BORALEX

PRESS RELEASE

For immediate release

Strong growth in operating income and submission of bids for 800 MW of solar projects in Q3-2021

Highlights

- **Increases in operating income and EBITDA(A)[1] in Q3-2021**
  - Operating income of $7 million ($13 million)[2], up 112% (7%) from $3 million ($12 million) in Q3-2020
  - EBITDA(A) of $81 million ($93 million), up 31% (12%) from $62 million ($83 million) in Q3-2020
- **Substantial growth in the project pipeline**
  - Bids for 800 MW of solar projects in New York State submitted in late August
  - Projects totalling 103 MW added to the “Early-stage” phase of the project pipeline
  - Two projects totalling 33 MW advanced to the “Secured” phase of the Growth Path
- **Optimization of capital structure and first sustainable financing (ESG criteria)**
  - Renewal and extension of the corporate credit facility and letter of credit facility totalling $525 million for a remaining term of 5 years with sustainable financing (ESG criteria) and a $150 million accordion
- **Production 40% (22%) higher than in Q3-2020 and 7% (7%) below anticipated production[3]**
  - Wind: 20% (3%) higher than in Q3-2020 and 11% (10%) below anticipated production
  - Hydroelectric: 42% higher than in Q3-2020 and 21% above anticipated production
  - Solar: 10% below anticipated production
- **Increase in cash flows from operations and decreases in net and discretionary cash flows**
  - Net cash flow related to operating activities of $47 million ($42 million) for Q3-2021, down $26 million ($24 million) from Q3-2020
  - Cash flow from operations of $66 million for Q3-2021, up $3 million from Q3-2020
  - Discretionary cash flow of $21 million, down $5 million from Q3-2020

Montreal (Quebec), November 12, 2021 – Boralex Inc. (“Boralex” or the “Company”) (TSX: BLX) is pleased to report an increase in operating income and significant progress on certain development projects during the quarter ended September 30, 2021.

“Our operating income continued to grow in the third quarter. The impact of last year’s acquisitions and commissionings and favourable hydraulic conditions in the eastern United States more than compensated for less favourable wind conditions in Canada and France than in the third quarter of 2020,” said Patrick Decostre, President and Chief Executive Officer of Boralex. “Apart from the financial results, a highlight for the quarter was the submission of bids for 800 MW of projects under the most recent NYSERDA request for proposals in New York State. We expect to learn the outcome of the bidding process in the coming months. We are also proud to have closed our first sustainable financing recently and to have moved forward with the execution of our corporate social responsibility (CSR) plan,” Mr. Decostre added.

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[1] These terms do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS financial measures* section in this press release.

[2] The figures in brackets indicated the results according to the Combined[1], compared to those obtained according to the Consolisated.

[3] Calculated based on adjusted historical averages of commissioning and planned outages for experimental and other sites, based on producible material studies performed.

Regarding the outlook for the Company, Mr. Decostre said: “We continue to work on advancing our projects and on prospecting for new projects in Europe and North America to add to our project pipeline. In the coming quarters, we will continue to assess potential acquisitions and work on a range of initiatives in connection with our ***2025 Strategic Plan***, including optimizing our capital structure and executing our CSR strategy. Our second CSR report will be issued in February 2022.”

3rd quarter highlights

Three-month periods ended September 30

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Consolidated 2021	Consolidated 2020	Change $	Change %	Combined[1] 2021	Combined[1] 2020	Change $	Change %
Power production (GWh)[2]	1,108	789	319	40	1,238	1,017	221	22
Revenues from energy sales and feed-in premium	126	105	21	20	140	130	10	8
Operating Income	7	3	4	>100	13	12	1	7
EBITDA(A)[1]	81	62	19	31	93	83	10	12
Net loss	(22)	(8)	(14)	>(100)	(22)	(13)	(9)	(83)
Net loss attributable to shareholders of Boralex	(20)	(6)	(14)	>(100)	(20)	(11)	(9)	>(100)
Per share - basic and diluted	($0.20)	($0.06)	($0.14)	>(100)	($0.20)	($0.10)	($0.10)	(99)
Net cash flows related to operating activities	47	73	(26)	(36)	42	66	(24)	(36)
Cash flows from operations[1]	66	63	3	5	—	—	—	—
Discretionary cash flows[1]	21	26	(5)	(19)	—	—	—	—

In the third quarter of 2021, Boralex produced 1,108 GWh (1,238 GWh) of power, 40% (22%) more than the 789 GWh (1,017 GWh) produced in the same quarter of 2020. For the three-month period ended September 30, 2021, revenues from energy sales were $126 million ($140 million), up 20% (8%) from Q3-2020, while EBITDA(A)[1] was $81 million ($93 million), up 31% (12%) from Q3-2020, and operating income was $7 million ($13 million), up 112% (7%) from the same quarter in 2020. The increases in production, revenues, EBITDA(A)[1] and operating income are attributable to the recent acquisitions in the Quebec wind segment and the United States solar segment, the commissioning of wind farms in France and increased production at hydroelectric stations in the United States owing to particularly favourable conditions during the quarter.

For the three-month period ended September 30, 2021, Boralex reported a net loss of $22 million ($22 million) compared to a net loss of $8 million ($13 million) for the same period in 2020. As indicated in the table above, the net loss attributable to shareholders of Boralex was $20 million ($20 million) or $0.20 per share (basic and diluted), compared to $6 million ($11 million) or $0.06 ($0.10) per share (diluted) for the same period in 2020. The increase in the loss is attributable to the addition of amortization and financing costs related to acquisitions and commissionings.

[1] These terms do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS financial measures* section in this press release.

[2] Power production includes the production for which Boralex received financial compensation following power generation limitations imposed by its clients since management uses this measure to evaluate the Corporation’s performance. This adjustment facilitates the correlation between power production and revenues from energy sales and feed-in premium.

Nine-month periods ended September 30

(in millions of Canadian dollars, unless otherwise specified) (unaudited)	Consolidated				Combined[1]			
	2021	2020	Change		2021	2020	Change	
			$	%			$	%
Power production (GWh)[2]	4,061	3,259	802	25	4,554	4,071	483	12
Revenues from energy sales and feed-in premium	479	426	53	12	532	513	19	4
Operating Income	109	112	(3)	(2)	137	149	(12)	(8)
EBITDA(A)[1]	338	297	41	14	372	359	13	4
Net earnings	8	30	(22)	(74)	12	19	(7)	(37)
Net earnings attributable to shareholders of Boralex	1	29	(28)	(97)	5	18	(13)	(72)
Per share - basic and diluted	$0.01	$0.30	($0.29)	(97)	$0.05	$0.20	($0.15)	(74)
Net cash flows related to operating activities	264	303	(39)	(13)	272	318	(46)	(14)
Cash flows from operations[1]	247	238	9	4	—	—	—	—
Discretionary cash flows[1]	74	80	(6)	(8)	—	—	—	—
	As at Sept. 30	**As at Dec. 31**	Change		**As at Sept. 30**	**As at Dec. 31**	Change	
			$	%			$	%
Total assets	5,708	5,314	394	7	6,122	5,753	369	6
Adjusted loans[1]	3,693	3,609	84	2	4,050	3,976	74	2
Projects	3,207	3,190	17	1	3,564	3,557	7	—
Corporate	486	419	67	16	486	419	67	16

During the nine-month period ended September 30, 2021, Boralex produced 4,061 GWh (4,554 GWh) of power, 25% (12%) more than the 3,259 GWh (4,071 GWh) produced in the same period of fiscal 2020. Revenues from energy sales for the period amounted to $479 million ($532 million), up $53 million ($19 million) or 12% (4%) from the same period in 2020, while EBITDA(A)[1] was $338 million ($372 million), $41 million ($13 million) or 14% (4%) higher than last year. The increases in production, revenues from energy sales and EBITDA(A) are attributable to acquisitions and commissionings, as discussed in the analysis of the quarterly results. Operating income totaled $109 million ($137 million), $3 million ($12 million) lower than in the same period in 2020 due to amortization and operating cost increases that exceeded the increase in revenues from energy sales and feed-in premium.

Overall, for the nine-month period ended September 30, 2021, Boralex reported net earnings of $8 million ($12 million) compared to net earnings of $30 million ($19 million) for the same period in fiscal 2020. As indicated in the table above, net earnings attributable to shareholders of Boralex were $1 million ($5 million) or $0.01 ($0.05) per share (basic and diluted), compared to $29 million ($18 million) or $0.30 ($0.20) per share (basic and diluted) for the same period in fiscal 2020. The decrease is primarily attributable to the addition of amortization, acquisition and financing costs related to project acquisitions and commissioning, as well as the reduction of the useful lives of assets at sites undergoing equipment replacement (repowering).

Outlook

On June 17, 2021, Boralex's management unveiled an updated strategic plan that will guide efforts to achieve its new corporate targets for 2025. Boralex's 2025 Strategic Plan is built around the four strategic directions of the plan launched in 2019 – growth, diversification, customers and optimization – and six corporate targets. It also includes the Company's CSR strategy.

Highlights of the main achievements of the quarter in relation to the ***Strategic Plan 2025*** can be found in the *Q3-2021 Interim Report*, available in the Investors section of Boralex's website.

[1] These terms do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS financial measures* section in this press release.

[2] Power production includes the production for which Boralex received financial compensation following power generation limitations imposed by its clients since management uses this measure to evaluate the Corporation's performance. This adjustment facilitates the correlation between power production and revenues from energy sales and feed-in premium.

In the coming quarters, Boralex will pursue work on its various initiatives under the strategic plan, including the obtaining an “investment-grade” credit rating, preparing its second CSR report, developing its projects and assessing acquisition targets.

To pursue organic growth, the Company has a pipeline of projects at various stages of development defined on the basis of clearly identified criteria, totalling 3,144 MW in wind and solar projects and 193 MW in energy storage projects, as well as a 664 MW *Growth Path*.

Dividend declaration

The Company’s Board of Directors has approved and announced a quarterly dividend of $0.1650 per common share. This dividend will be paid on December 15, 2021, to shareholders of record at the close of business on November 30, 2021. 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

At Boralex, we have been providing affordable renewable energy accessible to everyone for over 30 years. As a leader in the Canadian market and France’s largest independent producer of onshore wind power, we also have facilities in the United States and development projects in the United Kingdom. Over the past five years, our installed capacity has more than doubled to 2.5 GW. We are developing a portfolio of more than 3 GW in wind and solar projects and nearly 200 MW in storage projects, guided by our values and our corporate social responsibility (CSR) approach. Through profitable and sustainable growth, Boralex is actively participating in the fight against global warming. Thanks to our fearlessness, our discipline, our expertise and our diversity, we continue to be an industry leader. Boralex’s shares are listed on the Toronto Stock Exchange under the ticker symbol BLX.

For more information, go to www.boralex.com or www.sedar.com. Follow us on Facebook, LinkedIn and Twitter.

Non-IFRS measures

Performance measures

In order to assess the performance of its assets and reporting segments, Boralex uses Combined information, EBITDA(A), ratio of net debt, cash flows from operations, discretionary cash flows, payout ratio and reinvestment ratio as performance measures. Management believes that these measures are widely accepted financial indicators used by investors to assess the operational performance of a company and its ability to generate cash through operations. The non-IFRS financial measures also provide investors with insight into the Corporation’s decision making as the Corporation uses these non-IFRS financial measures to make financial, strategic and operating decisions.

These non-IFRS financial measures are derived primarily from the audited consolidated financial statements, but do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies. Non-IFRS financial measures are not audited. These non-IFRS measures have important limitations as analytical tools and investors are cautioned not to consider them in isolation or place undue reliance on ratios or percentages calculated using these non-IFRS measures.

Combined

The Combined information (“Combined”) presented in this management’s discussion and analysis results from the combination of the financial information of Boralex under IFRS and the share of the financial information of the Interests. In order to prepare the Combined information, Boralex first prepares its financial statements and those of the Interests in accordance with IFRS ("Consolidated"). Then, the Interests in the Joint Ventures and associates, Share in earnings (losses) of the Joint Ventures and associates and Distributions received from the Joint Ventures and associates are replaced with Boralex’s respective share (ranging from 50.00% to 59.96%) in the financial statements of the Interests (revenues, expenses, assets, liabilities, etc.). This non-IFRS financial measure does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. 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 assess the Corporation’s performance. For greater detail, see the *Significant accounting policies note* to the financial statements in the Annual Report.

The following tables reconcile Consolidated financial data with data presented on a Combined basis:

(in millions of Canadian dollars) (unaudited)	2021 Consolidated	2021 Reconciliation[1]	2021 Combined	2020 Consolidated	2020 Reconciliation[1]	2020 Combined
Three-month period ended September 30:						
Power production (GWh)[2]	1,108	130	1,238	789	228	1,017
Revenues from energy sales and feed-in premium	126	14	140	105	25	130
Operating Income	7	6	13	3	9	12
EBITDA(A)[3]	81	12	93	62	21	83
Net earnings (loss)	(22)	—	(22)	(8)	(5)	(13)
Net cash flows related to operating activities	47	(5)	42	73	(7)	66
Nine-month period ended September 30:						
Power production (GWh)[2]	4,061	493	4,554	3,259	812	4,071
Revenues from energy sales and feed-in premium	479	53	532	426	87	513
Operating Income	109	28	137	112	37	149
EBITDA(A)[3]	338	34	372	297	62	359
Net earnings	8	4	12	30	(11)	19
Net cash flows related to operating activities	264	8	272	303	15	318
As at September 30:						
Total assets[4]	5,708	414	6,122	5,314	439	5,753
Adjusted debt[3][4]	3,693	357	4,050	3,609	367	3,976

(1) Includes the respective contribution of Joint Ventures and associates as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.
(2) Includes financial compensation following electricity production limitations imposed by clients.
(3) These terms do not have a standardized meaning under IFRS; accordingly, they may not be comparable to similarly named measures used by other companies. For more details, see the *Non-IFRS financial measures* section in this press release.
(4) As at December 31, 2020 for the comparative figures.

EBITDA(A)

EBITDA(A) represents earnings before interest, taxes and depreciation, adjusted to exclude other items such as acquisition costs, other gains, net loss (gain) on financial instruments and foreign exchange loss (gain), the last two items being included under Other. EBITDA(A) does not have a standardized meaning under IFRS; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA(A) as an alternative measure to, for example, net earnings (loss), or as a measure of operating results, which are IFRS measures.

In order to assess the performance of the Corporation's reporting segments, management uses EBITDA(A).

EBITDA(A) is reconciled to the most comparable IFRS measure, namely, operating income, in the following table:

(in millions of Canadian dollars) (unaudited)	2021 Consolidated	2021 Reconciliation[1]	2021 Combined	2020 Consolidated	2020 Reconciliation[1]	2020 Combined
Three-month period ended September 30:						
Operating Income	7	6	13	3	9	12
Amortization	74	6	80	59	12	71
Share in earnings of Joint Ventures and Associates	3	(3)	—	6	(6)	—
Excess of the interest over the net assets of Joint Venture SDB I	—	—	—	(6)	6	—
Change in fair value of a derivative included in the share of the Apuiat Joint Venture	(3)	3	—	—	—	—
EBITDA(A)	81	12	93	62	21	83
Three-month period ended September 30:						
Operating Income	109	28	137	112	37	149
Amortization	221	18	239	175	37	212
Impairment	2	—	2	—	—	—
Share in earnings of Joint Ventures and Associates	13	(13)	—	24	(24)	—
Other gains	(5)	(1)	(6)	—	(2)	(2)
Excess of the interest over the net assets of Joint Venture SDB I	6	(6)	—	(14)	14	—
Change in fair value of a derivative included in the share of the Apuiat Joint Venture	(8)	8	—	—	—	—
EBITDA(A)	338	34	372	297	62	359

[1] Includes the respective contribution of *Joint Ventures and associates* as a percentage of Boralex's interest less adjustments to reverse recognition of these interests under IFRS.

Net debt

The Corporation relies mainly on the net debt for capital management purposes. Investors should not consider the net debt as an alternative measure to debt including transaction costs, which is an IFRS measure. Net debt is reconciled to the most comparable IFRS measure, namely debt, in the following table:

	Consolidated		**Combined**	
(in millions of Canadian dollars) (unaudited)	As at September 30, 2021	As at December 31, 2020	As at September 30, 2021	As at December 31, 2020
Debt	3,388	3,287	3,714	3,623
Current portion of debt	223	229	243	247
Transaction costs, net of accumulated amortization	82	93	93	106
Adjusted Debt	3,693	3,609	4,050	3,976
Less:				
Cash and cash equivalents	248	275	262	293
Restricted cash	6	2	6	2
Net debt	3,439	3,332	3,782	3,681

Cash flow from operations and discretionary cash flows

Cash flow from operations

Cash flows from operations under IFRS are equal to net cash flows related to operating activities before change in non-cash items. Management uses this measure to assess cash flows generated by the Corporation's operations and its capacity to finance its expansion through those funds. In light of the seasonal nature of the Corporation's operations and the volume of construction activity, changes in non-cash items can vary considerably, which affects the degree to which cash flows relating to operating activities are representative.

Investors should not consider cash flows from operations as an alternative measure to cash flows related to operating activities, which is an IFRS measure. Cash flows from operations are reconciled to the most comparable IFRS measure, namely net cash flows related to operating activities, in the following table.

Discretionary cash flows

When evaluating its operating results, the Corporation also uses discretionary cash flows, a key performance indicator and one of the *Corporate objectives for 2025* in its strategic plan.

Discretionary cash flows represent the cash generated from operations that management believes is representative of the amount available for future development or to be paid as dividends to common shareholders while preserving the long-term value of the business.

Investors should not consider discretionary cash flows as an alternative financial measure to "net cash flows related to operating activities," before the "changes in non-cash operating items" which are IFRS financial measures. Discretionary cash flows are reconciled to the most comparable IFRS measure, namely net cash flows related to operating activities, in the following table.

Discretionary cash flows are equal to *Net cash flows related to operating activities* before "change in non-cash items related to operating activities," less (i) distributions paid to non-controlling shareholders, (ii) additions to property, plant and equipment (maintenance of operations), (iii) repayments on non-current debt (projects) and repayments to tax equity investors; (iv) principal payments related to lease liabilities; (v) adjustments for non-operational items; plus (vi) development costs (from the statement of earnings).

The Corporation computes the cash flow from operations and discretionary cash flows as follows:

	Consolidated					
	Three-month periods ended		Nine-month periods ended		Twelve-month periods ended	
(in millions of Canadian dollars) (unaudited)	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Net cash flows related to operating activities	**47**	**73**	**264**	**303**	**323**	**362**
Changes in non-cash operating items	19	(10)	(17)	(65)	25	(24)
Cash flows from operations	**66**	**63**	**247**	**238**	**348**	**338**
Repayments on non-current debt (projects)[(1)]	(41)	(36)	(172)	(135)	(212)	(175)
Adjustment for non-operating items[(2)(3)]	—	(2)	8	(24)	16	(17)
	25	25	83	79	152	146
Principal payments related to lease liabilities	(3)	(2)	(9)	(7)	(13)	(11)
Distributions paid to non-controlling shareholders	(5)	(2)	(13)	(5)	(14)	(6)
Additions to property, plant and equipment (maintenance of operations)	(3)	(2)	(5)	(3)	(6)	(6)
Development costs (from statement of earnings)	7	7	18	16	25	23
Discretionary cash flows	**21**	**26**	**74**	**80**	**144**	**146**

(1) Excluding VAT bridge financing, early debt repayments and the debt repayments made in December for LP I, DM I and II in respect of the months prior to the acquisition (Q4-2020).

(2) For the twelve-month period ended September 30, 2021: favourable adjustment of $16 million comprising mainly acquisition costs of $8 million, interest paid of $3 million on LP I, DM I and II debt for the months prior to the acquisition in Q4-2020 and a one-time payment of $3 million in Q1-2021. For the twelve-month period ended December 31, 2020: unfavourable adjustment of $17 million comprising mainly interest paid of $3 million on LP I, DM I and II debt for the months prior to the acquisition in Q4-2020, less $22 million in debt repayments to reflect a normalized debt service following debt refinancing in France in Q1-2020.

(3) For Q3 2020, an adjustment was made related to the schedule of debt repayments of wind farms in France following the refinancing. This adjustment is no longer necessary because debt repayments are made under the same basis in 2021 as in 2020.

Disclaimer regarding forward-looking statements

Certain statements contained in this release, including those related to results and performance for future periods, installed capacity targets, EBITDA(A) and discretionary cash flows, the Company's strategic plan, business model and growth strategy, organic growth and growth through mergers and acquisitions, obtaining an investment grade credit rating by 2025, maintaining a quarterly dividend of $0.165 per share, the Company's financial targets and portfolio of renewable energy projects, the Company's *Growth Path* and its Corporate Social Responsibility (CSR) objectives are forward-looking statements based on current forecasts, as defined by securities legislation. Positive or negative verbs such as "will," "would," "forecast," "anticipate," "expect," "plan," "project," "continue," "intend," "assess," "estimate" or "believe," or expressions such as "toward," "about," "approximately," "to be of the opinion," "potential" or similar words or the negative thereof or other comparable terminology, are used to identify such statements.

Forward-looking statements are based on major assumptions, including those about the Company's return on its projects, as projected by management with respect to wind and other factors, opportunities that may be available in the various sectors targeted for growth or diversification, assumptions made about EBITDA(A) margins, assumptions made about the sector realities and general economic conditions, competition, exchange rates as well as the availability of funding and partners. While the Company considers these factors and assumptions to be reasonable, based on the information currently available to the Company, they may prove to be inaccurate.

Boralex wishes to clarify that, by their very nature, forward-looking statements involve risks and uncertainties, and that its results, or the measures it adopts, could be significantly different from those indicated or underlying those statements, or could affect the degree to which a given forward-looking statement is achieved. The main factors that may result in any significant discrepancy between the Company's actual results and the forward-looking financial information or expectations expressed in forward-looking statements include the general impact of economic conditions, fluctuations in various currencies, fluctuations in energy prices, the Company's financing capacity, competition, changes in general market conditions, industry regulations, litigation and other regulatory issues related to projects in operation or under development, as well as other factors listed in the Company's filings with the various securities commissions.

Unless otherwise specified by the Company, forward-looking statements do not take into account the effect that transactions, non-recurring items or other exceptional items announced or occurring after such statements have been made may have on the Company's activities. There is no guarantee that the results, performance or accomplishments, as expressed or implied in the forward-looking statements, will materialize. Readers are therefore urged not to rely unduly on these forward-looking statements.

Unless required by applicable securities legislation, Boralex's management assumes no obligation to update or revise forward-looking statements in light of new information, future events or other changes.

Percentage figures are calculated in thousands of dollars.

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