

PRESS RELEASE

For immediate release

Boralex doubles its discretionary cash flows in 2019

Highlights of the 4th quarter and fiscal 2019

- **Discretionary cash flows of \$120 million for fiscal 2019, more than double the amount in 2018**
- **In 2019, wind conditions were in line with historical averages in France and wind power production was higher than anticipated in the 4th quarter**
 - For the 4th quarter: 17% increase in production volume from comparable assets versus 2018 and volume 15% higher than anticipated⁽¹⁾ in France; 23% increase in total wind power production compared to 2018 and production volume 5% higher than anticipated.
 - For the fiscal year: 10% increase in production from comparable assets versus 2018 in France; 26% increase in total wind power production compared to 2018.
- **Strong growth in EBITDA(A) compared to the corresponding periods in 2018**
 - EBITDA(A) of \$143 million (or \$165 million on a Combined basis⁽²⁾) in the 4th quarter, up 47% (36%) from 2018 and \$402 million (\$492 million on a Combined basis) for fiscal 2019, an increase of 35% (39%) over 2018.
- **Over \$2 billion in refinancing and other capital structure optimization initiatives in 2019**
 - \$1.7 billion in France, including \$182 million in revolving credit completed in January 2020.
 - Refinancing of \$209 million in Québec and conversion/redemption of \$144 million in convertible debentures.
 - Annual savings of more than \$15 million in interest expense and over \$180 million freed up and applied to Boralex's corporate credit facility.
- **Projects totaling 225 MW in the Corporation's Growth Path and 180 MW in solar projects submitted in a call for tenders in the United States**
 - 58 MW in wind power projects ready-to-build or under construction in France.
 - Total of 167 MW in wind power projects secured in France and Scotland.
 - 180 MW in solar power projects submitted in New York State in the United States.

Montreal, February 28, 2020 - For the three months ended December 31, 2019 and fiscal 2019, Boralex Inc. ("Boralex" or the "Corporation") (TSX: BLX) recorded an increase in EBITDA(A) and net earnings excluding unusual items. The increase reflects the contribution from sites acquired and commissioned, as well as higher revenues from energy sales from comparable sites.

"I'm very proud of our performance and achievements in the fourth quarter and fiscal 2019," said Patrick Lemaire, President and Chief Executive Officer of Boralex. "The growth in our financial results and our disciplined approach to investments generated a strong increase in discretionary cash flows during the year, which augurs well for achieving the 2023 financial objectives set out in our strategic plan."

⁽¹⁾ Anticipated production is calculated using historical averages for older sites adjusted for planned facility commissioning and shutdowns, and production forecasts for the other sites.

⁽²⁾ The figures in brackets show the results on a Combined basis in comparison to those disclosed in accordance with IFRS. See "Combined - Non-IFRS measure" below.

With respect to the Corporation's outlook, Mr. Lemaire added that "the significant amounts generated from operations coupled with the funds freed up and the benefits from the many initiatives to optimize our capital structure have put us in an excellent position to accelerate our development activities in 2020. We now have projects totaling 225 MW in our *Growth Path* and another 2,703 MW in our portfolio of projects at various stages of completion; this will allow us to increase our production capacity in the next few years by close to 800 MW, taking us to our target of 2,800 MW in 2023."

Financial Highlights - Fourth quarter

For three-month periods ended December 31

	IFRS		Combined ⁽¹⁾	
	2019	2018	2019	2018
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh) ⁽²⁾	1,364	1,106	1,677	1,430
Revenues from energy sales and feed-in premium	179	145	212	178
EBITDA(A) ⁽¹⁾	143	98	165	121
Net earnings (loss)	(23)	9	(15)	9
Net earnings (loss) attributable to shareholders of Boralex	(26)	9	(18)	9
Per share (basic and diluted)	(\$0.28)	\$0.09	(\$0.19)	\$0.09
Net cash flows related to operating activities	58	23	52	52
Cash flows from operations ⁽¹⁾	119	71	116	84

⁽¹⁾ The production level for which NRWF wind farm was compensated following power generation limitations imposed by the IESO were included in power production, as management uses this measure to evaluate the Corporation's performance. This change facilitates the correlation between power production and revenues from energy sales and feed-in premium.

⁽²⁾ For more details, see the Non-IFRS Measures section in the 2019 Annual Report available on the websites of Boralex (boralex.com) and SEDAR (sedar.com).

In the 2019 fourth quarter, Boralex produced 1,364 GWh (1,677 GWh) of electricity, up 23% (17%) compared with 1,106 GWh (1,430 GWh) in the same quarter of 2018. All of the Corporation's operating segments contributed to this increase. The increase was particularly notable in the production by comparable assets in the wind power segment in France, which was 17% higher than in the fourth quarter of 2018 and 15% higher than anticipated.

For the three-month period ended December 31, 2019, revenues generated by energy sales rose to \$179 million (\$212 million), up \$34 million (\$34 million) or 24% (19%) compared with results for the corresponding quarter of 2018. This increase stems both from the expansion of the Corporation's operating base and the higher production by wind farms in France, given the more favourable wind conditions compared to the fourth quarter 2018.

For the fourth quarter 2019, the Corporation recorded consolidated EBITDA(A) of \$143 million (\$165 million), up by \$45 million (\$44 million) or 47% (36%) compared to the corresponding quarter of 2018. As noted above, this increase stems from the positive differences resulting from the contribution of sites commissioned in the past year, including the repowering of the Buckingham hydroelectric power station in Québec, as well as the increase in production volume by comparable assets versus last year. In addition, the sale of land in Scotland added \$6 million to EBITDA(A) in the fourth quarter.

Overall, for the three-month period ended December 31, 2019, Boralex recorded a net loss of \$23 million (\$15 million), versus net earnings of \$9 million for the same period in 2018. As shown in the above table, this resulted in a net loss attributable to shareholders of Boralex of \$26 million (\$18 million) or \$0.28 (\$0.19) per share (basic and diluted), compared to net earnings attributable to shareholders of Boralex of \$9 million or \$0.09 per share (basic and diluted) for the fourth quarter of 2018. The decrease is entirely related to the unusual charges recorded in the quarter as noted below.

In the fourth quarter 2019, Boralex recorded a total of \$58 million, or \$51 million after tax, in three separate unusual items. The first is attributable to a re-assessment of amounts recorded for the Moulins du Lohan development project in France. An unusual charge of \$51 million, or \$47 million after tax, was recorded for this project to reflect a decrease in the value of a power sales contract following receipt of a notice from the Ministry for the Ecological and Inclusive Transition of France stating that the type of contract in question for this wind farm was no longer available because the goal of the CR-2016 support program would soon be reached. To obtain an energy sale contract for this project Boralex must now submit a proposal under one of the upcoming calls for tenders. This situation stems from the significant delays caused by the interruption, contested by Boralex, of construction of the wind farm. Note that in July 7, 2017, the Administrative Tribunal of Rennes had cancelled the construction permits for the project. Boralex then appealed this decision and the Administrative Court of Appeal of Nantes rendered decisions favourable to Boralex on March 5, 2019. This decision was challenged and an appeal in cassation was filed with the Council of State. The final judicial decision is expected to be handed down by the end of 2020. Note that this particular situation applies only to the Moulins du Lohan project and that the value assigned to all the other Boralex projects remains the same.

The second unusual item is a charge of \$13 million, or \$9 million after tax, related to the \$1.7 billion refinancing arrangement in France. The third and final item is a gain of \$6 million, or \$5 million after tax, on the sale of land in Scotland, as noted above in the explanation regarding the difference in EBITDA(A).

Excluding these unusual items after taxes, Boralex recorded net earnings of \$28 million (\$36 million) in the fourth quarter 2019. This amounts to net earnings attributable to shareholders of Boralex of \$25 million (\$33 million) or \$0.26 (\$0.35) per share (basic and diluted).

Highlights of Fiscal 2019

For fiscal years ended December 31

	IFRS		Combined ⁽¹⁾	
	2019	2018	2019	2018
(in millions of Canadian dollars, unless otherwise specified)				
Power production (GWh) ⁽¹⁾	4,371	3,568	5,544	4,305
Revenues from energy sales and feed-in premium	564	471	687	549
EBITDA(A) ⁽²⁾	402	298	492	354
Net loss	(43)	(38)	(43)	(38)
Net loss attributable to shareholders of Boralex	(39)	(30)	(39)	(30)
Per share (basic and diluted)	(0.43)	(0.38)	(0.43)	(0.38)
Per share (diluted)	(0.43)	(0.38)	(0.43)	(0.38)
Net cash flows related to operating activities	294	202	303	235
Cash flows from operations ⁽¹⁾	310	192	327	208

⁽¹⁾ The production level for which NRWF wind farm was compensated following power generation limitations imposed by the IESO were included in power production, as management uses this measure to evaluate the Corporation's performance. This change facilitates the correlation between power production and revenues from energy sales and feed-in premium.

⁽²⁾ For more details, see the Non-IFRS Measures section in the 2019 Annual Report available on the websites of Boralex (boralex.com) and SEDAR (sedar.com).

For the fiscal year ended December 31, 2019, Boralex produced 4,371 GWh (5,544 GWh), an increase of 23% (29%) compared to 3,568 GWh (4,305 GWh) in 2018. This growth is largely attributable to the contribution from sites acquired or commissioned. Production from comparable assets rose 7%, due to better results in both the wind and hydroelectric power segments. Comparable wind power sites recorded better results in both France and Canada, with production volume up 6% for fiscal 2019 compared to a year earlier and 1% higher than anticipated.

For the fiscal year ended December 31, 2019, revenues from energy sales totalled \$564 million (\$687 million), an increase of \$93 million (\$138 million) or 20% (25%) compared to the previous year. The increase is due to both the expansion of the Corporation's operating base since the start of 2018 and the more favourable conditions for comparable wind and hydroelectric power facilities.

For fiscal 2019, consolidated EBITDA(A) totalled \$402 million (492 M\$), up \$104 million (\$138 million) or 35% (39%) from 2018. This increase stems mainly from higher revenues from energy sales as noted above. Other items that had a positive impact were the coming into force of IFRS 16 - Leases for \$12 million (\$13 million) and the sale of land in Scotland that resulted in a gain of \$6 million.

For fiscal 2019, Boralex reported a net loss of \$43 million versus a net loss of \$38 million in 2018. The net loss attributable to shareholders of Boralex was thus \$39 million or \$0.43 per share (basic and diluted), compared to a net loss attributable to shareholders of Boralex of \$30 million or \$0.38 per share (basic and diluted) in 2018.

Excluding the unusual items noted in the Financial Highlights - Fourth Quarter section, Boralex recorded net earnings of \$8 million and net earnings attributable to shareholders of Boralex of \$12 million or \$0.13 per share (basic and diluted) in 2019.

Outlook

On June 18, 2019, Boralex's management announced the strategic plan which will steer its actions to achieve its financial objectives for 2023. This plan is a continuation of the actions undertaken to date in sectors with high growth potential and for which the Corporation has developed solid expertise. It also includes complementary initiatives to diversify and optimize operations and revenue sources.

The plan sets out four main strategic directions and three financial objectives and is based on a rigorous analysis of the market evolution and trends in the renewable energy sector. The plan also reflects the view that a profound and rapid transformation of the industry is under way, driven mainly by many technological innovations.

STRATEGIC PLAN AT A GLANCE	
Strategic directions	Financial objectives for 2023
Growth Continue development activities in the European and North American markets, where the Corporation is already active and which offer high growth potential for renewable energies.	Discretionary cash flows Generate discretionary cash flows of \$140 million to \$150 million in 2023 which will represent annual compound growth of about 20% for the 2018-2023 period.
Diversification Strengthen our presence in the solar power sector and participate in developing the energy storage market.	Dividend Pay an ordinary dividend equivalent to a dividend payout ratio of 40% to 60% of discretionary cash flows.
Customers Adopt new business models directly targeting electricity-consuming companies for the sale of energy and the provision of complementary services.	Installed capacity Develop a portfolio of energy assets to achieve a gross installed capacity managed by the Corporation of over 2,800 MW in 2023.
Optimization Maximize synergies and optimize operational costs and diversify our sources of financing.	

To successfully implement its strategic plan and achieve its financial objectives, the Corporation relies on its solid expertise in developing small and medium-sized projects, which is a key advantage for seizing opportunities in increasingly competitive markets, particularly the solar power market.

Boralex is implementing its strategic plan based on growth potential in the markets in which it operates. In Europe, France's wind power market could grow approximately 1.85 GW per year to 2028; the ground-mounted solar segment also has strong growth potential, with a targeted additional capacity of about 2 GW per year by 2028 based on energy transition legislation in France. In the United States, the solar power market in New York State is projected to grow from 1.7 GW in 2019 to 6 GW in 2023, an average increase of more than 1 GW per year. This market has been targeted by Boralex for its future development, in keeping with the strategic diversification as indicated in the chart above.

The Corporation has a portfolio of projects at various stages of development, based on clearly defined criteria. Furthermore, these criteria were reviewed at year end and a new development phase was created to include projects that are considered to be securely on the Corporation's *Growth Path*. Following these changes, the Corporation's portfolio now stands at 2,703 MW and the *Growth Path* at 225 MW. These projects put the Corporation in a very good position to reach its target capacity of 2,800 MW in 2023.

To ensure implementation of the strategic plan translates into disciplined growth while creating value for shareholders, Boralex management is monitoring three criteria selected as financial objectives.

As at December 31, 2019, discretionary cash flows amounted to \$120 million, more than double the \$59 million reported in fiscal 2018. This improvement is attributable to better operational results and the contribution from sites acquired and commissioned over the past year, to various initiative to optimize the capital structure, and to a disciplined approach to investments.

As at December 31, 2019, the dividend paid to shareholders equaled a payout ratio of 50%, in line with the target payout ratio of 40% - 60% set in accordance with the Corporation's 2023 financial objectives.

Lastly, at the end of 2019, Boralex's installed capacity was 2,040 MW, an increase of 98 MW since the beginning of the year, due to the commissioning of four wind farms and two hydroelectric power stations.

Dividend declaration

The Corporation's Board of Directors has authorized and declared a quarterly dividend of \$0.1650 per common share to be paid on March 16, 2020 to shareholders of record at the close of business on February 28, 2020. Boralex has designated this dividend as an eligible dividend within the meaning of section 89.14 of the *Income Tax Act* (Canada) and all provisions of provincial laws applicable to eligible dividends.

About Boralex

Boralex develops, builds and operates renewable energy power facilities in Canada, France, the United Kingdom and the United States. A leader in the Canadian market and France's largest independent producer of onshore wind power, the Corporation is recognized for its solid experience in optimizing its asset base in four power generation types-wind, hydroelectric, thermal and solar. Boralex ensures sustainable growth by leveraging the expertise and diversification developed for nearly 30 years. Boralex's shares are listed on the Toronto Stock Exchange under the ticker symbol BLX. More information is available at www.boralex.com or www.sedar.com. Follow us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

Caution regarding forward-looking statements

Some of the statements contained in this press release, including those regarding future results and performance, the strategic plan, business model and the Corporation's growth strategy, financial objectives and renewable energy production projects in the portfolio or on the Corporation's *Growth Path*, are forward-looking statements based on current expectations, within the meaning of securities legislation.

The forward-looking statements are based on material assumptions, including the following: assumptions about the performance the Corporation will obtain from its projects, based on management's estimates and expectations with respect to factors related to wind and other factors; opportunities that may arise in the various sectors targeted for growth or diversification; assumptions made about EBITDA(A) margins;

assumptions made about the situation in the sector and the economic situation in general, competition and the availability of financing and partners. Although the Corporation believes that these factors and assumptions are reasonable based on the information currently available, they may prove to be inaccurate.

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measure it adopts could differ materially from those indicated by or underlying these statements, or could have an impact on the degree of realization of a particular forward-looking statement.

The main factors that could lead to a material difference between the Corporation's actual results and the forward-looking financial information or expectations set forth in the forward-looking statements include the general impact of economic conditions, currency fluctuations, volatility in energy selling prices, the Corporation's financial capacity, competition, changes in general market conditions, the regulations governing the industry, regulatory disputes and other issues related to projects in operation or under development, as well as certain other factors described in the documents filed by the Corporation with the different securities commissions.

Unless otherwise specified by the Corporation, the forward-looking statements do not take into account the possible impact on its activities, transactions, non-recurring items or other exceptional items announced or occurring after the statements are made. There can be no assurance as to the materialization of the results, performance or achievements as expressed or implied by forward-looking statements. The reader is cautioned not to place undue reliance on such forward-looking statements.

Unless required to do so under applicable securities legislation, Boralex management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes.

The data expressed as a percentage is calculated using amounts in thousands of dollars.

Combined - Non-IFRS measure

The combined information ("Combined") presented above and in the MD&A of the Corporation resulted from the combination of the financial information of Boralex Inc. ("Boralex" or the "Corporation") under IFRS and the share of the financial information of the *Interests*. The *Interests* represent significant investments by Boralex and although IFRS does not permit the consolidation of their financial information within that of Boralex, management considers that information on a Combined basis is useful data to evaluate the Corporation's performance. In order to prepare the Combined information, Boralex first prepares its financial statements and those of the *Interests* in accordance with IFRS. Then, the *Interests* in Joint Ventures and associates, Share in earnings of the Joint Ventures and associates and Distributions received from the Joint Ventures and associates line items are replaced by Boralex's respective share (ranging from 50.00% to 59.96%) in the financial statement items of the *Interests* (revenues, expenses, assets, liabilities, etc.). See the *Non-IFRS measures* section in the 2019 Fourth Quarter Interim Report for more information.

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