

PRESS RELEASE

For immediate release

Boralex announces strong growth in power production and financial results in the second quarter of 2019

- **Growth in financial results attributable to acquisitions, commissioning of new sites and increased production at existing sites**
 - Revenues from energy sales totalled \$121 million (\$148 million)¹, up 27% (35%) from the comparable quarter last year
 - EBITDA(A) of \$83 million (\$103 million), up 44% (52%) from the comparable quarter last year
 - Discretionary cash flows (AFFO) of \$16 million versus \$1 million a year earlier
- **Significant increase in total power production**
 - For the quarter: increase of 30% (39%) compared with the same quarter of 2018 and production volume in line with anticipated production²
 - First six months of fiscal year: increase of 22% (37%) compared with a year earlier and production volume 1% (5%) higher than anticipated
- **High level of activity in project development**
 - Wind power contracts totalling 68 MW awarded to Boralex in the April Request for Proposals (RFP) in France and submission filed for the August RFP
 - Green light from Scottish government for Limekiln Wind Farm (90 MW)
 - Faster than expected team deployment and development of potential projects in the U.S. solar power segment
- **Strategic plan and new financial objectives announced on June 18, 2019**

Montréal, August 8, 2019 – For the three-month period ended June 30, 2019, the results for Boralex Inc. (“Boralex” or the “Corporation”) (TSX: BLX) were higher than for the corresponding period of 2018. Growth in energy revenues, EBITDA(A) and net earnings is attributable to contributions from sites acquired and commissioned in the past 12 months as well as higher revenues from energy sales at existing sites.

“These second quarter results show that we have adopted the right approach in our strategy for growth and diversification in promising segments of the renewable energy sector,” said Patrick Lemaire, President and Chief Executive Officer of Boralex. “In addition to the contribution from sites acquired and commissioned in Canada and France, the improved results stem from significant production increases at our comparable wind farms in Canada and France, and at our hydroelectric power stations.”

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 Boralex's strong growth potential in a fast-growing industry. "As we said at our Investor Day on June 18, there is significant development potential in the segments we are targeting going forward and in which we have proven expertise. Our people are quickly preparing the way for the initiatives that will allow us to carry out our strategic plan and achieve our financial objectives. The contracts Boralex recently won in France, the latest developments in Scotland, and the prompt execution by our teams in the U.S. solar segment are all clear examples of this."

Operational highlights - Second quarter

Boralex's total power output, including the compensated volume from the Niagara Region Wind Farm (NRWF) in Ontario grew 30% (39%) in the second quarter of 2019 compared with the corresponding quarter last year. This increase was driven by good conditions in the wind and hydroelectric power segments.

In the wind power segment, Canadian wind conditions were favourable in the second quarter, driving a 13% (7%) increase in production volume at existing sites, compared to the same period last year. Including the commissioning of the Moose Lake wind farm on April 4, 2019 and the acquisition of the Invenergy³ interest in five wind farms on September 14, 2018, production volume in the Canadian wind power segment was up 17% (42%) for the second quarter of 2019, compared to the same quarter a year earlier. Production volume was 8% higher than the anticipated volume.

In France, conditions in the second quarter 2019 improved over the comparable quarter of 2018. Production volume at existing wind farms was up 13% compared with the same period last year. Including the commissioning of wind farms since June 30, 2018 and acquisition of the Kallista⁴ facilities on June 20, 2018, production volume in the wind power sector in France rose 59% to 393 GWh in the second quarter of 2019 compared with a year earlier. This increase was not, however, sufficient to reach the anticipated volume.

Overall, production volumes for the U.S. and Canadian hydroelectric power stations were 32% higher than last year and 18% above anticipated production.

³ Invenergy Renewables LLC.

⁴ Acquisition of entities Kallista Energy Investment SAS and KE Production SAS.

Financial highlights – Second quarter

For three-month periods ended June 30

	IFRS		Combined ⁽¹⁾	
	2019	2018	2019	2018
<small>(in millions of Canadian dollars, unless otherwise specified) (unaudited)</small>				
Power production (GWh) ⁽²⁾	1,009	775	1,267	909
Revenues from energy sales and feed-in premium	121	95	148	110
EBITDA(A) ⁽¹⁾	83	57	103	68
Net loss	(15)	(33)	(15)	(33)
Net loss attributable to shareholders of Boralex	(13)	(28)	(13)	(28)
Per share (basic and diluted)	(\$0.14)	(\$0.36)	(\$0.14)	(\$0.36)
Net cash flows related to operating activities	113	52	124	59
Cash flows from operations ⁽¹⁾	55	21	59	26

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

(2) GWh for which NRWF wind power site was compensated following power limitations were included in the power production as management considers this measure in its evaluation of the Corporation's performance. This change facilitates the correlation between power production and revenues from energy sales and feed-in premium.

For the three-month period ended June 30, 2019, revenues from energy sales totalled \$121 million (\$148 million), up 27% (35%) compared with the corresponding quarter of 2018. Contributions from the assets acquired from Kallista on June 20, 2018 and the sites commissioned over the past 12 months, including the 10 MW Catésis wind farm commissioned during the quarter, resulted in a favourable difference of \$15 million (\$28 million on a Combined basis including contributions from the interests in five Québec wind farms acquired from Invenergy). For existing wind farms, weather conditions were better compared to last year, resulting in a favourable difference of \$12 million (\$11 million).

Consolidated EBITDA(A) for the second quarter of 2019 was \$83 million (\$103 million), up 44% (52%) compared with the corresponding quarter of 2018. The increase stems from the contributions of sites acquired and commissioned during the past year and the increase in production volume at existing sites compared with the past year. The positive impact of IFRS 16 was \$4 million.

In the second quarter of 2019, cash flows from operations totalled \$55 million (\$59 million) up from \$21 million (\$26 million) for the same period a year earlier. Discretionary cash flows (AFFO) grew to \$16 million in the second quarter, compared with \$1 million in the corresponding quarter of 2018.

The Corporation recorded a net loss attributable to shareholders of Boralex of \$13 million or \$0.14 per share (basic and diluted), compared to a net loss attributable to shareholders of Boralex of \$28 million or \$0.36 per share (basic and diluted) a year earlier. The improvement of \$15 million (\$0.22 per share, basic and diluted) stems from the increase in EBITDA(A), mitigated by the increase in amortization and financing expenses related to the expansion of the Corporation's operating base.

Operational highlights – First six months

Borex's total power production, including the volume at NRWF covered by contractual compensation, grew 22% (37%) in the first six months of 2019 compared with the corresponding period of 2018.

In the wind power segment, production volume at existing wind farms in Canada grew 5% (7%) as a result of generally better wind conditions since the start of the year compared to last year. Including the contribution from the Moose Lake wind farm commissioned in the second quarter of 2019 and the acquisition of Invenergy's interests in five wind farms on September 14, 2018, production in the Canadian wind power segment rose 6% (43%) in the first six months of the fiscal year to 722 GWh (1,375 GWh), which is 3% (11%) above the anticipated value.

In France, the production volume of existing wind farms for the first six months of the fiscal year was 1% higher than last year. Including the contributions from acquired and newly commissioned sites, production volume in the French wind power segment was up 47% for the first six months of 2019 compared with the same period a year earlier, to 1,035 GWh, slightly lower than the anticipated value for the period.

In the hydroelectric power segment, total hydroelectric power production was up 15% compared with a year earlier and exceeded anticipated production by 13%. The good performance of the U.S. power stations since the start of the year more than offset the production decline for Canadian power stations. The decline in Canada reflects the less favourable water flow conditions in the first quarter of 2019 compared with last year, and the production shutdown at the Buckingham power station to upgrade installed capacity.

Financial highlights – First six months

For the six-month periods ended June 30

	IFRS		Combined ⁽¹⁾	
	2019	2018	2019	2018
<i>(in millions of Canadian dollars, unless otherwise specified) (unaudited)</i>				
Power production (GWh) ⁽²⁾	2,293	1,872	2,946	2,155
Revenues from energy sales and feed-in premium	293	247	362	278
EBITDA(A) ⁽¹⁾	214	161	257	182
Net earnings (loss)	16	(10)	16	(10)
Net earnings (loss) attributable to shareholders of Borex	16	(8)	16	(8)
Per share (basic and diluted)	\$0.18	(\$0.10)	\$0.18	(\$0.10)
Net cash flows related to operating activities	178	162	196	174
Cash flows from operations ⁽¹⁾	156	98	180	111
	As at June 30,	As at Dec 31,	As at June 30,	As at Dec 31,
Total assets	4,783	4,767	5,461	5,425
Debt, including non-current debt and current portion of debt	3,181	3,271	3,750	3,855

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

(2) GWh for which NRWF wind power site was compensated following power limitations were included in the power production as management considers this measure in its evaluation of the Corporation's performance. This change facilitates the correlation between power production and revenues from energy sales and feed-in premium.

In the six-month period ended June 30, 2019, revenues from energy sales totalled \$293 million (\$362 million), up 19% (30%) compared to the same period a year earlier. Growth was mainly driven by the increased contributions from acquisitions and wind farms commissioned since June 30, 2018.

For the first six months of 2019, consolidated EBITDA(A) totalled \$214 million (\$257 million), up 32% (41%) year over year. The increase was largely driven by the additional EBITDA(A) resulting from expansion of the operating base over the past year and increased production at existing sites, as discussed above. Other items that had a favourable impact include the coming into force of IFRS 16 – Leases, for \$7 million.

Cash flows from operations totalled \$156 million (\$180 million) for the six-month period ended June 30, 2019, up from \$98 million (\$111 million) for the same period a year earlier. Discretionary cash flows (AFFO) grew by \$28 million to \$60 million in the first six months of the year compared with \$32 million for the same period of 2018.

Net earnings attributable to shareholders of Boralex amounted to \$16 million or \$0.18 per share (basic and diluted), compared to a net loss attributable to shareholders of Boralex of \$8 million or \$0.10 per share (basic and diluted) a year earlier. The favourable difference of \$24 million or \$0.28 per share (basic and diluted) compared with the first six months of 2018 is explained by the items discussed above. The increase of \$53 million (\$75 million) in EBITDA(A) and the favourable differences with respect to acquisition costs and impairment offset the increase in amortization expense, financing costs and income tax expense.

Outlook

On June 18, 2019, Boralex's management announced the strategic plan which will steer its actions to achieve the financial objectives set 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 new plan sets out four main strategic directions and three financial objectives and is based on a rigorous analysis of the market 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 technological innovations.

STRATEGIC PLAN AT A GLANCE	
Strategic directions	Financial objectives for 2023
<p>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.</p> <p>Diversification Strengthen our presence in the solar power sector and participate in developing the energy storage market.</p> <p>Customers Adopt new business models directly targeting electricity-consuming companies for the sale of energy and the provision of complementary services.</p> <p>Optimization Maximize synergies and optimize operational costs and diversify our sources of financing.</p>	<p>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.</p> <p>Dividend Pay an ordinary dividend equivalent to a dividend payout ratio of 40% to 60% of discretionary cash flows.</p> <p>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.</p>

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.

The Corporation also intends to maintain exemplary financial discipline by targeting projects and acquisitions that meet specific growth and synergy criteria in order to create value and generate returns in line with shareholder expectations. Accordingly, the Corporation intends to carry out more projects through partnerships while maintaining control and management of operations, which will generate additional revenues.

Boralex is also maintaining the same approach that has contributed to its success to date, which consists in relying on predictable cash flows through long-term, indexed, fixed-price energy sales contracts. The Corporation expects 96% of its revenues to be generated from such contracts on the 2023 horizon, with an expected weighted average remaining term of about 11 years.

Boralex will implement 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 June 30, 2019. Based on the analyses performed, this segment represents a total market potential of 10,550 MW for the Corporation while its portfolio of projects at various stages of development total 2,050 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 450 MW.

In the short term, the projects that have obtained all the authorizations required for launching construction will add 82 MW to installed capacity, increasing total capacity from 2,003 MW as at June 30, 2019 to 2,085 MW at the end of 2020. The completion of these projects will require a total planned investment of about \$255 million for an estimated additional contribution to annual EBITDA(A) of \$30 million. Over \$85 million have already been invested in these projects as at June 30, 2019 while additional investments of about \$170 million will be required to complete them. These projects will be financed by loans up to approximately \$180 million.

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 September 17, 2019 to shareholders of record at the close of business on August 30, 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 has ensured sustained growth by leveraging the expertise and diversification developed for nearly 30 years. Boralex's shares and convertible debentures are listed on the Toronto Stock Exchange under the ticker symbols BLX and BLX.DB.A, respectively. 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, optimisation, 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% to 59.96%) in the financial statement items of the *Interests* (revenues, expenses, assets, liabilities, etc.). See the *Non-IFRS measures* section in the Second Quarter Interim Report for more information.

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