

Letter to Unitholders

The business performed well this quarter. We continue to advance our key operating priorities as well as execute on transactions from our strong pipeline of growth opportunities.

The trends driving the energy transition continue to accelerate, driven by the focus on net-zero ambitions, low-cost energy, and energy security. This environment will continue to favor investors like ourselves who are well capitalized and globally diversified, with significant development capabilities to build out renewables in scale. Our focus continues to be on growing our leading renewable power platform, expanding the spectrum of decarbonization solutions we can provide to customers, and building global businesses that are critical to the transition to net zero.

Highlights for the quarter include:

- We generated funds from operations (FFO) of \$294 million or \$0.46 per unit, a 10% increase over the same period last year.
- We closed or agreed to invest \$3 billion (\$650 million net to Brookfield Renewable) of capital across various transactions and regions.
- We advanced key commercial priorities, securing contracts to deliver an incremental 3,000,000-megawatt hours of clean energy annually including 600,000 megawatt hours to corporate offtakers. This includes securing a contract to provide clean energy to one of BASF's largest production facilities globally.
- We continued to accelerate our development activities, commissioning approximately 1,000 megawatts of new projects. These are expected to contribute approximately \$11 million of FFO annually to Brookfield Renewable. We also continue to execute on our 17,000-megawatt under-construction and advanced-stage pipeline and have expanded our development pipeline to 75,000 megawatts and approximately 8 million metric tons of carbon capture and storage ("CCS").
- We are advancing approximately \$560 million (\$90 million net to Brookfield Renewable) of asset recycling activities and continue to maintain robust financial capacity with \$4 billion of available liquidity, no material near-term maturities, and limited floating interest rate exposure.

Growth Initiatives

So far this year, we have deployed or agreed to deploy \$4.5 billion (\$1 billion net to Brookfield Renewable) of capital across a wide range of investments, including battery storage, carbon capture, distributed generation, and utility-scale wind and solar. To date, our investments into new transition opportunities comprise only a small portion of our capital deployment, but mark entry points into segments that we feel have the potential to grow

significantly over time. These investments represent new and incremental growth levers for our business, beyond our continued growth in renewables.

Our approach to investing in new transition opportunities is similar to how we look at renewable investments. We look for opportunities that are economic without government subsidy, technologically proven, and underpinned by strong macro tailwinds. We focus on situations where our key advantages of access to capital, knowledge of power markets, operating and development capabilities, extensive customer relationships, and global reach can differentiate us as investors and operators. Over time, as more decarbonization products and services scale, we expect transition investments to grow within our portfolio. However, investment in clean power generation remains the largest decarbonization investment opportunity today, and we therefore expect it to represent the majority of our deployment for the foreseeable future.

Our global distributed generation business continues to be a significant area of growth, as the trends of decentralized power generation and direct customer interaction accelerate. In the past twelve months, we have grown our U.S. distributed generation business by three times to 6,500 megawatts through various organic initiatives. These include our channel partnerships, joint development agreements, and strategic partnerships, like our cooperation agreement with Trane Technologies, which enables us to leverage our respective capabilities to create decarbonization solutions for customers.

We recently agreed to acquire a leading integrated distributed generation developer in the U.S. with a proven track record of developing and operating projects, for \$700 million (\$140 million net to Brookfield Renewable), representing our equity purchase price and additional equity deployment to fund future growth. The business has in-house expertise across all stages of the development lifecycle, with 500 megawatts of contracted operating and under construction assets located primarily in the U.S. northeast and an 1,800-megawatt identified development pipeline, of which almost 200 megawatts are de-risked with long-term, creditworthy counterparties.

With this investment, we further enhanced our position as the global leader in distributed generation with 10,300 megawatts of operating and development assets. With capabilities and scale across all our core regions, we are well positioned to keep growing and provide our customers with innovative decarbonization solutions across multiple markets. This will help our partners meet their sustainability targets while reducing operating costs through onsite renewable energy and other decarbonization services.

We also expanded our North American CCS platform through a recently announced joint venture to establish a new carbon management business. Under an arrangement with California Resource Corporation (“CRC”), an independent oil and natural gas company committed to the energy transition, we will partner to fund the development and construction of identified CCS projects in California, with an initial goal of deploying up to \$500 million of capital (\$100 million net to Brookfield Renewable). We expect that the joint venture, where we will retain the option to fund projects meeting our objectives, will benefit from a first mover advantage through CRC’s ownership of prospective CO₂ storage reservoirs that are a critical asset for carbon capture and storage in California, one of the most desirable jurisdictions globally given the state’s Low Carbon Fuel Standards credit system. The joint venture is targeting the injection of 5 million metric tons per annum and 200 million metric tons of total carbon dioxide storage development, which if reached could result in an additional investment of approximately \$1 billion (\$200 million net to Brookfield Renewable).

During the quarter, we invested in a leading private owner and operator of long-term, U.S. dollar-denominated, contracted critical power and utility assets across the Americas with 1,200 megawatts of installed capacity. Our

investment will be used to fund both growth, and decarbonization initiatives, including the implementation of a Paris-aligned energy transition plan that includes an approximately 1,300-megawatt renewable development pipeline. We have committed to invest up to \$500 million (\$100 million net to Brookfield Renewable) through both preferred shares and a 20% stake in the common equity.

In Brazil, we signed an agreement to acquire a high quality approximately 600-megawatt greenfield solar project in late-stage development located in a region with high solar radiance and grid availability, as well as potential construction, operating and connection synergies with our existing portfolio. The project is expected to require approximately \$190 million (\$48 million net to Brookfield Renewable) of equity capital.

In India, we signed an agreement to acquire our first renewable energy park. Once built, this renewable energy park will be approximately 500 megawatts and will enable us to provide decarbonization solutions to commercial and industrial customers at scale. The project is expected to require approximately \$110 million (\$22 million net to Brookfield Renewable) of equity capital. This represents the first investment in a renewable energy park strategy that we feel is highly replicable and plays to our strengths of development, construction, and corporate contracting.

Across the rest of Asia, we agreed to acquire approximately 750 megawatts of fully contracted wind assets consisting of primarily ready-to-build or under-construction projects for a total investment of approximately \$340 million (\$70 million net to Brookfield Renewable). The projects, some of which we are acquiring alongside Apple's renewable energy fund, are expected to be commissioned over the next year and will tuck into our existing operations in the region.

We are a Partner of Choice for Decarbonization

We are expanding and delivering on our 17,000-megawatt construction pipeline. So far this year, we have commissioned approximately 1,500 megawatts of capacity, which will contribute approximately \$20 million of additional run-rate FFO. And we are on track to commission an additional 2,800 megawatts of capacity by end of the year, which are expected to contribute an incremental approximately \$40 million of run-rate FFO.

This includes progressing wind repowerings in the U.S., including our 850-megawatt Shepherds Flat project, which remains on track for substantial completion by the end of the year. In Brazil, we commissioned our 30-megawatt Foz do Estrela hydro project and began selling power from our 1,200-megawatt Janauba solar facility during the quarter.

In Europe, 120 megawatts of new-build onshore wind assets reached commercial operations during the quarter. All these projects are contracted with the Polish government under inflation linked 15-year contracts. In Germany, we injected additional capital into our business and have doubled the megawatts expected to achieve ready-to-build status in the first two years. With the energy situation in Germany well known, we are working as hard as possible to build new projects as fast as we can. Elsewhere, we commissioned 200 megawatts of corporate contracted solar capacity in Australia and our first greenfield project in India, a 450-megawatt solar facility.

While this level of new generation is significant, it is representative of the ongoing level of development activity in our business. Our cash flows have started to meaningfully benefit from the considerable "dollars in the ground" that we have invested into our development projects in the past. Our development investment has increased in

recent years and will continue, meaning we have strong visibility into the future growth of our cash flows as more of our development projects come online.

We continue to be well positioned from a supply chain perspective, given our diversified pipeline and strong global relationships. While most major components for solar and wind development projects are experiencing upward pricing pressure, we lock in the cost of our major components when we sign revenue contracts. As a result, our under-construction pipeline is well protected from these risks, and while some costs have escalated, we have had no material issues in our broader business.

Looking ahead, given our ability to execute globally and at scale, we remain a top choice for corporates looking to procure green power. This is because we can be an attractive and flexible partner by offering a full suite of decarbonization solutions from our diverse fleet of renewable power and transition assets across the globe. We recently signed several agreements for 600,000 megawatt hours of wind and solar development with multinational corporations who are market leaders in their respective industries, including Amazon, BASF, Johnson & Johnson, and Salesforce. Each of these agreements has unique characteristics but with the consistent underlying theme of helping these corporations decarbonize their operations.

For example, we are finalizing terms on one of the largest national account distributed generation portfolios ever awarded globally, and we signed a 25-year fixed-price renewable electricity supply agreement with BASF, a multinational chemical company, to power one of its largest production facilities globally that it is building in China. All these agreements involve the build out of significant clean energy by leveraging our deep development expertise and centralized procurement platform and represent opportunities to enhance our long-term decarbonization relationships with these global corporations.

Electricity is Mission Critical

Our business remains well positioned to operate and grow irrespective of the economic situation, including during periods of slower economic growth or market volatility. This comes down to the fact that power is an essential service, meaning demand for our product is not materially impacted by economic conditions, especially given renewables are provided priority dispatch across most markets. The early days of the pandemic illustrated this dynamic, where, despite a dramatic slowdown in economies, our business continued to perform well, as renewable generation increased nearly 15%. Further, our business is highly contracted with a diverse set of high-quality customers and PPAs that are inflation-linked and underpinned by a conservative, investment-grade financing structure that is almost exclusively fixed rate.

The growth of our business is driven by long-term global trends, notably the transition of the global economy to net zero, which far outweigh short-term market conditions. These long-term trends are further accelerated by tailwinds from emerging energy security issues, and wind and solar now being the lowest cost bulk generation available in most markets, providing counterparties with environmental, geopolitical, and economic incentive to invest.

Despite current market volatility, the transition investment opportunity remains significant. Looking ahead, with the increasing electrification of many large industries, demand for net new generation, beyond the replacement of existing thermal generation, will be significant, creating even further large-scale tailwinds. Brookfield Renewable is exceedingly well positioned to support and capture that opportunity.

Furthermore, despite recent pressure on development and financing costs globally, our growth has not been meaningfully impacted as buyers of clean energy are generally accepting cost increases in the form of higher PPA prices. This is on the back of accelerating decarbonization and energy security tailwinds, as well as the continued cost competitiveness of wind and solar, which has only been enhanced by the impact of commodity prices on the cost of thermal generation.

Operating Results

We generated FFO of \$294 million or \$0.46 per unit during the quarter, reflecting solid performance and an increase of 10%. Our operations benefited from strong asset availability, higher power prices, and continued growth, both through development and acquisitions.

In the current power price environment, we are executing on several initiatives to capture value across our business. At our hydro assets in the U.S. and Colombia, where we have a majority of our uncontracted generation over the next five years, we have been executing contracts at very attractive prices. And while our results benefitted from higher all-in market prices during the quarter, the impact was relatively limited given we were largely contracted going into the year. However, throughout this year and beyond, we have increasing amounts of hydro capacity across our fleet which will come available to benefit from these dynamics. At our pumped storage assets in the UK, we have locked in value through 2024, where typically we only do this months ahead.

During the quarter, our hydroelectric segment delivered FFO of \$205 million. Our hydro assets globally continue to exhibit strong cash flow resiliency given the increasingly diversified asset base and the ability to capture higher power prices both through inflation linked power purchase agreements and a positive merchant pricing environment. Across our fleet, reservoirs are generally at long-term averages, positioning the portfolio well to capture the higher power prices in the latter half of the year.

Our wind and solar segments generated a combined \$150 million of FFO. We continue to benefit from contributions from acquisitions and the diversification of our fleet that is underpinned by long duration power purchase agreements, which provide stable revenues.

Lastly, our distributed energy and sustainable solutions segment generated \$38 million of FFO benefitting from both acquisitions and organic growth across the portfolio.

Balance Sheet And Liquidity

Our balance sheet and liquidity remain strong. We have approximately \$4 billion of available liquidity, allowing us to opportunistically fund our growth pipeline, and no material near-term maturities. Additionally, with the recent \$15 billion closing of Brookfield's Global Transition Fund, we have access to scale capital to invest alongside us, which is a meaningful advantage given increasingly volatile capital markets.

During the first half of 2022, we accelerated many of our financing activities, extending the term of our debt and locking in attractive interest rates, before recent rate increases. During the quarter, we executed \$2.1 billion of non-recourse financings across the business. Notably, on the back of a strong outlook for our Colombian business and in anticipation of potential market volatility ahead of the recent presidential elections, we raised \$630 million (\$150 million net to Brookfield Renewable) in upfinancings at an average term of over 8 years.

As a result, our balance sheet is in excellent shape, with an average debt duration across our portfolio of 13 years and very limited floating rate debt, almost all of which is in Brazil and Colombia, where we have the benefit of full inflation escalation in our contracts.

We also continued to advance our capital recycling initiatives which, when closed, will generate \$560 million of proceeds (\$90 million net to Brookfield Renewable). During the quarter, we closed the sale of 36 megawatts of Brazilian hydro assets for proceeds of \$90 million (\$23 million net to Brookfield Renewable) and closed the first tranche of the sale of our 630-megawatt solar portfolio in Mexico for \$240 million (\$30 million net to Brookfield Renewable), where we expect to nearly double our invested capital in less than three years.

Outlook

We continue to focus on growing our business and enhancing cash flows from our existing portfolio. This way, we can drive decarbonization across a large and expanding opportunity set.

We believe that with our scale, track record, and global capabilities, we are well situated to partner with governments and businesses to help them achieve their goals of low-cost energy, achieving net zero, and energy security. We believe the prospects for the growth of our business are better than they have ever been.

As always, we remain focused on delivering on our long-term total return targets. On behalf of the Board and management of Brookfield Renewable, we thank all our unitholders and shareholders for their ongoing support.

Sincerely,



Connor Teskey

Chief Executive Officer

August 5, 2022

Cautionary Statement Regarding Forward-looking Statements

This letter to unitholders contains forward-looking statements and information within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. The words “will”, “intend”, “should”, “could”, “target”, “growth”, “expect”, “believe”, “plan”, derivatives thereof and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify the above mentioned and other forward-looking statements. Forward-looking statements in this letter to unitholders include statements regarding the quality of Brookfield Renewable’s and its subsidiaries’ businesses and our expectations regarding future cash flows and distribution growth. They include statements regarding Brookfield Renewable’s anticipated financial performance, future commissioning of assets, contracted nature of our portfolio (including our ability to recontract certain asset), technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions, financing and refinancing opportunities, future energy prices and demand for electricity, global decarbonization targets, economic recovery, achieving long-term average generation, project development and capital expenditure costs, energy policies, economic growth, growth potential of the renewable asset class, the future growth prospects and distribution profile of Brookfield Renewable and Brookfield Renewable’s access to capital. Although Brookfield Renewable believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, you should not place undue reliance on them, or any other forward-looking statements or information in this letter to unitholders. The future performance and prospects of Brookfield Renewable are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of Brookfield Renewable to differ materially from those contemplated or implied by the statements in this letter to unitholders include (without limitation) our inability to identify sufficient investment opportunities and complete transactions; the growth of our portfolio and our inability to realize the expected benefits of our transactions or acquisitions; weather conditions and other factors which may impact generation levels at facilities; adverse outcomes with respect to outstanding, pending or future litigation; economic conditions in the jurisdictions in which Brookfield Renewable operates; ability to sell products and services under contract or into merchant energy markets; changes to government regulations, including incentives for renewable energy; ability to complete development and capital projects on time and on budget; inability to finance operations or fund future acquisitions due to the status of the capital markets; health, safety, security or environmental incidents; regulatory risks relating to the power markets in which Brookfield Renewable operates, including relating to the regulation of our assets, licensing and litigation; risks relating to internal control environment; contract counterparties not fulfilling their obligations; changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, and other risks associated with the construction, development and operation of power generating facilities. For further information on these known and unknown risks, please see “Risk Factors” included in the Form 20-F of BEP and in the Form 20-F of BEPC and other risks and factors that are described therein.

The foregoing list of important factors that may affect future results is not exhaustive. The forward-looking statements represent our views as of the date of this letter to unitholders and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law.

No securities regulatory authority has either approved or disapproved of the contents of this letter to unitholders. This letter to unitholders is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Cautionary Statement Regarding Use of Non-IFRS Measures

This letter to unitholders contains references to FFO, FFO per Unit, Normalized FFO and Normalized FFO per Unit, which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of Adjusted EBITDA, FFO, FFO per Unit, Normalized FFO and Normalized FFO per Unit used by other entities. We believe that FFO, FFO per Unit, Normalized FFO and Normalized FFO per Unit are useful supplemental measures that may assist investors in assessing the financial performance and the cash anticipated to be generated by our operating portfolio. None of FFO, FFO per Unit, Normalized FFO and Normalized FFO per Unit should be considered as the sole measure of our performance and should not be considered in isolation from, or as a substitute for, analysis of our financial statements prepared in accordance with IFRS. For a reconciliation of FFO and FFO per Unit to the most directly comparable IFRS measure, please see “Reconciliation of Non-IFRS Measures - Three Months Ended June 30” included elsewhere herein and “Financial Performance Review on Proportionate Information - Reconciliation of Non-IFRS Measures” included in our unaudited Q2 2022 interim report. Normalized FFO assumes long-term average generation in all segments except the Brazil and Colombia hydroelectric segments and uses 2021 foreign currency rates.

References to Brookfield Renewable are to Brookfield Renewable Partners L.P. together with its subsidiary and operating entities unless the context reflects otherwise.

Endnotes

1) *Any references to capital refer to Brookfield's cash deployed, excluding any debt financing.*

2) *Available liquidity of \$4 billion refers to "Part 5 - Liquidity and Capital Resources" in the Management Discussion and Analysis in the Q2 2022 Interim Report.*