



PRESS RELEASE

For immediate release

Boralex Announces Agreements to acquire Interests in Seven Solar Plants in the United States for CA\$283M (US\$216.5M)

Montréal, Québec, November 23, 2020 – Boralex Inc. (TSX: BLX) ("Boralex" or the "Corporation") is pleased to announce that Boralex US Solar CIA LLC, a wholly owned subsidiary of the Corporation, has entered into binding agreements with Centaurus Renewable Energy LLC ("CRE") and certain other investors to acquire their controlling interests in seven solar plants, located in the United States, for a purchase price of \$CA283 million (US\$216.5 million). CRE and other investors will retain certain non-controlling interests in the assets resulting in total net installed capacity to Boralex of 118 MWac.

The operating solar plants totaling 209 MWac of gross installed capacity, located in the City of Five Points, the City of Huron, Kettleman City, the City of Lancaster and the City of Newman, California; Chambers County, Alabama; and Indianapolis, Indiana, were commissioned between 2014 and 2017. The assets benefit from long-term Power Purchase Agreements ("PPAs") with the Regents of the University of California, Alabama Power Company, PG&E, Southern California Edison, City of Palo Alto, and Indianapolis Power & Light, expiring between 2029 and 2046 with a remaining weighted average of more than 21.5 years on the PPAs.

Closing of the transaction is currently anticipated to occur on or before December 31, 2020, subject to the satisfaction of usual closing conditions, including receipt of FERC approval for the Lafayette and Five Points assets. The PPA of the Lafayette asset contains a right of first refusal in favor of Alabama Power, pursuant to which the CRE interest in Lafayette can be acquired by Alabama Power within sixty days of being notified of a third-party binding offer by matching the proposed purchase price. Boralex does not know whether Alabama Power intends to exercise such right or not. The acquisition of the interest in this specific asset is therefore subject to the waiver or expiry of this right.

"The acquisition of Centaurus' interest in seven solar plants will mark Boralex's entry into the California, Alabama, and Indiana markets. The acquisition of interests in these high-quality assets secured by long term contracts is perfectly aligned with the growth and diversification orientations of our 2023 strategic plan. We are extremely pleased with the stable stream of cash flow and strong growth potential this transaction is bringing to Boralex. This transaction will be accretive to discretionary cash flow (AFFO) per share in the first year and will be a springboard to further development in these new regional energy markets for Boralex, especially California" said Patrick Lemaire, President and Chief Executive Officer of Boralex.

Highlights¹

- Acquisition price: CA\$283M (US\$216.5M)
- Debt financing covering about 75% of the acquisition price to be put in place
- Adds 118 MWac net power to Boralex's installed capacity
- Long term contracts with a remaining weighted average duration of more than 21.5 years
- Expected combined EBITDA (US GAAP) contribution: around CA\$20M (US\$15M)
- Accretive to discretionary cash flow (AFFO) per share in the first year with expected AFFO of about CA\$4M (US\$3M) or \$0.03 per share, a 3 % increase over the consolidated amount generated by Boralex in 2019

"We are excited to announce these agreements to acquire interests in this portfolio of solar plants, which offers a good seasonal complement to our wind and hydro assets as well as predictable cash flows. Upon closing, Boralex will become the new managing member of the sites and, over time, we will implement various strategies expected to increase the results for Boralex " added Patrick Decostre, Vice President and Chief Operating Officer of the corporation.

Expected Synergies

- Assets optimization through improved operating and maintenance work
- Accretive retrofits and repowering potential given high PPA prices, PPA flexibility and long remaining PPA terms
- Springboard to our participation in the growth of these new regional energy markets, with a focus on California where Boralex sees additional potential development which could be done, among others, with the resources to be deployed for the assets to be acquired
- Potential addition of storage in California
- Operational experience improving the competitiveness of greenfield development

Description of the Assets

The assets are comprised of the following:

- **Lafayette** solar plant (79 MWac) ("Lafayette") is located in Chambers County, AL and the sponsor equity is currently owned by CRE (59%) affiliates of Global Atlantic Financial Group (40%) and a minor investor (1%). Lafayette was commissioned in December 2017 and has a PPA in place with Alabama Power Company, expiring in December 2045, and has third-party tax equity;
- **Five Points** solar plant (60 MWac) ("Five Points") is located in Five Points, CA and the sponsor equity is currently owned by CRE (50%) and affiliates of Global Atlantic Financial Group (50%). Five Points was commissioned in October 2016 and has a PPA in place with the Regents of University of California, expiring in October 2041, and has third-party tax equity;
- **Kettleman** solar plant (20 MWac) ("Kettleman") is located in Kettleman City, CA and is currently owned by CRE (50%) and affiliates of Global Atlantic Financial

¹ Assuming LaFayette ROFR is not exercised

- Group (50%). Kettleman was commissioned in August 2015 and has a PPA in place with the City of Palo Alto, expiring in August 2040, and no longer has any third-party tax equity;
- **Frontier** solar plant (20 MWac) (“Frontier”) is located in Newman, CA and the sponsor equity is currently owned by CRE (50%) and affiliates of Global Atlantic Financial Group (50%). Frontier was commissioned in July 2016 and has a PPA in place with the City of Palo Alto, expiring in July 2046 and has third-party tax equity;
 - **Westlands** solar plant (18 MWac) (“Westland”) is located in Huron, CA and is currently owned by CRE (65.5%) and affiliates of Global Atlantic Financial Group (32.5%) and a minority investor (2%). Boralex will acquire 50% of the Total Class B interests leaving CRE with 15.5%. Westland was commissioned in January 2014 and has a PPA in place with PG&E, expiring in February 2034, and does not have any third-party tax equity;
 - **Lancaster** solar plant (3 MWac) (“Lancaster”) is located in Lancaster, CA and is currently owned by CRE (100%). Lancaster was commissioned in December 2014 and has two PPAs in place with Southern California Edison, expiring in December 2034 and does not have any third-party tax equity; and
 - **IMS** solar plant (9 MWac) (“IMS”) is located in Indianapolis, IN and is currently owned by CRE (100%). IMS was commissioned in July 2014 and has a PPA in place with Indianapolis Power & Light, expiring in July 2029, and no longer has any third-party tax equity.

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 over 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 the transaction with CRE, the benefits from the transaction and the acquired interests, the accretion to discretionary cash flows, the expected EBITDA contribution from the interests acquired, the expected synergies from the transaction, the expected expiry dates of the PPAs, the satisfaction of the closing conditions to the transaction, the receipt of regulatory approvals, the targeted debt to equity contributions, the completion of financing and the anticipated date of closing of the transaction 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 the interests to be acquired, based on management's estimates and expectations with respect to factors related to production and other factors; assumptions made about EBITDA margins; assumptions made about the situation in the sector and the economic situation in general, competition and the availability of financing.

Although Boralex believes that the expectations reflected by the forward-looking statements presented in this news release are reasonable, 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.

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.

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