

POLARIS

POLARIS INFRASTRUCTURE ANNOUNCES DEBT RE-FINANCING AGREEMENT IN NICARAGUA

TORONTO, ON (December 23, 2021) – Polaris Infrastructure Inc. (TSX: PIF) ("Polaris Infrastructure" or the "Company"), is pleased to announce that, with the coordination of a financial institution specialized in debt structuring for energy and infrastructure projects in Latin America and the Caribbean, it has signed a definitive financing agreement with three Development Financial Institutions (DFI's) for a Senior Debt Facility totalling \$110 Million USD for the Company's wholly-owned geothermal subsidiary in Nicaragua (the "Debt Re-Financing"). This Senior Debt Facility will replace the existing Senior and Subordinated project loans in Nicaragua.

Further to the December 2020 extension of Nicaragua's Power Purchase Agreement (PPA) to 2039, and consistent with Polaris Infrastructure's strategy, the Debt Re-Financing now aligns the amortization of the debt with the newly extended PPA.

The Senior Debt Facility will have a 15-year term beginning in 2022, with an initial interest rate spread of 7.0% that will be reduced to 6.75% once the Binary Unit has been completed, which is currently scheduled for the fourth quarter of 2022. The funding of the Debt Re-financing will be completed by late January 2022. The full, revised amortization schedule will be included in the Company's annual financial statements for the year ended December 31, 2021.

Marc Murnaghan, Polaris Infrastructure's CEO commented, "The alignment results in increased cash flow over the next six years, which will enable the Company to support its continued objective of diversifying by both jurisdiction and asset class. In addition, other changes such as removing the existing subordinated debt, reducing required cash and capital reserves will provide additional flexibility for the Company over the term of the contract."

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 as well as another 28 MW of run-of-river projects located in Peru.

Investor Relations

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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, the timeline, cost and use of cash related to the design, manufacture, delivery and installation of the Binary Unit as well as statements with respect to the Senior Debt Facility providing additional flexibility to the Company in the future. 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.

These statements are based upon certain material factors or assumptions that were applied in developing the forward-looking statements, including the status of the Binary Unit to date and the work to completion, the Company’s prior need for funds and the expected funds needed over the next six years.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ 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. Such factors may include potential delays in completing the Binary Unit, the Company’s ability to satisfy covenants contained in the Senior Debt Facility which would limit its availability and other factors that could affect the Company’s cash flow needs in the future and other factors described in the “Risks Factors” section of the Company’s Annual Information Form for the year ended December 31, 2020, which, together with other information regarding the Company, can be found at www.sedar.com under the Company’s profile and on its website at polarisinfrastructure.com

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.