

POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES ACQUISITIONS IN ECUADOR AND PANAMA

TORONTO, ON (March 17, 2022; All amounts in USD unless otherwise stated) – Polaris Infrastructure Inc. (TSX:PIF) ("Polaris" or the "Company"), announced today that it has:

- signed a Share Purchase Agreement ("SPA") for an operational run-of-river hydro project in Ecuador; and
- closed an acquisition of two construction ready solar projects in Panama

Ecuador – Hydro

The SPA is for an operating run-of-the-river hydro project with a capacity of 6.3 MWs. The project is located along the Cubi River in San Jose de Minas, Ecuador and has been operating since June 2020 (the "Hydro Project"). The Hydro Project has two expansion opportunities that the Company will look to act upon, which would allow for an increase in both energy and the capacity to a total of 10 MW.

The key terms of the SPA include:

- Polaris will acquire a minimum of 85% ownership of the Hydro Project – with the intention to acquire up to 100% for closing;
- The price for an acquisition of 100% of the equity is \$20.4 million, subject to closing adjustments;
- The assumption of estimated debt at closing of approximately US\$7 million;
- The Hydro Project has a 50-year concession and a 15-year PPA (7 years remaining) for all production with Agencia de Regulacion Control de Energia y Recursos (ARCENNR), a wholly-owned Ecuadorian government entity;
- Current pricing of the PPA is \$78.10 per Mwhr; and
- The SPA is subject to customary closing conditions, including the approval of the acquisition by local regulatory bodies. It is expected that these conditions will take 60-90 days to finalize.

The Hydro Project includes two expansion opportunities with the introduction of a conduction channel from the adjacent Perlabi river that the Company believes would increase the load factor of the existing power plant. Such expansion is already underway and is expected to be completed in the fourth quarter of 2022. Furthermore, the power plant has existing capacity to add an additional turbine to increase power capacity to 10 MWs which would enable increased production during the rainy season.

In addition to the acquisition of the operational project, Polaris is working to formalize a development framework agreement with the selling shareholder to jointly pursue further hydro projects in the Ecuadorian market.

Panama – Solar

Polaris has also closed a transaction with a Panamanian developer to construct, own and operate two solar plants totaling 13.4 MWdc (the “Solar Projects”) located in the village of Vista Hermosa, Corregimiento de Pueblos Unidos, Aguadulce district, Coclé Province. The two solar sites are two and a half hours by car from Panama City and will connect 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.

The key terms and attributes for the acquisition of the Solar Projects include:

- Polaris purchased all of the issued and outstanding common shares of the two entities holding the Solar Projects and the licenses and permits required to complete the construction and operate, in exchange for \$600,000;
- Polaris will fund 100% of the costs to build two construction-ready Solar Projects, with a target commercial operation date of 9-10 months, for approximately \$10 million;
- Polaris will have 100% ownership of the Solar Projects for a total of 13.4 MWdc;
- At this point in time, the Solar Projects do not have contracts but will have the ability to sell on the spot market. Prior to achieving commercial operation, Polaris will evaluate the benefits of securing long-term contracts versus selling on the spot market. Polaris current believe that a combination of both is a likely outcome; and
- As part of the Solar Projects acquisition, Polaris will receive exclusive development rights for two additional solar development stage solar projects totaling 26 MWdc solar located in Panama.

“We are very pleased to have signed the Hydro SPA and closed on the Solar Development Projects” stated Marc Murnaghan, Chief Executive Officer of Polaris. “The combination of operational and ready to build development is the mix of assets we have been looking for and aligns with our strategic objectives. This will double the number of jurisdictions that we operate in to four and will add solar into our generation mix. The addition of a Hydro project in Ecuador and a solar project in Panama, provides further diversification both operationally and geographically. In addition, both opportunities are expected to be the first entry points in jurisdictions within which Polaris wants to grow and develop further projects.”

Polaris plans to fund the acquisitions and the construction of the solar projects with cash on hand.

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 owns and operates a geothermal project located in Nicaragua and hydro projects located in Peru.

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This press 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 ability to complete the acquisition of the Hydro Project on the terms described in this press release or at all, the anticipated MW of the Hydro Project, the anticipated investments required to complete construction of the Hydro Project or the Solar Projects, the anticipated timeline required to achieve commercial operation, the ability to fund construction with cash on hand and funds generated through operations, the expected benefits from the acquisition of the Hydro Project or the Solar Projects and diversification into Panama and the availability of similar acquisition opportunities in Panama. 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 and hydro 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 and hydro power 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 press release should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this press 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 press release, including such forward-looking information, is made as of the date of this press 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.