

PRESS RELEASE

For immediate release

Boralex acquires a 50% interest in five wind farms totalling 894 MW in the United States

Montréal (Canada), December 29, 2022 – Boralex Inc. (“Boralex” or the “Company”) (TSX: BLX), a leader in renewable energy, today announced it has completed the acquisition of EDF Renewables North America’s (“EDF Renewables”) interest in five operating wind farms with a total installed capacity of 894 megawatts (MW), located in Texas and New Mexico. EDF Renewables’ interest represents 447 MW of installed capacity. With this acquisition, Boralex’s total installed capacity worldwide will increase to 2,956 MW, marking a significant step towards achieving Boralex’s [2025 Strategic Plan](#).

“Located in one of the United States’ most robust wind resources areas, these wind farms will grow and diversify our presence in the United States. This acquisition represents Boralex’s entry into the ERCOT (Electric Reliability Council of Texas) and SPP (Southwest Power Pool) markets,” said Patrick Decostre, President and Chief Executive Officer of Boralex. “This acquisition highlights the strategic, creative, and persistent approach to acquisitions our reputation is built upon. I am extremely proud of the Boralex team who worked together to make this a reality.”

“Considering EDF Renewables’ extensive development capabilities throughout North America, divestures provide an opportunity to rebalance our portfolio of owned assets,” said Luis Silva, Chief Financial Officer, EDF Renewables. “We are grateful to have worked constructively with the local stakeholders in Texas and New Mexico over the last decade and are pleased to partner with Boralex on this transfer of ownership.”

Financial Highlights

- Purchase Price, net of cash, and certain production tax credits receivable: CA\$339.7M (US\$249.8M), subject to customary post-Closing adjustments.¹
- Boralex will fund the Purchase Price from available cash resources.
- There is no existing project debt and the existing tax equity investors will continue to monetize the remaining production tax credits.
- The portfolio includes two projects with 13-year busbar power purchase agreements (“PPAs”) and one project with a 3-year hub-settled PPA; for a remaining weighted PPA average life of 10 years. Additionally, the portfolio includes two fully merchant projects.
- Expected 2023 contribution to Boralex combined EBITDA (US GAAP) of approximately CA\$39M (US\$28M). The acquisition will be accounted for as an investment in a joint venture in consolidated financial statements.
- Immediately accretive to discretionary cash flow (AFFO), with a 2023 contribution of approximately CA\$25M (US\$18M) or CA\$0.24 per share, a 19% increase over the consolidated amount generated by Boralex in 2021.

¹ The transaction includes CA\$16 US\$11.1M of cash, and CA\$16.6 US\$12.1M of New Mexico refundable production tax credits that were generated in 2021 and 2022 that will be received in Q1 2023 and Q1 2024, respectively; CA\$ based on 1.36 USD/CAD conversion rate at market closing on December 28, 2022.

Boralex has a history of optimizing the life cycle of its sites, as such these wind farms will benefit from years of experience in operation, maintenance, and repowering. Furthermore, this acquisition perfectly pairs with Boralex's organic development activities in the United States. In recognition of its expertise, Boralex will become the managing member of the partnership.

Commissioned between 2014 and 2016, EDF Renewables developed and built all five wind farms utilizing Tier 1 turbine manufacturers. The acquisition will balance Boralex's current United States mix of solar and hydro power generation capacity.

Three of the wind farms have long-term PPAs that are well structured with well-established off-takers. The PPAs do not contain fixed shape hedges that have caused recent difficulties in these markets. The other two wind farms are in strong and stable merchant markets, and with current condition of inflation, some merchant exposure will be complementary to the PPAs.

Description of the Assets

Hereford

- Installed capacity: 200 MW
- Commissioned in: 2014
- Power sold merchant
- Location: Deaf Smith County, Texas

Longhorn

- Installed capacity: 200 MW
- Commissioned in: 2015
- Power purchase agreement: 3 years remaining
- Location: Floyd and Briscoe Counties, Texas

Spinning Spur 3

- Installed capacity: 194 MW
- Commissioned in: 2015
- Power purchase agreement: 13 years remaining
- Location: Oldham County, Texas

Milo

- Installed capacity: 50 MW
- Commissioned in: 2016
- Power sold merchant
- Location: Roosevelt County, New Mexico

Roosevelt

- Installed capacity: 250 MW
- Commissioned in: 2015
- Power purchase agreement: 13 years remaining
- Location: Roosevelt County, New Mexico

Location of the Assets



For more information on the acquisition and assets, please see the [official fact sheet](#).

Advisors

The following service providers assisted Boralex on this transaction: J.P. Morgan acted as the exclusive buy side financial advisor; Amis, Patel and Brewers was deal counsel; DNV served as the independent engineer; Aurora served as the power market consultant; nFront served as the congestion risk consultant; Aon provided insurance consulting services; KPMG advised on tax matters, and Triton Advisory served as accounting advisor.

Conference Call – Thursday, December 29, 2022, at 10:00 a.m. EDT

Financial analysts and investors are invited to attend a conference call today, at 10:00 a.m. EDT, during which Boralex will give more detailed information on the transaction.

To attend the conference

Webcast link: <https://edge.media-server.com/mmc/p/tpsfbu96>

To attend the event by phone: [Click here](#) to register for the earnings call. Once you have completed your registration, you will receive a confirmation email containing the link and your personal PIN to connect to the call. If you lose this link and your PIN, you will be able to register again. **You must register if you wish to attend the call by phone.**

Media and other interested individuals are invited to listen to the conference and view a presentation which will be broadcasted live and on a deferred basis on Boralex's website at www.boralex.com. A full replay will also be available on Boralex's website until December 29, 2023.

Caution Regarding Forward-Looking Statements

Some of the statements contained in this press release, including those regarding the transaction with EDF Renewables, 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 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 Company 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 Company, 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.

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 3 GW. We are developing a portfolio of close to 4 GW in wind and solar projects and close to 800 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, visit www.boralex.com or www.sedar.com. Follow us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

About EDF Renewables

EDF Renewables North America is a market leading independent power producer and service provider with over 35 years of expertise in renewable energy. EDF Renewables delivers grid-scale power: wind (onshore and offshore), solar photovoltaic, and storage projects; distributed solutions: solar and storage; and asset optimization: technical, operational, and commercial expertise to maximize performance of generating projects. EDF Renewable's PowerFlex subsidiary offers a full suite of onsite energy solutions for commercial and industrial customers: solar, storage, EV charging, energy management systems, and microgrids. EDF Renewables' North American portfolio consists of 24 GW of developed projects and 13 GW under service contracts. EDF Renewables North America is a subsidiary of EDF Renouvelables, the dedicated renewable energy affiliate of the EDF Group. For more information visit: <http://edf-re.com>.

For more information:

Media – Canada

Camille Laventure
Advisor, External Communications
Boralex Inc.
438-883-8580
camille.laventure@boralex.com

Media – United States

Darren Suarez
Vice President, Public Affairs and
Communications, North America
Boralex Inc.
518 728-4187
darren.suarez@boralex.com

Investor Relations

Stéphane Milot
Senior Director – Investor Relations
Boralex Inc.
514 213-1045
stephane.milot@boralex.com

Source: Boralex Inc.