GALILEO

Galileo Global Equity Advisors

Michael Waring
www.GalileoFunds.ca

Polaris Infrastructure Inc.
Symbol: PIF on the TSX
Current price: CAD$17.36
Current Yield: 4.2%, dividend paid in USD
Market cap: CAD$280 million.

Polaris owns and operates a geothermal facility in Nicaragua that generates 60 megawatts of electricity which is approximately 15% of country's grid. There are 11 production wells that produce as combination of steam and super-hot brine that is used to drive generating turbines. The facility can be expanded to 72 megawatts under the current PPA which extends to 2029 which would increase cash flow anywhere between 17% and 30% depending on assumptions. A second geothermal opportunity exists within Nicaragua and is currently being reviewed with assistance from The World Bank.
Polaris only began paying a dividend in Q2 2016 and has raised it four times since then. The company is generating free cash flow after operating expenses, sustaining capex and principal repayment of approximately $USD 5.5 million.

Also note that two other publicly traded geothermal companies (Alterra Power and US Geothermal) have been taken private in the past year.

WPT Industrial Real Estate Investment Trust
Symbol: WIR-U on the TSX
Current Price: USD$12.91
Current Yield: 5.9%, dividend is paid in USD
Market Cap: USD$619 million

The company owns and operates industrial warehousing facilities in nine U.S. states, primarily in the Midwest and southeast regions. It is a high-quality property portfolio with an above average organic growth profile and requires little in terms of sustaining capital commitments. E-commerce related business comprises approximately 40% of activity according to management. The asset base has an average ceiling height of 31 feet, average asset age of 13 years and an average building size of 326,000 square feet.

Top clients included: General Mills, Unilever, Zulily, Full Beauty and Amazon.

Pure Industrial Real Estate Trust, a competitor, is in the process of being taken out by Blackstone Group, a private equity firm.