BORALEX
energy creator

PRESS RELEASE

For immediate release

Boralex announces strong growth in financial results in the third quarter of 2019

Highlights

- **Growth in revenues from energy sales and EBITDA(A) attributable to acquisitions, commissioning of new sites and increased production at comparable sites**
  - Revenues from energy sales totalled $92 million ($113 million)[1], up 16% (22%) from the comparable quarter last year
  - EBITDA(A) of $45 million ($70 million), up 16% (39%) from the comparable quarter last year
- **Total power production up sharply from last year and in line with anticipated production[2] for the first nine months of the year**
  - For the quarter: increase of 21% (28%) compared to 2018 and production volume 11% (10%) lower than anticipated
  - For the first nine months of fiscal year: increase of 22% (34%) compared with a year earlier and volume in line with anticipated production
- **Wind projects added to the Growth Path, capacity upgrade at a hydroelectric power station and ramped-up development in the U.S. solar power segment**
  - Wind projects totalling 27 MW added to the Corporation's Growth Path since the start of the year
  - Wind power contracts totalling more than 100 MW of installed capacity awarded to Boralex since the beginning of the year under the April and August requests for proposals
  - Submission for solar power projects representing an installed capacity of 180 MW filed for the September request for proposals in the State of New York in the U.S.
  - On October 17, repowering of the Buckingham power station with an installed capacity of 20 MW, versus 10 MW before the upgrade

Montreal, November 7, 2019 - For the three-month period ended September 30, 2019, Boralex Inc. ("Boralex" or the "Corporation") (TSX: BLX) recorded an increase in energy revenues and EBITDA(A) attributable to contributions from sites acquired and commissioned in the past 12 months as well as higher revenues from energy sales at comparable sites.

"The sites acquired and commissioned in the past twelve months have again made a substantial contribution to our quarterly results," said Patrick Lemaire, President and Chief Executive Officer of Boralex. "Since the beginning of the fiscal year, our comparable sites have also done well, with total production up over last year and in line with anticipated production."

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

Mr. Lemaire continued, stressing the importance of the deployment of the Corporation's portfolio of projects. "The sustained efforts by our development teams are achieving results. We've added projects equivalent to 27 MW to the Corporation's Growth Path and we've been awarded wind power projects totalling more than 100 MW under requests for proposals since the start of the year," he noted. "We're also waiting to hear the results of our submissions for projects totalling 180 MW filed in September 2019 under a request for proposals in the United States."

Financial highlights - Third quarter

For three-month periods ended September 30

	IFRS		Combined[1]	
(in millions of Canadian dollars, unless otherwise specified) (unaudited)	2019	2018	2019	2018
Power production (GWh)[2]	712	590	920	721
Revenues from energy sales and feed-in premium	92	79	113	93
EBITDA(A)[1]	45	39	70	51
Net loss	(36)	(37)	(44)	(37)
Net loss attributable to shareholders of Boralex	(29)	(31)	(37)	(31)
Per share (basic and diluted)	($0.32)	($0.40)	($0.41)	($0.40)
Net cash flows related to operating activities	58	17	54	10
Cash flows from operations[1]	35	23	31	15

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

(2) 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.

In the 2019 third quarter, production rose to 712 GWh (920 GWh), up 21% (28%) compared to 590 GWh (721 GWh) for the corresponding quarter of 2018. Excluding the contribution from sites commissioned during the past year, production at comparable sites grew 9% (7%), driven by better results in both the wind and hydroelectric power segments. In France, wind conditions were more favourable during the third quarter of 2019 compared to the same period a year earlier and production volume at comparable wind farms was up 30% over the previous year. In Canada, wind conditions were not as good as last year, leading to a 9% (7%) decrease in production volume at comparable wind power sites.

For the quarter, power production was 11% (10%) lower than anticipated, attributable to the wind power segments in France and Canada and the hydroelectric power segment. Note, however, that for the first nine months of the fiscal year, power production is in line with anticipated production.

For the three-month period ended September 30, 2019, revenues from energy sales totalled $92 million ($113 million), up $13 million ($20 million) or 16% (22%) compared to results for the corresponding quarter of 2018. This increase is attributable to both the expansion of the Corporation's operating base since July 1, 2018 and to higher production from the wind farms in France given that wind conditions were better than in the corresponding quarter in 2018.

For the third quarter of 2019, the Corporation recorded consolidated EBITDA(A) of $45 million ($70 million), up $6 million ($19 million) or 16% (39%) compared to the corresponding quarter of 2018. The increase stems from higher revenues from energy sales, as noted above.

Overall, for the three-month period ended September 30, 2019, Boralex recorded a net loss of $36 million ($44 million), versus a net loss of $37 million for the corresponding period of 2018. As shown in the above table, this resulted in a net loss attributable to shareholders of Boralex of $29 million ($37 million) or $0.32 ($0.41) per share (basic and diluted), compared to a net loss attributable to shareholders of Boralex of $31 million or $0.40 per share (basic and diluted) a year earlier.

Financial highlights for the nine-month period ended September 30

For nine-month periods ended September 30

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	IFRS 2019	IFRS 2018	Combined[1] 2019	Combined[1] 2018
Power production (GWh)[2]	3,005	2,462	3,866	2,875
Revenues from energy sales and feed-in premium	385	326	475	371
EBITDA(A)[1]	259	200	327	233
Net loss	(20)	(47)	(28)	(47)
Net loss attributable to shareholders of Boralex	(13)	(39)	(21)	(39)
Per share (basic and diluted)	($0.15)	($0.51)	($0.24)	($0.51)
Net cash flows related to operating activities	236	179	251	182
Cash flows from operations[1]	191	121	212	125
	As at Sep 30,	As at Dec 31,	As at Sep 30,	As at Dec 31,
Total assets	4,679	4,776	5,350	5,434
Debt, including non-current debt and current portion of debt	3,132	3,271	3,702	3,855

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

For the nine-month period ended September 30, 2019, production rose to 3,005 GWh (3,866 GWh), an increase of 22% (34%) compared to 2,462 GWh (2,875 GWh) for the corresponding period in 2018. Excluding the contribution from sites acquired or commissioned, production at comparable sites grew 6%, driven by 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 4% (5%) for the first nine months of 2019 compared to the previous year.

For the first nine months of 2019, revenues from energy sales totalled $385 million ($475 million), an increase of $59 million ($104 million) or 18% (28%) compared to the corresponding period of 2018. This growth is mainly attributable to the increase from the contribution of wind farms acquired and commissioned since the start of fiscal 2018 and higher production volumes from comparable assets in both the wind and hydroelectric power segments.

For the first nine months of 2019, consolidated EBITDA(A) totalled $259 million ($327 million), up $59 million ($94 million) or 29% (40%) compared to the corresponding period of 2018. This increase stems mainly from higher revenues from energy sales, as noted above. Other items that had a favourable impact include the coming into force of IFRS 16 - Leases, for $9 million ($10 million).

For the first nine months of 2019, Boralex recorded a net loss of $20 million ($28 million) versus a net loss of $47 million for the same period a year earlier. The net loss attributable to shareholders of Boralex was thus $13 million ($21 million) or $0.15 ($0.24) per share (basic and diluted), compared to a net loss attributable to shareholders of Boralex of $39 million or $0.51 per share (basic and diluted) a year earlier. The favourable difference of $26 million ($18 million) or $0.36 ($0.27) per share (basic and diluted) compared to the first nine months of 2018 is explained by the aggregate effect of the items discussed above.

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 the growth potential in the markets in which it operates. The wind power segment remains its top growth vector, accounting for 88% of Boralex's installed capacity as at September 30, 2019. Based on the analyses performed, this segment represents a total market potential of 10,875 MW for the Corporation while its portfolio of projects at various stages of development total 2,375 MW. The potential market for the solar power segment amounts to about 20,000 MW. The Corporation intends to substantially strengthen its presence in this segment while its current project portfolio in this segment amounts to a total of 630 MW.

Since the end of the three-month period ended September 30, 2019, the work to expand the capacity of the Buckingham hydroelectric power station was completed and the station, which now has an installed capacity of 20 MW (double the station's 10 MW before the upgrade) was repowered on October 17, 2019. This commissioning raises total installed capacity to 2,016 MW. In the short term, the projects under construction or that have obtained the authorizations required for launching construction will add 82 MW to installed capacity, increasing total capacity from 2,016 MW to 2,098 MW at the end of 2021.

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 objective.

As at September 30, 2019, discretionary cash flows amounted to $96 million based on the previous twelve months. This is an increase of 64% compared to the $59 million recorded in fiscal 2018. This improvement is attributable to better operational results and the contribution from sites acquired and commissioned over the past year.

As at September 30, 2019, the dividend paid to shareholders equalled a payout ratio of 61% based on the previous twelve months. The increase in discretionary cash flow since the start of 2019 made it possible to approach the target payout ratio of 40% - 60%.

Lastly, as at September 30, 2019, Boralex's installed capacity was 2,006 MW, an increase of 64 MW since the beginning of the year, due to the commissioning of three wind farms and one hydroelectric power station. Furthermore, the Corporation began fiscal 2019 with an additional installed capacity of 285 MW in France and 201 MW in Canada compared to a year earlier, due to the wind farms commissioned and acquired in 2018. These sites will contribute to the Corporation's financial results for the entire current fiscal year.

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 December 16, 2019 to shareholders of record at the close of business on November 29, 2019. 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 symbols 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, strategic plan, business model, growth strategy, revenues diversification, optimization, development in the solar sector and storage, expansion of targeted customers through signature of contracts directly with companies consuming electricity, sale of minority interests and 2023 financial objectives, are forward-looking statements based on current expectations, within the meaning of securities legislation.

Boralex would like to point out that, by their very nature, forward-looking statements involve risks and uncertainties such that its results or the measures 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, but are not limited to, the general impact of economic conditions, currency fluctuations, volatility in energy selling prices, the Corporation's financing 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, 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 Third Quarter Interim Report for more information.

- 30 -

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