantage of natural waste from livestock. In Peru, the Company continues to invest in the local community and donated educational supplies to students from schools located in the Monzón Valley.

- Subsequent to the quarter end:
  - The Company signed a definitive supply agreement for the 10 MW Binary Unit at San Jacinto with Ormat Systems Limited, a wholly owned subsidiary of Ormat Technologies Inc (NYSE: ORA).
  - The Company received insurance proceeds of $1.03 million due to the Company as a result of the 2020 operating failure at El Carmen.

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(1) A Non-GAAP measure used by the Company. Refer to Section 11: 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.

(2) Includes Restricted cash.

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OPERATING AND FINANCIAL OVERVIEW

	Three Months Ended				Six Months Ended			
		June 30, 2021		June 30, 2020		June 30, 2021		June 30, 2020
Energy production								
Consolidated Power (MWh) net		**150,676**		165,541		**331,659**		347,949
Consolidated Power, average (MW) net		**68.98**		75.81		**76.35**		81.82
Financials								
Revenue	**$**	**14,161**	$	18,923	**$**	**29,840**	$	39,195
Net earnings attributable to owners		**159**		(1,025)		**(753)**		3,335
Adjusted EBITDA *(i)*		**9,978**		15,121		**21,842**		32,107
Net cash flow from operating activities						**24,152**		18,416
Operating cash flow *(i)*						**16,302**		26,297
Per share								
Net earnings attributable to owners - basic	**$**	**0.01**	$	(0.07)	**$**	**(0.04)**	$	0.21
Net earnings attributable to owners - diluted	**$**	**0.01**	$	(0.07)	**$**	**(0.04)**	$	0.20
Adjusted EBITDA *(i)*	**$**	**0.51**	$	0.96	**$**	**1.20**	$	2.04
Operating cash flow *(i)*					**$**	**0.90**	$	1.67

Balance Sheet		As at June 30, 2021		As at December 31, 2020
Cash	**$**	**104,690**	$	60,058
Restricted cash	**$**	**1,780**	$	1,785
Total current assets	**$**	**114,670**	$	80,344
Total assets	**$**	**513,435**	$	491,118
Current and Long-term debt *(ii)*	**$**	**177,204**	$	189,295
Total liabilities	**$**	**249,668**	$	264,349
Working Capital *(iii)*	**$**	**83,151**	$	45,303

(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.*

During the three months ended June 30, 2021, quarterly consolidated power production was lower than the same period in 2020, due to planned and unplanned shutdowns and the natural decline in steam availability at San Jacinto.

Compared to the second quarter of 2020, lower production at San Jacinto was mainly due to the planned annual maintenance shut down that lasted 15 days in May 2021, which occurred in August in 2020. Production for the remainder of the quarter averaged 55.1 MWs (net), compared to 55.4 MWs (net) in the first quarter of 2021.

Consolidated production in Peru for the three months ended June 30, 2021 was higher than the comparative period in 2020 due to the operating failure at El Carmen in 2020 forcing a shut down for approximately 5 months. This increase was partly offset by lower production at 8 de Agosto as a result of an unexpected shut down due to operating failure with the bearing lubricant pumps in April and May as well as planned major maintenance. As a result of the shutdowns in the second quarter, the Company estimates a total of 10,520 MWhrs of lost production, of which 9,093 MWhrs were unplanned and 1,627 MWhrs were planned for downtime. Insurance proceeds of $1.03 million due to the Company as a result of the operating failure at El Carmen were received on July 16, 2021.

“In the second quarter of 2021, we continued to build on our longer-term strategy while delivering operationally and generating strong cash flow. The binary unit contract is now signed with commercial operation date anticipated by the end of 2022. The binary project was a cornerstone of the renegotiation process of the PPA in Nicaragua which was signed last December. In addition, the balance sheet continues to be strong and with the receipt of insurance proceeds, sales of Carbon credits and divestiture of non-core investments, we are well-positioned to advance the business on other fronts in the coming quarters” 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 and six months ended June 30, 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 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 and six months ended June 30, 2021 and in the Company's website www.polarisinfrastructure.com/Non-GAAP.