

Letter to Unitholders

Over the past 20 years, we have built a scale, global renewable power business with over \$50 billion of operating assets, an 18,000 megawatt development pipeline and deep expertise across all major renewable technologies. The world continues to be in the early stages of a global transition to the decarbonization of electricity grids. This shift, which is fueled by a push to reduce CO₂ emissions to meet increasingly stringent carbon reduction targets, and solar and wind power becoming the lowest cost, easiest to build providers of bulk power, will require significant investment over the coming decades. Accordingly, there is considerable room for our business to grow for many years ahead and, as subsidies decline or fall away, the opportunity will increasingly favor investors like ourselves who can drive value and enhance cash flows from our global scale and depth of operating expertise. We believe that we have established ourselves as one of the few entities with the scale, track record and global capabilities to partner with governments and businesses to help them achieve their goal of greening the global electricity grids, while earning a strong return for our investors.

Our solar business has grown substantially over the last five years. Today, we have over 3,000 megawatts of solar in operations and an additional nearly 10,000 megawatts of solar under development. As a result of technology advances and reductions in construction costs, solar can stand on its own without subsidies and more importantly, is now amongst the lowest cost sources of conventional power globally. To put this in perspective, solar costs over the last five years - the period in which we have built our solar business - have gone from over \$4 per watt to install, to less than a \$1 per watt in almost all jurisdictions around the world.

As a result of these favorable economics, as well as the renewable nature and perpetual source of free energy, we believe it is possible that in ten years from now the majority of the production capacity of Brookfield Renewable will be solar capacity. It is not that we do not believe in wind or hydro but the growth in solar and the ability for us to develop and earn strong risk adjusted returns should enable us to grow our solar operations at a far greater pace. Recently, we executed two transactions that highlight the strengths and scale of our solar capabilities and demonstrate the various ways we approach creating value for our shareholders.

First, we completed the merger of TerraForm Power into Brookfield Renewable on an all-stock basis. TerraForm Power was one of the largest owners of solar globally prior to the bankruptcy of its sponsor in 2016. Given our scale, we were one of the few organizations that could acquire it through the restructuring, and immediately stabilize the business by implementing an operating plan and resuming growth. As a result, we have driven significant value in the business, delivering TerraForm Power shareholders, including BEP, a 35% annualized total return and over two times their money since our involvement. The merger is accretive to Brookfield Renewable, strengthens our business in North America and Europe and further enhances our position as one of the largest publicly traded, pure-play renewable power businesses with an equity market capitalization of approximately \$20 billion.

The second transaction we executed was to acquire a 1,200 megawatt solar development project in Brazil. This is one of the largest solar development projects in the world and requires both development and energy marketing

capabilities to bring the project to completion. The project is 75% contracted, and we intend to leverage our deep energy marketing capabilities to contract the remaining power. In addition, given our global scale, we expect to drive down equipment procurement, installation and operating costs to deliver additional value over time. Accordingly, we expect to achieve approximately 20% returns on this investment. The transaction is subject to customary closing conditions and is expected to close in the fourth quarter of 2020.

Additional highlights for the quarter include:

- Generated FFO of \$232 million, up slightly from prior year, and normalized FFO of \$241 million, a 19% increase over the prior year, as our sites continue to perform well with high levels of asset availability, and we benefited from growth from new acquisitions and development assets coming online;
- We agreed on transactions to invest over \$580 million (\$130 million net to BEP) of equity;
- Our liquidity remains robust at \$3.4 billion and our balance sheet remains in excellent shape – with no material debt maturities over the next five years; and
- So far this year, we generated close to \$500 million of proceeds (\$85 million net to BEP) from asset recycling initiatives.

Brookfield Renewable Corporation (BEPC)

We completed the special distribution of BEPC shares providing investors with greater flexibility in how they invest in our business. BEPC is listed on the same exchanges as BEP, offering investors the optionality to invest in Brookfield Renewable through either a partnership or Canadian corporation, which we believe should lead to increased demand and enhanced liquidity for our securities.

We completed the special distribution on July 30th by providing unitholders with one share of BEPC for every four units of BEP. We have subsequently seen strong support for BEPC shares in the market, with strong trading volumes over the first week of trading and the share price trading slightly above the BEP unit price. We are very pleased with the launch and positive market reception thus far.

Results from Operations

During the second quarter, we generated FFO of \$232 million, or \$0.75 per unit, as the business benefited from recent acquisitions, strong operational performance, and execution on margin enhancement initiatives. On a normalized basis, our results are up 19% over last year.

With an increasingly diversified portfolio of operating assets, limited off-taker concentration risk, and a strong contract profile, our cash flows are highly resilient. While generation for the quarter was below the long-term average, driven largely by drier conditions in the New York and Colombia, generation so far this year has been roughly in line with long-term average. As we have reiterated, we expect this type of resource cyclicity, and therefore do not manage the business based on under-or over-performance of generation relative to the long-term average in any given period. Our focus continues to be on diversifying the business, which mitigates exposure to any single resource, market or counterparty.

We continue to be focused on maintaining a highly diversified, investment grade customer base with over 600 customers around the world under long-term power purchase agreements. For example, our commercial and industrial counterparties, which comprise less than 20% of our generation, are well diversified across regions and sectors, with our largest C&I customer representing only 2% of our total contracted generation. Our contract profile

remains strong, with 95% of total generation contracted in 2020, and a weighted-average remaining contract length of 15 years. Therefore, our cash flows are well protected from exposure to short-term price volatility and are expected to remain stable over the long-term.

During the quarter, our hydroelectric segment delivered FFO of \$193 million. In North America, we remain focused on securing short-term contracts in this low power price environment to retain upside optionality for when prices improve. In our Brazilian and Colombian portfolios, we continue to focus on extending the duration of our contract profile while maintaining a certain portion of uncontracted generation to mitigate hydrology risk. This quarter, we secured 17 new contracts in Latin America for a total of 432 gigawatt-hours per year, including one contract in Colombia with a seven-year term. The weighted-average remaining contract duration is now nine years in Brazil and three years in Colombia.

Our wind and solar segments generated a combined \$85 million of FFO, representing a 29% increase over the prior year, as we continue to generate stable revenues from these assets and benefit from the diversification of our fleet and highly contracted cash flows with long duration power purchase agreements. This quarter, we commissioned almost 100 MW of solar projects and secured five long-term PPAs with investment grade counterparties to support our 1,500 MW wind development pipeline in the U.S. and Europe.

Balance Sheet and Liquidity

Our liquidity position remains strong, with close to \$3.4 billion of total available liquidity, which allows us to support our current operations as well as to opportunistically pursue new investments.

Our investment grade balance sheet has no material maturities over the next five years, an average overall debt duration of 10 years, and approximately 80% of our financings are non-recourse to BEP. During the quarter, we executed over \$1.1 billion of financings across the business.

We also continued to execute our capital recycling strategy of selling mature, de-risked or non-core assets to lower cost of capital buyers and redeploying the proceeds into higher yielding opportunities. So far this year, we, together with our institutional partners, generated close to \$500 million of proceeds (\$85 million net to BEP) from these activities.

Outlook

Our business remains resilient, as we continue to actively look for opportunities to grow our portfolio on a value basis. As such, we remain firm in the belief that Brookfield Renewable is one of the strongest, best positioned platforms to contribute to the decarbonization of the globe through investment in multiple renewable technologies. In short, we believe the prospects for the growth of our business are better than they have ever been, and we remain well positioned to achieve our objective of delivering total returns on a per unit basis of 12% to 15% over the long term.

On behalf of the Board and management of Brookfield Renewable, we thank all our unitholders for their ongoing support.

Sincerely,

A handwritten signature in black ink, appearing to be 'Sachin' followed by a stylized surname.

Sachin Shah
Chief Executive Officer

August 7, 2020

Cautionary Statement Regarding Forward-looking Statements

This unitholder letter contains forward-looking statements and information, within the meaning of Canadian 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, concerning the business and operations of Brookfield Renewable. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Forward-looking statements in this unitholder letter include statements regarding the quality of Brookfield Renewable’s assets and the resiliency of the cash flow they will generate, Brookfield Renewable’s anticipated financial performance, future commissioning of assets, contracted nature of our portfolio, technology diversification, acquisition opportunities, expected completion of acquisitions and dispositions, financing and refinancing opportunities, BEPC’s eligibility for index inclusion, BEPC’s ability to attract new investors as well as the future performance and prospects of BEPC and Brookfield Renewable, the prospects and benefits of the combination of Brookfield Renewable and TerraForm Power, including certain information regarding the combined company’s expected cash flow profile and liquidity, future energy prices and demand for electricity, 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. In some cases, forward looking statements can be identified by the use of words such as “plans”, “expects”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes”, “potentially”, “tends”, “continue”, “attempts”, “likely”, “primarily”, “approximately”, “endeavours”, “pursues”, “strives”, “seeks”, “targets”, “believes”, or variations of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information in this unitholder letter are based upon reasonable assumptions and expectations, we cannot assure you that such expectations will prove to have been correct. You should not place undue reliance on forward looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to changes to hydrology at our hydroelectric facilities, to wind conditions at our wind energy facilities, to irradiance at our solar facilities or to weather generally, as a result of climate change or otherwise, at any of our facilities; volatility in supply and demand in the energy markets; our inability to re-negotiate or replace expiring PPAs on similar terms; increases in water rental costs (or similar fees) or changes to the regulation of water supply; advances in technology that impair or eliminate the competitive advantage of our projects; an increase in the amount of uncontracted generation in our portfolio; industry risks relating to the power markets in which we operate; the termination of, or a change to, the MRE balancing pool in Brazil; increased regulation of our operations; concessions and licenses expiring and not being renewed or replaced on similar terms; our real property rights for wind and solar renewable energy facilities being adversely affected by the rights of lienholders and leaseholders that are superior to those granted to us; increases in the cost of operating our plants; our failure to comply with conditions in, or our inability to maintain, governmental permits; equipment failures, including relating to wind turbines and solar panels; dam failures and the costs and potential liabilities associated with such failures; force majeure events; uninsurable losses and higher insurance premiums; adverse changes in currency exchange rates and our inability to effectively manage foreign currency exposure; availability and access to interconnection facilities and transmission systems; health, safety, security and environmental risks; energy marketing risks; disputes, governmental and regulatory investigations and litigation; counterparties to our contracts not fulfilling their obligations; the time and expense of enforcing contracts against non-performing counter-parties and the uncertainty of success; our operations being affected by local communities; fraud, bribery, corruption, other illegal acts or inadequate or failed internal processes or systems; some of our acquisitions may be of distressed companies, which may subject us to increased risks, including the incurrence of legal or other expenses; our reliance on computerized business systems, which could expose us to cyber-attacks; newly developed technologies in which we invest not performing as anticipated; labor disruptions and economically unfavorable collective bargaining agreements; our inability to finance our operations due to the status of the capital markets; operating and financial restrictions imposed on us by our loan, debt and security agreements; changes to our credit ratings; 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, including the TerraForm Power acquisition and the special distribution of BEPC shares; our inability to develop greenfield projects or find new sites suitable for the development of greenfield projects; delays, cost overruns and other problems associated with the construction and operation of generating facilities and risks associated with the arrangements we enter into with communities and joint venture partners; Brookfield Asset Management’s election not to source acquisition opportunities for us and our lack of access to all renewable power acquisitions that Brookfield Asset Management identifies, including by reason of conflicts of interest; we do not have control over all our operations or investments; political instability or changes in government policy; foreign laws or regulation to which we become subject as a result of future acquisitions in new markets; changes to government policies that provide incentives for renewable energy; a decline in the value of our investments in securities, including publicly traded securities of other companies; we are not subject to the same disclosure requirements as a U.S. domestic issuer; the separation of economic interest from control within our organizational structure; future sales and issuances of our LP Units, preferred limited partnership units or securities exchangeable for LP Units, or the perception of such sales or issuances, could depress the trading price of the LP Units or preferred limited partnership units; the incurrence of debt at multiple levels within our organizational structure; being deemed an “investment

company” under the U.S. Investment Company Act of 1940; the effectiveness of our internal controls over financial reporting; our dependence on Brookfield Asset Management and Brookfield Asset Management’s significant influence over us; the departure of some or all of Brookfield Asset Management’s key professionals; changes in how Brookfield Asset Management elects to hold its ownership interests in Brookfield Renewable; Brookfield Asset Management acting in a way that is not in the best interests of Brookfield Renewable or its unitholders; and the severity, duration and spread of the COVID-19 outbreak, as well as the direct and indirect impacts that the virus may have.

We caution that 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 unitholder letter 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. For further information on these known and unknown risks, please see “Risk Factors” included in our Form 20-F and other risks and factors that are described therein.

CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS MEASURES

This unitholder letter contains references to certain proportionate information Funds From Operations (FFO) and normalized FFO which are not generally accepted accounting measures under IFRS and therefore may differ from definitions of proportionate information, FFO and normalized FFO used by other entities. In particular, our definition of FFO may differ from the definition of funds from operations used by other organizations, as well as the definition of funds from operations used by the Real Property Association of Canada and the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”), in part because the NAREIT definition is based on U.S. GAAP, as opposed to IFRS. We believe that Brookfield Renewable’s Non-IFRS Measures are useful supplemental measures that may assist investors in assessing our financial performance. Our non-IFRS measures should not 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. These non-IFRS measures reflect how we manage our business and, in our opinion, enable the reader to better understand our business. A reconciliation of FFO to net income is presented in “PART 4 - Financial Performance Review on Proportionate Information - Reconciliation of non-IFRS measures” in our Management’s Discussion and Analysis for the three and six months ended June 30, 2020.

No securities regulatory authority has either approved or disapproved of the contents of this communication. This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.