



# **POLARIS**

## Polaris Infrastructure

CORPORATE OVERVIEW

JUNE 2022

# Forward-Looking Information

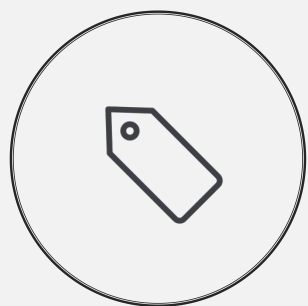
This Presentation contains certain “forward-looking information” which may include, but is not limited to, statements with respect to future events or future performance, management’s expectations regarding the Company’s pro-forma financial profile, growth of cash flow per share and leveraging of available cash resources, the Company’s future access to similar deal opportunities throughout Latin America, the expected MWh per year production of the acquired projects, the net capital investment in the Generación Andina projects and the length of the related construction periods. 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 Presentation should not place undue reliance on forward-looking information.

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

# POLARIS

## Overview

# Capital Markets Snapshot



PRICE

C\$20.00  
US\$13.45

SYMBOL: PIF.TO

**SHARES OUTSTANDING <sup>(1)</sup>**

21.5 mm

**~ 2022 Consensus EBITDA<sup>(2)</sup>**

~US\$45 mm

**MARKET CAPITALIZATION \***

US\$311 mm

**MAR 31**

**DEBT <sup>(3)</sup>**

US\$153 mm

**DEC 31**

**CASH ON HAND**

US\$94 mm

**ENTERPRISE VALUE <sup>(4)</sup>**

US\$370 mm

**EV / EBITDA <sup>(3)</sup>**

~ 8.5x-9.0X

**ANNUAL DIVIDEND**

US\$0.60

**DIVIDEND YIELD**

3.9%

- (1) Fully diluted and includes shares from Convertible Debenture – as at December 31, 2021;
- (2) Current 2021 estimate based on research coverage.
- (3) Convertible Debenture is treated as equity.
- (4) Enterprise Value represents market capitalization plus total debt less cash and cash equivalents



# Comparable Valuations

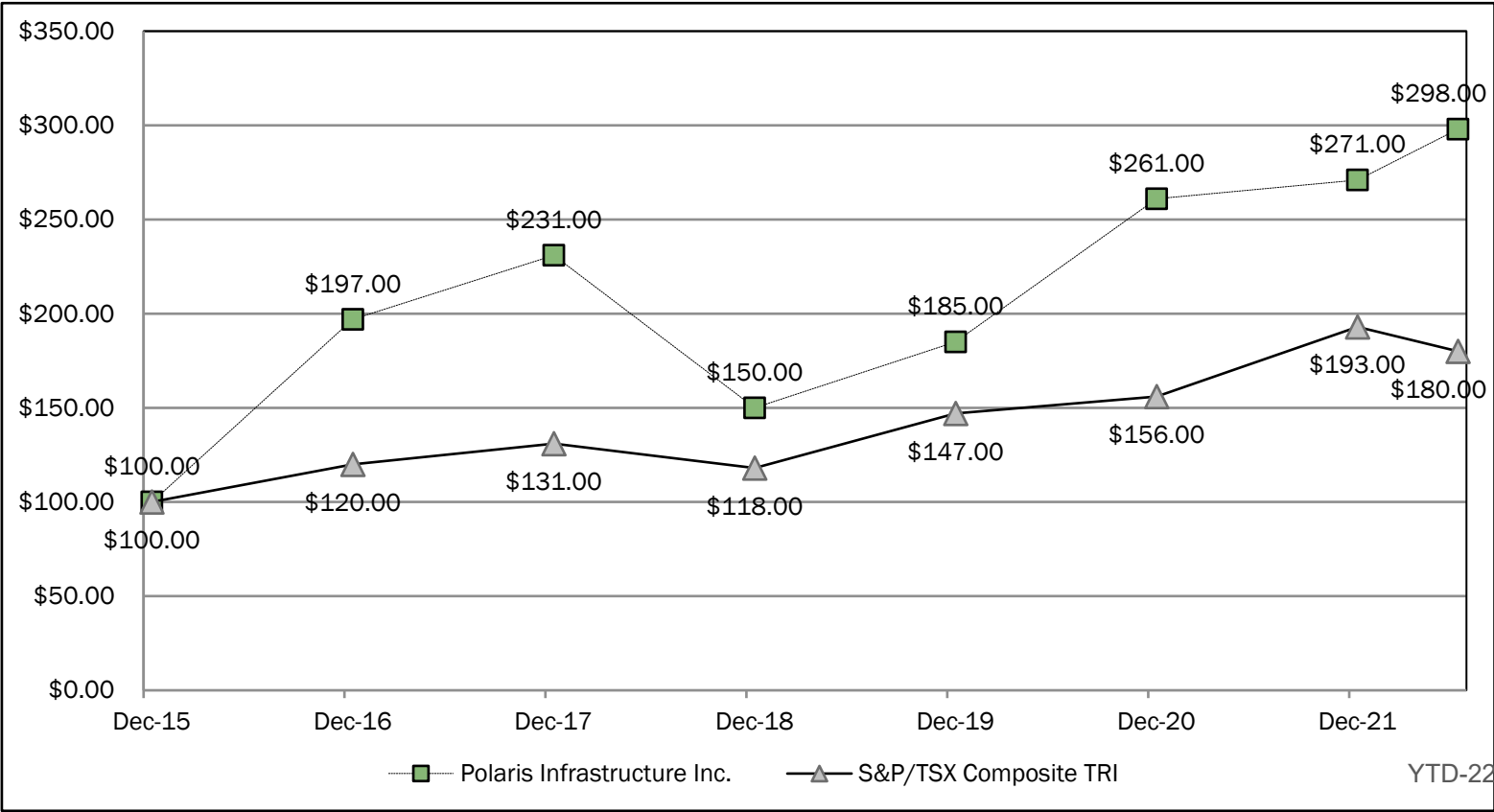
	Market Cap (C\$)	~ 2022 EV to EBITDA Multiple	Price to CFPS (2022)	Dividend Yield	Dividend as % of Operating Cash Flow
Boralex	\$3.6 bn	12.5x	~22x	1.9%	44%
Algonquin	\$12.3 bn	14.3x	Na	4.7%	60%
Northland	\$8.7 bn	14.1x	~27x	3.1%	92%
Innergex	\$3.6 bn	12.2x	~20x	3.8%	68%
Brookfield	\$12.5 bn	16.1x	~23x	3.3%	82%
Average		13.3x	~23x	3.4%	~65%
Polaris	US\$315 million	8.5x	~10x → 7.5x (2022 → 2023)	4.0%	~40%

(1) Multiples as at Dec. 31, 2021 for comps;



40% includes Binary Unit

# Total Return Comparison



- Since initiating a dividend in 2016, Polaris has now paid 25 consecutive quarterly dividends.

# Why Latin America?

- Grids continue to grow  $\approx$  3 to 6% per year.
- Per Capita power consumption remains a fraction of N.A.  $\rightarrow$  i.e. 1/5th to 1/10th
- Nuclear, coal and large dams much less likely than N.A.
  - Renewables key
- Fossil fuels still play a key role in most grids – pricing power - inflationary
- Our view is that political risk is more “perceived” than actual, in electricity
  - Credit risk of sector is very good.
  - Power is an absolute necessity for countries to continue to develop.



Renewable energy is growing and provides attractive, long-term return profiles + CO2 Optionality

# Polaris Overview

Polaris is an Owner, operator, developer and acquirer of renewable energy projects in Latin America.

- 5 Plants currently in Operation
- 1 in construction
- 1 Operational being acquired

## Goal

Create a mid-size, regional platform in Latin America. Continue to grow and diversify in the region through renewable energy projects with attractive return profiles.

- 100% renewable energy.
- Including storage.
- Regional platform with a medium term capacity of 500 a 1,000 MWs.
- Regional head office in Panama.
- Partner of choice in región.



**Nicaragua**

72 MW

**Peru**

33 MW → 50 MW

**Dominican Republic**

32 → 200 MW

**Panama**

10 → 50 MW

**Ecuador**

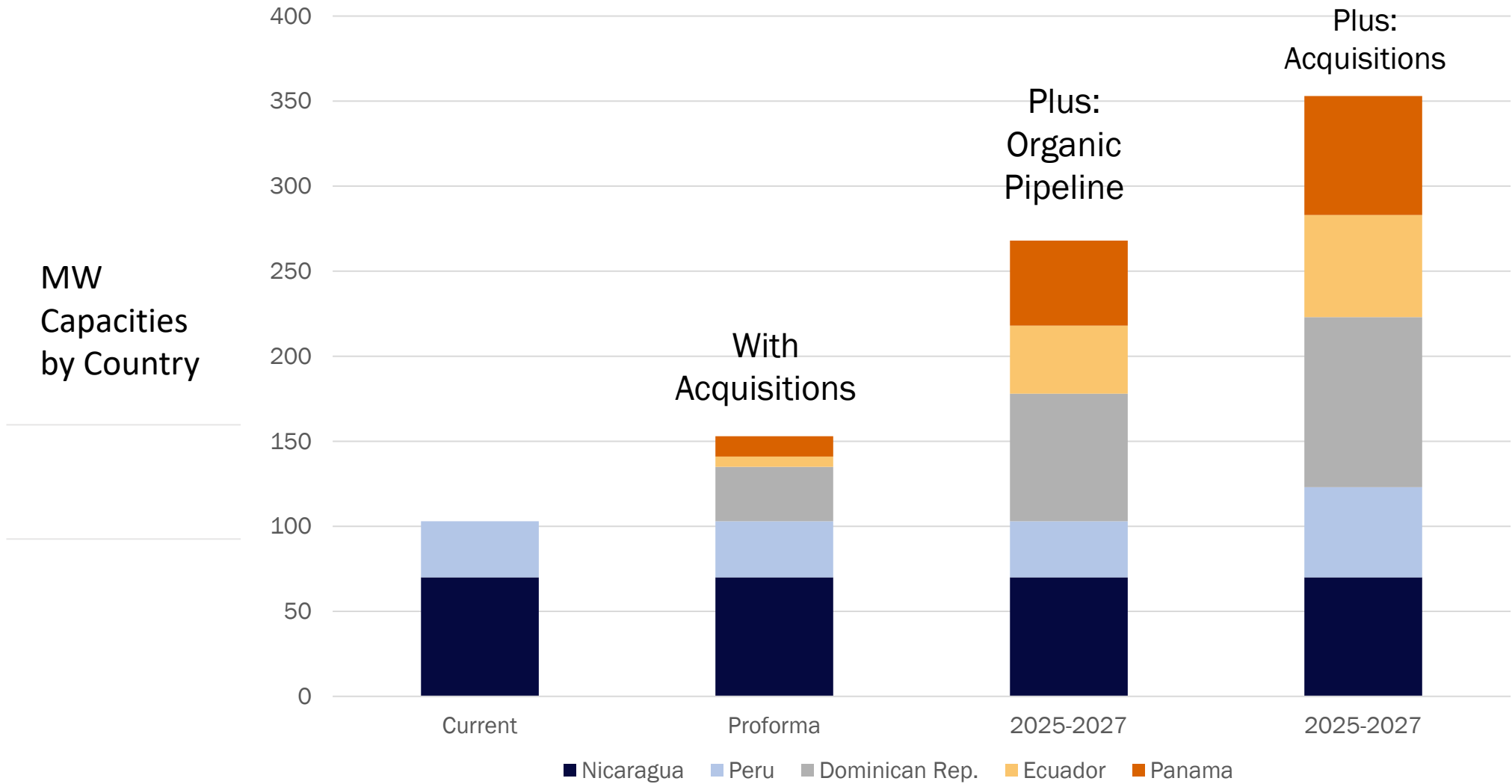
6 → 100 MW

**Other?**

50 to 200 MW



# Capacity Growth – Medium Term



# 5 Year Financial Plan

- Given acquisitions and Binary unit- 2023 will see a large increase in EBITDA versus 2022 – ie \$40-\$45 million going to \$60-\$65 million
- From there, we can organically grow MW capacity from 150 MWs to 250 – 300 MWs in next 4/5 Years without the need for equity or true acquisitions
- This would increase EBITDA by a further \$20-\$25 million – ie \$80 to \$90 million
- This does NOT include any revenue from Carbon credits
- AND this can be done while increasing dividends by 20-30% from current levels
- Further acquisitions of operating assets are expected to be part of the plan – starting to get to the \$100 million EBITDA range – key number for the Company to target....and significant growth from the current level of ~\$40-\$45 million

# POLARIS

## Key Initiatives

# Key Initiatives

- Debt Restructuring – completed – frees up cash for growth / dividends
- Binary Unit – on schedule and on budget – Q4 2022 in-service date
- Acquisitions – 3 announced recently
- Carbon Credits

# Binary Unit

- Polaris signed an equipment supply contract with Ormat (“ORA” – NYSE) dated August 3<sup>rd</sup>, 2021
- Budget for total project of \$25 million – \$13.7 million has been spent at March 31, 2022
- Net capacity of 10.2 MWs
- This will result in approximately 80,000 – 90,000 Mwhrs per year
- At contract price of \$111.20 / Mwhr = ~\$9.0 mm to \$9.9 mm in revenue
- Additional costs of ~\$500k per year
- Estimated commissioning time of December 2022 – project on schedule and on budget at this point in time

# Recent Acquisition Announcements

- Polaris recently announced three acquisitions:
  1. Panasolar – ready to build solar project in Panama – ~12 MWdc – closed;
  2. San Jose de Minas – operating hydro project in Ecuador – 6 MWs – signed – anticipated closing by July/August;
  3. Canoa – operating solar project in Dominican Republic - ~32 MWdc – signed – anticipated closing by June/July;
- The equity required to close all acquisitions will be funded with cash on hand.



# Post-Acquisition Capacities/Generation – 2022/23

- The transactions are economically attractive and represent important steps towards being a truly diversified Company
- At closing of acquisitions, Polaris will have 6 plants in operation with an additional solar plant operational by the beginning of 2023
- This will represent an increase in capacity of approximately 50%

Country	Capacity Now	Capacity Proforma	Type	Plants Operational	~Mwhrs Annually
Nicaragua	70 MWs	70 MWs	Geothermal	1	475,000
Peru	33 MWs	33 MWs	Hydro	3	180,000
DR		30 MWs	Solar	1	55,000
Ecuador		6 MWs	Hydro	1	36,000
Panama		15 MWs	Solar	1	20,000
<b>Total</b>	<b>~100 MWs</b>	<b>~150 MWs</b>		<b>7</b>	<b>~765,000 MWhrs</b>

# Further Embedded Growth – 2023/24/25

Country	Capacity	Type	~Mwhrs Annually
Nicaragua	70 MWs	Geothermal	530,000
Peru	33 MWs	Hydro	180,000
DR	30 MWs	Solar	55,000
Ecuador	6 MWs	Hydro	50,000
Panama	17 MWs	Solar	36,000
<b><i>Total</i></b>	<b><i>~150 MWs</i></b>		<b><i>~850,000 MWhrs</i></b>
<b><i>Plus:</i></b>			
DR	30 MWs	Solar	55,000
Ecuador Dev.	15 MWs	Hydro	80,000
Panama Dev.	20 MWs	Solar	40,000
<b><i>Total w Dev</i></b>	<b><i>~200 MWs</i></b>		<b><i>~1,000,000 Mwhrs</i></b>

- The transactions come with built in expansions which would be executed in 2022 and first half of 2023

# Market Opportunity

- Public renewable companies and infrastructure funds have grown significantly in the last decade
- As such, there is less competition for PIF in the market for small and mid-size companies and projects
- Returns remain attractive and private capital remains tough to access
- Polaris' plan is to take advantage of this dynamic by targeting projects with total values of less than \$250 million
- This should enable the Company to earn higher returns and diversify/grow quicker with the target of achieving an enterprise value in the \$1.5 billion to \$2.0 billion range within 5 years

	Market Cap (C\$)
Boralex	\$3.6 bn
Algonquin	\$12.3 bn
Northland	\$8.7 bn
Innergex	\$3.6 bn
Brookfield	\$12.5 bn
Polaris	US\$300 million

(1) Market caps for comparables as at Dec. 31, 2020;

**POLARIS**

Carbon Credits

# Price developments



# Carbon Credit Status – San Jacinto Only

- 21 Years of offsets – divided into three 7-year stub periods
- extendable with other Bodies??? – believe the market will force it in that direction

Year	Credits “Sold”	Remaining Credits	Verified?	Year		Estimated Credits
2014/15	45,000	185,000	Y	2021		200,000
2016	155,000	15,000	Y	2022		200,000
2017	100,000	100,000	Y	2023		200,000
2018	25,000	125,000	Y	2024		190,000
2019		200,000	Y	2025		190,000
2020		200,000	N	2026		190,000
			N			
			Total Unsold			~2.0 million



# Carbon Credits - All Projects Summary

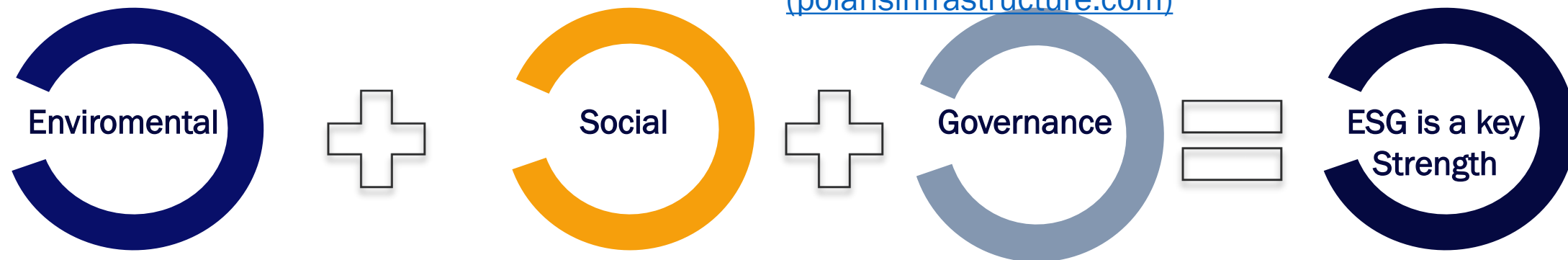
Plant	Fully Verified	~Annual CO2 Credits	Estimated Total Project Credits
San Jacinto	Yes	200,000	2,000,000
Canchayllo	Yes	15,000	190,000
8 de Agosto	2022	<u>65,000</u>	<u>700,000</u>
Total		280,000	2,900,000
El Carmen	No	20,000	360,000
Binary	No	40,000	750,000
Panasolar 2/3	No	20,000	350,000
Canoa 2	No	<u>30,000</u>	<u>600,000</u>
Total		390,000	~5,000,000

# Key Assets Are in Place

- Strong team
- Offices in Toronto, Lima, Panama and Managua
- Financial, Tax, Accounting in Toronto
- Operational and Corp. Development Skillset
- Growing Markets
- Current Cash flow generation to fund growth
- Identifiable growth opportunities
- **ESG Compliant in all aspects – always have been and always will – key for attracting capital**

# ESG – LONG HISTORY AND CORE FOCUS

[ESG-POLARIS-2021-Annual-Report-1.pdf](#)  
([polarisinfrastucture.com](http://polarisinfrastucture.com))



100% Renewable Energy



World Class Social Programs



Highly involved and Diversified Board



# OUR CORPORATE SOCIAL RESPONSIBILITY ENVIRONMENT



Reforestation  
120,000 trees planted since  
2005

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Forest Nursery  
Since 2015

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Environmental  
training program for  
employees and communities

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Cleaning campaigns  
with the communities

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Forest Fire  
Prevention  
to protect flora and fauna

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Energy efficiency  
program  
PENSA facilities

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# Strong Management and Board

## Marc Murnaghan

Chief Executive Officer

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Marc joined Polaris Infrastructure as CEO in May 2015. Marc led the successful recapitalization transaction, including negotiation of amendments to the San Jacinto project loan documents and the power purchase agreement. Marc brings a deep background in the capital markets, having spent over 20 years in senior investment banking roles focused on Power and Alternative Energy groups. In addition, he currently chairs the Board of Directors at Autism Speaks Canada, the leading autism science and advocacy organization in Canada. Marc holds an Honours Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario.

## Anton Jelic

Chief Financial Officer

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Anton joined Polaris Infrastructure in December 2018 and is responsible for all aspects of Financial Reporting, Management Reporting, Accounting, Tax, as well as Information Technology, working closely with Marc in the areas of M&A, strategic partnerships, corporate governance and investor relations. Previously, Anton was a CFO in the Solar Energy Industry where he was also responsible for all aspects of Financial leadership. He has also been involved in the Renewable Energy industry as it relates to Biodiesel where he was a key member of the Management team of a Company that successfully progressed a technology developed at the University of Toronto. Anton holds a Bachelor of Arts, History degree from York University and is a Chartered Professional Accountant.

## Alexis Osorno

Regional Manager - Latin America

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Alexis initially joined Polaris Infrastructure in June 2015 as Finance Manager. Since March 2016, Alexis has been General Manager of the Nicaraguan geothermal operations, as well as continuing to maintain the aforementioned Finance Manager role. In January 2019 he was also appointed General Manager of Polaris Energy Perú, adding to his continuing oversight of the Nicaraguan operations. Alexis worked 27 years for Esso Standard Oil S.A. Limited, progressing through increasingly senior roles. Alexis has a Bachelor's degree in Electronic Engineering, a Postgraduate degree in Management from INCAE Business School and a Postgraduate degree in Finance from UAM and Tecnológico de Monterrey.

# Board Directors

## Jaime Guillen - Chairman

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Fluent in Spanish, Jaime is Managing Partner at Faros Infrastructure Partners LLC, an investment firm with offices in United Kingdom, United States and Mexico. Jaime has 25 years of experience in equity investments, project finance, project development, commercial contract negotiations, and company operations in a variety of sectors including energy, transport, natural resources, private equity and fund management. His experience ranges from Europe, North & Latin America, Middle East, and Asia and has had significant dealings and experience with investors, developers, financial sponsors, governments, and various industry players. Jaime earned a BS in Nuclear Engineering from MIT (US) and an MBA from Stanford University.

## James V. Lawless

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James (Jim) has been a member of the Board of Directors of Polaris Infrastructure (previously Ram Power, Corp) since 2011 and brings 30+ years of experience in geology and the geothermal industry. He brings extensive experience with the Company's San Jacinto power project, both over the past four years as a Director, and previously as Practice Leader at Sinclair Knight Mertz Pty Ltd. ("SKM," now owned by Jacobs Engineering), where he was responsible for the technical direction and quality on all SKM projects related to geothermal resources, including the oversight of drilling activities at the San Jacinto property. Jim holds a Master of Science from the University of Waikato in geology and volcanology, related to geothermal exploration, resource evaluation and development.

## Marcela Paredes de Vásquez

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Marcela Paredes de Vásquez joined the Board of Polaris Infrastructure in June 2019. Ms. Paredes de Vásquez is the Ambassador of Panama to Chile, a post she has held since October 2018. Prior to this, Ms. Paredes de Vásquez was the Minister of Education for Panama from 2014 through 2018, and held various positions, including President, at the Technological University of Panama from 1989 through 2013. Ms. Paredes de Vásquez holds a DHL from Wilkes University, a MS in Electric Power Engineering from Rensselaer Polytechnic Institute, and a BS in Electromechanical Engineering from Technological University of Panama.



# POLARIS

## Appendix: Project Summaries

# POLARIS

Nicaragua  
Geothermal Plant



# Fact Sheet – San Jacinto

<b>POWER PLANTS</b>	SAN JACINTO
<b>INSTALLED CAPACITY</b>	~72 MW
<b>CAPACITY FACTOR</b>	95%
<b>PRODUCTION</b>	~55-60 MW
<b>TRANSMISSION LINE</b>	ON PROPERTY
<b>DEVELOPMENT STAGE</b>	OPERATING SINCE 2013
<b>PPA</b>	FIXED PRICE TO 2039; US\$ DENOMINATED
<b>CO<sub>2</sub> CREDITS</b>	~225,000 Tons/year

## PROJECT LOCATION

The San Jacinto-Tizate Geothermal plant is located in northwestern Nicaragua, in the shire of San Jacinto, municipality of Telica, 20 km from the city of Leon.

# San Jacinto – PPA Amendment

- Polaris has reached an agreement in principal with MEM to amend certain terms of our PPA ;
- \$110.00 per Mwhr base price ;
  - \$111.20 per Mwhr price if Guarantee not in place;
  - No indexation;
  - 2-year tax holiday extension (now taxable in 2024...payments starting in 2025);
  - 10 year extension of the term – January 2039 - ie now a 18 Year term;
  - Removal of Penalty Clause;
  - Ability to implement a Binary unit of “up to 10 MWs”.
- Such changes became effective on December 15, 2020;

# San Jacinto Project Overview

- ~ 72 MW capacity turbines – both online since January 2013.
- PPA in US\$ for up to 72MW net, to 2039.
  - US\$110/MWh fixed price for entire term. US\$111.20 under certain circumstances.
- 13 production wells with productive capacity of approximately:
  - 500 tph of steam and
  - 1,600 tph of hot brine.
  - 7 Injection wells re-inject the hot brine into the reservoir to create a “closed loop” – renewable energy in literal sense.
- 7 Injection wells re-inject the hot brine into the reservoir to create a “closed loop” – renewable energy in literal sense.
- Current steam can result in power capacity of approx.55-60 MW.
- Plan to add ~10 MWs through the addition of a Binary plant.

# POLARIS

Peru

Run of River Hydro Projects






# Fact Sheet – Canchayllo

<b>POWER PLANTS</b>	CANCHAYLLO
<b>INSTALLED CAPACITY</b>	5 MW
<b>CAPACITY FACTOR</b>	60% - 70%
<b>PRODUCTION</b>	~29-31 GWhr per year
<b>TRANSMISSION LINE</b>	840 M / 69 kV
<b>DEVELOPMENT STAGE</b>	OPERATING SINCE 2015
<b>PPA</b>	20-YEARS; APPROVED BY GOVERNMENT; US\$/MWH=50.50
<b>CO<sub>2</sub> CREDITS</b>	13,500 Tons/year

## PROJECT LOCATION

Valley of the District Canchayllo from the city of Jauja. The Transmission Line is connected to the already completed transmission line of Oroya Nueva- Chumpe





# Fact Sheet – 8 de Agosto


<b>POWER PLANTS</b>	8 DE AGOSTO
<b>INSTALLED CAPACITY</b>	20 MW
<b>CAPACITY FACTOR</b>	65% to 78%
<b>PRODUCTION</b>	115 to 125 GWhr per year
<b>TRANSMISSION LINE</b>	67 KM / 60 kV
<b>DEVELOPMENT STAGE</b>	OPERATIONAL
<b>PPA</b>	20 YEARS - US \$53.90 / Mwhr – PLUS INFLATION
<b>COD</b>	DECEMBER 2019
<b>CO<sub>2</sub> CREDITS</b>	~50,000 Tons/year

**POLARIS**

## PROJECT LOCATION

Tingo Maria,  
Huanuco Province  
connected to the  
national grid





# Fact Sheet – El Carmen

<b>POWER PLANTS</b>	EL CARMEN
<b>INSTALLED CAPACITY</b>	8 MW
<b>CAPACITY FACTOR</b>	55% to 70%
<b>PRODUCTION</b>	40 to 50 GWhr per year
<b>TRANSMISSION LINE</b>	67 KM / 60KV
<b>DEVELOPMENT STAGE</b>	OPERATIONAL
<b>PPA</b>	20 YEARS - US\$55.70/Mwhr – PLUS INFLATION
<b>COD</b>	NOVEMBER 2019
<b>CO<sub>2</sub> CREDITS</b>	~20,000 Tons/year

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## PROJECT LOCATION

Tingo Maria,  
Huanuco Province  
connecting to the  
national grid



# Fact Sheet – Canoa 1

<b>POWER PLANTS</b>	CANOA I
<b>INSTALLED CAPACITY</b>	25.0 MW <sub>AC</sub> /32.6 <sub>DC</sub> MW
<b>CAPACITY FACTOR</b>	21.9%
<b>PRODUCTION</b>	55-60 GWhr per year
<b>GEN-TIE LINE</b>	3 KM / 69KV
<b>DEVELOPMENT STAGE</b>	OPERATIONAL
<b>PPA</b>	20 YEARS + 5-YEAR - US\$125.00/Mwhr –1.22%/YR TO 2033
<b>COD</b>	MARCH 2020

## PROJECT LOCATION

Barahona Province,  
Dominican Republic  
connecting to the  
national grid





# Fact Sheet – Panasolar II

<b>POWER PLANTS</b>	PANASOLAR II
<b>INSTALLED CAPACITY</b>	20 MW <sub>AC</sub> /12 DC MW
<b>CAPACITY FACTOR</b>	20%
<b>PRODUCTION</b>	20-22 GWhr per year
<b>GEN-TIE LINE</b>	Onsite
<b>DEVELOPMENT STAGE</b>	Construction
<b>PPA</b>	No contracts at this stage
<b>COD</b>	Estimated Q4-2022

## PROJECT LOCATION

Vista Hermosa, Cocle  
Province, Panama